

Social Exchange at Work: Impact on Employees' Emotional, Intentional, and Behavioral Outcomes under Continuous Change

Anju Mehta
University of Northern Iowa

Under continuous change, organizations often find themselves struggling with negative employee reactions such as stress, cynicism, and turnover. Social exchanges such as leader member exchange (LMX) and team member exchange (TMX) may play an important role in managing such change-related outcomes. The purpose of this paper is to develop a dependency model pertaining to the role of LMX and TMX in employee reactions to continuous change. Integrating human resources, organizational behavior, and change literatures, I develop a socio-centric mediation model of employees' emotional, intentional, and behavioral reactions to continuous change. Implications of the model for research and practice are discussed.

INTRODUCTION

Over the last few decades, the pace of organizational change has increased substantially owing to a number of factors such as consumer demand, globalization, cost pressures, and technological advancements (Huy, 2002; Longenecker, Neubert, & Fink, 2007). “Businesses are confronting continuous and unparalleled changes” (Madsen, Miller, & John, 2005, p. 213). Thus, change is no longer viewed as a sporadic activity, but as an essential, ongoing work place phenomenon that can seriously impact individual as well as organizational outcomes (Price, 2006; Vakola, Tsaousis, & Nikolaou, 2004). Therefore, it has become imperative for organizations to embrace continuous change in order to be successful (Madsen et al., 2005). Moreover, a firm’s ability to adapt to and implement continuous change has emerged as a unique competitive advantage in today’s dynamic business environment (Lines, 2005; Price, 2006; Todnem, 2005). Consequently, organizations are constantly under pressure to find ways to manage change effectively (Probst & Raisch, 2005).

Organizational ecologists, however, have opined that all changes involve some destruction due to “structural inertia” resulting from internal and external constraints, structural transformation, and/or personnel replacement (Boeker, 1989). Thus, despite the consensus that the ability of organizations to manage change is critical to their survival (Carnall, 2003; Cummings & Worley, 2001) and that managing change must be a core competence (Dawson, 2003; Dunphy, Griffiths, & Benn, 2003), a majority of firms fail to develop this competency (Brodbeck, 2002; Burnes, 2005; Harung, Heaton, & Alexander, 1999). This is evident from the fact that about 70% of change efforts result in failures (Beer & Nohria, 2000), and very few change projects achieve the desired objectives (Burke, 2002; Probst & Raisch, 2005; Styhre, 2002). Moreover, change has often been associated with maladaptive work patterns and negative outcomes (Bovey & Hede, 2001; Probst, 2003). For example, organizational change is often accompanied by employee resistance to change, stress, and feelings of denial, resulting in negative outcomes.

The knowledge that change can be difficult and disruptive has compelled researchers to not only examine the negative outcomes of change, but also the factors associated with these outcomes. Employees exhibit various types of negative reactions to change such as cognitive, affective, intentional, and behavioral (e.g., Bernerth, Armenakis, Feild, & Walker, 2007; Fedor, Caldwell, & Herold, 2006; Lines, 2005; Oreg, 2006; Stanley, Meyer, & Topolnytsky, 2005; Smollan, 2014), which might be influenced by several macro- and micro-level antecedents (Oreg, 2006; Probst, 2003; Vakola et al., 2004). While some of these factors and outcomes have often been researched, others have remained neglected. For example, limited research exists on role of social exchange variables such as leader-member exchange (LMX) and team-member exchange (TMX) in employee outcomes under continuous change. Similarly, "although change is often emotional the affective elements of metaphors of change have been under-studied" (Smollan, 2014, p.794).

Thus, the purpose of this research is twofold. The first goal of this study is to propose an integrated view of different types of employee reactions to continuous change. "Employees today are facing greater changes, at a more rapid pace, than ever before" (Wanberg & Banas, 2000, p. 132). The psychological unpredictability associated with these changes, augmented by deficient change management efforts, has been known to induce several types of negative reactions among employees that may be broadly categorized as cognitive, affective, intentional, and behavioral (cf. Lines, 2005; Piderit, 2000; Smollan, 2006). Drawing from the rational-emotive-behavior sequence of employees reactions to change (Bovey & Hede, 2001), I propose two levels of reactions to change. Affective reactions, i.e., stress, change-specific cynicism, and affective commitment, constitute the first-level outcomes, and intentional and behavioral reactions, i.e., turnover intentions and performance, comprise the second-level job outcomes.

The second objective of this paper is to draw upon the social information processing and conservation of resource perspectives to propose social exchange variables as important in influencing employee reactions to change. Previous studies have espoused that social support (Tierney, 1999) and social environment (Brown & Quarter, 1994) play critical roles in employees' change behavior. Given that social exchanges such as LMX and TMX are essential elements of employees' social environment, these variables may influence employee reactions to change. Although previous studies have linked them to various employee outcomes (cf. Harris, Kacmar, & Witt, 2005; Liden, Wayne, & Sparrowe, 2000; Sherony & Green, 2002; Varma Srinivas, & Stroh, 2005), the role of LMX and TMX in employee reactions to continuous change has not been studied to our knowledge.

Thus, in this paper I propose a socio-centric mediation model of employee reactions to continuous change. Specifically, I posit that social exchanges at work (LMX and TMX) will impact employees' affective reactions to change (stress, change-specific cynicism, and affective commitment), which in turn, would impact their turnover intentions and performance. Figure 1 represents conceptual model proposed in this study.

