Group & Organization Management

Haunted by the Past: Effects of Poor Change Management History on Employee Attitudes and Turnover

Prashant Bordia, Simon Lloyd D. Restubog, Nerina L. Jimmieson and Bernd E. Irmer

Haunted by the Past: Effects of Poor Change Management History on Employee Attitudes and Turnover

Prashant Bordia[1], Simon Lloyd D. Restubog[1], Nerina L. Jimmieson[2], and Bernd E. Irmer[3]

Abstract

Change management research has largely ignored the effects of organizational change management history in shaping employee attitudes and behavior. This article develops and tests a model of the effects of poor change management history (PCMH) on employee attitudes (trust, job satisfaction, turnover intentions, change cynicism, and openness to change) and actual turnover. We found that PCMH, through PCMH beliefs, led to lower trust, job satisfaction and openness to change, and higher cynicism and turnover intentions. Also, PCMH beliefs predicted employee turnover over 2 years.

Keywords

change management, organizational change cynicism, turnover

Change is commonplace in organizations. Striving for a competitive edge in a global marketplace, organizations may change strategy and processes, undergo mergers and acquisitions, restructure or downsize, or implement new technology.

[1]The Australian National University, Canberra
[2]University of Queensland, St. Lucia, Australia
[3]Queensland University of Technology, Brisbane, Australia

Corresponding Author:
Prashant Bordia, Research School of Business, The Australian National University,
LF Crisp Building 26, Canberra ACT 0200
Email: Prashant.Bordia@anu.edu.au

These changes have profound implications for employees; they have to cope with uncertainty and stress associated with the changing work context and increased work demands (Bordia, Hobman, Jones, Gallois, & Callan, 2004a; Bordia, Jones, Gallois, Callan, & DiFonzo, 2006; Jimmieson, Terry, & Callan, 2004). In turn, employees are vital for the successful implementation of any change program (Kotter, 1995). It is no surprise that a great deal of research attention is devoted to understanding factors that affect employee receptivity toward organizational change (Jimmieson, Peach, & White, 2008; Jones, Jimmieson, & Griffiths, 2005; Miller, Johnson, & Grau, 1994; Oreg, 2006; Wanberg & Banas, 2000). In general, this research has increased our understanding of employee responses to organizational change and generated a great deal of knowledge on how to implement change. However, change research has largely focused on understanding employee reactions to one particular change episode. This approach overlooks the fact that past events play an important role in shaping employee responses to current organizational events (Pettigrew, Woodman, & Cameron, 2001). In an appraisal of the change literature, Pettigrew et al. (2001) noted that organizational change research has tended to ignore time and history as important contextual forces that influence the occurrence of change in organizations. They recommended that future research pay greater attention to the role played by organizational history in the change process.

The research reported here aims to understand the role of change management history in shaping employee change-related beliefs, attitudes, and behavior. We propose that the *history* of change management and individual change-related experiences in an organization will have significant consequences for the development of lasting change-related attitudes. The history of change management in an organization is "carried forward in the human consciousness" (Pettigrew et al., 2001, p. 700) and exerts strong influence on the acceptance of subsequent change. Thus, poor change management practices not only hurt the change being implemented, but can have detrimental effects on future change initiatives.

To understand the enduring effects of poor change management history (PCMH), we adopt the sociocognitive approach that emphasizes the role of cognitive processes in explaining individual reactions to organizational change events (Bartunek, Lacey, & Wood, 1992; Bartunek & Moch, 1987). We propose that individual experiences with poor change management will be captured in belief structures that we refer to as the poor change management history beliefs (or PCMH beliefs). Theoretical reasoning for the development of PCMH beliefs can be derived from the schema perspective (Bartunek & Moch, 1987; Lau & Woodman, 1995). Schemas are "cognitive structures of organized prior
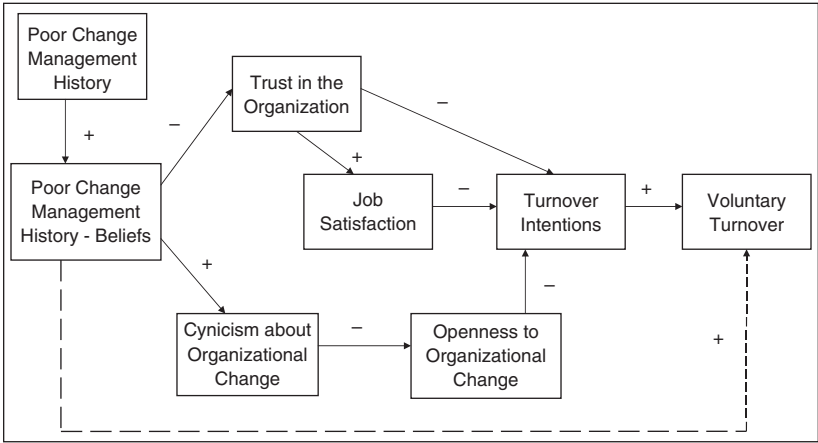
Figure 1. Proposed theoretical model

knowledge, abstracted from experience with specific instances; schemas guide the processing of new information and the retrieval of stored information" (Fiske & Linville, 1980, p. 543). Schemas are complex cognitive structures, and comprise several beliefs and interrelationships between beliefs (McKinley, Zhao, & Rust, 2000). Previous research has demonstrated the existence of organizational change-related schemas which include a variety of beliefs such as, reasons for change, the impact of change, and levels of individual control over change (Lau & Woodman, 1995). Given the process of cognitive abstraction of previous experience, we propose that previous experience of poor change management will be abstracted into PCMH beliefs. Employees may view subsequent organizational events through the lens of these PCMH beliefs, which will in turn affect the development of change-related attitudes (cynicism and openness to change) as well as general organizational attitudes (trust, job satisfaction, turnover intentions) and behavior (exit from the organization).

   The proposed theoretical model is presented in Figure 1. The actual experience of PCMH and the resulting PCMH beliefs will impact on employee attitude toward the organization in general and toward change management in particular. A history of poor change management will result in a loss of trust in the organization and its ability to manage change (represented by high levels of cynicism about organizational change). Trust and cynicism are closely related, however, we have included both variables because they are conceptually distinct (i.e., willingness to be vulnerable is an important element of trust, but

not of cynicism; Dean, Brandes, & Dharwadkar, 1998). Moreover, they fulfill different roles in our model: The negative relationship of PCMH with trust helps demonstrate the negative ramifications of PCMH for organization-level attitudes, whereas, the positive relationship with cynicism toward organizational change relates PCMH to change-related variables. The lack of trust in the organization will lead to unwillingness on the part of the employees to make themselves vulnerable to the actions of the organization. Thus, low trust will lead to lower job satisfaction, higher intentions to leave, and finally, exit from the organization. Cynicism about change will create a lack of openness for change efforts in the organization. Lack of openness to change will make the changing organization unappealing to the employee and will thus be related to turnover intentions. Turnover intentions will be positively related to turnover. Finally, PCMH beliefs may act as a shock (i.e., trigger thoughts of leaving the organization; Lee & Mitchell, 1994) and directly contribute to turnover.

This article makes several contributions to the literature in change management. First, it addresses the call for change research to take into account organizational history in understanding contextual forces shaping employee reactions to change (Lau & Woodman, 1995; Pettigrew et al., 2001). We do this by including prior change history in our theoretical model and by proposing a cognitive mechanism (i.e., PCMH beliefs) that explains the effects of organizational events on individual attitudes and behavior. Second, by relating PCMH beliefs to a range of change-related as well as general attitudes and by integrating theoretical perspectives from various research streams (trust, change cynicism, openness to change, and turnover), we embed the change experience within a broader system of workplace attitudes and behavior. Third, we test the relationship between organizational change and actual turnover, an underresearched area. Finally, our studies include several methodological strengths. We collect contextual information about change history from organizational representatives and include it in the statistical analysis. Also, we collect turnover data from organizational records and provide a longitudinal test of the relationship between PCMH and turnover. In the following sections, we review the literature in relation to each variable in the model and develop theoretical justification for the proposed relationships.

