

WHY CHANGE HISTORY MATTERS: THE ROLE OF CHANGE APPRAISALS

Why Do Employees' Perceptions of their Organization's Change History Matter? The Role of Change Appraisals

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Authors' Note:

This study was supported by an Australian Research Council Grant DP0984209 awarded to the authors. We thank Franco Quodala and Chris Asuncion for assistance in data collection.

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Abstract

In this paper, we identify an employee's change history in an organization as a key antecedent of their appraisals about organizational change (i.e., threat, harm, and challenge). We argue that these change appraisals are associated with psychological contract violation, which in turn is associated with intentions to turnover, and ultimately, with voluntary employee turnover. In 2009, we collected data over three measurement periods from 252 full-time, permanent employees from a manufacturing organization in the Philippines that was just about to undergo an organizational-wide restructuring. At Time 1 (T1, the change announcement), employees completed a survey assessing their change history in the organization and change appraisals. At Time 2 (T2, six months after the announcement), employees completed a survey assessing psychological contract violation and turnover intentions. Two years later (Time 3, T3), we collected data on voluntary employee turnover. Results suggest that a poor change history in an organization was negatively associated with challenge appraisals and was positively associated with threat and harm appraisals. Challenge and harm appraisals were significantly associated with psychological contract violation. These appraisals, in turn, were associated with turnover intentions, and ultimately, with voluntary employee turnover. In addition, T1 threat appraisals were directly positively associated with T3 voluntary turnover. Theoretical and practical implications are discussed.

Keywords: Subjective perceptions of change management history, change appraisals, psychological contract violation, voluntary employee turnover

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Large-scale organizational changes occur with increasing regularity (Bughin, Hung Byers, & Chui, 2011; De Meuse, Marks, & Dai, 2010), and yet, often, changes do not achieve their intended aims. Indeed, up to 70% of all change efforts fail (Beer & Nohria, 2000). In response to the high rate of change failure, researchers have devoted considerable effort to understand the factors that may increase the likelihood of change implementation success. To date, three major categories of factors that influence organizational change outcomes have been identified including change processes, the content of change, and the change context (Armenakis & Bedeian, 1999; Self, Armenakis, & Schraeder, 2007). While all three sets of factors influence organizational change outcomes (Armenakis & Bedeian, 1999; Rafferty & Restubog, 2010), the role of the change context has been ignored (Herold, Fedor, & Caldwell, 2007). The lack of attention directed towards understanding the role of the internal change context on employee responses to change represents a lost opportunity for change agents and human resource managers who are in a unique position to use this knowledge to influence this context (Brown, Kulik, Cregan, & Metz, in press; Schumacher, Schreurs, Van Emmerik, & De Witte, in press).

Guided by Lazarus and Folkman's (1984) transactional model of stress, we examine the influence of employees' subjective perceptions of their change history within their current organization (an important aspect of the internal change context) on employees' cognitive appraisals about change. These variables are proposed to influence psychological contract violation, and ultimately, voluntary employee turnover. In sum, we identify employees' cognitive appraisals about change (e.g., threat, harm, and challenge) and psychological

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contract violation as the underlying psychological mechanisms that link employees' perceptions of their change history and organizational exit.

Our paper makes four important contributions to the organizational change and human resource management (HRM) literatures. First, we expand our theoretical understanding of employees' perceptions of their change management history (Bordia, Restubog, Jimmieson, & Irmer, 2011; Rafferty & Restubog, 2010), which has received relatively little attention. We focus on the role of cognitive appraisals of change as critical mediators between the change context and subsequent reactions to change. Cognitive appraisal involves an evaluation of "what one's relationship to the environment implies for one's well-being" (Smith & Lazarus, 1993: 234). Fugate (2012: 182) argued that "appraisals give meaning to employees' experience of change". As such, an analysis of the relationships between cognitive appraisals during change and reactions to change enables us to better understand *why* people respond positively or negatively to aspects of the change context.

Second, prior studies in organizational change have predominantly focused on threat or harm appraisals and have ignored challenge appraisals. However, it is likely that organizational change events will be differentially experienced by change recipients (Rafferty & Griffin, 2006). As such, while some aspects of a change may be perceived as resulting in a potential loss or as presenting a danger to one's well-being with negative implications for the future (Lazarus & Folkman, 1984), other employees may perceive change as enhancing opportunities for growth and development. As such, it is important to represent employees' complete experience of change by incorporating both threat/harm appraisals and challenge appraisals in studies of organizational change events.

Third, we also contribute to the HRM literature in terms of highlighting the importance of the internal change context when managing organizational change efforts. A "healthy" organizational change is characterized by developing an awareness of local norms

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and an understanding and appreciation for the diversity of employees' reactions to change (Saksvik et al., 2007; Tvedt, Saksvik, & Nytrø, 2009). We suggest that a critical aspect of building awareness of local norms and responses to change involves considering employees' subjective perceptions of their organization's change history.

Finally, the vast majority of cognitive appraisal research has been conducted in the laboratory with students (Fugate, Harrison, & Kinicki, 2011), which is important when establishing cause and effect relationships. However, this methodology has concomitant weaknesses in terms of generalizing results. We extend research by examining the relationships between employees' perceptions of their change history and cognitive appraisals in a complex organizational change process involving a large-scale restructuring. Below, we further explicate the research model, develop hypotheses, and discuss our key findings and their implications for theory and practice.

Theory and Hypotheses

The transactional theory of stress (Lazarus & Folkman, 1984) proposes that cognitive appraisal is a central element in the process of classifying an encounter with respect to its significance for one's health and well-being. Specifically, the cognitive appraisal process results in two sets of appraisals: primary and secondary appraisals. Primary appraisal is concerned with answering the question "Am I likely to be benefitted or harmed now or in the future, by an event or situation?" There are three types of primary "stress" appraisals. When an individual appraises a situation as *threatening*, this reflects an assessment that harm has not yet occurred but is anticipated. In contrast, an appraisal of *harm* suggests that some damage or loss to the person has already occurred. It is theoretically and practically important to distinguish between appraisals of threat and harm. Threat permits anticipatory coping and allows an individual to mitigate possible negative consequences. In contrast, harm represents an acknowledgement that loss has already occurred and that there is no opportunity for

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employees to engage in efforts to avoid the loss. Finally, *challenge* appraisals focus on the potential for gain or growth in a situation. Secondary appraisal assesses what can be done to respond to an event and reflects an individual's assessment of whether an individual has sufficient resources to deal with an event, the extent to which these resources will enable an individual to adequately respond to an event, and whether one can apply the chosen response(s) effectively (Lazarus & Folkman, 1984).

