

A Dependence-Regulation Account of Psychological Distancing in Response to Major Organizational Change

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ABSTRACT *Building on previous studies that documented psychological withdrawal or distancing from one's employing organization as one kind of response to major organizational change, this study developed and tested a dependence-regulation account of psychological distancing responses. This account was derived from social psychological analysis of interpersonal relationships and interdependence theory. It emphasizes the self-protective function of psychological distancing when the employment relationship is threatened by changes such as corporate mergers or acquisitions. The theory holds that people can reduce threatened losses to identity as a member of their organization or to the tangible benefits of organizational membership through psychological distancing actions such as devaluing the organization or disengaging cognitively or behaviourally (e.g. through reduced organizational identification, increased thoughts of quitting or absenteeism). Applicability of the theory to explain reactions to major organizational change was supported in findings of a survey of 62 bank employees whose organization was seeking a merger with another bank. Dependence on the employer (prospects for getting a comparable job elsewhere) was found to moderate the association between anticipated negative consequences of the merger ('uncertainty') and two indicators of distancing, namely affective commitment to the organization and satisfaction with the organization as employer. Other findings pointed to a degree of realism in employees' threat appraisals. Implications for management and for future research were derived, partly by considering the possible role of employee self-esteem in distancing oneself from the organization.*

KEY WORDS: Dependence regulation, employer–employee relationship, interdependence, organizational change, psychological withdrawal

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Introduction

Major organizational change, including mergers and acquisitions (M&A), can generate a wide variety of responses and reactions among employees – sometimes favourable (Teerikangas, in press) but more often unfavourable (Buono and Bowditch, 1989; Schweiger and DeNisi, 1991; Scheck and Kinicki, 2000; Kiefer, 2005). Some of these unfavourable reactions, such as distress, are most immediately problematic for the individuals involved. Other reactions are especially problematic for the organization, as when employees reduce their work effort or attendance, think about quitting or actually quit, or become less favourable in their work attitudes (such as organizational commitment and satisfaction with job or employer) or less identified with the organization. Some researchers hold that psychological withdrawal or distancing from the organization lies behind some of the problematic reactions (Fried *et al.*, 1996).

This article provides a dependence-regulation account of psychological distancing or withdrawal reactions to major organizational change. Although this account certainly may not apply in all instances, the process of dependence regulation is likely to have some relevance in many instances of organizational change that entails threat, because of the connection of this process to self and identity along with the threats to identity that arise with major organizational change (Corley and Gioia, 2004; Gleibs *et al.*, 2008; Clark *et al.*, 2010; Reissner, 2010).

The article begins by describing dependence-regulation theory, which is prominent in the field of social psychology. This is followed by a review of some of the studies of reactions to major organizational change for which a dependence-regulation account might apply, as illustration of the potential contribution of dependence regulation toward understanding organizationally consequential reactions to change. Next the results of this research are presented, which allows a more direct examination of the operation of the dependence-regulation process. Conclusions and implications follow.

Dependence Regulation Through Psychological Distancing in Relationships

The theorized process of dependence regulation (Murray *et al.*, 2000) is premised on a dilemma of human existence. On the one hand, people are, indeed, dependent on relationships (with friends, lovers, employers, etc.) for the satisfaction of many kinds of needs and desires (Kelley and Thibaut, 1978). On the other hand, this very dependence imparts vulnerability to loss, with attendant potential for distress, regret and other such emotions along with potential tangible consequences of loss. For example, a member of a dating couple may perceive that a rival has come onto the scene. An employee may become concerned about being laid off by her employer.

Dependence regulation is a form of psychological coping with this vulnerability. The process involves re-evaluation or other recalibration of the interdependent relationship overall or of aspects of it. In the largest frame of reference, the person may become less identified with the relationship or otherwise psychologically disengaged from it. This reframing reduces vulnerability to loss, in a self-protective fashion: if my membership in the relationship is less central to who I am or to what matters to me, then I have less to lose by loss of membership

(e.g. if I am jilted, or laid off). In this regard, Holmes (2004) refers to ‘disengagement’ from the relationship as one form of psychological distancing. Alternatively, dependence regulation can take various forms of psychological distancing through re-evaluations or reductions in ‘investment’ in the relationship, in response to reduced potential or actual satisfactions or other benefits from the relationship. For example, a member of a dating couple can focus more on the partner’s flaws than before, or call on the phone less often. An organization member similarly can reduce his overall evaluation of the organization as an employer, or reduce investments such as work effort or attendance.

