

**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 behaviorally (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.

Keywords: Dependence-regulation; employer-employee relationship; interdependence; organizational change; psychological withdrawal

Author Notes

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Introduction

Major organizational change, including mergers and acquisitions (M and A), can generate a wide variety of responses and reactions among employees—sometimes favorable (e.g., Teerikangas, in press) but more often unfavorable (e.g., Buono and Bowditch, 1989; Kiefer, 2005; Scheck and Kinicki, 2000; Schweiger & DeNisi, 1991). Some of these unfavorable 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 favorable 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 (e.g., Fried, Tiegs, Naughton, and Ashforth, 1996).

Our intended contribution in this paper is to provide a dependence-regulation account of psychological distancing or withdrawal reactions to major organizational change. Although this account certainly may not apply in all instances, we hold that 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 (Clark, Gioia, Ketchen, and Thomas, 2010; Corley and Gioia, 2004; Gleibs, Mummendey and Noack, 2008; Reissner, 2010).

The outline of the paper is as follows. We will begin by describing dependence-regulation theory, which is prominent in the field of social psychology. Then we will review 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 we

will present results of our own research, 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, Holmes, and Griffin, 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 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 re-calibration 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, Holmes, and Collins, 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 of the couple 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 favorable (i.e., more situational and less dispositional) (Sorrentino, Holmes, Hanna, and Sharp, 1995). The *dependence regulation model* (Murray, Holmes, and Griffin, 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 "survivors of layoffs" perspectives), stress and coping (including aspects of personal control) and social exchange (citing equity theory). Psychological withdrawal (in their terms; distancing in ours) 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 layoffs, and perceived negative impact of the acquisition on career development. While we accept the evidence that stress, personal control, and justice were involved, we suggest 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). Our 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. Our aim 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 modeling, 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 we fully accept 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 (e.g., Dekker and Schaufeli, 1995, Fugate, Kinicki, and Prussia, 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 the present 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, we surveyed employees in four branches of one of the banks. 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 our design, 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 we measured perceptions of these uncertainties along with perceived dependence on the employer, and included their interaction as a predictor variable in multiple regression analysis, to capture threat.

Hypothesis and predictions. Given these variables and dependence-regulation theory, we may state the study's basic hypothesis 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. We expected that the more near that 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 to 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 all employees 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." Our contact with 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 (e.g., 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 7-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 7-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, we administered a single item, 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 7-point scale (1 = strongly disagree, 7 = strongly agree).

Results

Psychological Distancing with Threat and Dependence

Our first set of analyses of data examined whether affective commitment and satisfaction with employer were seen to especially diminished among the more dependent employees—the employees more likely to be truly threatened by the merger. We used moderated multiple regression (MR) analysis with algebraic follow-up analyses described in Aiken and West (1991). We included the measure of uncertainty 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 centered on their means, and the product term was computed from these centered variables.

The results for affective commitment, graphed as Figure 1, fully supported our 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. 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 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 the figure (lines corresponding to ± 1 S.D. 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 high and low (± 1 S.D.) 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 kilometer (.62 miles) in distance from a branch of the potential merging organization. Each of the "near" branches was within 0.5 kilometers from a branch of the potential merging organization.

First we examined mean differences on uncertainty between these groups of branches. The near-far distinction was coded as an *a priori* contrast in one-way analysis of variance with four levels of the branch factor. We expected to see higher uncertainty in the two near branches, 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 we examined dependence in relation to this near-far distinction. In this instance we did not expect to see a significant difference in ANOVA, because dependence is connected with many aspects of *individual* circumstances (mobility, skill set, seniority, etc.) and there is no particular basis for association with 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. Our study sought evidence in favor 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 unfavorable 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 our 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. Giaever (2009) compared reactions to organization change that occurred before and after the change actually occurred.

According to Giaever, 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 our suggestion 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. We have previously described some of the unfavourable organizational consequences of psychological distancing for the organization (e.g., reduced productivity resulting from reduced work effort or attendance). 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 impacted negatively, 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. If there are benefits to individuals that would be lost by this management action, future research should seek to identify these benefits and seek a way to attain them without incurring cost to 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 sizable body of theory and research on dependence regulation (e.g., 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.