Employee perceptions of a poor change management history and change appraisals

To date, researchers have identified three major categories of factors that influence organizational change outcomes including change processes, the content of change, and the change context (Armenakis & Bedeian, 1999; Self et al., 2007). A great deal of attention has focused on change processes, which captures the specific methods used to implement change (Self et al., 2007) such as the extent of participation and the quality of change communication provided to employees. In contrast, the content of change refers to the “what” of change (Devos, Buelens, & Bouckennooghe, 2007). When considering the content of change, Devos et al. distinguished between first- and second-order changes. First-order changes involve modifications to non-central aspects of the workplace. Second-order changes involve major disruptions to key organizational systems such as culture and strategy and represent a radical departure from existing ways of doing things. Lazarus and Folkman (1984) also identified a number of change content features as influential in driving appraisals including the novelty of change, the unpredictability of change, and the duration of change.

The context of change has been broadly defined as “the *circumstances* (italics in original) or the existing external and internal conditions that have been shown to influence organizational effectiveness” (Self et al., 2007; 214). We focus on employees' perceptions of their change management history in an organization as a key aspect of the internal change

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context. Pettigrew, Woodman, and Cameron (2001: 700) noted that history is “not just events and chronology, it is (also) carried forward in the human consciousness. The past is alive in the present and may be shaping the emerging future”. Similarly, Karniol and Ross (1996) argue that how people think about the past has important motivational consequences for the present as individuals often react to the present as if they were reliving the past.

There are two main reasons why employees’ perceptions that they have a poor change history may have negative implications for both individuals and organizations during change. First, past experiences lead individuals to develop expectations about their ability to perform a previously untried task prior to performing that task (Devos et al., 2007). As such, if employees develop negative expectations about their likelihood of carrying out tasks successfully during an organizational change then these beliefs may influence future expectations of success during change. Second, cynicism about change emerges in environments where employees have been exposed to a history of change attempts that are not entirely or clearly successful (Reichers, Wanous, & Austin, 1997; Wanous, Reichers, & Austin, 2000). These negative change attitudes may then persist over time and further decrease the likelihood of change success in the future.

To date, experimental (Devos et al., 2007) and field research (Devos et al., 2007; Bordia et al., 2011; Rafferty & Restubog, 2010) indicates that an employee’s perceptions of their change management history in an organization shapes their responses to organizational changes. For example, in a study of a merger in the Philippines, Bordia and colleagues reported that change management history was negatively associated with trust in the organization and cynicism about organizational change. In another study which focused on the low status partner in an organizational merger, Rafferty and Restubog reported that employees who indicated that they had a poor change history in the organization reported lower affective commitment to change.

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We propose that an individual's perceptions regarding their change history in an organization will also influence the *types of appraisals* they make when exposed to a new organizational change. In particular, when employees report that they have experienced unsuccessful or poorly managed change in the past, then this will result in the expectation that both tangible and intangible resources will be lost in the future. At a tangible level, poorly managed change in the past may result in increased occupational stressors (e.g., role conflict, role ambiguity and workload; Cartwright & Panchal, 2000), reduced status and recognition (Armenakis & Bedeian, 1999) and job loss of valued colleagues (Callan, 1993). At the intangible level, poorly managed change in the past may increase the likelihood that employees anticipate that they will not be respected and valued as members of the organization (Tyler & Lind, 1992). As such, when individuals perceive that they have experienced a poor change management history in an organization, then they are likely to anticipate negative outcomes in the future. Thus, we propose that:

Hypothesis 1: Employees' perceptions that they have a poor change management history in an organization will be positively associated with threat appraisals.

Employees who believe that they have been exposed to poorly managed change may construe current change events as harmful because they have experienced greater levels of psychological distress and stress-related outcomes as a result of previous changes (e.g., irritability, anxiety, depression, somatic complaints; Jimmieson, Terry, & Callan, 2004; Terry, Callan, & Sartori, 1996) and a diminished sense of control and enhanced uncertainty (Bordia, Hunt, Paulsen, Tourish, & DiFonzo, 2004; Rafferty & Griffin, 2006). Thus, having a poor change management history is likely to be associated with beliefs that change is a significant source of harm, with profound (negative) implications for employees' well-being. Thus, we propose that:

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Hypothesis 2: Employees' perceptions that they have a poor change management history in an organization will be positively associated with harm appraisals.

Finally, when employees believe that they have experienced a poor change management history in an organization, then they will be less likely to perceive that change represents a challenge. When previous change efforts have failed and have involved poor change processes, individuals are likely to develop expectations that current and future changes will fail and involve suboptimal change processes. As such, it is likely that employees will appraise current changes as presenting limited opportunities for growth because of the expectation, for example, that they will not be provided with ample opportunities to participate in change-related decision-making and will therefore result in unfavorable change outcomes.

Hypothesis 3: Employees' perceptions that they have a poor change management history will be negatively associated with challenge appraisals.

Change appraisals and psychological contract violation

Major organizational changes often modify employees' perceptions of and reactions to their employment relationship (Morrison & Robinson, 1997; Zhao, Wayne, Glibkowski, & Bravo, 2007). Change not only serves as a trigger for psychological contract evaluation, it frequently results in revisions to one's psychological contract (Chaudhry, Coyle-Shapiro, & Wayne, 2011). When an individual believes that their organization has failed to adequately maintain the psychological contract then they experience a sense of violation (Robinson & Morrison, 2000), which involves "disappointment, frustration, and distress stemming from the perceived failure to receive something that is both expected and desired" (Morrison & Robinson, 1997: 231). We argue that appraisals of threat, harm, and challenge resulting from a poor change history will be associated with employees' sense that their psychological contract has been violated.