PCMH and Beliefs

Although there is no previous research that has operationalized history of poor change management, there is evidence that *amount of previous* change has

consequences for current change-related attitudes. For example, Axtell et al. (2002) found that employees' exposure to similar changes in the past increased their knowledge and familiarity with changed work systems and made them more open to future changes. Similarly, Wanous, Reichers, and Austin (2000) noted that if employees felt that changes had occurred in the past, they were less cynical about organizational change. However, note that in operationalizing past change, these studies did not ask employees for an *evaluation* of past change efforts (i.e., was the change well managed?). Rather, past change referred simply to the occurrence of change. This has led to ambiguities in the literature on whether past exposure has positive or negative consequences. For example, Axtell et al. (2002) found that exposure to past change was positively related to openness to change among blue-collar employees, but negatively related to openness among white-collar employees. Similarly, although Wanous et al. (2000) expected less cynicism after exposure to change (a positive outcome), Robinson and Morrison (2000) predicted higher vigilance— and therefore higher likelihood of perceptions of psychological contract breach (a negative outcome)—when exposed to past organizational change. An evaluative assessment of change history would provide greater clarity in terms of relationships with outcome variables. If a past change is perceived as well managed, it will lead to positive outcomes (high levels of trust in the organization and low levels of cynicism). On the contrary, if the change is perceived as poorly managed, it will lead to negative outcomes (low levels of trust in the organization and high levels of cynicism).

We propose that individual experiences of PCMH in an organization will lead to enduring *beliefs* regarding PCMH or PCMH beliefs. Theoretically, the development of these beliefs can be explained via the schema perspective (Fiske & Taylor, 1991) and the frame of reference implications of schemas in social judgment (Van den Bos et al., 2005). Schemas are psychological manifestations of previous experience and act as conceptual frameworks that influence subsequent perception and attitude formation (Fiske & Taylor, 1991). The schema perspective is particularly useful in describing how organizational events and experiences are represented in individual cognition and influence subsequent attitude formation and behavior (Bartunek & Moch, 1987; Harris, 1994). For example, previous fairness-related experiences with one's supervisor create a frame of reference and influence the perception of fairness in future encounters (Van den Bos et al., 2005). Following this approach, we suggest that the experience of bad change management in the organization develop beliefs that the organization is bad at managing change. These beliefs will affect reactions to future organizational

events including the development of organization-related attitudes and behavior.

Hypothesis 1 (H1): PCMH will be positively related to PCMH beliefs.

PCMH, Trust, Job Satisfaction, and Turnover Intentions

In this section, we deal with the consequences of PCMH for the employee's orientation toward the organization. In this regard, trust is a pivotal construct (Frazier, Johnson, Gavin, Gooty, & Snow, 2010; Tzafrir, 2005). It has been defined as "a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behavior of another" (Rousseau, Sitkin, Burt, & Camerer, 1998, p. 395). Thus, trust consists of two elements: A belief that the other is trustworthy and a willingness or intention to be vulnerable to his or her actions (Kim, Ferrin, Cooper, & Dirks, 2004). Although there is considerable research on the effects of, and the need for, trust in the context of organizational change (DiFonzo & Bordia, 1998; Spreitzer & Mishra, 2002), there is less attention devoted to change-related antecedents of trust (Neves & Caetano, 2009). However, there is some evidence that negative experience of change leads to lower trust. For example, Morgan and Zeffane (2003) found that incidence of organizational change in the previous 2 years was negatively related to trust in management. Similarly, Kiefer (2005) found that change-related emotional distress resulted in lower trust in the organization, senior management, and line management.

Trust at any given time is a consequence of past experiences with the trustee (Dirks & Ferrin, 2002; Mayer, Davis, & Schoorman, 1995). For example, a cooperative action of another party in prisoner's dilemma-type scenarios increases trust and the likelihood that cooperation will be reciprocated (Boyle & Bonacich, 1970). In a meta-analysis of the antecedents and consequences of trust in leadership, Dirks and Ferrin (2002) noted that a history of participative decision making and fairness of procedures, treatment, and outcomes led to greater trust in the leader. From the sociocognitive perspective, the relationship between PCMH beliefs and low trust will also be supported by the idea of cognitive consistency. Belief congruent information is easier to process and people are motivated to maintain cognitive consistency (Dutton & Jackson, 1987; McKinley et al., 2000). Therefore, PCMH beliefs will lead to greater attention to—and processing of—information that

suggests lack of organizational ability, integrity, or benevolence, and in turn undermines trust.

> *Hypothesis 2 (H2)*: PCMH beliefs will be negatively related to trust in the organization.

The organization and its representatives (e.g., supervisor, senior management) influence many aspects of the employee's working environment, including job roles, rewards and recognition, and career development (Dirks & Ferrin, 2002). With low trust in the organization, an employee will be unsure of whether his or her job-related interests will be looked after by the organization. A lack of trust in the organization is, therefore, likely to result in lower job satisfaction. Indeed, Dirks and Ferrin found a strong positive relationship between trust and organizational leadership and job satisfaction across 34 studies (a corrected average effect size of $r = .65$). Therefore, we predict that trust will be positively related to job satisfaction.

> *Hypothesis 3 (H3)*: Trust in the organization will be positively related to job satisfaction.

Employee withdrawal—as a consequence of low trust—can be interpreted in light of trust beliefs and the willingness (or intention; Mayer et al., 1995) to make oneself vulnerable to another party. A belief that the other party can be trusted leads to risk taking in relationships. On the other hand, under conditions of low trust, employees will be less willing to take risks. The ultimate manifestation of the unwillingness to take risk would be a decision to withdraw from the organization. Indeed, trust has been found to be negatively related to turnover intentions (Dirks & Ferrin, 2002). Kiefer (2005) found that lower trust arising from organizational change led to employee withdrawal (intention to quit and neglect of job duties). Based on this literature, we predict that trust will be negatively related to turnover intentions.

> *Hypothesis 4 (H4)*: Trust in the organization will be negatively related to turnover intentions.

Job satisfaction has consistently been found to be negatively related to turnover intentions (Bordia, Hunt, Paulsen, Tourish, & DiFonzo, 2004b; Lum, Kervin, Clark, Reid, & Sirola, 1998). Indeed, most theoretical approaches to turnover note the role of job dissatisfaction as an initiator of the turnover

process (Hom, Caranikas-Walker, Prussia, & Griffeth, 1992). Therefore, we predict that job satisfaction will be negatively related to turnover intentions.

> *Hypothesis 5 (H5)*: Job satisfaction will be negatively related to turnover intentions.

PCMH, Change Cynicism, and Openness to Change

In this section, we consider the implications of a PCMH for change-related employee attitudes: Cynicism and openness to change. Wanous et al. (2000) define cynicism about organizational change (CAOC) as "a pessimistic viewpoint about change efforts being successful because those responsible for making change are blamed for being unmotivated, incompetent, or both" (p. 133). CAOC arises from previous experience of change that was mismanaged or failed to achieve its objectives. In the words of Reichers, Wanous, and Austin (1997): "cynicism . . . is a response to a history of change attempts that are not entirely or clearly successful" (p. 48). Wanous et al. (2000) found that ineffectiveness of the supervisor and low levels of participative decision making contributed to the development of CAOC. In addition, they predicted that the amount of successful change will be negatively related to cynicism. However, their measure of past change merely asked for the *amount* of change—rather than how well it was managed—in areas such as job activities, supervision, effort, and amount of skill needed. We extend this line of research and more explicitly test the role of previous experience of change in the development of CAOC. We argue that previous experience of *poor* change management will lead to low levels of expectancy regarding the success of current change programs and faith in the ability or motivation of managers to implement change. The relationship between PCMH beliefs and cynicism can also be explained by the need for cognitive consistency (Dutton & Jackson, 1987; McKinley et al., 2000). PCMH beliefs will be consistent with an attitude of cynicism and the two should therefore be positively related.

> *Hypothesis 6 (H6)*: PCMH beliefs will be positively related to cynicism about organizational change.

Employee openness to change is vital for the success of most change efforts in organizations. Openness to change consists of two elements (Miller et al., 1994): "(a) willingness to support the change and (b) positive affect about potential consequences of the change" (Wanberg & Banas, 2000, p. 132).

Openness to change has consequences for a wide variety of employee outcomes. For example, change acceptance is negatively related to irritation at work and turnover intentions (Wanberg & Banas, 2000). There is growing research attention devoted to understanding the antecedents of openness to change. As expected, change management practices such as participation in decision making and adequate communication are positively related to openness to change. On the other hand, based on organizational justice theory (Greenberg & Cropanzano, 2001), lack of participation and information about change (procedural injustice) or an expectation of unfavorable outcomes arising from change (distributive injustice) will reduce openness to change (Oreg, 2006). CAOC involves pessimism about the likelihood of successful implementation of change and has a negative effect on employee motivation and instrumentality perceptions related to organizational procedures (Wanous et al., 2000). Therefore, we expect CAOC to be negatively related to openness to change.

> *Hypothesis 7 (H7)*: Cynicism about organizational change will be negatively related to openness to change.