As a key example, various individual differences have been examined in relation to extent or nature of dependence regulation. One prominent line of research in this vein involves self-esteem. People with low self esteem are particularly prone to psychological distancing from interpersonal relationships when these relationships' viability or rewardingness is threatened or otherwise in question. It is believed that when such relationship threat exists, these people's low self-esteem leads them to assume low regard of them by the other party in the relationship as well. Projection of this kind could, of course, set off a spiral of further disinvestment and disidentification or other disengagement. In contrast, people with high self esteem typically respond to relationship threats by increasing their investments or otherwise seeking relationship repair. If parallel phenomena were to be observed in contexts of major organizational change, one practical implication would be to promote employee self esteem, perhaps specifically organization-based self-esteem (Bowling, Eschelman, Wang, Kirkendall, and Alarcon, 2010).

It would also be of interest to learn whether, in a manner parallel to what can occur among members of close relationships, members of organizations sometimes *increase* their organizational contributions and investments in response to threat. According to Murray and Holmes (2011), the two basic alternative responses to relationship threat are either to withdraw (distance, disengage, etc.) or to try to strengthen the relationship as by benefitting the other member in new ways. Thus it is possible that parallel responses among employees occur and that the individual and organizational factors in such responses could be identified in future research.

Implications for Management Action

The interaction involving uncertainty and dependence indicates that line managers and human resource management (HRM) specialists should address *both* of these contributors to psychological distancing.

Reduce uncertainty as soon as possible. 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 program. Our study indicates that this or other communication should begin as early as possible in the merger process, including in the pre-merger phase.

Reduce dependence. 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 HRM leaders may want to review HR policies and practices with an eye toward reducing the negatives 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 layoffs.

Monitor employee uncertainty and dependence. While taking actions to reduce threat, management should also evaluate their 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 our study suggest that this monitoring could lead management to discover where in the organization there are special

concerns. Management could then target communications, policies, and management actions as warranted.

Tell the story truthfully. We close with this obvious implication, to tell the truth, not only because of the likely positive effects of truth-telling on organizational climate and morale 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.

This way of seeing the findings for employee perceptions reminds us that when a merger story hits the newspapers, there is also an untold story for each and every employee involved. Overall we found an interactive effect involving employees' individual circumstances of dependence on the organization along with perceptions of potential negative personal consequences that the merger could produce. This interaction, which captured our conception of employment relationship threat, was associated with psychological distancing or withdrawal in line with predictions from dependence-regulation theory.

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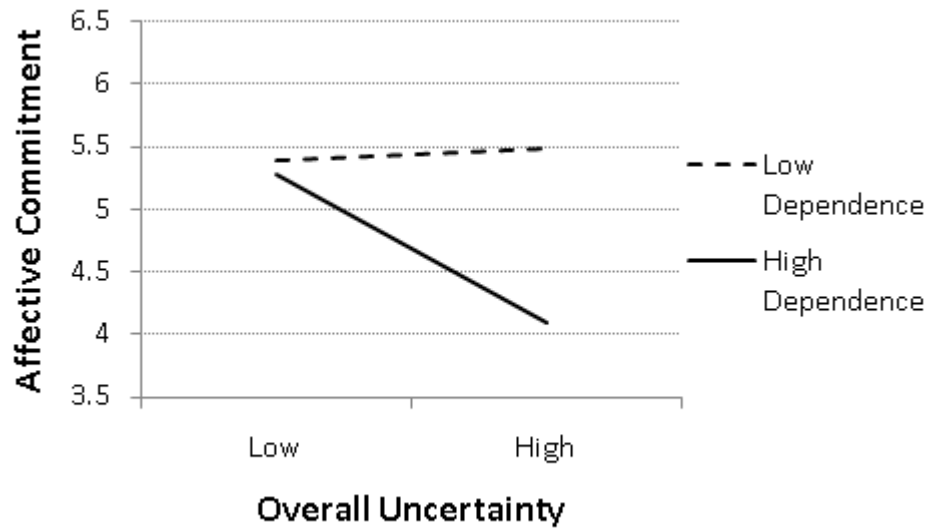


Figure 1. Interaction of dependence and uncertainty predicting affective commitment.