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Cognitive appraisal theories of emotions suggest that appraisals are important antecedents of emotions (e.g., Frijda, 1986). For emotions to arise, an appraisal of an event for an individual's personal well-being must occur (Smith, Haynes, Lazarus, & Pope, 1993). We argue that the cognitive appraisals arising from a poor change management history will influence how individuals feel about the extent to which their organization has fulfilled their obligations towards them. Thus, we propose that:

Hypothesis 4: Threat appraisal will be positively associated with psychological contract violation.

Hypothesis 5: Harm appraisal will be positively associated with psychological contract violation.

Hypothesis 6: Challenge appraisal will be negatively associated with psychological contract violation.

Psychological contract violation, turnover intentions and actual turnover

Employees who experience a sense of anger and betrayal often seek to alleviate their negative emotions by exiting their organization, although we expect these effects to occur indirectly through turnover intentions. To date, researchers have not yet tested whether psychological contract violation (assessed as an affective response) is associated with turnover intentions or voluntary employee turnover. However, the broader organizational behavior literature suggests that negative emotions are likely to induce a number of adverse behavioral and attitudinal reactions, including an increase in withdrawal behaviors such as absenteeism and turnover intentions (Kiefer, 2005; Maertz Jr & Griffeth, 2004). We focus on turnover intentions - an individual's desire or willingness to leave an organization - because it is the most proximal precursor to actual turnover (Holtom, Mitchell, Lee, & Eberly, 2008). The empirical relationship between turnover intentions and voluntary turnover has been well documented (Griffeth, Hom, & Gaertner, 2000; Maertz & Campion, 1998).

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Hypothesis 7: Psychological contract violation will be positively associated with intentions to turnover.

Hypothesis 8: Turnover intentions will be positively associated with voluntary employee turnover.

Method

The Research Context

This research was conducted in a manufacturing organization involved in the production and distribution of home and food products in the Philippines. The executive vice president of the organization assumed the role of the CEO, and the mandate of the new CEO included improving profitability, creating and delivering high quality products, and streamlining processes and procedures. A review team was created consisting of the top management team in consultation with selected employee representatives across divisions. The review process involved an analysis of the organizational structure. The resulting proposed structure was finalized by the top management team. Employees were assured that there would be no job losses for permanent staff but some job losses were expected to occur for temporary staff. However, it was made clear to staff that there would be major shifts in job responsibilities for permanent employees.

Procedure and Participants

Participants were full-time permanent employees of a manufacturing organization who completed surveys at two measurement periods. The Time 1 (T1) survey was administered just as the new CEO announced the occurrence of the restructure and the creation of the review. The Time 2 (T2) survey was administered six months after the completion of the review, when restructuring had commenced. Twenty-four months after the T2 survey was administered (Time 3; T3) we obtained voluntary turnover data for the T2 participants. This resulted in a matched sample of 273 participants who completed both

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surveys and had turnover data at T3.

English is spoken by a vast majority of the population and is predominantly used in business organizations (Bernardo, 2004). As such, questionnaires were prepared in English. At T1, 518 employees full-time permanent randomly received a survey kit consisting of a survey and a letter of support from management indicating the goals of the study, voluntary participation, and confidentiality of the study results. Surveys were sent to full-time permanent employees across various functional divisions/units to ensure that we captured employees from all parts of the company. A total of 309 participants returned the surveys (response rate 59.6%). The T2 survey was disseminated six months later. After several follow-ups, 291 participants returned the surveys (response rate 94.2%). Upon inspection of these surveys, 18 surveys were removed due to: a) a large number of missing responses (greater than 10%); b) surveys were not completed at all; or c) participants failed to provide a self-generated code that would allow their T2 survey to be matched to their T1 survey.

The final sample of 273 participants completed surveys at T1 and T2 and the HR department was able to provide data on voluntary turnover at T3. This sample consisted of 159 males and 113 females (one person did not respond to this question). The average age of participants was 34.3 years ($SD = 8.17$ years) and the average organizational tenure was 5.96 years ($SD = 3.91$ years). A majority (92%) of the sample had a college degree.

Measures

The response format for all items was a 7-point Likert-type scale (1 = strongly disagree; 7 = strongly agree). Items were coded so that a higher score indicated a greater amount of the focal construct.

Time 1 Measures

Demographic measures. We included a number of demographic measures as control variables including gender (males = 0, females = 1), age (years), and organizational tenure

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(years). Gender and age have been significantly associated with past change management history (Bordia et al., 2011; Rafferty & Restubog, 2010). In addition, gender has been found to be associated with cognitive appraisals of a situation (Eaton & Bradley, 2008). Finally, organizational tenure has been found to be associated with turnover intentions (Bordia et al., 2011) and with voluntary employee turnover (Griffeth et al., 2000).

Trait negative affectivity (TNA, $\alpha = .88$). We included TNA as a control variable. People who are high as opposed to low in TNA tend to be easily distressed (Eaton & Bradley, 2008) and have a negative view of themselves (Watson & Clark, 1984). In this study, TNA was assessed using five of the highest loading items from the Positive and Negative Affect Schedule (PANAS; Watson, Clark, & Tellegen, 1988). Participants indicated how they had felt in the past month. Negative affect was assessed by the following items: nervous, afraid, upset, distressed, and jittery.

Poor change management history ($\alpha = .91$). This construct was assessed with eight items (Bordia et al., 2011). An example is “I feel that past organizational changes in this company have been managed well”. Positively worded items were reverse-scored so that a high score reflects a *poor* change management history in the current organization.

Challenge appraisals ($\alpha = .89$). Three items assessed challenge appraisals and were developed on the basis of work by Peacock and Wong (1990). An example item is “The changes that are occurring in this organization present an exciting challenge”.

Threat appraisals ($\alpha = .84$). Three items assessed threat appraisals and were based on the work of Fugate, Kinicki, and Prussia (2008) and Peacock and Wong (1990). An example item is “I feel that the changes occurring in this organization are threatening to me”.

Harm appraisals ($\alpha = .86$). Three items assessed harm appraisals and were based on the work of Fugate et al. (2008). An example item is “The changes occurring in this organization have already had a negative impact on me at work”.