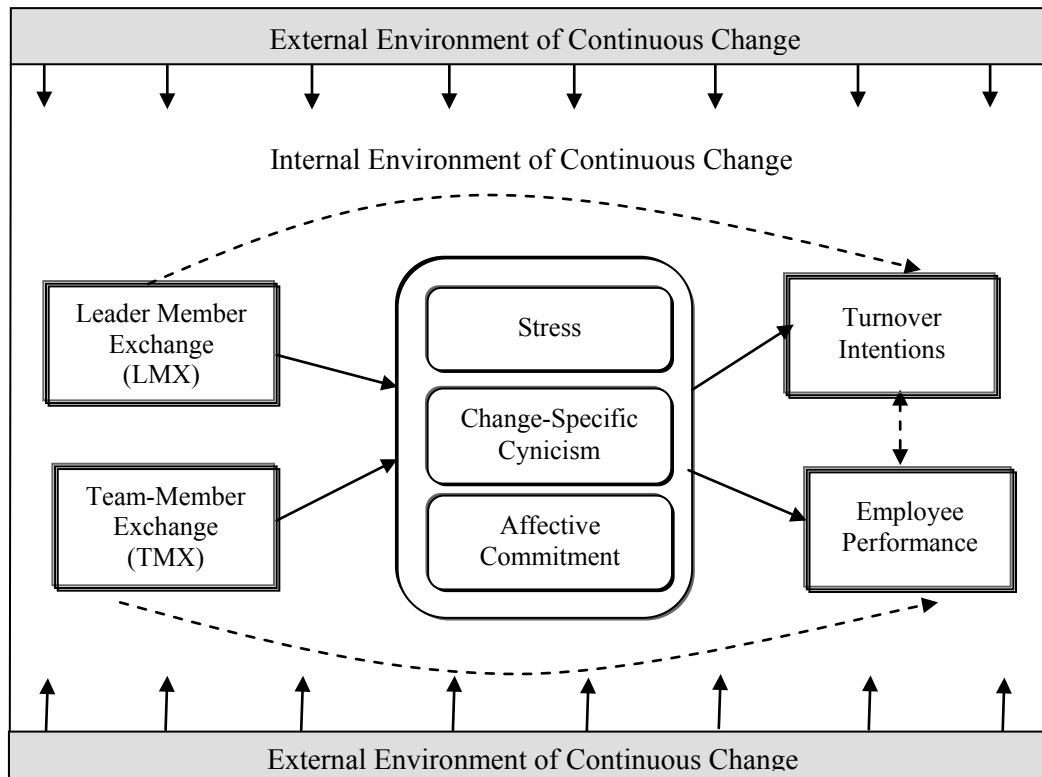
THEORETICAL BACKGROUND AND PROPOSITIONS

Theories of Organizational Change

Early Change Approaches

Traditionally, change has been portrayed as a discrete event comprising a sequence of unfreezing, moving, and freezing (Lewin, 1951). This "planned approach" to change, characterized by being group-based, consensual, and slow, was criticized as being inflexible and inappropriate for situations requiring rapid change (Burnes, 2005). In the 1970s, the "incremental approach" viewed change as a process where different parts of the organization changed incrementally and separately, one at a time, such that the organization would be transformed over time (Hedberg, Nystrom, & Starbuck, 1976). In the 1980s, this approach gave way to the "punctuated equilibrium model" of organizational change which states that organizations evolve through relatively long periods of stability punctuated with short bursts of fundamental change (Romanelli & Tushman, 1994).

FIGURE 1
CONCEPTUAL MODEL OF EMPLOYEE REACTIONS TO CONTINUOUS CHANGE



Note: Straight arrows represent relationships between predictor and criterion variables; dotted arrows represent possible correlation.

Continuous Transformation Approach to Change

Another perspective to emerge in the 1980s was the *continuous transformation model* (Burnes, 2005). This model draws from complexity theories (cf. Manson, 2001; Resher, 1996; Stacey, 2003), increasingly used by researchers to understand and promote organizational change (Black, 2000; Boje, 2000; Stacey, Griffin, & Shaw, 2002). According to the continuous transformation model, an organization is considered analogous to a complex system in nature that needs to undergo continuous transformations to survive (Brown & Eisenhardt, 1997; Stacey, 2003). In fact, an organization’s ability to change continuously and fundamentally is deemed critical to its success (Brown & Eisenhardt, 1997; Burnes, 2005; Stacey, 2003).

Researchers argue that this evolutionary approach to change might bring greater insights about the phenomenon (Higgs & Rowland, 2005; Sammut-Bonnici & Wensley, 2002). For example, the complexity approach to change has also been used to explain high failure rates of change initiatives. As per this approach, organizations are dynamic, complex, non-linear systems with a set of simple order-generating rules (MacIntosh & MacLean, 1999; Stacey, 2003). Most change efforts, however, involve a linear, top-down change approach instead of the self-organizing approach required for a complex system, resulting in failures (Higgs & Rowland, 2005; Styhre, 2002). Change initiatives, then, should be built around the principles of self-organizing to be successful which assumes a critical role of individual-level human activities in outcomes (Kiel, 1994). In this study, we view organizations as complex, nonlinear entities, which undergo incessant changes and require a socio-centric perspective to managing change.

Employee Reactions to Continuous Change

Organizational change has been known to induce several types of cognitive, affective, intentional, and

behavioral reactions among employees (cf. Lines, 2005; Piderit, 2000; Smollan, 2006). In this study, we propose that employee cognitions would influence their affective reactions to change such as stress, which in turn, would impact their intentions and performance.

Affective Reactions

An inevitable aspect of change is affective or emotional responses (Basch & Fisher, 2000; Piderit, 2000; Smollan, 2014). *Affective events theory* explains affective experiences at work as arising from work events, rather than job characteristics (Weiss & Cropanzano, 1996). Organizational changes could be such events that evoke emotional responses in employees. Researchers have advocated examining affective reactions during change since these can undermine the success of change initiatives (cf. Armenakis & Bedeian, 1999; Smollan, 2014). However, the affective domain has generally been neglected in change research (Mossholder, Settoon, & Henagan, 2000; Smollan, 2014). Given their critical role in organizational change and employee turnover (Bernerth et al., 2007; Oreg, 2006; Stanley et al., 2005), we included stress, change-related cynicism, and affective commitment as the primary reactions in this study.

Stress is defined as a coping mechanism adopted by the individual to meet the excessive psychological or physical demands (Greggory & Griffin, 2000). In this study, stress is defined as an unpleasant emotional and physiological state induced by negative work experiences, lack of perceived control, and uncertainty (Hart & Cooper, 2001). Stress is a major concern to managers as well as researchers since employees are experiencing increasing levels of stress due to changing work demands, job uncertainty, and work overload (Jex, 1998) resulting in problems such as reduced productivity and high turnover (e.g., Netemeyer, Burton, & Johnston, 1995).

