Understanding Change Resistance through the Lens of the Psychological Contract:
Implications for Change Agents

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Abstract

The change agent, if attentive to the implication of the employee's psychological contract, can take action to help the employee transform the psychological contract by perceiving resistance to change as a form of positive feedback. Approaching change with help from the lens provided by a psychological contract will enable change agents to consider the desired change from the perspective of the employee, and also to understand better a wide spectrum of reasons for resistance. The psychological contract is an important tool for the change agent, and the key to everyone's benefiting from the positive, and sometimes more practical, elements in resistance to change.

This research will explore the change agent's role in activating the change recipient's psychological contract transformation by determining why change agents perceive resistance and how they can use resistance confidently. It will present a model of the factors that influence individual perception. It is beneficial to everyone, the employer as well as the employees, for the change agent to understand the implications of psychological contract breach and violation, to regard resistance as a normal reaction to change, and to know how the actions of the change agent will have an impact on the outcome.

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Introduction

Resistance has long been considered the human driver of change failure. For organizations implementing change programs, resistance can cause delays, adding cost implications and complications to the process (Pardo del Val & Fuentes, 2003) or resulting in complete failure. More than half of change failures are attributed to resistance (Ford & Ford, 2010). Recent literature suggests that the change agent has a key role to play in change failures attributed to resistant employees. Ford and Ford (2010, p. 100) challenge change agents to ask themselves two questions: 1) "Why am I seeing this behavior as resistance?" and 2) "If I viewed the resistance as feedback, what could I learn about how to refine the change effort?" The use of a psychological-contract lens can help in answering these questions. In this paper, I will present the concept of psychological contracts, the contexts from which they derive and various reasons they are reactivated by a change process, and will define resistance as it has been portrayed in change literature. The first sections examine how ideas about the psychological contract have developed, drawing upon them for a glimpse into the perception of employees affected by change. I offer a model for change agents, at the center of reactions to change, to understand the role of perception in the psychological contract evaluation process, an effective focal point for the positive transformation of resistant behaviors. The final section draws on this model to suggest that change agents approach resistance to change through a psychological contract lens, and formulate answers to the questions introduced by Ford and Ford (2010).

Part 1: Psychological Contracts and Resistance

1.1 The Psychological Contract

The concept of the employment relationship as an exchange can be traced to the late 1930s, but the term psychological contract was first used by Argyris only in 1960. He viewed the concept as an implicit understanding between employees and their foremen with regard to tangible resources and job security (Coyle-Shapiro, 2008). Levinson (1962) and others expanded on this work to include such intangibles as mutual expectations, and to explore the role of reciprocity in the employer-employee relationship. They emphasized the mutual fulfillment of needs in the relationship, and suggested that a relationship would continue as long as there was a belief that the expectations would be met (Coyle-Shapiro, 2008). The concept of a psychological contract has been commonly associated with Rousseau (1995), who defined the psychological contract as the "individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization" (Rousseau, 1995, p. 9).

Guest (1998) observed that the language surrounding the core tenets of psychological contracts varied in its use of the terms expectations, promises, and obligations. These can be considered as different levels of psychological engagement, with an expectation of a future event having lesser impact than an obligation toward a future event. Rousseau (1995) focuses on promises of future intent, with obligations as the outcome of promissory statements. Morrison and Robinson (1997, p. 229) echo this focus in their view that the psychological contract consists of "an employee's beliefs about the reciprocal obligations between that employee and his or her organization, where these

obligations are based on perceived promises." For change agents, examining resistance through the lens of the psychological contract means considering the reciprocal promises in effect between an employee and the organization and analyzing the factors influencing perception.

1.2 <u>Resistance</u>

Resistance is natural in organizational change (Ford & Ford, 2010). Early literature on resistance centered on overcoming, avoiding, mitigating, and eliminating resistance, which was viewed as an unavoidable obstacle that change agents must endure. This opinion of resistance continues to be prevalent. Pardo Del Val and Fuentes (2003, p. 153) consider resistance as "any phenomenon that hinders the process at its beginning or its development, aiming to keep the current situation," also calling it the key to change success or failure. Appelbaum, MacDonald, and Nguyen-Quang (2015) define resistance as the act of refusing to comply with, or to participate in, a change initiative. McMillan and Perron (2013, p. 28) describe resistance to change as "active responses including verbal behaviors such as cynical remarks, critically questioning and denying the need for change, as well as nonverbal behaviors such as eye rolling, knowing looks and smirks." According to Thomas and Hardy (2011), the notion of resistance as an obstacle leading to change failure has been the main view of resistance in management practice and theory. Because negative reaction is so noticeable and has such an impact on change, resistance is still considered an obstruction to change, and demonized (Thomas & Hardy, 2011).