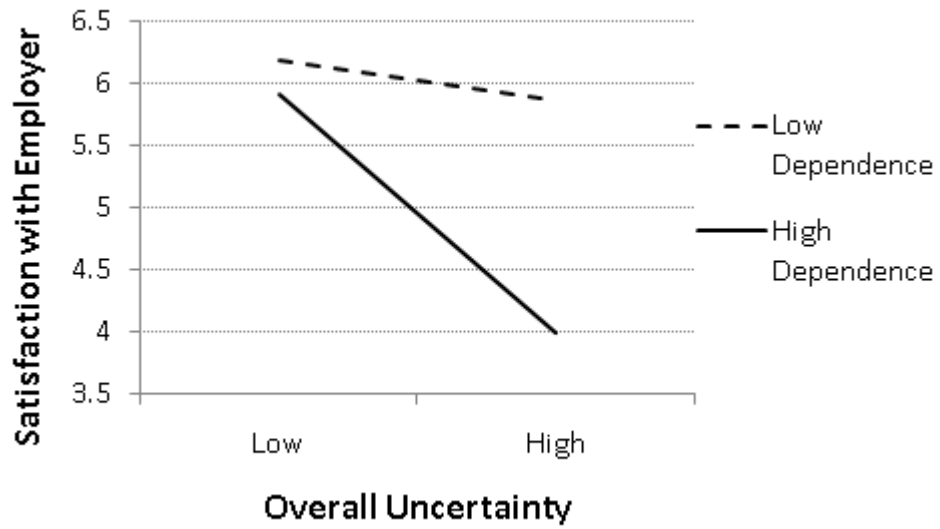


Figure 2. Interaction of dependence and uncertainty predicting satisfaction with employer.

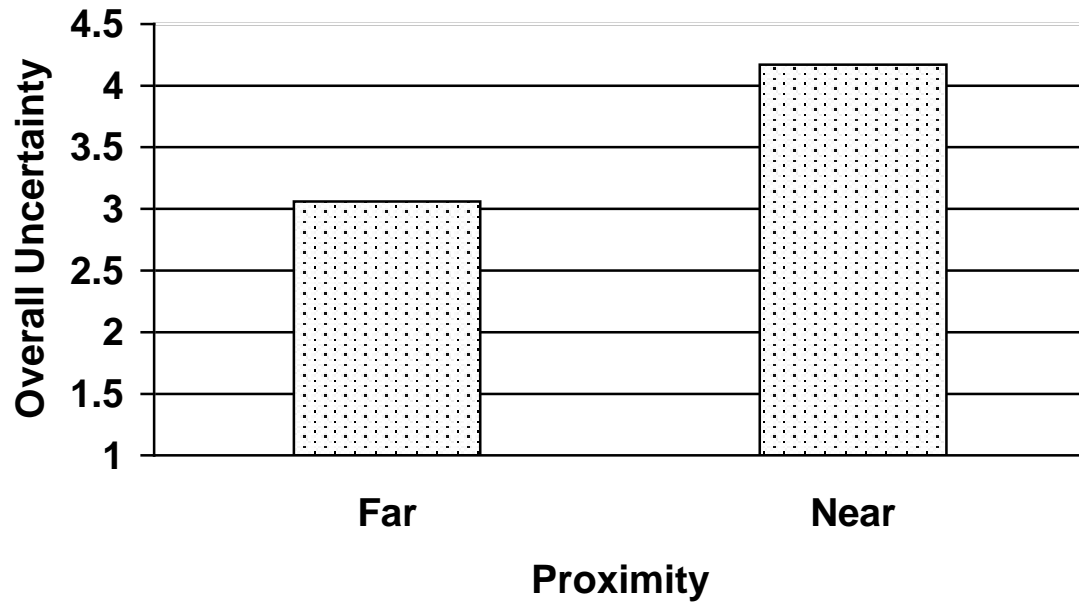


Figure 3. Mean differences of uncertainty between branches in near or far proximity