Organizational change induces stress when an individual lacks adequate resources to cope with new work requirements (Lazarus, 1993). Schabracq and Cooper (1998) noted that individuals experience stress during change as their *situated skills*, i.e., skills acquired as a result of developing general automatic responses to repetitive work requirements, become invalid. During change, individuals have to acquire new skills as well as cope with uncertainty, which generally leads to stress.

Affective commitment refers to the “emotional bond of employees to their organizations” (Rhoades, Eisenberger, & Armeli, 2001). Affective commitment is one of the strongest predictors of organizational outcomes (Wasti, 2003). It has also been associated with organizational change perceptions (Jing, Xie, & Ning, 2014). As a result, researchers have suggested that commitment should be one of the criterion variables in change-related studies. For example, Armenakis et al. (1999) included commitment as an important factor in their process model of change. Commitment to organizational change was also a key variable in Jing et al.'s (2014) work. However, in spite of its importance, affective commitment has seldom been included in models of change outcomes (cf. Herscovitch & Meyer, 2002).

Change-related cynicism is an employee's “disbelief of management's stated or implied motives for (a specific) organizational change” (Stanley et al., 2005: 436). Previous research has affirmed that change might lead to employee cynicism (cf. Armenakis & Bedeian, 1999) and that change efforts would most likely fail if employees do not trust management's change motives (Reichers, Wanous, & Austin, 1997). Thus, change-specific cynicism appears to be an important variable to be examined in context of continuous change (Stanley et al., 2005). Previous research has rarely examined this construct in the context of change.

Intentional and Behavioral Reactions

A review of existing literature reveals that employee *turnover intentions* are often the outcomes of organizational change (Oreg, 2006; Rafferty & Griffin, 2006; Stensaker, Meyer, Falkenberg, & Haueng, 2002). Turnover intention refers to an individual's desire to leave an organization. Past studies have often linked turnover intentions to actual turnover (e.g., Hom, Caranikas-Walker, Prussia, & Griffeth, 1992) implying that employees might cope with change by harboring intentions to leave and by subsequently exiting the organization. These research findings are corroborated by the high employee turnover rates prevalent in a majority of organizations operating under a dynamic business environment (Peterson, 2006; Townsend, 2006). Voluntary turnover costs U.S. organizations billions of dollars annually (Rosch, 2001)

along with the loss of valued knowledge resources (Holtom, Mitchell, Lee, & Inderrieden, 2005; Steel, Griffeth, & Hom, 2002). Given the criticality of employee retention to organizational functioning (Allen, Weeks, & Moffitt, 2005; Griffeth & Hom, 2001; Holtom et al., 2005; Steel et al., 2002), turnover intention was chosen as a second-level outcome.

Another change outcome critical to organizational effectiveness is an employee's *performance* on such measures as product or service quality, time taken to finish the task, and so on. Under conditions of continuous change, performance may be impacted due to a number of factors such as stress, ambiguous work expectations, and cynicism. Although a few previous studies have shown change to have a negative impact on employee performance (Oreg, Leder, & Castro, 2006), models of responses to change having performance as an outcome variable are almost non-existent. Therefore, we included performance as the secondary behavioral outcomes.

Social Exchange and Employee Reactions to Continuous Change

Several theories have been forwarded in the organizational change literature to emphasize the role of social exchange. For example, according to the social information-processing perspective, in the absence of a single interpretation of change events due to the inherent complexity and ambiguity (Isabella, 1990) employees' change perceptions are likely to be influenced by their peers, subordinates, and superiors (cf. Lines, 2005; Rice & Aydin, 1991). Thus, when employees face continuous change, their perceptions, and subsequent reactions, to change may be shaped by their social exchanges with the supervisor and subordinates.

Similarly, conservation of resources (COR) theory (Hobfoll & Freedy, 1993) emphasizes the role of peer and supervisor support as valued social resources in stress, turnover intentions, and low commitment (Halbesleben, 2006). The COR theory posits that negative behavioral and attitudinal outcomes occur when there is an actual or perceived loss of valued resources, insufficiency to meet work demands, or less than expected returns (Lee & Ashforth, 1996). A key resource is social support which is put under strain by work pressures, unpredictability, and stressful events such as change (cf. Lee & Ashforth, 1996; Wright & Cropanzano, 1998).

Empirical research also attests to the role of social factors in change-related outcomes (e.g., Lines, 2005; Neves, 2009). For example, in a study on causes and consequences of managerial failure in rapidly changing organizations, Longenecker et al. (2007) identified "poor work relationships" with a superior and colleagues as the second most important reason for failure. Also, the *relational perspective* forwarded by Mossholder et al. (2005) identified relational reciprocity, mutual obligation, and connectedness with leader and members as important factors in turnover and other withdrawal behaviors. Thus, given these studies, it is likely that LMX and TMX would be significant in employee reactions to continuous change.

Leader-Member Exchange (LMX)

LMX theory posits that leaders develop differential relationships with their subordinates through reciprocal exchanges involving role expectations, rewards, and resources over time, resulting in dyadic relationships of varying quality (Graen & Uhl-Bien, 1995). The quality of LMX has been linked to a number of organizational outcomes including commitment, stress, performance, and turnover intentions (e.g., Biron & Boon, 2013; Griffeth & Hom, 2001; Wang et al., 2005). For example, in a study involving healthcare employees, Biron and Boon (2013) reported a significant relationship between employees' exchange relationships with their supervisor and co-workers and their performance and turnover intentions. Similarly, Harris et al. (2005) suggested that low LMX would increase turnover intentions due to its negative impact on employees' feelings and cognitions. The new "Leadership-Motivated Excellence Theory" (LMX-T) forwarded by Graen and Schiemann (2013) also elucidates the important role of leader and team member exchange in managing (and retaining) the millennial generation. Additionally, in high LMX situations, employees may be more informed and aware of organizational events such as change (Graen, 1989) and may perceive the climate as change-conducive (Kozlowski & Doherty, 1989), which might reduce employee cynicism and intentions to quit during change. Given these associations, it is likely that LMX would positively influence employees' reactions to change.