PCMH and Employee Turnover

Two major theoretical perspectives have provided insights into the turnover process. The first approach pioneered by Mobley, Horner, and Hollingsworth (1978) emphasized job dissatisfaction as the instigator of employee turnover. This model, and its various revisions (see Hom et al., 1992), outlined the cognitive process instigated by job dissatisfaction, including thoughts of quitting, search intentions, quit intentions, and, ultimately, turnover. The second approach, developed by Lee and Mitchell (1994), explored reasons in addition to job dissatisfaction that might cause turnover and led to the development of the unfolding model of turnover. This model emphasizes the role of shocks (i.e., events or experiences that cause the employee to consider leaving) in turnover. Shocks can be positive or negative, expected or unexpected, and internal to the organization or external (i.e., in the nonwork domain). Lee and Mitchell (1994) identified several pathways from the experience of shock to final exit from the organization. These pathways include the presence or absence of a shock, job dissatisfaction, a script for leaving, image violation, search for alternatives, and other job offers. Key aspects of the unfolding model (of particular relevance to this article) include the role of shocks and image violation in turnover and the fact that job dissatisfaction is not necessary for an employee to leave the organization.

We expect that PCMH will lead to turnover. However, there can be several pathways that link PCMH to turnover. PCMH can lead to low trust and low job satisfaction which, in turn, would lead to turnover intentions (as predicted in H4 & H5, respectively). Similarly, the lack of openness to change induced by PCMH can also lead to turnover intentions. Theoretically, the relationship between openness to change and turnover intentions can be explained by the concept of image violation in the unfolding model of turnover (Harman, Lee, Mitchell, Felps, & Owens, 2007). Image violation refers to a mismatch between the organizational circumstances and the employee's work-related goals, values, and strategic vision and can lead to employee exit from the organization. Events in the organization (such as organizational change) can trigger a comparison of the new work circumstances with the desired goals and values. A lack of openness to change implies that the employee does not like the direction or outcomes related to the changes and is likely to experience image violation. Therefore, low openness to change will lead to turnover intentions.

> *Hypothesis 8 (H8)*: Openness to change will be negatively related to turnover intentions.

According to the theory of planned behavior, intentions represent a motivational force for the enactment of a particular behavior (Ajzen, 1991; Armitage & Connor, 2001). Behavioral intentions are the most proximal predictors of actual behavior. A meta-analysis by Armitage and Connor (2001) revealed a sample size weighted multiple *R* of .47 between intentions and behavior. In the context of turnover, turnover intentions have been found to be consistent predictors of actual turnover (Tett & Meyer, 1993). Therefore, we predict that turnover intentions will be positively related to actual turnover.

> *Hypothesis 9 (H9)*: Turnover intentions will be positively related to actual turnover.

Finally, consistent with Lee and Mitchell's (1994) characterization of shocks, PCMH and the resulting PCMH beliefs may force the employees to reassess their position in the organization and cause them to exit from the organization. In this pathway, the exit may be an impulsive, nondeliberate decision and trust and job dissatisfaction may not play a role. Based on this argument, we propose an alternative prediction: PCMH beliefs will be directly related to turnover.

Hypothesis 10 (H10): PCMH beliefs will be directly related to actual turnover.

Our empirical approach is presented in two phases. Given that there is no existing measure of PCMH beliefs, in Phase I we developed a measure and validated it using actual events in the organization. That is, we obtained information on previous history of change management from organizational representatives. These representatives (from the Human Resources Department) informed us about previous change events and classified employees into two groups: Those that had experienced PCMH and those that did not. This grouping variable acted as the independent variable of PCMH and was used to predict the self-reported PCMH beliefs. We also related PCMH and PCMH beliefs with trust in the organization and change cynicism. In Phase II, we replicated the results of Phase I and further extended them to a test of the whole model, including openness to change, job satisfaction, turnover intentions, and actual turnover.

Phase I: Development of the PCMH-Beliefs Measure

Phase I was conducted in a property and development firm in the Philippines that designed and developed communities for commercial and residential purposes. Unable to keep up with the demands of the growing population and escalating number of competitors, the executives decided to merge with another property and development organization. At the time of the survey, the organization had announced the merger to all employees and had initiated preparations for the merger. One significant change to be implemented as part of the acquisition process was the evaluation and redefinition of job positions taking into account the needs of the merged organization.

We collected background information regarding previous history of change management. We interviewed two organizational representatives from the Human Resources Department. They reported that prior to the implementation of the current change, the organization had a record of unsuccessful change implementation. For example, the firm established regional satellite offices to diversify its client base and address the residential and commercial needs of people in the provincial districts. The creation of these new offices required the reassignment of employees. However, deployment of these employees was a unilateral decision implemented by the senior management without consultation or participation of the affected parties and resulted in resentment among the affected employees.

Sample and Procedure

A total of 325 employees received surveys assessing previous change management initiatives, perceptions of the current change, and trust toward the organization. A total of 155 employees completed surveys, yielding a response rate of 47.69%. This response rate is similar to the median response rate of 46% in recent organizational research (Baruch & Holtom, 2008). Of them, 66% of the respondents were males. Approximately 45% of the participants were between 30 and 39 years old. Average organizational tenure was 4.23 years (*SD* = 3.21). Survey kits consisting of a self-report survey, objectives of the study, and a consent form were distributed to employees across the different work units. The survey was administered to the employees 2 months after the dissemination of the official correspondence indicating that the firm was merging with another organization.

Measures

Questionnaires were prepared in English because this language is spoken by a vast majority of the Filipino population and is predominantly used in organizational settings (Bernardo, 2004). Unless otherwise specified, participants responded using a 7-point Likert-type scale (*1 = strongly disagree to 7 = strongly agree*). The coefficient alphas for the variables are also reported below.

Actual PCMH. Our sample consisted of employees that had been exposed to a history of poor change management in the past as well as those that had not experienced it. We wanted to use these contrasted groups to test the effects of PCMH on PCMH beliefs. We used organizational informants to assess employee exposure to actual PCMH. Organizational informants are a valuable source of information about organizational characteristics; however, for this information to be valid, it is important that the informants are knowledgeable about the criterion under investigation (Seidler, 1974). Two staff members from the Human Resource Department served as informants. They had been close observers of the change implementation process in the different parts of the organization. These informants were requested to identify individuals within the firm that had experienced poorly managed change (i.e., those employees who were "coerced" to be deployed to the satellite offices). The informants noted that the forced assignment of employees to another work location was perceived as unfair and unacceptable. They also disclosed that the top management communication threatened the affected employees that noncompliance to the directive may result in job termination. PCMH was coded as 1 (*employees that have undergone*

poorly managed change in the past) and 0 (*comparison group*). To maintain anonymity and confidentiality, an independent person matched the information from the organizational representatives with the survey responses using control numbers. Neither the organizational representatives nor the researcher had access to both pieces of information.

PCMH beliefs. In developing the measure, we followed the deductive item-generation approach (Hinkin, 1995). A group of change management researchers generated items that consisted of an overall assessment (both positive and negative) of change management events. After removing redundant items, we were left with eight items. Example items included, "In my experience, organizational change has been managed well (*R*)," and "In my experience, past change initiatives have failed to achieve their intended purpose" (see Appendix A for the complete list of items). Items were coded such that a higher score indicated poorly managed change in the past. Respondents in the survey studies were asked to think about organizational change (restructuring, job reassignment, and job rotation, etc.) that they had *previously* experienced in their organization (not the current changes occurring in their organization). This scale yielded a reliability coefficient of .86. Given that PCMH-beliefs measure is a newly developed scale, we collected additional data to investigate its factor structure and to test its convergent and divergent validity using a variety of other measures. The results of this validation exercise are presented in Appendix B.

Organizational trust. We asked participants to report the extent to which they trust their organization using a seven-item measure taken from Robinson (1996). A sample item is "My organization is not always honest and truthful" (*R*). This scale yielded a coefficient alpha of .90.

Organizational change cynicism (CAOC). Perceptions of change cynicism were measured using the eight-item Cynicism about Organizational Change Scale developed by Wanous et al. (1994). An example item is as follows: "Most of the programs that are supposed to solve problems around here will not do much good". For this study, the reliability coefficient of the scale was .89.

Control variables. We also measured the following demographic variables to rule out alternative explanations for our findings: Gender, age, and organizational tenure.

Results

Construct validation. Because PCMH beliefs is a newly developed scale, we conducted construct validation by comparing the PCMH-beliefs ratings of the two groups identified by the organizational representatives. Univariate analysis

showed that participants who experienced actual PCMH had higher average scores on the self-report PCMH measure ($M = 4.86$, $SD = 0.62$), relative to the comparison group ($M = 3.13$, $SD = 0.68$), $t(34.17) = -12.38$, $p < .001$.