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Time 2 Measures.

Psychological contract violation ($\alpha = .93$). This construct was measured with a 4-item scale (Robinson & Morrison, 2000). An example item is, “I feel a great deal of anger towards this organization”.

Turnover intentions ($\alpha = .90$). This construct was assessed with a 3-item scale (Fried & Tiegs, 1993; Hom, Griffeth, & Sellaro, 1984). An example item is “I often seriously think about resigning from my job.”

Time 3 Measure.

Voluntary employee turnover. Two years after the administration of the T2 survey, we collected information regarding voluntary turnover. Employees who were still with the organization at T3 received a score of 0 (“stayers”), while individuals who had voluntarily left the organization at T3 (as reported by the human resource manager) received a score of 1 (“leavers”) on this measure. At T3, 63 people (23%) who were initially employed by this organization had voluntarily left the company. The base rate of voluntary turnover in the organization in the year prior to the restructuring was less than 13%.

Results

Table 1 displays the means, standard deviations, and zero-order correlations among the study variables. Zero-order correlations between demographic variables and TNA and the substantive constructs provided support for including these constructs as control variables.

 INSERT TABLE 1 ABOUT HERE

Overview of Analyses

We conducted a 2-step procedure when estimating relationships amongst the study variables (Anderson & Gerbing, 1988). First, we estimated a series of nested measurement models where we specified the relations of the observed measures to their posited underlying constructs. We then estimated a series of nested structural models. The fit of the nested

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models was assessed using both absolute and incremental fit indexes. We focus on two absolute fit indexes –the root mean square error of approximation (RMSEA; Hu & Bentler, 1999), and the standardized root mean square residual (SRMR). We use the Non-Normed Fit Index (NNFI) and the Comparative Fit Index (CFI; Hu & Bentler, 1999). Cut-off values of .06 for RMSEA, .05 for the SRMR, and greater than .90 for the other fit indices are indicative of a good fitting model (Hu & Bentler, 1999).

Measurement Models

To assess the factor structure of the measures in the study, we tested a series of confirmatory factor analysis (CFA) models. Each model included the 33 items assessing the study constructs. Gender and voluntary turnover T3 were assessed with dichotomous measures. As a result, we calculated polyserial correlations in PRELIS (Jarros, Jermier, Koehler, & Sincich, 1993). The adjusted correlation matrix, consisting of both product-moment and polyserial correlations, was used as the input to LISREL 9.1. All model tests were based on this matrix and maximum likelihood estimation was used. In all measurement and structural models estimated, age, gender, organizational tenure and TNA were free to correlate with each other as were challenge, threat, and harm appraisals.

We contrasted a number of nested measurement models including 6-factor model, a 7-factor model, an 8-factor model, a 9-factor model, a 10-factor model and the hypothesized 11-factor model¹. The hypothesized 11-factor model was selected as the best fitting model to the data, $\chi^2(444) = 1012.08, p < .001$; RMSEA = .06, SRMR = .06, CFI = .95. NNFI = .94. All of the model parameters loaded significantly onto their hypothesized latent factor at $p < .001$, and the latent factors explained substantial amounts of item variance (R^2 ranged from .28 to 1.00)².

¹ Please contact the first author to obtain the details of the different measurement models tested.

² The standardized parameter estimates for the 11-factor measurement model are available by contacting the first author.

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Structural Models

The first model estimated was the saturated structural model, which had the same fit as the 11-factor measurement model and was, therefore, a good fit to the data, $\chi^2(444) = 1012.08, p < .001$; RMSEA = .06, SRMR = .06, CFI = .95. NNFI = .94. We also estimated the hypothesized fully mediated structural model. This model was also a good fit to the data, $\chi^2(454) = 1058.21, p < .001$; RMSEA = .07, SRMR = .07, CFI = .95. NNFI = .94. Application of a chi-square difference test revealed, however, that the saturated structural model was a significantly better fit to the data than was the fully mediated model, $\Delta\chi^2(10) = 46.13, p < .001$. As such, the saturated structural model including four control variables (age, gender, organizational tenure, and TNA) was selected as the appropriate model on which to test the study hypotheses. The significant structural relationships among the latent factors in the saturated structural model are displayed in Table 2 and shown in Figure 1³.

 INSERT TABLE 2 AND FIGURE 1 ABOUT HERE

Hypothesis Testing

Results from the saturated structural model are used to test hypotheses. Results provided support for hypotheses 1 to 3. Specifically, T1 poor change management history was positively associated with T1 threat appraisal ($\beta = .17, p < .05$), T1 harm appraisal ($\beta = .21, p < .01$) and was negatively associated with T1 challenge appraisal ($\beta = -.57, p < .001$). Hypothesis 4 was not supported as the relationship between T1 threat and T2 psychological contract violation was not significant ($\beta = .03, n.s.$). However, unexpectedly, there was a direct positive relationship between T1 threat and T3 voluntary employee turnover ($\beta = .47, p$

³ We conducted additional analyses to determine whether change history would still predict appraisals and reactions to change after controlling for change content (the unpredictability of change) and change processes (change participation). These analyses revealed that even after controlling for the content and process of change, the substantive results remained unchanged. The standardized parameter estimates for the saturated model controlling for the content and process of change are provided in the Appendix.

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< .001). Hypothesis 5 was supported as T1 harm was positively associated with T2 psychological contract violation ($\beta = .39, p < .001$). Hypothesis 6 was supported as T1 challenge appraisals were negatively associated with T2 psychological contract violation ($\beta = -.15, p < .01$). Hypothesis 7 was supported as T2 psychological contract violation was positively associated with T2 intentions to turnover ($\beta = .48, p < .001$). Finally, Hypothesis 8 was supported as there was a positive relationship between T2 turnover intentions and T3 voluntary employee turnover ($\beta = .26, p < .001$).