If the potential for such loss becomes salient, but actual loss has not actually occurred, then as a form of anticipatory coping (Aspinwall and Taylor, 1997), this perceived vulnerability can lead people to undertake the key coping response entailed in dependence-regulation, namely psychological distancing. People can also employ this distancing to seek psychological reduction of the extent of loss after a degradation in a relationship – that is, when the relationship no longer provides the previous level of satisfaction (e.g. after post-merger pay cuts or other detrimental changes). Again in this circumstance, by devaluing what is available in the relationship or by reducing one’s investments, the tangible or self- and identity-related losses can be diminished, because there is less to lose. It should be noted, however, that post-degradation responses (including post-merger responses) of this kind may be less readily interpretable as dependence regulation. For example, one’s reduction in work effort as an organization member could stem from equity restoration; one’s reduced global evaluations could involve straightforward cognitive arithmetic concerning investments relative to provisions from the organization (Blau, 1964; Morrison and Robinson, 1997).

Accordingly, the research on dependence regulation in interpersonal relationships (see Murray *et al.*, 2006) generally has involved various ‘relationship threats’. For example, within a research setting, one member of a couple could be led to believe (falsely) that the other member has expressed harsh criticism of him or her, which places the strength of the relationship in doubt. Other manipulated or measured states of perception in this research frequently involve breaches of trust. Overall this research has examined how people perceive their interaction partners and their interpersonal relationships in the presence of such threats.

It has been found, for example, that when a member of a couple lacks confidence in the partner’s caring, his or her memory for negative relationship events is better than for positive relationship events, and attributions for positive events are less favourable (i.e. more situational and less dispositional) (Sorrentino *et al.*, 1995). The *dependence-regulation model* (Murray *et al.*, 2000) was developed out of similar findings to predict when people can be characterized as ‘self-protectively “pulling-away” from the partner, reducing closeness, devaluing the partner, and disengaging from the relationship’ (Holmes, 2004). Among the other researchers of this phenomenon are Overall and Sibley (2009), whose study involving family members and close friends indicated that ‘participants generally regulated felt dependence by derogating and withdrawing from their interaction partner (self-protective dependence regulation).’ This latter study is noteworthy for its use of a daily diary-type questionnaire concerning interpersonal interaction episodes over two weeks. In episodes in which dependence on the other

person was rated more highly, there was greater agreement with items such as 'I was critical or unpleasant toward this person' and 'I withdrew from this person and started doing my own thing'.

Psychological Distancing in Major Organizational Change

Although some previous studies have examined psychological distancing specifically from one's organization during organizational change, their accounts of this distancing have not drawn on the concept of dependence regulation.

Fried *et al.* (1996) studied managers' reactions 16 months after a corporate acquisition. These researchers sought to develop an integrative model of reactions based on several theoretical traditions: justice (including the perspectives of 'survivors of lay-offs'), stress and coping (including aspects of personal control) and social exchange (citing equity theory). Psychological withdrawal (in their terms; distancing here) was reported among some employees in the form of lower ratings of internal work motivation and growth need strength (Hackman and Oldham, 1980). In a structural equation model, this withdrawal was antecedent to intention to leave, and three immediate predictors of psychological withdrawal were helplessness, perceived unfairness of lay-offs and perceived negative impact of the acquisition on career development. While accepting the evidence that stress, personal control and justice were involved, it is suggested that there may have been a dependency-regulation component as well. In interpreting these results, particularly for the perceived negative impact variable, Fried *et al.* emphasized perspectives on stress and coping, as when they stated that 'reduced confidence in achieving personal career goals' is an important precursor 'to one's experience of work stress' (p. 421). The view of psychological distancing or withdrawal as coping similarly acknowledges a type or source of stress, originating in threats to satisfaction of needs or wants and threats to personal and social identity; indeed, any coping, by definition, addresses potential or actual problems that could be a source of stress. The aim of this article is to illuminate a particular process for coping with stress-dependence regulation. In any case, the Fried *et al.* study sets a clear precedent for considering some organizational change reactions to constitute psychological distancing.

Similarly, Kiefer (2005) reported observing psychological 'withdrawal' among employees experiencing 'ongoing' organizational change, in the forms of reduced work efforts and increased thoughts of leaving the organization. Using structural equation modelling, Kiefer traced greater psychological withdrawal to those employees who experienced greater negative affect which, in turn, could be traced back to immediate mediators of perceived working conditions (e.g. manageable workload), present and future status (including one's power-basis and job security) and perceived treatment by the organization (e.g. respect and support). Again while fully accepting this evidence of negative affect as a predictor of psychological withdrawal, it is possible that this negative affect was a 'marker' for the extent of threat or loss of tangible and self- or identity-related satisfactions that tie into a dependence-regulation process. In any event, these studies and others (Dekker and Schaufeli, 1995; Fugate *et al.*, 2008) indicate that psychological withdrawal or distancing appears to be worthy of deeper analysis in contexts of major organizational change.

Detecting Dependence Regulation in Major Organizational Change

The central purpose of this study, to demonstrate dependence regulation in psychological distancing, required a design that would assess extent of threat and extent of distancing, in a context of uncertainty about continued membership in the employment relationship or about continued acquisition of the benefits of that membership or avoidance of costs of change.

