

Abstract of thesis entitled

“The art of explaining organizational changes to employees:

Reducing negative reactions through effective communication”

submitted by

HAU Wing Sze Vivien

for the degree of Master of Philosophy in Industrial-Organizational Psychology  
at the Chinese University of Hong Kong

in August, 2003.

Organizational changes may violate psychological contracts between employers and the employees. Therefore, explanations for the changes are important in managing organizational conflicts. However, how employees perceive explanations for organizational changes may moderate the relationship between their psychological contract violations (PCV) and their subsequent negative reactions. This research studied the relationship between employees' PCV in the context of organizational changes and their reactions. In study 1, I constructed a list of 18 explanations for organizational changes, which were analyzed from the qualitative responses of 50 Hong Kong employees. This list of explanations was used to investigate how legitimate explanations and explanations carrying positive impression of organization moderated the effect of PCV on employee reactions. Four hundred fifty

one participants, who were working in organizations that implemented organizational changes during January 2001 to March 2003, were recruited in the current study.

Results showed that there were significant effects of PCV on four behavioral and attitudinal reactions. I also found that legitimate explanations and explanations bringing positive impression to organizations alleviate the negative effects of PCV on job satisfaction and intention to quit. Also, if communicators appeared sincere when explaining organizational changes, decrement of organizational citizenship behavior could be weakened. These findings provided insight into how organizations can implement more effectively organizational changes without being perceived to violate employees' psychological contracts.