The significance of the indirect relationships in the saturated structural model was further assessed using PROCESS (Hayes, 2012). Bias corrected (BC) 95% confidence interval estimates were obtained for the specific indirect effects in the multiple mediator models based on 10,000 bootstrap samples. There was a significant indirect effect (specific indirect effect = .04) of change history, challenge appraisals, violation, and turnover intentions on voluntary employee turnover. The BC confidence interval for this indirect effect did not encompass zero (95% CI: .0104 to .0879). In addition, there was a significant total indirect effect (specific total indirect effect = .19) of change history, harm appraisals, psychological contract violation, turnover intentions, on voluntary employee turnover (95% CI: .0442 to .4122). The specific indirect effect from change history, harm, psychological contract violation, turnover intentions to voluntary employee turnover was significant (indirect effect = .0274). The BC confidence interval for this indirect effect did not encompass zero (95% CI: .0063 to .0711).

Discussion

The results provided support for our proposed model. In particular, a poor change history in an organization was negatively associated with challenge appraisals and also was positively associated with threat and harm appraisals. Challenge and harm appraisals were significantly associated with psychological contract violation, which in turn, was positively

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associated with turnover intentions, and ultimately, with voluntary employee turnover.

Although not hypothesized, we also found that threat appraisal displayed a direct positive relationship with T3 voluntary employee turnover.

A key finding that emerged from our study was that when employees report that previous change efforts in that company have not been successful and have been poorly managed then they are less likely to report that current changes present an opportunity for growth. In addition, having a poor change management history was also significantly positively associated with threat (anticipation of future loss) and harm (an appraisal that damage or loss has already occurred). Challenge appraisals were most strongly associated with a poor change management history. Our model accounted for approximately one-third of the variance in challenge appraisals. Overall, these results suggest that employees' perceptions that they have experienced a poor change history exerted a strong influence on reducing positive expectations about future changes.

We also hypothesized that appraisals would predict psychological contract violation. Results partially supported our arguments as challenge appraisals were negatively associated with feelings of anger and frustration brought about by psychological contract violations while harm appraisals were positively associated with experiencing these negative emotions. In contrast, threat appraisals were not significantly associated with psychological contract violation when controlling for the other two types of appraisals. Zero-order correlations indicated that all three appraisals were significantly associated with psychological contract violation. However, due to the very strong correlation between harm and threat appraisals only harm appraisals remained significantly associated with violations in the overall model. In the past, researchers tend to focus on measuring *either* threat or harm and have not simultaneously considered both of these appraisals within a single research model. Inclusion

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of both constructs in a single model suggests that it is the experience of loss that generates negative emotions rather than the anticipation of future losses.

Findings also provided support for our arguments that psychological contract violation would predict turnover intentions and ultimately employee turnover. This is an important finding because we could not identify any previous research that has studied whether psychological contract violation, measured as an affective reaction (rather than as a cognitive assessment), predicts turnover intentions and voluntary employee turnover. It also highlights the power of negative emotions in driving organizational exit.

One unexpected finding was that an employee's threat appraisal was directly associated with voluntary turnover. One potential explanation for this finding is that when an employee perceives a change event as a threat, and therefore anticipates that a change will harm them in the future, this increases psychological uncertainty because an individual is unsure as to what potential negative consequences will arise. Uncertainty develops when individuals feel that they have inadequate knowledge about an event or condition that requires action or resolution (Jackson, Schuler, & Vrendenburgh, 1987). Fiske and Taylor (1984) suggested that having basic information about an aversive event enables people to employ their own coping styles more effectively by seeing how their efforts will mesh with forthcoming procedures and sensations. We suggest that the relationship between threat and voluntary employee turnover is likely to occur because threat enhances psychological uncertainty, which may reduce effective coping driving people to exit the organization as a result. Future research should test this proposed mediated relationship.

We also examined the relationships among trait negative affectivity and the substantive variables. Watson and Tellegen (1985) proposed that people high in trait negative affectivity tend to report greater distress and negative emotions. During periods of organizational change, individuals high in TNA may be particularly likely to respond poorly

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when they are in a difficult internal change context. Surprisingly, the results of this study indicated that employee TNA was not significantly associated with change management history. However, TNA displayed direct positive relationships with threat and harm appraisals and with psychological contract violation. We conducted post hoc analyses to determine if TNA moderated relationships between change history and appraisals. Results of the post-hoc analyses were not significant.

Demographic variables were also examined as controls in the analyses. Results suggest that the demographic variables accounted for 13% of the variance in employee perceptions of their change history in an organization. Females perceived that they had experienced a poorer change management history than did males. This finding supports previous research (Bordia et al., 2011; Rafferty & Restubog, 2010). For example, in two samples from the Philippines, Bordia et al. collected two measures of change history. One measure was based on an external human resource manager's ratings of an employee's change history in an organization while the second measure captured employees' subjective perceptions of their change history. In both studies, Bordia et al. reported that for both measures of change history, female employees reported a poorer change management history.

One potential reason that female employees may perceive that they have a poorer change management history is that women are less likely to be in higher level organizational positions, and therefore, have less access to information about change; fewer opportunities to participate in change efforts; and have less access to recourse mechanisms when impacted negatively by change. Bordia et al.'s finding that external observers confirm that women experience a poorer history of change in an organization than men, suggests that these experiences are not just in "the mind of the beholder". As such, there is a real need for organizations to explicitly consider how to include women in change efforts so as to mitigate the factors that lead women to develop more negative change management histories.

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Our results also revealed that women reported lower threat and harm appraisals than did men. This is somewhat surprising because although only a small number of studies have examined the relationship between gender and cognitive appraisals (Eaton & Bradley, 2008; Ptacek, Smith, & Zanas, 1992; Sarrasin, Mayor, & Faniko, 2014), these studies indicate that women are more likely to report greater levels of stress and are more likely to appraise events as threatening and less challenging than men. One possible explanation for our finding that women reported less threat and harm than men may be explained through considering gender role expectations rather than just biological gender.

Gender role expectations capture the personality characteristics or behaviors that are stereotypically considered appropriate for one gender than for the other (Mayor, 2015; Ptacek et al., 1992; Sarrasin et al., 2014). Masculinity is traditionally associated with mastery- and task- oriented traits such as dominance, instrumentality, and agency, while femininity is associated with other-oriented traits such as nurturance, communion, and expressiveness. We could only locate one study that examined the link between cognitive appraisals and gender role expectations. In this study, Sarrasin et al. drew on two student samples from the French-speaking part of Switzerland and reported that masculine traits were positively associated with challenge appraisals and negatively related to threat appraisals. In contrast, feminine traits were positively associated with challenge appraisals, but only in Sample 2. While we did not measure gender role expectations in this study, gender role expectations may have played a role in influencing females' appraisals in this sample. Future research should consider the role of both gender and gender role expectations in influencing appraisals during change.