Research context. The context for the study was a nationally prominent merger situation. Canada's five major banking organizations are sufficiently dominant to be called the 'Big Five.' In 1998, two of these banks sought to merge with one another – a merger which required national government approval. In the months between announcement of the government's review and its final decision, employees in four branches of one of the banks were surveyed. Ultimately the merger was disallowed, but the employees could not know this at the time they were surveyed. Importantly, by conducting the survey in this pre-merger phase, the design ensured that any coping by distancing was anticipatory and self-protective in the manner described in dependency-regulation theory, as opposed to having a basis in equity restoration or other potentially explanatory processes that could occur after actual consequences were experienced.

Conceptual variables. The conceptual variables were as follows. As detailed in the Methods section, psychological distancing was assessed with measures similar to those used in other such research, including satisfaction with employer (Hackman and Oldham, 1980). It is noteworthy that affective commitment (Meyer and Allen, 1991), which includes self-perception of a 'sense of belonging' to the organization, corresponds with the distinction between engaging with or disengaging from a relationship (Holmes, 2004).

It is relationship *threat* which, in theory, triggers psychological distancing as dependence regulation. Threat in this merger context was connected with uncertainties about job loss and attendant loss of income, status, social connection and so forth. However, in the design used in this study, threat is emergent in the interaction between these uncertainties and dependence on one's current employer to obtain income and the other benefits rendered uncertain by the potential merger. That is, an employee could perceive high uncertainty about continuing to receive these benefits from the employer, yet not feel highly threatened because he or she also believed these benefits were readily available from another employer. Thus perceptions of these uncertainties were measured along with perceived dependence on the employer, and their interaction was included as a predictor variable in multiple regression analysis, to capture threat.

Hypothesis and predictions. Given these variables and dependence-regulation theory, the study's basic hypothesis may be stated as follows:

As compared with employees of lesser dependence on their organization, employees with greater dependence will display greater psychological distancing in relation to greater uncertainty about continuing to receive benefit in employment.

A final element of the study's design should be mentioned. The four bank branches varied in distance from the nearest branch of the other firm. It was expected that the nearer a participant's own branch was to a branch of the other firm, the more uncertainty he or she would perceive. That is, it would have been logical for an employee to have a greater expectation that his or her own branch might close if that branch were especially near a branch of the other firm. Corresponding findings would suggest that perceptions of uncertainties and threats in the employment relationship are rooted in reality.

Methods

Participants and Procedure

Participants were 62 employees (22 managers and 40 non-managers) from four arbitrarily selected branches of the consumer banking division. The numbers of employees sampled in each branch were similar (ranging from 14–18) and the response rate of those invited to participate was 100%.

All employees of the four branches received a letter from management informing them of the organization's agreement to participate in a university research study. Employees were told that a researcher would visit each branch to administer a short survey. After the branch had closed for the day, the researcher gathered all employees into a single room and explained the nature and purpose of the study to everyone working at the branch on that day. Employees were then asked to complete a questionnaire, and to return it directly to the researcher. Employees were assured that their individual responses to the questionnaire items would not be divulged to the organization, and they could decline to participate without consequences. The employees then completed their questionnaires either in their own offices or in a meeting room, and they returned the questionnaires before leaving for the day.

Measures

Affective commitment. The first of two measures bearing on psychological distancing, Meyer and Allen's (1997) measure of affective commitment, asks respondents to rate their agreement (1 = *strongly disagree*, 7 = *strongly agree*) with the following six statements: 'I would be very happy to spend the rest of my career with this organization,' 'I feel a strong sense of belonging to my organization,' 'I feel emotionally attached to my organization,' 'I really feel like part of the family at my organization,' 'This organization has a great deal of personal meaning for me' and 'I really feel as if this organization's problems are my own'. The authors' contact at the organization, a senior manager, was uncomfortable about using the term 'emotionally attached', which appears in the third item. It was agreed to replace this item as follows: 'I feel loyal to my organization'. These six items yielded an alpha reliability coefficient of .86, and the contribution to alpha of the revised item was effectively the same as that of other items.

Satisfaction with employer. The other indicator of psychological distancing was a two-item measure concerning satisfaction with the organization as one's employer. The first item ['Generally speaking, I am very satisfied with

(organization name) as my employer'] was modified from Hackman and Oldham (1980) to assess satisfaction with one's employer. The second item ['I would recommend (organization name) as a good place to work'] is widely used in employee surveys to assess overall satisfaction (Ulrich, 1998). The combination of these two items produced an alpha of .93. Respondents were instructed to rate their agreement with these items on a seven-point scale (1 = *Not at all true*, 7 = *Very true*).