Proposition 1: LMX has a negative relationship with stress and change-specific cynicism, and positive relationship with affective commitment under continuous change conditions.

Proposition 2: LMX has a negative relationship with turnover intentions and a positive relationship with performance under continuous change conditions.

Team-Member Exchange (TMX)

TMX is similar to LMX in that it is also based on the notions of exchange, reciprocity, and each party's contribution in terms of resources (Seers, 1989). However, TMX is not dyadic but rests on the premise that individuals aggregate their role-specific reciprocal exchanges across members of the group, reinforcing their own role identities as well as the group's identity as a team in the process (cf. Seers, 1989). A high quality TMX is characterized by mutual cooperation, collaboration, and higher social rewards, whereas a low quality TMX is signified by less effort, cooperation, and rewards.

Previous studies have linked TMX to several work outcomes including job satisfaction, performance (Seers, 1989), work attitudes (Seers et al., 1995), and organizational commitment (Liden et al., 2000). TMX might play an analogous, important role in change-related outcomes as well. Support from peers has been identified as an important resource under COR theory to deal with stress and negative emotions triggered by change. Jones and George (1998) indicated that individuals who enjoy high quality relationships with their team members exhibit more involvement, risk-taking, and extra-role behaviors at work. Members of such teams also engage in open communication, free information exchange and feedback, and reciprocal helping behaviors (Jones & George, 1998; Seers, 1989). These behaviors might significantly influence outcomes such as commitment, cynicism, and turnover intentions in a change context.

Moreover, high levels of mutual trust and support enjoyed by the team members in a high TMX situation, and positive perceptions of change climate might help them cope with change (Tierney, 1999) and weaken their intentions to leave the organization. This situation, described as *embedding*, protects individuals against shocks (e.g., change) that result in turnover decisions (Mitchell & Lee, 2001) and low affective commitment (Burt, 2001). Thus, I propose:

Proposition 3: TMX has a negative relationship with stress and change-specific cynicism, and a positive relationship with affective commitment under continuous change conditions.

Proposition 4: TMX has a negative relationship with turnover intentions and a positive relationship with performance under continuous change conditions.

Relationship Between Affective, Intentional, and Behavioral Reactions

Bovey and Hede (2001) found that individuals' intentions to resist change were influenced by their emotions that, in turn, were influenced by their perceptions and cognitions about a change. Thus, it can be argued that employees' intentions to quit and their performance, would be a result of their affective reactions to change-related perceptions.

Relationship of Stress with Turnover Intentions and Performance

Parker and DeCotiis (1983) conceptualized job stress as a first level outcome that might cause second-level outcomes such as avoidance behavior, low productivity, and dissatisfaction if it persists over a long time. Supporting the notion of stress as an antecedent to other negative outcomes, Schaubroeck and Ganster (1993) noted that chronic stress could diminish an individual's ability to adapt to challenging situations and to perform on challenging tasks, thereby reducing productivity. Prolonged stress may also result in information overload, which creates cognitive fatigue and energy drain affecting task performance negatively (Cohen, 1980). Work-related stress is also related to burnout, which impacts

turnover intentions, turnover (e.g., Lee & Ashforth, 1996), and job performance (Halbesleben & Buckley, 2004).

Proposition 5: Stress has a positive relationship with turnover intentions and a negative relationship with performance.

Relationship of Affective Commitment with Turnover Intentions and Performance

Affective commitment is an antecedent to several individual and organizational outcomes including turnover and performance (Griffeth, Hom, & Gaertner, 2000; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). It has been a consistent predictor of employee turnover intentions and is included in most turnover model (Bentein, Vandenberg, Vandenberghe, & Stinglhamber, 2005; Griffeth et al., 2000; Neves, 2009). Meyer et al. (2002) reported a strong negative correlation between affective commitment and withdrawal intentions. Wasti (2003) found that affective commitment predicted turnover intentions irrespective of employees' cultural values. It is also a key variable in change-related studies (Bernerth et al., 2007). Thus, I propose:

Proposition 6: Affective commitment has a negative relationship with turnover intentions and a positive relationship with performance.

Relationship of Change-Specific Cynicism with Turnover Intentions and Performance

Employee cynicism refers to a negative attitude toward the organization accompanied by negative emotions, mistrust, and deviant behavior (Dean et al., 1998). Cynicism is a key variable in organizational change research (Bernerth et al., 2007), proposed as an important antecedent to employees' resistance to change (e.g., Abraham, 2000; Wanous, Reichers, & Austin, 2000). Stanley et al. (2005) differentiated between general and change-specific cynicism and emphasized the importance of latter in employees' resistance to change. The authors showed that change-specific cynicism correlated more strongly with change resistance than general cynicism.

Thus, given the importance of individual reactions to organizational change (e.g., Wanberg & Banas, 2000) and the demonstrated role of change-specific cynicism in intentions to resist change (Stanley et al., 2005), it might be argued that change-specific cynicism is significant in change-related outcomes. Employees with high change-specific cynicism would likely harbor negative attitudes toward management, expend energies in resisting change, and experience negative emotions, thereby decreasing productivity and increasing intentions to leave.

Proposition 7: Change-specific cynicism has a positive relationship with turnover intentions and a negative relationship with performance.

Mediated Model of Employee Reactions to Continuous Change

Previous researchers have found support for the notion that human processes occur in a rational-emotive-behavior sequence (e.g., Bovey & Hede, 2001). In his conceptual work, Smollan (2006) proposed similarly that organizational change would initially lead to cognitive responses, which, in turn, would trigger affective responses. The affective responses, along with the evaluation of potential behavioral responses, would result in the final behavioral outcomes. Thus, individual perceptions about social exchanges during change would elicit certain affective reactions that, in turn, would influence turnover intentions and performance.

Support for the mediating role of affect in change outcomes can be found in the literature related to stress and affective commitment. Stress has often been viewed as a first-level affective outcome that mediates the relationship between several antecedents and behavioral consequences (Parker & DeCotiis, 1983). Similarly, employees' change-specific cynicism and affective commitment would likely get influenced by the quality of LMX and TMX, and would in turn, have an impact on their turnover

intentions and performance. However, a partial mediation is proposed since the social exchange may also have a direct impact on the outcomes.