Table 1 presents the descriptive statistics, zero-order correlations, and reliability coefficients. Before analyzing the data, we conducted a confirmatory factor analysis to establish the construct independence among PCMH beliefs, organizational change cynicism, and organizational trust. Several fit indices were used to assess the adequacy of the model, namely, chi-square (χ^2), the comparative fit index (CFI), the root mean square error approximation (RMSEA), and the standardized root mean residual (SRMR). Values for the CFI are between 0 and 1, and values close to 1 represent a good fitting model (Byrne, 2001). A value of .08 or less for RMSEA is indicative of a good fit (Dilalla, 2000) and a value less than .10 for the SRMR suggests good fit (Williams, Vandenberg, & Edwards, 2009).

Given sample size constraints, we used a parceling approach to improve the variable-to-sample size ratio. In parceling, items are combined (rather than deleted) so as to reduce the overall number of items while still capturing some information from each item (Little, Cunningham, Shahar, & Widaman, 2002). We used the factorial algorithm approach in which the items with the highest and lowest loadings for each construct were collapsed first, followed by the items with the next second highest and lowest loadings (Williams et al., 2009). This approach to parceling is justified when examining theoretically unidimensional categories (Little et al., 2002; Williams et al., 2009). Each construct had a total of three parcels. The three-factor model had a good fit with the observed data, $\chi^2 (24, N = 155) = 18.98$, *ns*, $\chi^2/df = .79$, CFI = 1.00, SRMR = .02, and RMSEA = .00. All three constructs had a composite reliability above .70 and average variance extracted values above .80. We also compared the three-factor model with four alternative models. Results showed that the three-factor model had the best fit. Overall, this provides evidence that the three constructs are distinct from one another.

Analysis of the path model. In Phase I, we wanted to test H1, H2, and H6: that is, the relationships among actual PCHM, PCMH beliefs, organizational trust, and CAOC. Because of sample size constraints, we chose to conduct path analysis with manifest variables using the Analysis of Moment Structures program (AMOS; Arbuckle & Wothe, 1999). Given the conceptual relationship between trust and cynicism, we expected them to be correlated. However, in our model, trust and cynicism are endogenous variables and so they cannot be correlated in path analysis. Instead, the error terms of these two variables were allowed to correlate (Kline, 1998). The results of the path analysis are presented in Figure 2. The model showed good fit as suggested by the various fit indices,

Table 1. Descriptive Statistics, Intercorrelations, and Reliability Coefficients of the Study Variables

	M	SD	1	2	3	4	5	6	7	8	9	10	11
Phase I (N = 155)													
1. Gender	NA	NA											
2. Age	3.08	0.85	.07										
3. Tenure	4.22	3.21	−.05	.25***									
4. PCMH	NA	NA	.22***	−.08	−.03								
5. PCMH beliefs	3.50	0.92	.20**	−.15*	.04	.68***	(.86)						
6. Organizational trust	4.78	1.14	−.12	.08	−.09	−.22***	−.38***	(.90)					
7. CAOC	3.38	1.27	.15*	−.05	.03	.24***	.41***	−.65***	(.89)				
Phase II (N = 124)													
1. Gender	NA	NA											
2. Age	3.09	0.94	.06										
3. Tenure	3.14	2.67	.07	.27***									
4. PCMH	NA	NA	.16*	−.03	.02								
5. PCMH beliefs	3.40	1.11	.18**	−.13	.07	.71***	(.79)						
6. Organizational trust	5.16	1.24	−.17*	.07	.05	−.25***	−.46***	(.90)					
7. Job satisfaction	5.98	1.03	−.05	.08	.15	−.10	−.24***	.54***	(.72)				
8. CAOC	3.16	1.34	.05	−.03	.03	.29***	.46***	−.72***	−.36***	(.83)			
9. Openness to change	5.13	1.25	−.02	.21**	−.07	−.21**	−.33***	.46***	.16*	−.56***	(.86)		
10. Turnover intentions	2.52	1.47	.00	−.22**	−.16*	.12	.28***	−.58***	−.67***	.48***	−.35***	(.89)	
11. Actual turnover	0.19	0.39	.02	−.08	.07	.39***	.48***	−.37***	−.33***	.32***	−.26***	.42***	NA.

Note: PCMH = poor change management history; PCMH beliefs = perception of poor change management history; CAOC = cynicism about organizational change.
Gender is coded as 1 = *male* and 2 = *female*; Age is coded as 1 = *less than 20*; 2 = *20 to 29 years old*; 3 = *30 to 39 years old*; 4 = *40 to 49 years old*; 5 = *more than 50 years old*. Alpha reliabilities are along the diagonal.
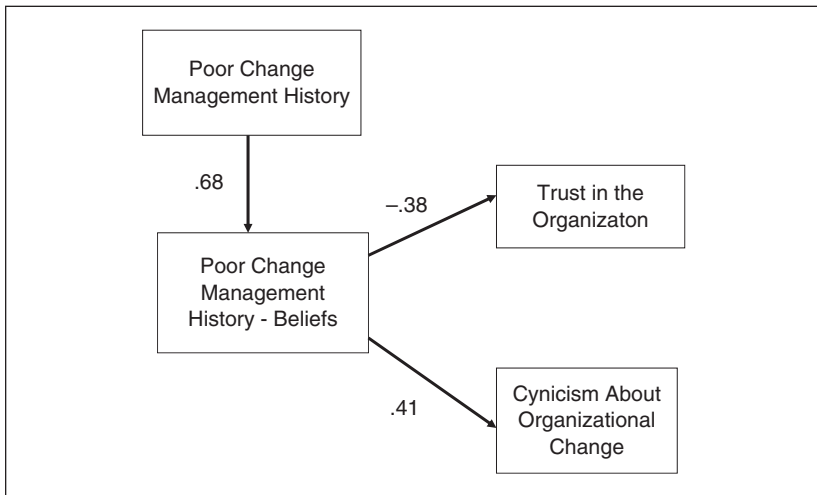*p < .10. **p < .05. ***p < .01. ****p < .001

205

Figure 2. Final path model with manifest variables for Phase I (the error terms for trust and cynicism were allowed to correlate; all paths are significant at $p < .01$)

χ^2 (2, $N = 155$) = .83, *ns*, χ^2/df = .42, CFI = 1.0, SRMR = .02, and RMSEA = .00. Because gender was related to PCMH, we included this variable in the path model. Results of the chi-square difference test suggested that the inclusion of the gender in the model did not provide any substantial improvement in fit, χ^2_{diff}(3) = 2.25, *ns*.

All the paths were statistically significant, supporting the hypothesized relationships between actual PCMH and PCMH beliefs (H1), between PCMH beliefs and trust (H2), and between PCMH beliefs and CAOC (H6). To examine direct relationships, two direct paths were added: (a) a path linking PCMH and trust; and (b) a path linking PCMH and cynicism about organizational change. Results showed that these direct paths were nonsignificant. We computed bias-corrected 90% confidence intervals and significance levels of the indirect effects using the bootstrap procedure (Cheung & Lau, 2008). The standardized indirect effects of PCMH via PCMH beliefs on organizational trust was –.26 (lower bound = –.35; upper bound = –.16; $p < .01$) and on organizational change cynicism was .28 (lower bound = .18; upper bound = .37; $p < .01$).

In summary, in Phase I, we developed and validated a measure of PCMH beliefs and related it to actual events in the organization's history (i.e., PCMH). In support of H1, PCMH was positively related to PCMH beliefs. We also found support for the relationship between PCMH beliefs and employee attitudes

toward the organization in general (i.e., trust in the organization; H2) and change management in particular (i.e., cynicism about organizational change; H6). In Phase II, we test the full model by incorporating additional organization- and change-related attitudes, namely, job satisfaction, turnover intentions, openness to change and actual turnover at Time 2 (after 2 years).

Phase II: Test of the Full Model

This phase was conducted in a medium-sized educational institution which is a member of a university network in the Philippines. The university network consists of multiple campuses, colleges, and divisions carrying out various academic and nonacademic functions such as instruction, research, consultation, and community service. The vice president of the organization proposed to establish a separate educational facility for the purpose of improving the tertiary preparatory studies of freshman students. The implementation of this change initiative entailed a comprehensive revision of the academic curricula and teaching modalities; merging and integration of some academic units; downgraded work responsibilities for some jobs; reductions in number of academic staff; and relocation to another building. Prior to the implementation of the current change, the organization had a history of failed change initiatives (including poorly managed organizational restructuring which resulted in a string of law suits against the organization; see Measures section for further information).

Sample and Procedure

A total of 200 staff members across various academic areas were surveyed. A total of 124 staff members completed surveys, representing a response rate of 62%. This response rate is well above the average response rates in organizational research (Baruch & Holtom, 2008). Gender was fairly evenly distributed (53.2% were males, 44.4% were females, and 2.4% did not report their gender). Approximately 39% of the participants were in the 30 to 39 age band. Average organizational tenure was 3.14 years ($SD = 2.62$).