Perceived uncertainty. Schweiger and DeNisi's (1991) 21-item scale of perceived uncertainty was modified to a 16-item measure by eliminating items that our contact with the organization deemed irrelevant or otherwise inappropriate. The deleted items were items 2, 6, 7, 14 and 18 from the original scale (Schweiger and DeNisi, 1991, p. 134). Illustrative items that were retained include 'Whether you will be laid off' and 'Whether you will be forced to take a demotion'. Responses were made on a seven-point Likert scale (1 = *never a source of uncertainty*; 7 = *always a source of uncertainty*). The overall scale had an alpha value of .93.

Dependence. To assess employees' dependence on their organization, a single item was administered, as follows: 'I feel as though I have too few options to consider leaving this organization' (Meyer and Allen, 1997). Respondents were instructed to rate their agreement on a seven-point scale (1 = *strongly disagree*, 7 = *strongly agree*).

Results

Psychological Distancing with Threat and Dependence

The first set of data analyses examined whether affective commitment and satisfaction with employer were seen to be especially diminished among the more dependent employees – the employees more likely to be truly threatened by the merger. Moderated multiple regression (MR) analysis was used with algebraic follow-up analyses described in Aiken and West (1991). The measure of uncertainty was included as one of the linear terms in the MR equation. The measure of dependence provided another linear term, and the product of these terms allowed an interaction test of moderation. To allow a simultaneous MR approach, the linear variables were centred on their means, and the product term was computed from these centred variables.

The results for affective commitment, plotted as Figure 1, fully supported the central hypothesis. The solid line, appearing lowest in the figure, indicates that among people with high dependence, greater uncertainty was associated with lower affective commitment. These employees thus appear to have distanced themselves from the organization to an increased extent in terms of affective commitment as perceptions of potential loss increased. The statistical significance of this pattern was revealed in the MR analysis. The overall predictor–outcome relationship was statistically significant, $F(3, 58) = 5.05, p = .004$, and accounted for an overall R^2 of .21. Examination of the individual coefficients revealed that

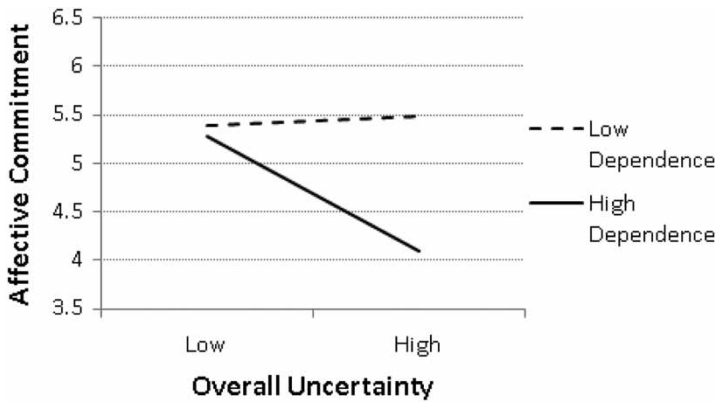


Figure 1. Interaction of dependence and uncertainty predicting affective commitment.

the interaction of uncertainty and dependence was statistically significant, $t(58) = -2.41, p = .019$. In examining the simple slopes of the high and low dependence regression lines in Figure 1 (lines corresponding to ± 1 SD from the mean for dependence), the slope of the high dependence regression line ($b = -.50$) was statistically significant, $t(58) = -2.99, p = .004$, while the slope of the low dependence line ($b = .04$) was not, $t(58) = 0.27$. Although each of the linear effects was statistically significant (at $p = .050$ for uncertainty and $p = .008$ for dependence), neither is meaningful in isolation given the statistically significant two-way interaction.

A similar pattern was obtained in the prediction of satisfaction with employer, as seen in Figure 2. Once again, greater uncertainty was associated with lower satisfaction when dependence was relatively high. In MR analysis, the interaction of uncertainty and dependence was statistically significant, $t(58) = -2.52, p = .015$ (as were the two linear effects, yielding $p < .001$ for uncertainty and also for dependence). The full model again yielded statistical significance, $F(3, 58) = 9.51$ ($p < .001$) with an overall R^2 of .30. Upon examining the simple slopes of the

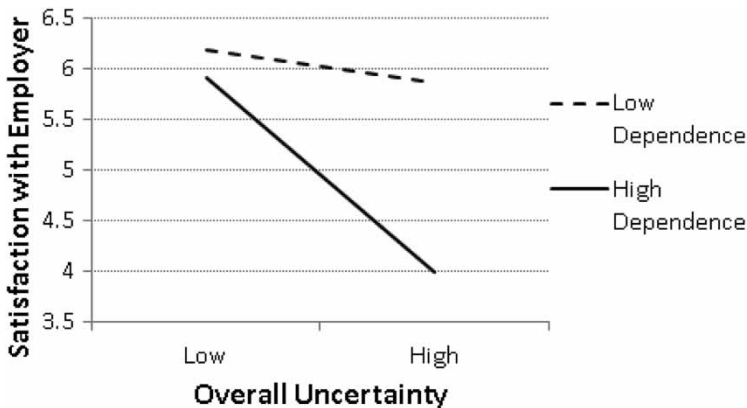


Figure 2. Interaction of dependence and uncertainty predicting satisfaction with employer.

high and low ($\pm 1SD$) dependence regression lines, the slope of the high dependence regression line was seen to be statistically significant, $t(58) = -4.08, p < .001$, while the slope of the low dependence line was not, $t(58) = -0.77$.