Proposition 8: Affective outcomes (stress, affective commitment, change-specific cynicism) partially mediate the relationship between social exchange (LMX and TMX) and job-related outcomes (turnover intentions and performance).

Thus, in this study, I propose a social-exchange based, dependency model of employee outcomes under change. Drawing from current literature and theory, specific propositions related to the role of LMX and TMX in employees reactions to change are posited. The interrelationships among different levels of change outcomes are also hypothesized. Table 1 lists the constructs in the model, along with their definition, theoretical orientations, and rationale for inclusion in the model.

IMPLICATIONS FOR RESEARCH AND PRACTICE

In this paper, I integrate the social-information processing perspective, the affective events theory, and the rational-emotive-behavior sequence perspective to present a model of employee reactions to constant change. This is an initial attempt and theoretical inputs of future researchers is needed. For example, the model can be refined further to include team- and organization-level outcomes and other antecedents too. Additionally, in investigating the micro-level factors determining change outcomes in organizations, this study highlights not only the social-psychological underpinnings of change outcomes, but also the role of emotions. Emotional reactions to continuous change have not been examined frequently, and thus, the conceptual framework hopes to attract the attention of researchers to this overlooked area.

The proposed mediation model also needs to be tested empirically, and validated, to understand the role of social exchanges under change conditions. Testing the model can also explain the relationships among primary and secondary reactions to change. Thus, this study provides impetus for future research in the areas of continuous change, social exchanges, and human resource management. Researchers can apply both qualitative and quantitative methodologies to test the model. A case based exploratory study can be conducted initially to refine the model, followed by survey data to validate the model. Established scales pertaining to all the variables in the model are available that can be used for data collection.

From a practitioner's perspective, this study is important since employee turnover is a major problem that typically results in organizations' incurring huge personnel costs (Barrick & Zimmerman, 2005). Issue of turnover is especially grave in industries plagued by continuous change. The business process outsourcing (BPO) industry is one such example. According to Ranganathan and Kuruvilla (2008), "The continued growth of the BPO sector is contingent on it overcoming its biggest human resources problem (i.e., high turnover, which is posing a serious threat to growth and profitability in this sector). Average turnover rates in the industry range from 25-40% (NASSCOM, 2005), imposing a significant cost on firms as they attempt to replace 40% of their employees per year in a very competitive labor market." Apart from these obvious economic consequences, high turnover also upsets the social-psychological equilibrium of the firm, resulting in intangible costs in terms of impaired relationships and increased stress and instability (Allen et al., 2005). For example, when employees leave a company, it can impact the morale of other employees in the company. Such consequences might be especially marked in team-based organizations where employees work in close proximity with each other.

Current study is an effort to help managers understand the relational and emotional dynamics of employees' intentions and behavior and enable them to design interventions for more effective change management. The study also highlights how social exchanges may be useful in managing employees' emotions and attitudes during change. By designing effective teams and training team leaders in social skills, a firm may be able to create a positive and stress-free work environment, even under conditions of unpredictability of constant change.

TABLE 1
A SUMMARY OF CONSTRUCTS, RELATED THEORETICAL ORIENTATIONS AND
RELEVANCE FOR THE MODEL

Construct	Definition	Theoretical Orientation	Relevance
Leader Member Exchange (LMX)	Leaders develop differential relationships with their subordinates through reciprocal exchanges involving role expectations, rewards, and resources over time, resulting in dyadic relationships of varying quality (Graen & Uhl-Bien, 1995).	Social information processing theory (Isabella, 1990)	The quality of LMX has been linked to a number of organizational outcomes including performance, commitment, satisfaction, stress, and higher turnover intentions (Gerstner et al., 1997; Griffeth et al., 2001; Wang et al., 2005).
Team Member Exchange (TMX)	Individuals aggregate their role-specific reciprocal exchanges across members of the group, reinforcing their own role identities as well as the group's identity as a team in the process (Seers, 1989).	Conservation of resources theory (Hobfoll & Freedy, 1993)	TMX is associated with several work outcomes including job satisfaction, performance work attitudes, efficiency, and commitment (Liden et al., 2000; Seers et al., 1995).
Stress	Stress is defined as an unpleasant emotional and physiological state induced by negative work experiences, lack of perceived control, and uncertainty (Hart & Cooper, 2001).	Affective events theory (Weiss & Cropanzano, 1996)	Stress has been linked to diminished ability to adapt to challenging situations, cognitive fatigue, and low performance (Schaubroeck & Ganster, 1993).
Change-Specific Cynicism	Employee cynicism refers to a negative attitude toward the organization accompanied by negative emotions, mistrust, and deviant behavior (Dean et al., 1998).		Cynicism has been proposed as an important antecedent to employees' resistance to change (Abraham, 2000; Wanous et al., 2000).
Affective Commitment	Affective commitment refers to the "emotional bond of employees to their organizations" (Rhoades et al., 2001).	Rational-emotive-behavior sequence (Bovey & Hede, 2001)	Affective commitment is an antecedent to several individual and firm level outcomes including turnover and performance (Griffeth et al., 2000; Meyer et al., 2002).
Turnover Intentions	Turnover intention refers to an individual's desire to leave an organization.		Employee turnover intentions are often the outcomes of organizational change (Oreg, 2006; Rafferty & Griffin, 2006).
Job Performance	Job performance refers to quantitative or qualitative outcomes such as service quality, time taken to finish the task, and number of units produced, and so on.		Studies have shown change to have a negative impact on employee performance (Oreg et al., 2006)