Results also suggest that older people and longer-tenured employees were more likely to report poor change management histories. The result regarding organizational tenure is especially interesting because it suggests that, in this sample at least, employees' perceptions

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of their change history became more negative over time. We conducted post hoc analyses to further explore the role of tenure. We examined whether organizational tenure moderated relationships between change history and cognitive appraisals. Results revealed that organizational tenure moderated the relationship between change history and harm at T1, $B = -.03, p < .05$. The simple slope of change history on harm was significant at 1 SD below the mean, $t(143) = 5.49, p < .001$ but was not significant at 1 SD above the mean, $t(143) = 1.39, n.s.$ Employees with low organizational tenure experienced a marked increase in their appraisal of harm under conditions of high poor change management history. These results suggest that it may be especially important to carefully manage employees' experience of change early on in their tenure because in this period individuals are developing expectations about change that appear to persist over time. Finally, organizational tenure was positively associated with threat and was negatively associated with voluntary turnover. Employee age was negatively associated with turnover intentions. Organizations may need to actively counter negative expectations through tailored efforts to redress previous failed change efforts that are likely still very salient and influential for younger employees.

Practical Implications

A number of practical implications emerge from this study. First, results suggest that past change failures; whether they are real or perceived only in the mind of employees, continue to affect organizational change implementation success far into the future of a company. Change failure today means an increased likelihood of change failure in the future. In effect, a failed change is a failure that "keeps on taking"⁴. Second, our findings represent an important addition to knowledge in the HRM area because a critical, but ignored element of adopting a strategic change agent role in an organization involves a systematic examination and assessment of employees' perceptions of their change history in an

⁴ We thank the Associate Editor for introducing us to this phrase.

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organization. Change management practitioners should consider whether there are groups within an organization that have especially negative perceptions of their change management history. In such groups, it may be that there is a strong shared negative understanding about change history, which may be especially detrimental because the collective agreement around this issue may make it especially likely that individuals will appraise change as reducing challenge and increasing harm. If this is the case, organizations may need to engage in extensive efforts to modify these shared understandings that will drive negative affective and behavioral reactions to change.

Managers and change agents may seek to address these negative expectations directly by drawing on existing sound change management approaches. For example, HR managers may explicitly and openly discuss the possible positive outcomes from change efforts or work with work groups to identify potential benefits that may emerge from proposed changes. Managers and change agents may work collaboratively with employees to identify ways in which any potential losses resulting from change can be avoided or mitigated. As this study suggests that appraisals of reduced challenge and heightened harm are especially likely to be associated with negative emotions reflecting a sense of psychological contract violation, it is especially important to establish and then actively manage how employees experience and then deal with any losses from current changes.

We feel that such an open discussion will have two primary benefits. First, when change agents acknowledge employees' experiences, it sends a symbolic message that they value the employee and their perspective, which by itself help mitigate employees' sense of loss resulting from change. For example, management communication and participative strategies such as team meetings and consultation contributes to employees' sense of certainty and control (Bordia, Hobman, Jones, Gallois, & Callan, 2004). Second, by explicitly discussing the losses and gains resulting from an organizational change event the

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organization can learn from previous mistakes and incorporate learnings into future change management efforts while also demonstrating awareness that there is a need to improve.

Some more novel solutions also arise from our findings. In particular, managers also may have to implement trust-repair strategies in order to enhance positive expectations and overcome negative expectations about future changes. Although not easy, trust repair involves a sincere acknowledgment, apology and remediation of past failures (Kim, Dirks, Cooper, & Ferrin, 2006). The benefits of apology are numerous. For example, it facilitates forgiveness (Fehr & Gelfand, 2010), enhances trust (Kim et al., 2006) and potentially repairs broken relationships (Gillespie & Dietz, 2009). When managers apologize for failed change initiatives in the past, it signals to organizational members that they are remorseful, understand the emotional struggles of their members and proactively plan to do something differently in the future to alleviate their situation. We suggest that these trust-repair strategies, while particularly difficult for some managers to implement due to the need to admit that one has made grievous errors in the past, may be especially beneficial in allowing employees to “break with the past” and essentially to reset their change histories within a company. We suggest that it would be very interesting for research to empirically examine the efficacy of this proposed solution in a change context.

Future Research

A number of additional areas of future research also emerge from this study. First, future research should seek to identify additional antecedents of employees’ perceptions of change management history. While we treated TNA as a potential antecedent of change management history, and therefore controlled for this construct, our results indicated that this trait was not significantly associated with employees’ beliefs about their change management history. However, we asked participants to report on their trait negative affect over the previous month when rumors of the changes were beginning to emerge. A senior HR

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manager who was involved in the change management process noted that some employees were disseminating rumors with respect to the likelihood of organizational changes a month or two before the official announcement of the change. The rumors ranged from the nature of the change (e.g., changes in the structure of the organization), job-related changes (e.g., downsizing) to changes in the working conditions (e.g., staff relocation, moving staff to other departments). Indeed, Bordia and his colleagues (Bordia, Jones, Gallois, Callan, & DiFonzo, 2006) noted that employees who reported negative rumors experienced greater change-related stress in comparison to those who did not report any rumors. Given this anecdotal evidence and related research, we suggest that the presence of negative rumors prior to the formal announcement of change may have heightened state anxiety and distress during this period, which we may have picked up when measuring employees' trait negative affectivity. As such, we would suggest that it is important for future research to assess personality traits before any hint of an impending change so as to avoid potentially biasing trait measures of affectivity with state responses to organizational change.