Uncertainty in Relation to Branch Proximity to Merging Organization

Given these indications that the responsiveness of work attitudes to the uncertainties posed by the merger varied as a function of dependence, it was of interest to examine whether the measure of uncertainty and the measure of dependence were in turn responsive to external, objective conditions that could influence the level of threat. The objective indicator used was the proximity of each of the surveyed bank branches to any branch of the other banking firm involved in the potential merger. As a straightforward test, the four branches surveyed were divided into two groups, ‘far’ and ‘near’ branches. Each of the branches classified as a ‘far’ branch was more than 1 km (0.62 miles) from a branch of the potential merging organization. Each of the ‘near’ branches was within 0.5 km of a branch of the potential merging organization.

Mean differences on uncertainty between these groups of branches were examined first. The near-far distinction was coded as an *a priori* contrast in one-way analysis of variance (ANOVA) with four levels of the branch factor. Higher uncertainty in the two near branches was expected, based on the assumption that employees were aware of their proximity and thus anticipated a relatively high likelihood of closure of their branch (so that strategically intended efficiencies of the merger would be realized).

Along with the significant omnibus effect in the ANOVA, $F(3, 58) = 8.46, p < .001$, the *a priori* contrast between the near and far branches also yielded statistically significant results ($t(58) = 3.93, p < .001$). Thus, as expected, employees in the near branches expressed more uncertainty. This near-far difference is depicted in Figure 3.

Next dependence in relation to this near-far distinction was examined. In this instance, a significant difference in ANOVA was not expected, because dependence is connected with many aspects of *individual* circumstances (mobility, skill set, seniority, etc.) and there is no particular basis for association with

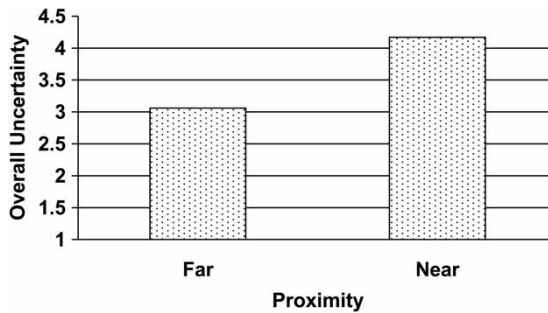


Figure 3. Mean differences of uncertainty between branches in near or far proximity.

proximity. Consistent with this expectation, this ANOVA yielded no significant effects (omnibus $F(3, 58) = .310, ns$; contrast $t = -0.265, ns$).

Discussion

Previous researchers have interpreted some reactions to major organizational change to be instances of psychological distancing or withdrawal. The current study sought evidence in favour of a dependence-regulation account for these reactions. In this account, potential loss of benefits from the employment relationship, and loss possibly of the employment relationship itself, instigate defensive, anticipatory coping. The mode of coping is to devalue and disidentify or otherwise disengage from the employment relationship, much as people have been seen to do in social psychological studies of interpersonal relationships. However, in order for these reactions to occur in personal or organizational life, significant threat must exist, stemming from how much there is to lose and how replaceable or irreplaceable those losses would be.

In support of this account, a striking pattern was observed which distinguished between employees of greater and lesser dependence on the organization. Among the more dependent employees there was a stronger association between extent of potential loss from an anticipated merger ('uncertainty'), as a predictor, and outcomes bearing on devaluation (satisfaction with employer) and psychological disidentification or disengagement (affective commitment to the organization). Dependence-regulation theory provides a straightforward account of this pattern. The more dependent employees had more threat to cope with in the sense that they had more to lose if they were to lose their jobs or to be 'stuck' in a job with diminished advancement opportunities or other unfavourable features. Among the cognitive coping strategies available to these employees were psychological devaluation and disengagement, and these employees appear to have seized and exercised these strategies. Thus we conclude that a dependence-regulation process may underlie some responses by employees to major organizational change that have been regarded as instances of psychological distancing or withdrawal.