REFERENCES

- Abraham, R. (2000). Organizational cynicism: Bases and consequences. *Genetic, Social, and General Psychology Monographs*, 126, 269-292.
- Allen, D. G., Weeks, K. P., & Moffitt, K. R. (2005). Turnover intentions and voluntary turnover: The moderating roles of self-monitoring, locus of control, proactive personality, and risk aversion. *Journal of Applied Psychology*, 90, 980-990.
- Armenakis, A. A., & Bedeian, A. G. (1999). Organizational change: A review of theory and research in the 1990s. *Journal of Management*, 25, 293-315.
- Barrick, M. R., & Zimmerman, R. D. (2005). Reducing voluntary, avoidable turnover through selection. *Journal of Applied Psychology*, 90, 159-166.
- Basch, J., & Fisher, C. D. (2000). Affective events-emotions matrix: Classification of work events and associated emotions. In N. M. Ashkanasy and et al. (Eds.), *Emotions in the workplace: Research, theory, and practice* (p. 36-48). Westport, CT: Quorum Books.
- Beer, M., & Nohria, N. (2000). Cracking the code of change. *Harvard Business Review*, 78 (3), 133-141.
- Bentein, K., Vandenberg, R., Vandenberghe, C., & Stinglhamber, F. (2005). The role of change in the relationship between commitment and turnover: A latent growth modeling approach. *Journal of Applied Psychology*, 90, 468-482.
- Bernerth, J. B., Armenakis, A. A., Feild, H. S., & Walker, H. J. (2007). Justice, cynicism, and commitment: A study of important organizational change variables. *The Journal of Applied Behavioral Science*, 43, 303-326.
- Biron, M. & Boon, C. (2013). Performance and turnover intentions: a social exchange perspective. *Journal of Managerial Psychology*, 28 (5), 511 - 531.
- Black, J. A. (2000). Fermenting change: Capitalizing on the inherent change found in dynamic non-linear (or complex) systems. *Journal of Organizational Change Management*, 13, 520-525.
- Boeker, W. (1989). Strategic changes: The effects of founding and history. *Academy of Management Journal*, 32, 489-515.
- Boje, D. M. (2000). Phenomenal complexity theory and change at Disney: Response to Letiche. *Journal of Organizational Change Management*, 13, 558-566.
- Bovey, W. H., & Hede, A. (2001). Resistance to organizational change: The role of cognitive and affective processes. *Leadership and Organization Development Journal*, 22, 372-382.
- Brodbeck, P. W. (2002). Implications for organization design: Teams as pockets of excellence. *Team Performance Management: An International Journal*, 8, 21-38.
- Brown, J., & Quarter, J. (1994). Resistance to change: The influence of social networks on the conversion of a privately owned unionized business to a worker cooperative. *Economic and Industrial Democracy*, 15, 259-282.
- Brown, S. L., & Eisenhardt, K. M. (1997). The art of continuous change: Linking complexity theory and time-paced evolution in relentlessly shifting organizations. *Administrative Science Quarterly*, 42, 1-34.
- Burke, W. (2002). *Organizational change: Theory and practice*. Thousand Oaks, CA: Sage.
- Burnes, B. (2005). Complexity theories and organizational change. *International Journal of Management Reviews*, 7, 73-90.
- Burt, R. S. (2001). Attachment, decay, and social network. *Journal of Organizational Behavior*, 22, 619-643.
- Carnall, C. A. (2003). *Managing change in organizations*. Harlow: FT/Prentice Hall.
- Cohen, S. (1980). Aftereffects of stress on human performance and social behavior: A review of research and theory. *Psychological Bulletin*, 88, 82-108.
- Cummings, T. G., & Worley, C. G. (2001). *Organization development and change*. Mason, OH: South-Western College Publishing.
- Dawson, P. (2003). *Reshaping change: A processual perspective*. London: Routledge.

- Dean, J. W., Jr., Brandes, P., & Dharwadkar, R. (1998). Organizational cynicism. *Academy of Management Review*, 23, 342-352.
- Dunphy, D., Griffiths, A., & Benn, S. (2003). *Organizational change for corporate sustainability*. London: Routledge.
- Fedor, D. B., Caldwell, S., & Herold, D. M. (2006). The effects of organizational changes on employee commitment: A multilevel investigation. *Personnel Psychology*, 59, 1-29.
- Fish, K. E., & Seydel, J. (2006). Where IT outsourcing is and where it is going: A study across functions and department sizes. *The Journal Computer Information Systems*, 46, 96-103.
- Gerstner, C. R., & Day, D. V. (1997). Meta-analytic review of leader-member exchange theory: Correlates and construct issues. *Journal of Applied Psychology*, 82, 827-844.
- Graen, G. B. (1989). *Unwritten rules for your career: 15 secrets for fast track success*. New York: Wiley.
- Graen, G.B. & Schiemann, W. A. (2013). Leadership-motivated excellence theory: an extension of LMX. *Journal of Managerial Psychology*, 28 (5), 452-469.
- Graen, G. B., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *Leadership Quarterly*, 2, 199-218.
- Greggory, M., & Griffin, R. W. (2000). *Organizational behavior, managing people and organizations*. Mumbai, India: Jaico Press.
- Griffeth, R. W., & Hom, P. W. (2001), *Retaining Valued Employees*. Thousand Oaks, CA: Sage.
- Griffeth, R. W., Hom, P. W., & Gaertner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover: Update, moderator tests, and research implications for the new millennium. *Journal of Management*, 26, 463-488.
- Halbesleben, J. R. B. (2006). Sources of social support and burnout: A meta-analytic test of the conservation of resources model. *Journal of Applied Psychology*, 91, 1134-1145.
- Halbesleben, J. R. B., & Buckley, M. R. (2004). Burnout in organizational life. *Journal of Management*, 30, 859-879.
- Harris, K. J., Kacmar, K. M., & Witt, L. A. (2005). An examination of the curvilinear relationship between leader-member exchange and intent to turnover. *Journal of Organizational Behavior*, 26 363-378.
- Hart, P. M., & Cooper, C. L. (2001). Occupational stress: Toward a more integrated framework. In N. Anderson, D. S. Ones, H. K. Sinangil and C. Viswesvaran (Eds.), *Handbook of industrial, work, and organizational psychology* (p. 93-114). Thousand Oaks, CA: Sage.
- Harung, H. S., Heaton, D. P., & Alexander, C. N. (1999). Evolution of organizations in the new millennium. *Leadership and Organization Development Journal*, 20, 198-207.
- Hedberg, B., Nystrom, P., & Starbuck, W. (1976). Camping on seesaw: Prescriptions for a self-designing organization. *Administrative Science Quarterly*, 17, 371-381.
- Herscovitch, L., & Meyer, J. P. (2002). Commitment to organizational change: Extension of a three-component model. *Journal of Applied Psychology*, 87, 474-487.
- Higgs, M., & Rowland, D. (2005). All changes great and small: Exploring approaches to change and its leadership. *Journal of Change Management*, 5, 121-151.
- Hobfoll, S. E., & Freedy, J. (1993). Conservation of resources: A general stress theory applied to burnout. In W. B. Schaufeli, C. Maslach and T. Marek (Eds.), *Professional burnout: Recent developments in theory and research* (p. 115-129). Washington, DC: Taylor and Francis.
- Holtom, B. C., Mitchell, T. R., Lee, T. W., & Inderrieden, E. J. (2005). Shocks as causes of turnover: What they are and how organizations can manage them. *Human Resource Management*, 44, 337-352.
- Hom, P. W., Caranikas-Walker, F., Prussia, G. E., & Griffeth, R. E. (1992). A meta-analytical structural equations analysis of a model of employee turnover. *Journal of Applied Psychology*, 77, 890-909.
- Huy, Q. N. (2002). Emotional balancing of organizational continuity and radical change: The contribution of middle managers. *Administrative Science Quarterly*, 47, 31-69.