Oreg, Vakola and Armenakis (2011) identify three distinct reactions to organizational change: affective, cognitive and behavioural. Affective reactions are the positive or

negative feelings of an employee in a change situation, such as joy or psychological distress. Cognitive reactions constitute the beliefs and thoughts individuals have about the change, based on their evaluations of it, and on the sense they make of it personally. Behavioural reactions are the way in which employees act, or think about acting, as they find themselves faced with the change. Resistant behaviours can be expressed through questioning, silence, ignoring, eye rolling, unenthusiastic behaviors, complaining, criticizing, objecting (Ford & Ford, 2010), as well as in deviant ways, such as in sabotage, and theft (Georgalis, Samaratunge & Kimberley, 2015). Ford and Ford (2010) argue that the term resistance is a label given to a set of behaviours that the change agent perceives as such. They state that with such a broad approach, resistance can be attributed to nearly every type of behaviour, and is therefore difficult to define.

Several authors have studied resistance as a positive element for change. Van den Heuvel and Schalk (2009, p. 288) note that researchers have begun perceiving resistance as "a natural phenomenon that can be beneficial for an organization, as it is a form of communication". Ford and Ford (2010) believe that resistance feedback only appears negative because people do not always know how to communicate productively. Ford and D'Amelio (2008) make the important point that resistance is a form of feedback, a resource for change, and that change agents need to listen to this other side of the resistance story.

1.3 <u>Resistance and the Psychological Contract</u>

The psychological contract exists in the background of the employment relationship until the routine situation changes and triggers a fresh evaluation of what was promised versus

what was delivered (Morrison, 1994). Unlike an explicit contract, the eye-of-the-beholder nature of the psychological contract makes it nearly impossible to verify that both parties have the same understanding (Guest, 1998). Because expectations of upheld promises form the psychological contract, once there is a discrepancy between what is expected and the perceived reality, the employee will evaluate the degree of fulfillment for hints of deficiency (Morrison & Robinson, 1997). Van den Heuvel and Schalk (2003) state that the degree to which the employee perceives that the promises of the psychological contract have been fulfilled is an influential factor on the employee's resistance to change. When promises are broken, psychological contract breach and violation can occur.

Rousseau (1995, p. 118) explains contract violation as "perception of a discrepancy between a relied-upon outcome and the actual outcome that occurs." Morrison and Robinson (1997) studied psychological contract violation, making a distinction between what they consider as perceived breach and psychological contract violation. A perceived breach signifies an awareness that the organization failed to meet the psychological contract obligations or promises (Morrison & Robinson, 1997). Psychological contract breach is the employee's logical interpretation of the discrepancy, whereas violation involves elements of a possibly resulting emotional experience, which may be felt as disappointment, frustration, distress, anger, resentment, bitterness, indignation, outrage and betrayal (Morrison & Robinson, 1997). The outcomes of these negative feelings can be considered resistant behaviours and are commonly seen as obstacles to change.

The levels and ranges of the emotion in resistance to change are linked to the size of the negative gap between what was expected and what was received. When the negative gap

is perceived as wide, for instance, stronger reactions are more likely, particularly if the employer is thought to have intentionally created the gap. The perception of the balance or instability of the reciprocal relationship will determine whether or not a breach of contract has occurred. If the gap is positive, as in the case of a psychological contract over-fulfillment, employees may feel they owe the employer, and so may not be as quick to perceive the contract as breached (Chaudhry & Song, 2014). Employees will assess their own contribution in fulfillment of their obligations with regards to the psychological contract, and this too will shape their continuously evolving evaluations of a psychological contract breach.

The perceived intentions of the parties can have an impact on whether a violation is felt to have occurred. One of these classifications is an inadvertent failure to comply, where both are willing and able to keep their promises, but they have different understandings about it that prevent it from happening. A second is the reneging of the contract (Rousseau, 1995; Morrison & Robinson, 1997), where one side is unwilling to keep their promise. Rousseau (1995) adds a third intention, disruption, where both are willing and able to keep their promise, but the situation makes that impossible. The third classification covers situations of organizational change in which promises that were made under the previous conditions may no longer be able to be kept. For example, some of the tangible and intangible resources on which the promises were made may no longer exist.