Generalizability of Psychological Distancing in Major Organizational Change

An immediately salient question is whether the effects seen in this study, set in a pre-merger phase, apply more broadly to pre-, during and post-merger experiences of employees or to other kinds and phases of organizational change that entail uncertainty for employees. Dependence-regulation theory implies that people are continuously monitoring and responding to relationship threats in ongoing relationships, implying that dependence regulation may occur in a wide variety of circumstances. Nevertheless, the generality of dependence-regulation processes across the phases of organizational change is an empirical question. Giaeffer (2009) compared reactions to organization change that occurred before and after the change actually occurred. According to Giaeffer, employees'

anticipative and retrospective emotional change-experiences were also similar in many respects. ... Here it was particularly striking to note that the respondents expressed resignation even before the changes had been introduced (anticipation). Furthermore, it was also somewhat conspicuous to note that there was still a tendency for the respondents to report uncertainty/‘wait and see’ one year after the changes had been introduced, and that the process of meaning creation with regards to the changes had still not come to an end at the retrospective point in time (p. 426).

Although these findings are not definitive, they are in accord with the suggestion here that dependence-regulation processes may occur in a wide variety of situations.

Pros and Cons of Psychological Distancing in Major Organizational Change

If, indeed, people use psychological distancing as a means of dependence regulation to cope with threat in interpersonal relationships and employment relationships, this does not necessarily mean that this form of coping is ultimately beneficial or adaptive for the individual, for the relationship or for the other member of the relationship. Some of the unfavourable organizational consequences of psychological distancing for the organization (e.g. reduced productivity resulting from reduced work effort or attendance) have been described earlier. For the individual, presumably the robust prevalence of dependence regulation that has been demonstrated in interpersonal relationships implies that there is at least some short-term psychological gain. However, the literature is also clear that there are longer term or otherwise broader disadvantages to individuals (Murray *et al.*, 2006). For example, when a member of a couple responds to relationship threat by reducing investments in the relationship, a form of self-fulfilling prophecy can be initiated, in which as the other member of the relationship receives less from the threatened member, he or she also invests less, and the relationship is further weakened. Similarly, if an employee devalues or disengages from his or employer, and if he or she reduces work effort or other ‘investments’, then he or she may become most likely to be laid off when management seeks organizational efficiencies, or his or her career advancement may be derailed, among other negative impacts. These considerations imply that management action to reduce psychological distancing in response to major organizational change may benefit individuals as well as the organization.

Contributions of a Dependence-Regulation Perspective on Major Organizational Change

If some reactions to major organizational change do indeed reflect a dependence-regulation process, what are the implications for future research and theory development? Simply put, the body of theory and research on dependence regulation (Holmes, 2004; Murray *et al.*, 2006) points to future directions for research that could shed further light on questions of who does or does not engage in psychological distancing, and why.

According to Murray and Holmes (2011), the two basic alternative responses to interpersonal relationship threat are either to withdraw (distance, disengage, etc.) or to try to strengthen the relationship as by benefitting the other member in additional ways. Thus it is possible that a parallel distinction exists for responses among employees, and that the individual and organizational factors in such responses could be identified in future research.

The primary distinguishing factor that has been identified in the field of interpersonal relationships involves self-esteem. People with low self-esteem (LSEs) are particularly prone to psychological distancing from interpersonal relationships when these relationships' viability or rewardingness is threatened or otherwise in question. Several factors could be in play here, all candidates for scrutiny in future research on employer–employee relationships. First is simply the greater salience among LSEs of their possible unworthiness for membership in a relationship. In terms of the key variables and context of the present study, these perceptions could heighten *dependence* by reducing the perceived likelihood that other employers would provide employment if the person were to experience lay-off as a result of a merger or similar major organizational change.

Second is LSEs' greater tendency to assume that their partner *also* views them as unworthy (Cavallo and Holmes, in press). Although this assumption – a projection – is bound up with the fundamental LSE sense of unworthiness mentioned first, it has a particular implication for another key variable, *uncertainty*. For example, the LSE employee may think, 'If some employees are laid off, I'll probably be among them, because I'm not highly valued.' Making matters worse for LSEs, it is particularly in situations of relationship threat when projections of this kind become activated (Murray and Holmes, 2011).

A further factor which could magnify these vulnerabilities for LSEs is their tendency to hold less favourable assessments not only of themselves but also of various circumstances, prospects, and so forth (Baumeister *et al.*, 2003). Thus the threat of not being able to find an alternative job is not only a matter of employee self-perception and projected other-perception, but also whether the job market is perceived as favourable, for example.

Perhaps the central issue for anyone when judging their security within a relationship is perceived regard of the other (Cavallo and Holmes, in press). As implied earlier, LSEs use their own self-beliefs as a basis for estimating others' beliefs about them (Murray *et al.*, 1998) and thus are biased to assume low regard by the other, especially under relationship threat. Indeed, according to Cavallo and Holmes (in press), LSEs may be considered to have a chronically low standing on perceived regard. Correspondingly, LSEs have been found to have a motivational bias (Murray and Holmes, 2011) – a default mode of response, in effect – toward self-protection, which can be accomplished by distancing.