- Isabella, L. (1990). Evolving interpretations as change unfold: How managers construe key events. *Academy of Management Journal*, 33, 7-41.
- Jex, S. M. (1998). *Stress and job performance: Theory, research, and implications for managerial practice*. Thousand Oaks, CA: Sage.
- Jing, R., Xie, J. L., & Ning, J. (2014). Commitment to organizational change in a Chinese context. *Journal of Managerial Psychology*, 29 (8), 1098 - 1114.
- Jones, G. R., & George, J. M. (1998). The experience and evolution of trust: Implications for cooperation and teamwork. *Academy of Management Review*, 23, 531-546.
- Kiel, L. D. (1994). *Managing chaos and complexity in government*. San Francisco, CA: Jossey-Bass.
- Klien, K. J., & Sorra, J. S. (1996). The challenge of innovation implementation. *Academy of Management Review*, 21, 1055-1080.
- Kozlowski, S. W. J., & Doherty, M. L. (1989). Integration of climate and leadership: Examination of a neglected issue. *Journal of Applied Psychology*, 74, 546-553.
- Lazarus, R. S. (1993). From psychological stress to emotions: A history of changing outlooks. *Annual Review of Psychology*, 44, 1-21.
- Lee, R. T., & Ashforth, B. E. (1996). A meta-analytic examination of the correlates of the three dimensions of job burnout. *Journal of Applied Psychology*, 81, 123-133.
- Lewin, K. (1951). *Field theory in social science*. New York: Harper and Row.
- Liden, R. C., Wayne, S. J., & Sparrowe, R. T. (2000). An examination of the mediating role of psychological empowerment on the relations between the job, interpersonal relationships, and work outcomes. *Journal of Applied Psychology*, 85, 407-416.
- Lines, R. (2005). The structures and function of attitudes toward organizational change. *Human Resource Development Review*, 4, 8-32.
- Longenecker, C. O., Neubert, M. J., & Fink, L. S. (2007). Causes and consequences of managerial failure in rapidly changing organizations. *Business Horizons*, 50, 145-155.
- MacIntosh, R., & MacLean, D. (1999). Conditioned emergence: A dissipative structures approach to transformation. *Strategic Management Journal*, 20, 297-316.
- Madsen, S. R., Miller, D., & John, C. R. (2005). Readiness for organizational change: Do organizational commitment and social relationships in the workplace make a difference?. *Human Resource Development Quarterly*, 16, 213-233.
- Manson, S. M. (2001). Simplifying complexity: A review of complexity theory. *Geoforum*, 32, 405-414.
- Meyer, J. P., Stanley, D. J., Herscovitch, L., & Topolnytsky, L. (2002). Affective, continuance, and normative commitment to the organization: A meta-analysis of the antecedents, correlates, and consequences. *Journal of Vocational Behavior*, 61, 20-52.
- Mitchell, T. R., & Lee, T. W. (2001). The unfolding model of voluntary employee turnover and job embeddedness: Foundations for a comprehensive theory of attachment. In B. M. Staw and R. I. Sutton (Eds.), *Research in organizational behavior* (p.189-246). Greenwich, CT: JAI Press.
- Mossholder, K. W., Settoon, R. P., & Henagan, S. C. (2005). A relational perspective on turnover: Examining structural, attitudinal, and behavioral predictors. *Academy of Management Journal*, 48, 607-618.
- NASSCOM (2005). *NASSCOM Strategic Review 2005*. New Delhi: NASSCOM.
- Netemeyer, R. G., Burton, S., & Johnston, M. W. (1995). A nested model comparison of four models of the consequences of role perception variables. *Organizational Behavior and Human Decision Processes*, 61, 77-93.
- Neves, P. (2009). Commitment to change: Contributions to trust in supervisor and work outcomes. *Group and Organization Management*, 34 (6), 623-644.
- Oreg, S. (2006). Personality, context, and resistance to change. *European Journal of Work and Organizational Psychology*, 15, 73-101.
- Oreg, S., Leder, N., & Castro, D. (2006). Resistance to change and performance: Towards a more even-handed view of resistance. Paper presented at the 26th *International Congress of Applied Psychology*, Athens, Greece.