Data were collected at two points in time. At Time 1, a survey was administered 3 months after the initial phase of the change process. Survey kits were distributed to staff members by the second author and research assistants during staff meetings. The survey kit contained a self-report questionnaire, and cover letter outlining the goals of the study, voluntary participation, and an assurance of confidentiality. Similar to Phase I, an independent person matched the information from the organizational representatives with the survey responses

using control numbers. Neither the organizational representatives nor the researcher had access to both pieces of information. At Time 2 (2 years after the survey), we obtained turnover data from organizational records for the participants of the Time 1 survey. Once again, an independent person matched the survey responses with turnover data.

Measures

Actual PCMH. Similar to Phase I, we requested two organizational representatives to identify individuals within the organization that had experienced poorly managed change in the past. These representatives observed that past change efforts (involving organizational restructuring and job redefinition) were ineffectively managed. For example, a change management plan was not clearly laid out by top management and the change initiative was unilaterally implemented with no consultation or discussion with the affected parties. One of the representatives noted that the individuals responsible for the change were playing "gods." The top management was described as antagonistic in the way they interacted with the affected employees. This resulted in a string of law suits filed against the organization. Poor change management history was coded as 1 (*employees that experienced poorly managed change in the past*) and 0 (*comparison group*).

PCMH beliefs. We used the same eight items developed in Phase I to assess participants' change management history. This scale yielded a reliability coefficient of .79. We again validated the self-report measure of PCMH beliefs against the information provided by the organizational representatives, using the method of *contrasted groups* (Cohen & Swerdlik, 2002). Univariate analysis revealed that those participants who experienced poorly managed change in the past (as classified by the organizational representatives) had higher ratings on the PCMH-beliefs measure ($M = 4.30$, $SD = .81$), relative to the comparison group ($M = 2.72$, $SD = .75$), $t(122) = -11.18$, $p < .001$.

Organizational trust. Similar to Phase I, we used the seven-item scale developed by Robinson (1996). In this study, the scale had a coefficient alpha of .90.

Job satisfaction. The three-item scale developed by Cammann, Fichman, Jenkins, and Klesh (1983) was used to measure job satisfaction. This scale is designed to assess an individual's global satisfaction with the job, and has been shown to load into a single dimension that possesses adequate psychometric properties (McFarlin & Rice, 1992). However, results of the reliability analysis suggest that deletion of one item (i.e., "In general, I do not like my job") would significantly improve the coefficient alpha. The two-item measure yielded a coefficient alpha of .72.

Turnover intentions. Turnover intentions were measured with four items drawn from previous research (Fried, Tiegs, Naughton, & Ashworth, 1996; Hom, Griffeth, & Sellaro, 1984). An example item is "I often seriously think about resigning from my job." This scale had a coefficient alpha of .89.

Cynicism about organizational change (CAOC). As in Phase I, we assessed organizational change cynicism using the eight-item scale developed by Wanous and his colleagues (1994). For this study, the reliability coefficient of the scale was .83.

Openness to change. Openness to change was measured using a four-item scale taken from Wanberg and Banas (2000). An example item is "I would consider myself open to these changes." This scale yielded a coefficient alpha of .86.

Actual turnover. At Time 2, 2 years after the Time 1 data collection, we obtained turnover data from the personnel services unit. Participants were coded as 0 for *stayers* and 1 for *voluntary leavers*. A total of 23 employees (approximately 19% of the participants) had left the institution voluntarily after 2 years (4 employees left involuntarily and were not included in the analysis).

Control variables. Similar to Phase I, we measured gender, age, and tenure.

Results

Descriptive statistics, intercorrelations, and internal consistency reliabilities of the study variables are summarized in the bottom half of Table 1. The correlations among the study variables were moderate in size (with the exception of CAOC and organizational trust; $r = -.72$, $p < .001$, and CAOC and openness to change, $r = -.56$, $p < .001$), providing evidence for the construct independence of the measures. Other studies have found similarly high correlation between cynicism and trust (e.g., $r = .78$; Pugh, Skarlicki, & Passell, 2003). We conducted a CFA for PCMH beliefs, openness to change, CAOC, and organizational trust. Similar to Phase I, we created item parcels to improve the ratio of N relative to the number of parameters to be estimated (Little et al., 2002). Each construct had three parcels. The four-factor model had an acceptable fit with the observed data $\chi^2(48, N = 124) = 71.68$, *ns*, $\chi^2/df = 1.49$, CFI = .98, SRMR = .06, and RMSEA = .063. The composite reliabilities and average variance extracted were all above .70 and .75, respectively. We also compared the measurement model with several alternative models. The four-factor model had the best fit. Overall, this analysis provides evidence that the four constructs are distinct from one another.

Analysis of the path model. The predicted model was tested using path analysis (see Figure 3; once again, to represent the relationship between trust and
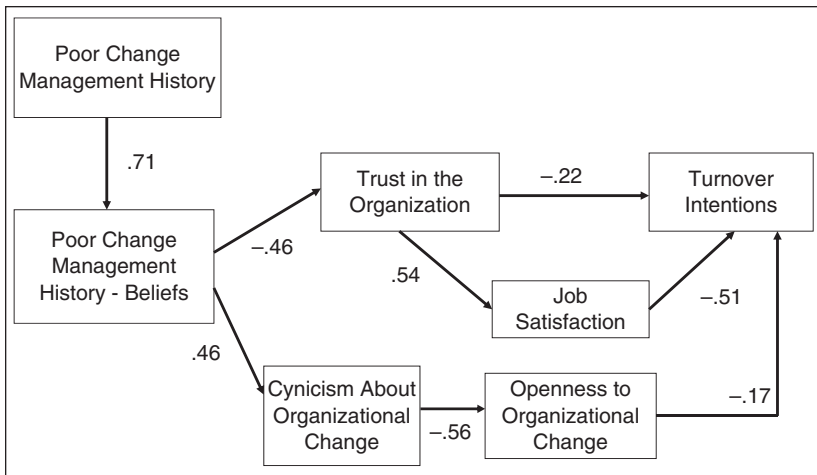
Figure 3. Final path model with manifest variables for Phase II (the error terms for trust and cynicism were allowed to correlate; all paths are significant at $p < .05$)

cynicism, their error terms were allowed to correlate). This model had a good fit, as indicated by the various fit indices, χ^2 (12, $N = 124$) = 7.61, *ns*, $\chi^2/df =$ 0.63, CFI = 1.0, SRMR = .03, and RMSEA = 0.00. All the paths were statistically significant. H1 to H8 were all supported. To examine an alternate, partially mediated path model, we added six direct paths: (a) a path linking PCMH and organizational trust; (b) a path linking PCMH and CAOC; (c) a path linking PCMH beliefs and turnover intentions; (d) a path linking PCMH beliefs and job satisfaction; (e) a path linking PCMH beliefs and openness to change; and (f) a path linking CAOC and turnover intentions. However, all these direct paths were nonsignificant.

As in Phase I, we computed 90% bias-corrected confidence intervals and assessed significance of the indirect effects. The standardized indirect effect of PCMH via PCMH beliefs on organizational trust was −.33 (lower bound = −.42; upper bound = −.23; $p < .01$) and on CAOC was .33 (lower bound = .22; upper bound = .42; $p < .01$). Similarly, the standardized indirect effect of PCMH beliefs on openness to change via CAOC was −.26 (lower bound = −.37; upper bound = −.17; $p < .01$) and on turnover intentions via organizational trust was .27 (lower bound = .20; upper bound = .37; $p < .001$). The standardized indirect effect of PCMH beliefs on job satisfaction via organizational trust was −.25 (lower bound = −.34; upper bound = −.18; $p < .01$). Finally,

Table 2. Predictors of Actual Turnover (Phase II)

Predictors	B	Wald
PCMH beliefs	1.44***	16.04
Turnover intentions	0.60***	10.67
Model χ^2	42.25	
df	2	
Classification accuracy (%)	86.7	

Note: PCMH beliefs = poor change management history-beliefs.
***$p < .01$.

the standardized indirect effect of CAOC on turnover intentions via openness to change was .09 (lower bound = .03; upper bound = .17; $p < .05$). Overall, we found support for the mediated model.

Because gender and age were related to some of the study variables, we included these demographic characteristics in the path model. Results of the chi-square difference test suggested that the inclusion of the demographic variables did not provide any substantive improvement in fit of the modified path model, $\chi^2_{diff}(22) = 30.02$, *ns*.