In contrast, those with high self-esteem (HSEs) 'hold positive views about themselves and are eminently confident that their partners value them and will be responsive to their needs' (Cavallo and Holmes, in press). HSEs maintain chronically high perceived regard. Indeed, as compared with LSEs, HSEs' perceptions of regard are not only more positive but also more accurate (Murray *et al.*, 2000).

The typical response to relationship threat by HSEs is to seek relationship repair and to draw closer to the partner. This process is understood to be rather deliberate and effortful (Murray *et al.*, 2008). Thus it requires underlying motivation – motivation that is different from that of LSEs. According to Cavallo *et al.*, (2009), this LSE–HSE difference in typical response may correspond to more general differences in motivational orientation between avoidance versus approach (Elliot, 2006) or prevention focus versus promotion focus (Higgins, 1997). In any event, HSEs’ behaviour under relationship threat appears to reflect greater security and less concern about whether they will be rebuffed. For example, HSEs tend to seek greater closeness through actions that benefit the partner or that express affection or commitment.

The preceding lines of analysis point specifically to testable predictions for future research in organizations. LSEs should be seen to report greater uncertainty and dependence compared with HSEs when in similar objective circumstances of major organizational change. The subsequent net effect upon psychological distancing responses should then be greater for LSEs compared with HSEs. In contrast, HSEs should be seen to increase their contributions to the organization in any of various ways, such as increased work effort or organizational citizenship behaviour.

Implications for Management Action

Self-esteem enhancement. The possible role of self-esteem in responses to major organizational change raises the further possibility that employees generally would be more resilient to change – at least in the sense of being less motivated to distance themselves psychologically from the organization – if the organization were to nurture employees’ self-esteem. Findings in Wanberg and Banas (2000) are consistent with this notion. Employees’ self-esteem and other individual differences bearing on resilience were measured in a survey within a government agency that was undergoing an extensive departmental reorganization. Consistent with the analysis in the preceding section, lower self-esteem was associated with greater intention to quit. In addition, self-esteem bore a positive relation to change acceptance.

Obtaining initial evidence of impacts of self-esteem on psychological distancing is one thing; judging whether it is feasible for organizations to enhance employee self-esteem is something else. Again there is some supportive evidence.

First, is a meta-analysis by Bowling *et al.* (2010) of predictors of organization-based self-esteem (OBSE), a construct which concerns self-evaluations in the workplace as opposed to general self-esteem. Potential situational predictors included perceptions of job characteristics (e.g. autonomy) and supervisor and co-worker relations (e.g. leader consideration). Associations of several such variables with OBSE were sizable. One explanation offered for these associations was that ‘the presence of favorable environmental conditions may implicitly signal to employees that they are respected, valued, and trusted by their organization’ (p. 614). Another was that these predictor variables ‘involve direct or explicit signals sent to employees regarding their competence and self-worth’ (p. 614). Thus it appears that management actions to improve these working conditions

may also increase employees' self-esteem to some extent. Bowling *et al.* (2010) did, however, recognize the design limitations of many of the studies in the review (mostly cross-sectional correlational).

Second, are the findings from a longitudinal study by Murray *et al.* (1996), which examined the impact upon one's self-regard that can be traced to a romantic partner's regard. Murray *et al.* (1996) tracked more than 100 heterosexual dating couples in a three-wave survey design over the course of a year. Path analysis revealed that the woman's later self-perception, as reported on a measure of favourable interpersonal qualities, moved in the direction of the man's earlier perceptions of her interpersonal qualities (and vice versa for the man's). In interpreting this finding, Murray *et al.* observed that even though people enter relationships with some standing on dimensions of self-perception, people can have considerable uncertainty about that standing (depending on the person and the dimension), thus potentiating influence from an informational source with the high personal importance of a partner. We suggest that one's standings on dimensions relevant to workplace effectiveness and inclusion have similar ambiguities, opening possibilities for influence from a variety of conditions and experiences in the workplace. Some connection back to general self-esteem can be expected on the basis of the hierarchical model of self-esteem on which OBSE draws (Bowling *et al.*, 2010).

Finally, various connections may exist between workplace justice or injustice and self-esteem. There are two streams of pertinent past research.

One stream is concerned with the impact of procedural justice on the informational value of favourable feedback. Taking an attributional perspective, if favourable feedback has a more valid basis than otherwise, impacts on self-esteem should be greater than otherwise, and this has been demonstrated in laboratory and field research (Koper *et al.*, 1993; Brockner *et al.*, 2003). These findings imply that organizations can promote self-esteem by ensuring that managers or other leaders have sound bases for evaluations, ensuring that employees are aware of this soundness and, of course, ensuring that favourable evaluations are delivered when appropriate.

The other stream of research is tied more directly to the basic notion that justice implies positive regard, injustice implies disregard or worse. Either way, upon experiencing fairness or unfairness, an employee may perceive the kinds of signals about personal worth described earlier by Bowling *et al.* (2010) in connection with OBSE's predictors.