- Parker, D. F., & DeCotiis, T. A. (1983). Organizational determinants of stress. *Organizational Behavior and Human Performance*, 32, 160-177.
- Peterson, S. L. (2006). Managerial turnover in US retail organizations. *Journal of Management Development*, 26, 770-789.
- Piderit, S. K. (2000). Rethinking resistance and recognizing ambivalence: A multidimensional view of attitudes toward an organizational change. *Academy of Management Review*, 25, 783-794.
- Price, A. (2006). The leading edge: Developing leaders in volatile times. *Employment Relations Today*, 33, 33-41.
- Probst, G., & Raisch, S. (2005). Organizational crisis: The logic of failure. *Academy of Management Review*, 19, 90-105.
- Probst, T. M. (2003). Exploring employee outcomes of organizational restructuring. *Group and Organization Management*, 28, 416-439.
- Rafferty, E. R., & Griffin, M. A. (2006). Perceptions of organizational change: A stress and coping perspective. *Journal of Applied Psychology*, 91, 1154-1162.
- Ranganathan, A., & Kuruvilla, S. (2008). Employee turnover in the business process outsourcing industry in India. In D. Jemielniak, & J. Kociatkiewicz (Eds.) *Management practices in high-tech environments* (p. 110-132). Hershey, PA: Information Science Reference.
- Reichers, A., Wanous, J., & Austin, J. (1997). Understanding and managing cynicism about organizational change. *Academy of Management Executive*, 11, 48-59.
- Resher, N. (1996). *Complexity: A philosophical overview*. New York: Transaction.
- Rhoades, L., Eisenberger, R., & Armeli, S. (2001). Affective commitment to the organization: The contribution of perceived organizational support. *Journal of Applied Psychology*, 86, 825-836.
- Rice, R. E., & Aydin, C. (1991). Attitudes towards new organizational technology: Network proximity as a mechanism for social information processing. *Administrative Science Quarterly*, 36, 219-244.
- Romanelli, E., & Tushman, M. L. (1994). Organizational transformation as punctuated equilibrium: An empirical test. *Academy of Management Journal*, 37, 1141-1166.
- Rosch, P. J. (2001). The quandary of job stress compensation. *Health and Stress*, 3, 1-4.
- Rousseau, D. M., and Tijoriwala, S. A. (1999). What's a good reason to change? Motivated reasoning and social accounts in promoting organizational change. *Journal of Applied Psychology*, 84, 514-528.
- Sammot-Bonnici, R., & Wensley, R. (2002). Darwinism, complexity, and probability: Market-based organizational transformation and change explained through the theories of evolution. *International Journal of Management Reviews*, 4, 291-315.
- Schabracq, M., & Cooper, C. (1998). Toward a phenomenological framework for the study of work and organizational stress. *Human Relations*, 51, 625-648.
- Schaubroeck, J., & Ganster, D. C. (1993). Chronic demands and responsivity to challenge. *Journal of Applied Psychology*, 78, 73-85.
- Seers, A. (1989). Team-member exchange quality: A new construct for role making research. *Organizational Behavior and Human Decision Processes*, 43, 118-135.
- Seers, A., Petty, M. M., & Cashman, J. F. (1995). Team-member exchange under team and traditional management. *Group and Organization Management*, 20, 18-38.
- Sherony, K. M., & Green, S. G. (2002). Coworker exchange: Relationships between coworkers, leader-member exchange, and work attitude. *Journal of Applied Psychology*, 87, 542-548.
- Smollan, R. K. (2014). The emotional dimensions of metaphors of change. *Journal of Managerial Psychology*, 29 (7), 794-807.
- Smollan, R. K. (2006). Minds, hearts, and deeds: Cognitive, affective, and behavioral responses to change. *Journal of Change Management*, 6 (2), 143-158.
- Stacey, R. D. (2003). *Strategic management and organizational dynamics: The challenge of complexity*. Harlow: FT/Prentice Hall.
- Stacey, R. D., Griffin, D., & Shaw, P. (2002). *Complexity and management: Fad or radical challenge to systems thinking*. London: Routledge.

- Stanley, D. J., Meyer, J. P., & Topolnytsky, L. (2005). Employee cynicism and resistance to organizational change. *Journal of Business and Psychology*, 19, 429-459.
- Steel, R., Griffeth, R., & Hom, P. (2002). Practical retention policy for the practical manager. *Academy of Management Executive*, 16, 149-162.
- Stensaker, I., Meyer, C. B., Falkenberg, J., & Haueng, A. C. (2002). Coping mechanisms and consequences. *Organizational Dynamics*, 31, 296-312.
- Styhre, A. (2002). Non-linear change in organizations: Organization change management informed by complexity theory. *Leadership and Organization Development Journal*, 23, 343-351.
- Tierney, P. (1999). Work relations as a precursor to a psychological climate for change: The role of work group supervisor and peers. *Journal of Organizational Change*, 12, 120-133.
- Todnem, R. (2005). Organizational change management: A critical review. *Journal of Change Management*, 5, 369-380.
- Townsend, K. (2006). Recruitment, training and turnover: Another call center paradox. *Personnel Review*, 36, 476-490.
- Vakola, M., Tsaousis, I., & Nikolaou, I. (2004). The role of emotional intelligence and personality variables on attitudes toward organizational change. *Journal of Managerial Psychology*, 19, 88-110.
- Varma, A., Srinivas, E. S., & Stroh, L. K. (2005). A comparative study of the impact of leader-member exchange in US and Indian sample. *Cross Cultural Management*, 12, 84-95.
- Wanberg, C. R., & Banas, J. T. (2000). Predictors and outcomes of openness to changes in a reorganizing workplace. *Journal of Applied Psychology*, 85, 132-142.
- Wang, H., Law, K. S., Hackett, R. D., Wang, D., & Chen, Z. X. (2005). Leader-member exchange as a mediator of the relationship between transformational leadership and followers' performance and organizational citizenship behavior. *Academy of Management Journal*, 48, 420-432.
- Wanous, J. P., Reichers, A. E., & Austin, J. T. (2000). Cynicism about organizational change: Measurement, antecedents, and correlates. *Group and Organization Management*, 25, 132-153.
- Wasti, S. A. (2003). Organizational commitment, turnover intentions, and the influence of cultural values. *Journal of Occupational and Organizational Psychology*, 76, 303-321.
- Weiss, H. M., & Cropanzano, R. (1996). Affective events theory: A theoretical discussion of the structure, causes, and consequences of affective experiences at work. *Research in Organizational Behavior*, 18, 1-74.
- Wright, T. A., & Cropanzano, R. (1998). Emotional exhaustion as a predictor of job performance and voluntary turnover. *Journal of Applied Psychology*, 83, 484-493.