A logical extension is that future research should also explore the role that positive trait affectivity plays in influencing change management history. Individuals that are high on trait positive affectivity may be less likely to report a poor change management history. We can also identify a number of other personality traits that should be examined. For example, positive change orientation is significantly negatively associated with threat appraisals (Fugate, Prussia, & Kinicki, 2012). Individuals who "possess a high level of positive change orientation view changes positively, are confident in their abilities to meet the demands presented by changes, and take a more positive and active approach toward changes. Defined this way, positive change orientation is a statelike construct" (p. 894). We suggest that employees who report a high positive change orientation at a particular point in time may be less likely to: 1) perceive that they have a poor change management history in an

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organization, and 2) may respond less negatively to having a poor change management history in that they feel less threatened or harmed. This construct is especially interesting because it is more amenable to modification than traits such as negative and positive affectivity.

While we developed our hypotheses on the basis of cognitive theories of emotions, other authors such as Fugate et al. (2011) draw on information theories of emotion, which propose that individuals feel a situation and that these feelings increase attention to environmental stimuli and precipitate cognition (Forgas, 2000). In particular, Fugate et al. proposed that negative emotion and negative appraisal display a reciprocal relationship. Results of a study in a large public sector organization undergoing a restructuring in the United States provided support for a synchronous relationship between negative appraisal and negative emotions. Recent evidence from neuroscience also suggests that memories of the past are often emotionally laden and are therefore salient to people. When individuals encounter organizational changes then these events are likely to be experienced emotionally and are also likely to elicit recall of previous emotionally laden changes. These in turn are likely to activate cognition and then lead to cognitive effort to make sense of these changes (Vuilleumier, 2005). Future research could investigate whether cognitions precipitate emotional reactions or whether emotions precipitate cognitions during change. In order to examine these issues, researchers need to conduct a true longitudinal analysis where measures of cognitions and appraisals about change are collected at multiple points in time to determine whether cognitive theories of emotions or information theories of emotion receive greater support during periods of change.

Strengths and Weaknesses

This study has a number of strengths. First, this study examined all three stress appraisals identified by Lazarus and Folkman (1984). Second, we investigated the impact of a

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large-scale organizational restructure across three time points over two and a half years.

Third, data were collected from employees and archival records of turnover. The collection of multiple sources of data is one approach used to alleviate common-method variance (Podsakoff, MacKenzie, & Podsakoff, 2003). Fourth, the use of archival data is important because such records are less vulnerable to biases associated with subjective assessments (Viswesvaran, 2001; 111).

Like most research, our study has limitations and results should be viewed with these issues in mind. First, we could not entirely eliminate the possibility that common method variance influenced a number of relationships in our model. (Lindell & Whitney, 2001; Podsakoff et al., 2003; Richardson, Simmering, & Roman, 2003). In our study, for example, we collected data from employees on perceptions of change history and appraisals at T1. We also assessed psychological contract violation and turnover intentions at T2 using the same self-report survey. As a result, the relationships among these constructs may partially reflect common method variance rather than the relationships between the substantive constructs.

A second limitation is that we did not examine whether the cultural differences between the Philippines and Western countries influence whether the results of this study can be generalized. The value orientation of Filipinos is characterized as personal and collectivist-oriented, emphasizing group interests over the objective, concrete orientation of the West valuing personal gains (Jocano, 1999a, 1999b). This translates to Filipinos' viewing their membership in organizations as being part of a social system similar to that of the family (Jocano, 1999a, 1999b). The family is considered as "the core of all social, cultural and economic activity" (Quisumbing, 1964: 137). Restubog and Bordia (2006) referred to these family-like interactions as workplace familism or, "the extent to which workers consider their organisation and supervisor as a parental figure and also treat them in ways similar to a family" (p. 2).

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Future research may explore two competing perspectives on how workplace familism could potentially influence the relationship between change history and cognitive appraisals. The first perspective conceives of workplace familism as a form of social support because it is characterized as parental concern for the well-being of workers. In line with the buffering role of social support (Cohen & Wills, 1985), it could be expected that workplace familism would serve as a protective mechanism ensuring employees that they will be taken care of and protected from any failed change attempts. An alternative explanation is that workplace familism means that experiencing a poor change history in an organization is experienced as a form of betrayal, which has been conceived as a serious violation of the norms and expectations of a relationship (Elangovan & Shapiro, 1998). Using this perspective, it would be expected that the positive association between change history and appraisals of threat and harm would be stronger for those workers with high levels of workplace familism compared to those with low levels of workplace familism.

Conclusion

Overall, our study suggests that a poor change management history has long-term consequences for an organization's ability to successfully implement change in the future. Practically, our findings mean that an important but relatively ignored aspect of adopting a strategic approach to managing change involves a systematic examination and assessment of employees' perceptions of their change history in an organization.

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Table 1

Descriptive statistics and zero-order correlations among the study variables

	Mean (SD)	Gender	Age	Org. Tenure	T1 TNA	T1 Change History	T1 Challenge	T1 Threat	T1 Harm	T2 Psych. Contract Violation	T2 Turnover intentions
1. Gender ^a	1.42 (.49)										
2. Age	34.16 (8.18)	.15*									
3. Organisational Tenure	5.96 (3.91)	.09	.47***								
4. T1 Trait negative affectivity (TNA)	3.39 (1.10)	-.01	-.05	-.10							
5. T1 Change History	3.93 (.95)	.12*	.26***	.29***	.00						
6. T1 Challenge	4.54 (.83)	-.05	-.14*	-.09	-.02	-.49***					
7. T1 Threat	3.01 (1.03)	-.13*	.08	.14*	.22***	.14*	-.19**				
8. Harm T1	2.92 (1.06)	-.07	.08	.12	.25***	.22***	-.30***	.71***			
9. T2 Psychological Contract Violation	2.24 (1.18)	-.07	.06	.01	.29***	.20***	-.28***	.44***	.48***		
10. T2 Turnover Intentions	2.85 (1.31)	.05	-.21***	-.05	.23***	.16**	-.14*	.27***	.29***	.50***	
11. T3 Turnover	.23 (.42)	.04	-.11	-.07	.07	.00	-.01	.27***	.20***	.14*	.27***

Note: $n = 273$. ^a gender: male = 0, female = 1; * $p < .05$, ** $p < .01$, *** $p < .001$.