Analysis of predictors of turnover. We used binary logistic regression to test the relationships between turnover intention and turnover (H9) and PCMH beliefs and turnover (H10). The results are presented in Table 2. Both turnover intentions and PCMH beliefs were significant predictors of turnover, supporting H9 and H10, respectively. The full equation had a classification accuracy of 86.7%. PCMH beliefs was the stronger predictor of turnover.

General Discussion

Organizational change research has been criticized for neglecting the role of history in the study of change (Pettigrew et al., 2001). Much of the existing research tends to treat organizational change as "episodic" and comprising of independent events (Pettigrew, 1987, p. 655). More generally, research in organizational behavior has tended to ignore the theoretical and methodological significance of context in the examination of work attitudes and outcomes (Johns, 2006). In the studies reported here, we explicitly theorized the role of context—in the form of change history—in shaping employee orientation toward the organization in general and toward current change programs in particular. Our theoretical and empirical approach addresses several gaps in the literature. Although research on interrelationships between attitudinal variables

abounds, there is a lack of research on how organizational events shape these attitudes and actual behavior. For example, Lau and Woodman (1995) found that the development of a general change schema was influenced by dispositional (locus of control and dogmatism) and attitudinal (organizational commitment) variables. However, they did not relate the origin of the schema to actual events in the organizational context and called for more research on situational and contextual antecedents of change-related schemas. Similarly, there is a dearth of research on how previous organizational change experience relates to trust, cynicism, and turnover.

Adopting the sociocognitive approach in understanding employee reactions to change, we proposed a belief-based mechanism by which past experiences in the organization shape employee attitudes and behavior. Our theoretical model thus connects the past, the present, and the future in terms of employee experiences in the organization, the effects of these experiences on beliefs and attitudes, and the resulting impact on exit behavior from the organization. We have thus provided a cognition-based operationalization of what Pettigrew et al. (2001, p. 700) referred to as "carr[ying] forward in human consciousness" of past experiences of organizational change. Moreover, we developed a measure of PCMH beliefs, which we hope will facilitate empirical research in this area.

Our research was presented in two phases. The results of the two phases provided strong support for the hypothesized model. As predicted by H1, actual PCMH was strongly related to PCMH beliefs. In turn, PCMH beliefs was negatively related to trust in the organization (H2). This lack of trust was related to lower job satisfaction (H3) and higher turnover intentions (H4). The results imply that when subjected to poorly managed change, employees lose faith in the organization's ability to look after employee interests. This, in turn, undermines their job satisfaction. Moreover, refusing to be vulnerable to the actions of the organization and unhappy with their jobs (H5), employees may consider exiting from the organization.

On another front, PCMH beliefs was related to cynicism about organizational change, supporting H6. Thus, previous history of poor change management led to pessimism about successful implementation of future changes in the organization and undermined confidence in the ability of managers to implement change. PCMH (via PCMH beliefs) is therefore an important situational predictor of CAOC. As predicted by H7, cynicism contributed to lack of openness about specific change efforts in the organization. Much of the research on CAOC has focused on its antecedents; the relationship between CAOC and openness to change demonstrates the negative *consequences* of CAOC for the acceptance and successful implementation of specific change

programs. Finally, consistent with previous research (Wanberg & Banas, 2000) and as predicted by H8, openness to change was related to turnover intentions. These findings draw attention to a possible downward spiral created by poor management of change. PCMH would lead to cynicism, which in turn creates lack of openness toward change. The lack of openness would hold employees back from participating in change efforts and jeopardize the successful implementation of change. This would re-create a poor experience of change and reinforce PCMH beliefs and the employees may choose to exit from the organization.

In both studies, there was a strong correlation between trust and cynicism. Although we acknowledge the overlap between the constructs (both contain elements of a loss of faith), there is a clear conceptual distinction between these variables: Trust involves a willingness to be vulnerable; this is not a defining feature of cynicism (Dean et al., 1998). Moreover, these variables have very different roles in our model. First, they differ on the referent to which they are attached. Trust is in relation to the organization, whereas cynicism is in relation to organizational change. Second, and consistent with the idea of corresponding referent levels (Blau, 2007), trust is related to the organization-level outcome of turnover, whereas CAOC is related to the change-level outcome of openness to change. Finally, the confirmatory factor analyses in both studies supported trust and CAOC as distinct constructs.

There is a dearth of research linking change-related variables and actual turnover. Turnover intentions and PCMH beliefs both predicted actual turnover after 2 years, supporting H9 and H10, respectively. Our findings can be interpreted in light of the unfolding model of turnover (Lee & Mitchell, 1994) which proposes several pathways to turnover. These pathways include organizational and nonorganizational triggers of exit (i.e., shocks) that may or may not involve job dissatisfaction. Our findings support two types of exit pathways. The first is the more deliberate pathway, where various organization- and change-related attitudes induce turnover intentions and subsequent exit from the organization. The second involves the direct effect of PCMH beliefs. PCMH and the associated PCMH beliefs appear to play the role of a shock, making the employees reevaluate their role in the organization and causing an exit from the organization. PCMH beliefs predicted turnover a fair distance in the future (as much as 2 years). This finding is consistent with recent evidence of the strong and *lasting* effects of shocks (Kammeyer-Mueller, Wanberg, Glomb, & Ahlburg, 2005). For example, Kammeyer-Mueller et al. (2005) analyzed the predictive ability of critical events (that make employees more or less likely to stay) measured at the time of entry into an organization, as well as experiences over time. Although changing attitudes provided extra predictive ability, and measures

more proximal to turnover date were better predictors, employee experiences at the start of the employment were predictive of turnover over a period of 2 years.

Interestingly, PCMH beliefs was a marginally stronger predictor of turnover, compared to turnover intentions. Certain study design characteristics may have attenuated the effects of turnover intentions (Hom et al., 1992; Kammeyer-Mueller et al., 2005). Intentions and behavior are strongly related when measured in temporal proximity. Our measure of turnover intentions was separated by up to 2 years from actual turnover and therefore, the effects of intentions may have weakened. Also, a high turnover base rate (percentage of total sample that quits), such as one approaching 50%, enhances the relationship between turnover intentions and actual turnover (Hom et al., 1992). In our sample, turnover was 19%. Although this is similar to other published studies, a higher percentage of exits could have strengthened the intention-turnover relationship.

Limitations and Future Directions

Although the studies included data collected from multiple sources (i.e., HR managers, employees, and organizational records) and longitudinal analysis of actual turnover, the attitudinal variables were analyzed in a cross-sectional design. Future research would benefit from a temporal separation of the self-report measures to strengthen causal implications. From a theoretical perspective, we utilized the sociocognitive approach to examine the effects of the history of change management. Although we have provided a useful contribution to the empirical examination of the lasting effects of PCMH, this work needs further extension. We have focused on a discrete set of beliefs about poor change management history. This belief structure is likely to be more complex, with interrelationships and connections with other beliefs (Bartunek & Moch, 1987; Lau & Woodman, 1995). Future research can further develop the composition of the change history beliefs and examine their role in a broader change schema. The further elaboration of the change history-related beliefs will have implications for the measurement of PCMH beliefs. With the identification of additional elements of the belief structures, the measure can be expanded to capture the range of cognitions. Also, our focus has been on the individual level. Over time, the individual beliefs get shared and collective beliefs can emerge via a process of schema collectivization (McKinley et al., 2000). Future work in this area will benefit from a multilevel perspective that takes into account shared beliefs at the group or department levels.

Our measure of *actual* PCMH only captured the *presence* (i.e., a score of 1) or *absence* (a score of 0) of poor change management history. There are likely to be gradations of PCMH, and future research should use a continuous scale. Although we were able to relate PCMH beliefs with actual turnover, future research should attempt a more fine-grained analysis of the PCMH-turnover relationship. The precise steps from the experience of PCMH-related shock to eventual exit (i.e., the unfolding process) should be analyzed. Insights from such an analysis may assist retention efforts and thus may be of considerable practical value to managers. Moreover, we did not assess the impact of job-market predictors of turnover (such as job opportunities) or individual aspirations (such as career goals; Sturges, Conway, & Liefooghe, 2010). Inclusion of these variables would provide a more complete understanding of the employee turnover process during organizational change.