The psychological contract can explain the reasons for resistant behaviours in employees by exploring the expectations and fulfillments of promises. The primary consideration for change agents is to understand that, at its core, the psychological contract is rooted in perceptions. First, it is the employee's perception of the employer's promises that shapes

the construct of the psychological contract. Second, it is the perception of the degree of fulfillment that determines whether or not the psychological contract has been breached. Third, it is the employee's perception of the employer's intentions leading to the breach that can influence the development of a psychological contract violation. With respect to this understanding of the effect of resistance, the psychological contract, and the organizational change and perception involved, I propose the following:

> **Proposition 1: Change agents who understand the factors that affect the way in which an individual perceives a situation of organizational change and potential psychological contract breach will be better able to use resistance feedback effectively.**

Part 2: Psychological Contracts and Perception

In the previous section, which explained resistance and the psychological contract, perception itself was a focal point. The evaluation of the degree of fulfillment of the psychological contract is based on the employee's perception. Without understanding the factors that influence an individual's perception, change agents will not be fully equipped to make sense of the resistance to change and to benefit from the advantages of resistance. Using the literature on antecedents of resistance and on factors leading to psychological contract breach, change agents can improve their understanding of the perception of change. This section will explain how such factors influence the employees' perceptions of a change situation and, subsequently, their perception of the degree of psychological contract fulfillment or breach, by grouping them into three overlapping categories: the change context (2.1), the organizational context (2.2), and the individual context (2.3).

2.1 Change Context

Elements of a change, such as the content of the change, the type of change and the way in which the change is communicated, influence an employee's perception of the situation and evaluation of the psychological contract. A change in compensation, in work environment or team structure (Oreg et al., 2011), in work tasks, in strategy, or a complete reengineering of an organization, are among the countless reasons behind change plans. Each plan has a different effect on employees, and therefore will have a different effect on perceptions about the psychological contract. Rousseau (1995) identified two types of change, transformative and accommodative. In accommodative change, the psychological contract will often be adapted rather than perceived as breached because the core of the psychological contract remains intact (Rousseau, 1995). Accommodative change allows for continuity, which limits the amount of new information that needs to be processed to make sense of how the change will have an impact on the individual. Transformative change is more revolutionary, altering the status quo. A transformative change such as a merger/acquisition will be more likely to be perceived as a psychological contract breach because it requires a disruptive change process and it redefines the employer-employee relationship considerably (Akhtar, Long & Nazir, 2015).

The way in which the change is communicated to employees will impact their perception of the situation. "When employees are poorly prepared to receive a new message, change is often resented and ultimately fails" (Rousseau, 1995, p. 165). Lack of information availability can lead employees to question the intentions of the employer. Information withholding or delaying can break trust relationships, creating a psychological contract

breach and leading to resistant behaviour (Chaudhry, Wayne and Schalk, 2009). When rumours result from either of these reasons, those affected by the change may begin talking about it. In the absence of more reliable sources of information, employees may begin to fill the gaps themselves, leading to faulty assumptions which may not reflect the reality. Without proper information, individuals often look to others as a source of reference on how to act, allowing the supposed authority of those interpretations to shape their own reading of the situation (Chaudhry & Song, 2014). When objective and verifiable information about the change is not available, employees will also seek subjective information from their environment, including those around them, to contribute to their understanding of the situation (Chaudhry & Song, 2014). When employers do provide information, but in a limited amount or badly timed, they can create more uncertainty among the employees (Chaudhry et al., 2009). Information that the employee processes in a situation of uncertainty, rather than in a situation of trust and open communication, will be analyzed more critically for a psychological contract breach and will be more prone to reactions perceived by the change agent as resistant.