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Table 2

Standardized parameter estimates in the saturated structural model

	Gender	Age	Org. Tenure	T1 TNA	T1 Change history	T1 Challenge	T1 Threat	T1 Harm	T2 Psych. Contract Violation	T2 Turnover Intentions
1. Change history T1	.14*	.14*	.21**	.01						
2. T1 Challenge	.03	-.05	.09	-.02	-.57***					
3. T1 Threat	-.22***	.03	.15*	.26***	.17**					
4. T1 Harm	-.14*	.03	.09	.29***	.20**					
5. T2 Psychological Contract Violation	-.08	.06	-.05	.20***	.07	-.15*	.02	.39**		
6. T2 Turnover Intentions	.19***	-.32***	.04	.05	.12	.08	.14	-.02	.48***	
7. T3 Voluntary Employee Turnover	.16**	.09	-.14*	-.05	.01	.13	.47***	-.05	-.08	.26***
Variance Accounted For					13	31	16	15	37	38

Note: * $p < .05$, ** $p < .01$, *** $p < .001$.

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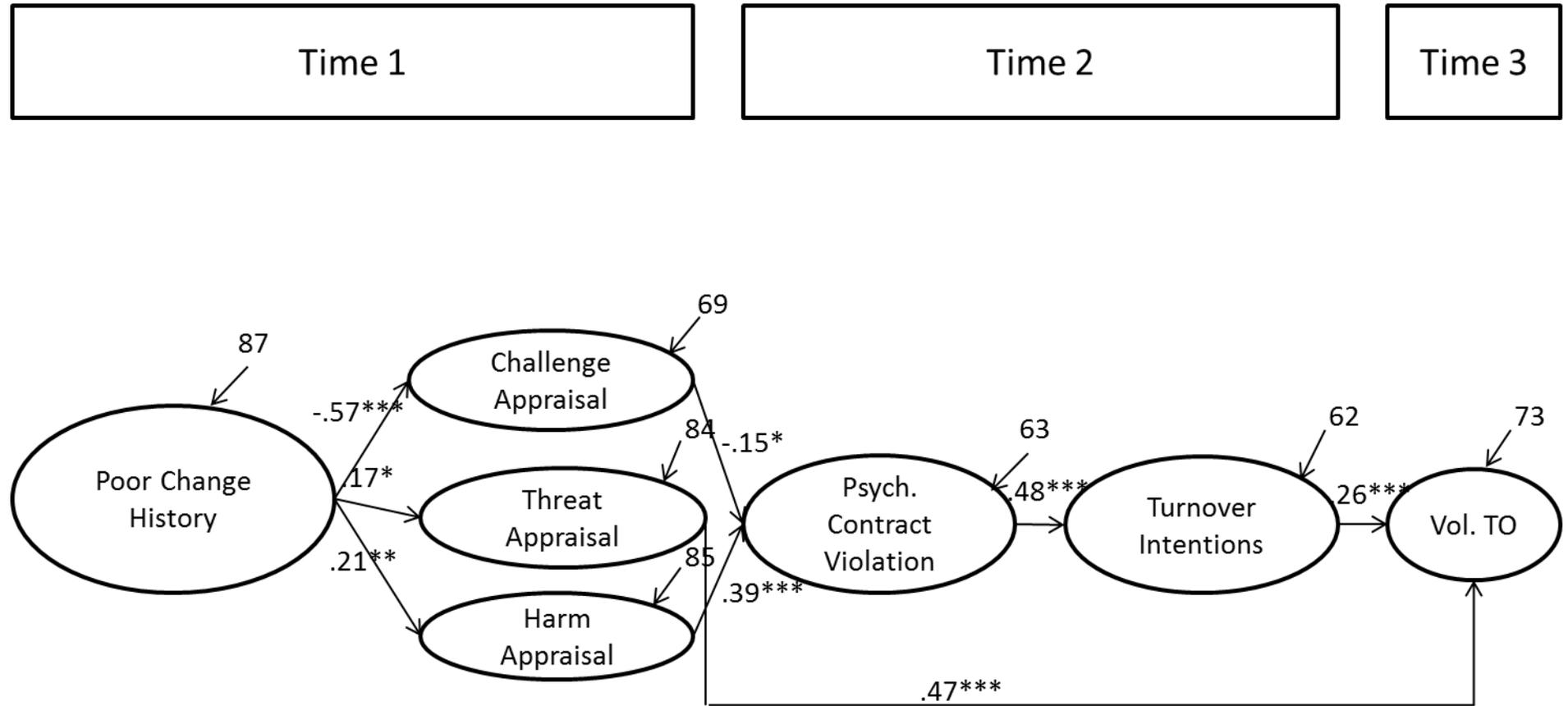


Figure 1. Saturated Structural Model

Note: * $p < .05$, ** $p < .01$, *** $p < .001$. Demographic variables and TNA have been omitted from the diagram to aid readability

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Appendix

Standardized parameter estimates in the saturated structural model controlling for participation in change and unpredictability of change

	Gender	Age	Org. Tenure	Negative Affectivity	T1 Change Participation	T1 Unpredict. Change ⁵	T1 Change history	T1 Challenge	T1 Threat	T1 Harm	T2 Psych. Contract Violation	T2 Turnover Intentions
1. Change history T1	.07	.10	.16*	.00	-.37***	.28***						
2. T1 Challenge	.03	-.03	.09	-.02	.20**	-.09	-.49***					
3. T1 Threat	-.18**	.02	.13	.25***	.07	.07	.16*					
4. T1 Harm	-.12*	.02	.07	.27***	.04	.11	.19**					
5. T2 Psychological Contract Violation	-.05	.06	-.03	.21**	.04	.13	.10	-.16*	.03	.41**		
6. T2 Turnover Intentions	.14**	-.32**	.02	.04	-.07	.14*	.09	.10	.13	-.03	.50***	
7. T3 Voluntary Employee Turnover	.10	-.02	-.08	-.02	.13	.21**	.07	.05	.34**	-.01	-.12	.24***
Variance Accounted For							26	34	15	16	38	38

⁵ Unpredict. Change refers to a measure of the unpredictability of change. A higher score equates to higher perceived unpredictability of change.

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Note: * $p < .05$, ** $p < .01$, *** $p < .001$.