Practical Implications

A key message from this research is that change leaders need to be acutely aware of the organization's history of change management. Often the focus of change leadership is in charting a new direction; with the arrival of every new CEO comes a new vision for the future. Indeed, recommendations for effective change leadership emphasize a future orientation (Kotter, 1995). However, as when driving a car, changing the direction of an organization should involve a "rear view" inspection of the change management history. We recommend that leaders pay attention to employee change beliefs arising from the history of change in the organization. If PCMH beliefs exist, leaders should strive to modify these beliefs (Bartunek et al., 1992). Although not easy, employee beliefs and perceptions can be changed (Labianca, Gray, & Brass, 2000); for example, dramatic developments or new information can force a reassessment of existing beliefs and attitudes. Moreover, leaders would be required to consistently model effective change management practices (Labianca et al., 2000). Organizational trust, cynicism, and change management literatures provide several guidelines. Cynicism-reducing and trust-enhancing strategies have to do with effective communication practices, such as timely and two-way communication that adequately informs employees about the changes in the organization (Bordia et al., 2004 a, 2004b; Jimmieson et al., 2004; Reichers et al., 1997) and acknowledgment, apology, and rectification of past mistakes (Kim et al., 2004). Indeed, Bommer, Rich, and Rubin (2005) found that transformational leadership style (marked by relationship-oriented and inspirational leadership) was effective in reducing cynicism about organizational change.

Managing change and change-related cynicism of employees remains a critical leadership challenge (Kotter, 1995). We hope the insights obtained from this study on the lasting negative effects of poor change management will further reinforce the importance of effective change management.

Appendix A
Scale Items for the PCMH-Beliefs Measure

Think about organizational change (i.e., restructuring, job reassignment, and job rotation, etc.) that you have *previously* experienced in this organization (not the current changes occurring in this organization).

In my experience,

1. organizational change has been positive (*R*)
2. organizational change has not been properly implemented
3. past change initiatives have failed to achieve their intended purpose
4. organizational change has been managed well (*R*)
5. organizational change has had a positive impact on the quality of service delivery (*R*)
6. organizational change has improved organizational performance and effectiveness (*R*)
7. employee opinions were undervalued during organizational change
8. the impact of change on employee well-being was an important consideration (*R*).

Appendix B
Convergent and Divergent Validity of the PCMH-Beliefs Measure

We wanted to assess the correlations between the PCMH perception measure and related constructs from the change literature to establish the convergent and divergent validity of the newly developed measure (Hinkin, 1995). For this validation exercise, data were collected from a large manufacturing organization in the Philippines. The expansion and technological advancements of its global competitors had led this manufacturing firm to merge with another organization to enhance its competitive advantage. A total of 123 employees participated in the survey, representing a 49.2% response rate. These employees represented all functional areas in the organization (i.e., customer service,

operations, information technology, marketing, human resources, finance, sales, and global customer logistics). The majority (85.3%) of the participants were male. More than half (58.5%) of the participants were in the 21-to-35 age bracket and had been working in the organization between 1 and 5 years. Questionnaires were prepared in English because this language is spoken by a vast majority of the Filipino population and is predominantly used in organizational settings (Bernardo, 2004). We predicted that PCMH perception will be negatively associated with openness to change (Wanberg & Banas, 2000), affective commitment to change (ACC, Herscovitch & Meyer, 2002), participative decision making regarding change (PDM, Wanberg & Banas, 2000), quality of change communication (QCC, Bordia et al., 2004b) and positively associated with change anxiety (Axtell et al., 2002). We also predicted that PCMH perception will not be correlated with job performance (Williams & Anderson, 1991). Results were all in the expected direction. PCMH perception was negatively related to openness to change ($r = -.45$, $p < .001$), ACC ($r = -.36$, $p < .001$), PDM ($r = -.18$, $p < .05$), and QCC ($r = -.24$, $p < .01$) and positively related with change anxiety ($r = .18$, $p < .05$). Finally, PCMH perception was not related to self-rated job performance ($r = -.09$, *ns*).

Acknowledgments

Authors' Note

A previous shorter version of this article was published in the Academy of Management best paper proceedings.

Declaration of Conflicting Interests

Funding

References

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior & Human Decision Processes, 50,* 179-211.

Arbuckle, J. L., & Wothke, W. (1999). *Amos user's guide version 4.0*. Chicago, IL: Smallwaters.

Armitage, C. J., & Conner, M. (2001). Efficacy of the theory of planned behavior: A meta-analytic review. *British Journal of Social Psychology, 40,* 471-499.

Axtell, C., Wall, T., Stride, C., Pepper, K., Clegg, C., Gardner, P., . . . Bolden, R. (2002). Familiarity breeds content: The impact of exposure to change on employee openness and well-being. *Journal of Occupational and Organizational Psychology, 75,* 217-231.

Bartunek, J. M., Lacey, C., & Wood, D. (1992). Social cognition in organizational change: An insider-outsider approach. *Journal of Applied Behavioral Science, 28,* 204-223.

Bartunek, J. M., & Moch, M. K. (1987). First-order, second-order, and third-order change and organization development interventions: A cognitive approach. *Journal of Applied Behavioral Science, 23,* 483-500.

Baruch, Y., & Holtom, B. C. (2008). Survey response rate levels and trends in organizational research. *Human Relations, 61,* 1139-1160.

Bernardo, A. B. I. (2004). McKinley's questionable bequest: Over 100 years of English in Philippine education. *World Englishes, 23,* 17-31.

Blau, G. (2007). Does corresponding set of variables for explaining voluntary organizational turnover transfer to explaining voluntary occupational turnover. *Journal of Vocational Behavior, 70*, 135-148.

Bommer, W. H., Rich, G. A., & Rubin, R. S. (2005). Changing attitudes about change: Longitudinal effects of transformational leader behavior on employee cynicism about organizational change. *Journal of Organizational Behavior, 26,* 733-753.

Bordia, P., Hobman, E., Jones, E., Gallois, C., & Callan, V. (2004a). Uncertainty during organizational change: Types, consequences, and management strategies. *Journal of Business and Psychology, 18,* 507-532.

Bordia, P., Hunt, E., Paulsen, N., Tourish, D., & DiFonzo, N. (2004b). Uncertainty during organizational change: Is it all about control? *European Journal of Work and Organizational Psychology, 13,* 345-365.

Bordia, P., Jones, E., Gallois, C., Callan, V. J., & DiFonzo, N. (2006). Management are aliens! Rumors and stress during organizational change. *Group and Organization Management, 31*, 601-621.

Boyle, R., & Bonacich, P. (1970). The development of trust and mistrust in mixed-motive games. *Sociometry, 33,* 123-139.

Byrne, B. M. (2001). *Structural equation modeling with AMOS: Basic concepts, applications, and programming*. Mahwah, NJ: Lawrence Erlbaum.

Cammann, C., Fichman, M., Jenkins, D., & Klesh, J. (1983). Assessing the attitudes and perceptions of organizational members. In S. Seashore, E. Lawler, P., Mirvis, & C. Cammann (Eds.), *Assessing organizational change: A guide to methods, measures, and practices* (pp. 71-138). New York, NY: John Wiley.

Cheung, G. W., & Lau, R. S. (2008). Testing mediation and suppression effects of latent variables: Bootstrapping with structural equation models. *Organizational Research Methods, 11*, 296-325.

Cohen, R., & Swerdlik, M. (2002). *Psychological testing and assessment* (5th ed.). Boston, MA: McGraw-Hill.

Dean, J. W., Jr., Brandes, P., & Dharwadkar, R. (1998). Organizational cynicism. *Academy of Management Review, 23,* 341-352.

DiFonzo, N., & Bordia, P. (1998). A tale of two corporations: Managing uncertainty during organizational change. *Human Resource Management, 37,* 295-303.

Dilalla, L. F. (2000). Structural equation modeling: Uses and issues. In H. E. A. Tinsley & S. D. Brown (Eds.). *Handbook of applied multivariate statistics and mathematical modeling* (pp. 440-456). San Diego, CA: Academic Press.

Dirks, K., & Ferrin, D. (2002). Trust in leadership: Meta-analytic findings and implications for research and practice. *Journal of Applied Psychology, 87,* 611-628.

Dutton, J. E., & Jackson, S. E. (1987). Categorizing strategic issues: Links to organizational action. *Academy of Management Review, 12,* 76-90.

Fiske, S. T., & Linville, P. W. (1980). What does the schema concept buy us? *Personality and Social Psychology Bulletin, 6*, 543-557.

Fiske, S. T., & Taylor, S. E. (1991). *Social cognition*. New York, NY: McGraw-Hill.

Frazier, M. L., Johnson, P. D., Gavin, M., Gooty, J., & Snow, D. B. (2010). Organizational justice, trustworthiness, and trust: A multifoci examination. *Group & Organization Management, 35,* 39-76.

Fried, Y., Tiegs, R., Naughton, T., & Ashforth, B. (1996). Managers' reactions to corporate acquisition: A test of an integrative model. *Journal of Organizational Behavior, 17,* 401-427.

Greenberg, J., & Cropanzano, R. (2001). *Advances in organizational justice*. Stanford, CA: Stanford University Press.

Harman, W. S., Lee, T. W., Mitchell, T. R., Felps, W., & Owens, B. P. (2007). The psychology of voluntary employee turnover. *Current Directions in Psychological Science, 16(1),* 51-54.