Some related theoretical work refers specifically to the consequences for self-esteem of fair or unfair treatment based on what that treatment indicates about one's identity and social inclusion ('Am I "in" or "out"?'). Tyler and Blader (2003) state that according to this line of theorizing, 'people use group identity-based judgments to evaluate themselves' (p. 356). Other theoretical work (Cropanzano *et al.*, 2001) holds more broadly that one of the four primary reasons why people are concerned with justice is self-esteem maintenance (in their terms, 'need for positive self-regard').

Theory and research on gross injustice at work, such as bullying or other victimization, also point to possible impacts on self-esteem. As Aquino and Thau (2009) note, the causal direction here is indeterminate in some studies, and the

strength of the association can be weak (Bowling and Beehr, 2006). However, an experimental study described in Bobocel and Zdaniuk (2010) demonstrated a significant decline (relative to baseline) in state self-esteem among participants randomly assigned to experience a transgression (an unfair evaluation) from another purported participant – with no such decline in the control condition. In addition, participants' levels of self-esteem returned to baseline after they had an opportunity to retaliate by delivering aversive noise to the supposed transgressor. Taken together, these experimental findings point to a causal connection from the experience of injustice to reduced self-esteem, and from the restoration of justice to increased self-esteem.

Thus the theory and research in this second stream have the implication that employee self-esteem will benefit from various management policies and procedures that signal overall respect, social inclusion, and concern for fairness. Ensuring that employees have 'voice' is one example – as further supported in the laboratory and field work of De Cramer *et al.* (2005).

Threat reduction. The management implications of the study's primary finding – that psychological distancing was greatest when the two components of threat were high are now considered.

In mergers or similar situations, the uncertainty component of threat traditionally has been addressed by communicating facts of the situation to employees. Schweiger and DeNisi (1991) found that employees in organizations with 'realistic merger preview' communications reported significantly less uncertainty than employees in organizations which lacked such a programme. The present study indicates that this or other communication should begin as early as possible in the merger process, including in the pre-merger phase.

The second component, dependence, is a double-edged sword for organizations. To the extent that the organization wants to retain an employee, dependence is a plus. To the extent that dependence combines with uncertainty to yield distressing threat – with attendant distancing – it is a minus.

Thus human resource leaders may want to review their policies and practices with an eye to reducing the negatives of dependence while maintaining the positives. For example, some employee benefits have a vesting period, meaning that an employee not employed for a sufficient period ultimately will see less of that benefit than other employees. Various modifications of benefits policies might help with the problem of dependence-induced threat with mergers, depending on legal issues, norms in one's industry and other factors. For example, it might be possible to announce in the pre-merger phase that a vesting period will be shortened temporarily if the merger goes through. More generally, the idea is to let employees know that their 'investments' toward retirement, vacation time and so forth will be 'cashable' to the greatest possible extent if the merger goes through and if there are involuntary lay-offs.

Monitor employee uncertainty and dependence. While taking actions to reduce threat, management should also evaluate these actions' effectiveness by monitoring uncertainty and dependence. This may be done either formally through surveys, or informally where managers have relationships with employees that encourage

openness in upward communication. The significant differences in uncertainty seen among bank branches in this study suggest that this monitoring might lead management to discover where in the organization there are special concerns. Management could then attempt to target communications, policies and management actions as warranted.

Tell the story truthfully. The article closes with this obvious implication, to tell the truth, not only because of the likely positive effects of truth-telling on organizational climate, morale and perceptions of justice in a merger or other major organizational change, but also because of the suggestion in the findings that dissembling will not work. Employees in this study seemed quite well-informed and logical in showing a significant difference in uncertainty as a function of proximity of their bank branch to a branch of the other organization in the merger. This is not to say that employees knew all the ins and outs of corporate strategy and plans concerning the merger. Nevertheless, employees evidently perceived branch closures to be part of the plan, and they assessed whether their own branch was a likely target in this plan.

Conclusion

When the story of a merger or other major organizational change hits the newspapers, there is also an untold story for each and every employee involved. Variations in objective circumstances (e.g. one's particular organizational unit) combine with personal circumstances (e.g. capacity to switch jobs) and psychological characteristics (such as perceptual biases and motivational orientations) to determine various responses. This study sought to explain psychological distancing responses such as devaluation of the organization and disidentification from it. Based on the interactive form taken by findings that were predicted by dependence-regulation theory, it is concluded that defensive, self-protective motivations underlie psychological distancing responses. These motivations are activated by perceptions of extent of threat to the employer–employee relationship that is posed by the organizational change. Threat, in turn, is a function of perceived dependence on the organization and uncertainty about the extent of unfavourable consequences that the change may produce. Because some of the concepts and findings in the literature on dependence-regulation illuminated employees' responses to the newsworthy merger studied here, it may be fruitful to pursue other key matters in the dependence-regulation literature, such as whether and how self-esteem comes into play in responding to relationship threat.

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