Harris, S. (1994). Organizational culture and individual sensemaking: A schema-based perspective. *Organization Science, 5,* 309-321.

Herscovitch, L., & Meyer, J. (2002). Commitment to organizational change: Extension of a three-component model. *Journal of Applied Psychology, 87,* 474-487.

Hinkin, T. R. (1995). A review of scale development practices in the study of organizations. *Journal of Management, 21,* 967-988.

Hom, P., Caranikas-Walker, F., Prussia, G., & Griffeth, R. (1992). A meta-analytic structural equations analysis of a model of employee turnover. *Journal of Applied Psychology, 77,* 890-909.

Hom, P., Griffeth, R., & Sellaro, L. (1984). The validity of Mobley's (1977) model of employee turnover. *Organizational Behavior and Human Performance, 34,* 141-174.

Jimmieson, N. L., Peach, M., & White, K. M. (2008). Utilizing the theory of planned behavior to inform change management: An investigation of employee intentions to support organizational change. *Journal of Applied Behavioral Science, 44,* 237-262.

Jimmieson, N. L., Terry, D. J., & Callan, V. J. (2004). A longitudinal study of employee adaptation to organizational change: The role of change-related information and change-related self-efficacy. *Journal of Occupational Health Psychology, 9,* 11-27.

Johns, G. (2006). The essential impact of context on organizational behavior. *Academy of Management Review, 31,* 386-408.

Jones, R. A., Jimmieson, N. L., & Griffiths, A. (2005). The impact of organizational culture and reshaping capabilities on change implementation success: The mediating role of readiness for change. *Journal of Management Studies, 42,* 361-386.

Kammeyer-Mueller, J. D., Wanberg, C. R., Glomb, T. M., & Ahlburg, D. (2005). The role of temporal shifts in turnover processes: It's about time. *Journal of Applied Psychology, 90,* 644-658.

Kiefer, T. (2005). Feeling bad: Antecedents and consequences of negative emotions in ongoing change. *Journal of Organizational Behavior, 26,* 875-897.

Kim, P., Ferrin, D., Cooper, C., & Dirks, K. (2004). Removing the shadow of suspicion: The effects of apology versus denial for repairing competence versus integrity-based trust violations. *Journal of Applied Psychology, 89,* 104-118.

Kline, R. B. (1998). *Principles and practice of structural equation modeling*. New York, NY: Guilford.

Kotter, J. (1995). Leading change: Why transformation efforts fail. *Harvard Business Review, 73,* 59-67.

Labianca, G., Gray, B., & Brass, D. J. (2000). A grounded model of organizational schema change during empowerment. *Organization Science, 11,* 235-257.

Lau, C. M., & Woodman, R. W. (1995). Understanding organizational change: A schematic perspective. *Academy of Management Journal, 38,* 537-554.

Lee, T., & Mitchell, T. (1994). An alternative approach: The unfolding model of voluntary employee turnover. *Academy of Management Review, 19,* 51-89.

Little, T. D., Cunningham, W. A., Shahar, G., & Widaman, K. F. (2002). To parcel or not to parcel: Exploring the question, weighing the merits. *Structural Equation Modeling, 9,* 151-173.

Lum, L., Kervin, J., Clark, K., Reid, F., & Sirola, W. (1998). Exploring nursing turnover intent: Job satisfaction, pay satisfaction, or organizational commitment? *Journal of Organizational Behavior, 19,* 305-320.

Mayer, R., Davis, J., & Schoorman, D. (1995). An integrative model of organizational trust. *Academy of Management Review, 20,* 709-734.

McFarlin, D., & Rice, R. (1992). The role of facet importance as a moderator in job satisfaction processes. *Journal of Organizational Behavior, 13,* 41-54.

McKinley, W., Zhao, J., & Rust, K. G. (2000). A sociocognitive interpretation of organizational downsizing. *Academy of Management Review, 25,* 227-243.

Miller, V., Johnson, J., & Grau, J. (1994). Antecedents to willingness to participate in planned organizational change. *Journal of Applied Communication Research, 22,* 59-80.

Mobley, W., Horner, S., & Hollingsworth, A. (1978). An evaluation of precursors of hospital employee turnover. *Journal of Applied Psychology, 63,* 408-414.

Morgan, D., & Zeffane, R. (2003). Employee involvement, organizational change, and trust in management. *International Journal of Human Resource Management, 14,* 55-75.

Neves, P., & Caetano, A. (2009). Commitment to change: Contributions to trust in the supervisor and work outcomes. *Group & Organization Management, 34,* 623-644.

Oreg, S. (2006). Personality, context, and resistance to organizational change. *European Journal of Work and Organizational Psychology, 15,* 73-101.

Pettigrew, A. M. (1987). Context and action in the transformation of the firm. *Journal of Management Studies, 24*, 649-670.

Pettigrew, A. M., Woodman, R. W., Cameron, K. S. (2001). Studying organizational change and development: Challenges for future research. *Academy of Management Journal, 44,* 697-713.

Pugh, S. D., Skarlicki, D. P., & Passell, B. S. (2003). After the fall: Layoff victims' trust and cynicism in re-employment. *Journal of Occupational and Organizational Psychology, 76,* 201-212.

Reichers, A. E., Wanous, J. P., & Austin, J. T. (1997). Understanding and managing cynicism about organizational change. *Academy of Management Executive, 11,* 48-59.

Robinson, S. L. (1996). Trust and breach of psychological contract. *Administrative Science Quarterly, 41,* 574-599.

Robinson, S. L., & Morrison, E. W. (2000). The development of psychological contract breach and violation: A longitudinal study. *Journal of Organizational Behavior, 21,* 525-546.

Rousseau, D. M., Sitkin, B., Burt, R., & Camerer, C. (1998). Not so different after all: A cross-discipline view of trust. *Academy of Management Review, 23,* 393-404.

Seidler, S. J. (1974). On using informants: A technique for collecting quantitative data and controlling measurement error in organization analysis. *American Sociological Review, 39,* 816-831.

Spreitzer, G. M., & Mishra, A. K. (2002). To stay or to go: voluntary survivor turnover following an organizational downsizing. *Journal of Organizational Behavior, 23,* 707-729.

Sturges, J., Conway, N., & Liefooghe, A. (2010). Organizational support, individual attributes, and the practice of career self-management behavior. *Group & Organization Management, 35,* 108-141.

Tett, R. P., & Meyer, J. P. (1993). Job satisfaction, organizational commitment, turnover intention, and turnover: Path analyses based on meta-analytic findings. *Personnel Psychology, 46,* 259-293.

Tzafrir, S. S. (2005). The relationship between trust, HRM practices and firm performance. *International Journal of Human Resource Management, 16*, 1600-1622.

Van den Bos, K., Burrows, J. W., Umphress, E., Folger, R., Lavelle, J. J., Eaglestone, J., . . . Gee, J. (2005). Prior experiences as temporal frames of reference in social justice: The influence of previous fairness experiences on reactions to new and old supervisors. *Social Justice Research, 18,* 99-120.

Wanberg, C., & Banas, J. (2000). Predictors and outcomes of openness to changes in reorganizing workplace. *Journal of Applied Psychology, 85,* 132-142.

Wanous, J. P., Reichers, A. E., & Austin, J. T. (2000). Cynicism about organizational change: Measurement, antecedents, and correlates. *Group & Organization Management, 25,* 132-153.

Williams, L. J., & Anderson, S. E. (1991). Job satisfaction and organizational commitment as predictors of organizational citizenship and in-role behaviors. *Journal of Management, 17,* 601-617.

Williams, L. J., Vandenberg, R. J., & Edwards, J. R. (2009). Structural equation modeling in management research: A guide for improved analysis. *Academy of Management Annals, 3*, 543-604.

Bios

Prashant Bordia is a professor of management at the Australian National University. His research interests include the psychology of rumors in organizations, management of staff uncertainty during organizational change, and the study of employer-employee relationship using the psychological contract framework.

Simon Lloyd D. Restubog is an associate professor of management at the Australian National University. His research interests include the measurement and prediction of workplace deviance and abusive leadership, the role of psychological contracts in employment relationships, and contextual and personal influences on career persistence in educational and work contexts.

Nerina L. Jimmieson is the Centre and Program Director for Organisational Psychology at The University of Queensland. She teaches undergraduate and postgraduate courses in organizational behavior, personnel selection, and organizational change. Employing a range of methodologies, her research interests are concerned with stress and coping in the workplace and employee adaptation to organizational change.

Bernd Irmer is a lecturer in the School of Management at the Queensland University of Technology. His research interests include strategic human resource management, social identity in organisations, and employee engagement.