2.2 **Organizational Context**

The characteristics of the organization such as organizational design and structure, the divisions of work, size, strategy, goals, policies and processes, all of which create an image of status quo that employees perceive as predictable and desirable. Some organizational cultures are more open to changing environments and adapting to new situations than others. An organization's cultural values, beliefs and norms have an impact on the success of change (Danişman, 2010), defining what employees should think and how they should act. Both have a significant impact on perception and can be

considered as a framework employees use to interpret events and solve problems as they appear in the organization (Danişman, 2010). When a situation of change occurs, employees will turn to this framework to identify appropriate reactions. The framework of culture influences the creation of the psychological contract by influencing the expectations and perceptions of the employee (Danişman, 2010). Organizations that have experienced failed change initiatives in the past may be marked by cynicism, so the resistant behaviours towards further change may have already been learned (Connell & Waring, 2002).

The hierarchy and power dynamics of an organization will influence the perception of employees. Thomas and Hardy (2011, p. 326) explain that resistance is "an adaptive response to power, it operates in tandem with power, and it forms at points where relations of power are exercised" and suggest that, because of this, resistance does not exist without power. Employees of an organization in which change is directed from the top down, using legitimate or authoritative power, will perceive events in a different light than those from a flatter, collaborative environment.

2.3 Individual Context

Personal characteristics shape a person's adaptability and determine the way in which situations are perceived. Oreg et al. (2011) suggest a number of personal characteristics, coping styles, individual motivational needs and demographic variables that have an impact on an individual's perception and reaction to change. Figure 1 lists these characteristics, which were identified by Oreg et al. (2011) through a quantitative analysis of 79 studies of organizational change situations.

Figure 1 - Change Recipients' Characteristics

Personality traits	Control (locus of control, personal control) Self-efficacy Positive and negative affectivity Tolerance for ambiguity Dispositional resistance to change Dispositional cynicism Openness to experience Neuroticism Conscientiousness
Coping styles	Problem-solving style Adaptive mechanisms
Needs	Individual motivational needs
Demographic variables	Tenure Level of education Union membership Status Age

For example, individuals with an internal locus of control believe they are responsible for their fate, which can lead to positive perceptions of change situations (Oreg et al., 2011). Resistance is less likely because of this sense of ownership. In contrast, individuals with an external locus of control may have more difficulty accepting certain situations because they perceive the change as something done to them versus an opportunity that they can control (Morrison, 1994). A negative affectivity towards change could lead towards anxiety and fear, lowering the adaptability of the individual (Appelbaum et al, 2015). A positive affectivity towards change, on the other hand, is a strong factor in an individual's adaptability (Oreg et al., 2011) and tolerance for ambiguity. Personality traits can be considered indicators of sensitivity to psychological contract breach. Individuals with an internal locus of control, positive affectivity towards change or tolerance for ambiguity may have a lower sensitivity to psychological contract breach, permitting a greater

discrepancy between what was promised by the employer and what was received before perceiving a breach. Jafri (2014) found that neurotic individuals are more likely to monitor their psychological contracts for breach or to perceive a situation as negative, suggesting a higher sensitivity.

Johnson and O'Leary-Kelly (2003) suggested that the development of cynicism may create a lens through which the psychological contract's fulfillment will be analyzed. In this situation, it is more likely that a breach will be perceived sooner than in the absence of cynicism. Organizational cynicism is an attitude which occurs when an employee believes that the organization lacks integrity, either from their own experiences or from the perceived experiences of others. In addition to this belief, the employee has negative emotions and is critical of the organization, perceiving breaches and violations before others (Pate, Martin & Staines, 2000). When employees experience a contract breach, they will feel cynically about their employer and act out their displeasure. Effects of cynicism are negative attitudes, absenteeism, and decreased job satisfaction, organizational commitment, performance and commitment to change (Pate et al., 2000; Johnson & O'Leary-Kelly, 2003). Connell and Waring (2002) found that employee cynicism was linked to the belief that changes led to redundancy or more work. "This situation resulted in some employees forming the expectation that unfavourable change would be imposed on them, causing them to withdraw their cooperation from any change initiative, regardless of its merit" (Connell & Waring, 2002, p. 350).

2.4 Overlap of Contextual Factors of Perception

An individual's perception, which influences the assessment of a situation and the resulting emotions and behaviours, is crucial for a change agent to understand because it impacts the evaluation of psychological contract fulfillment and subsequent reaction. I propose the following graphic representation of the change context, organizational context, and individual context classifications that I have suggested (Figure 2):

> **Proposition 2: The factors influencing perception during organizational change can be represented within this model of contextual factors of perception, grouped into three overlapping categories: the change context, the organizational context, and the individual context.**
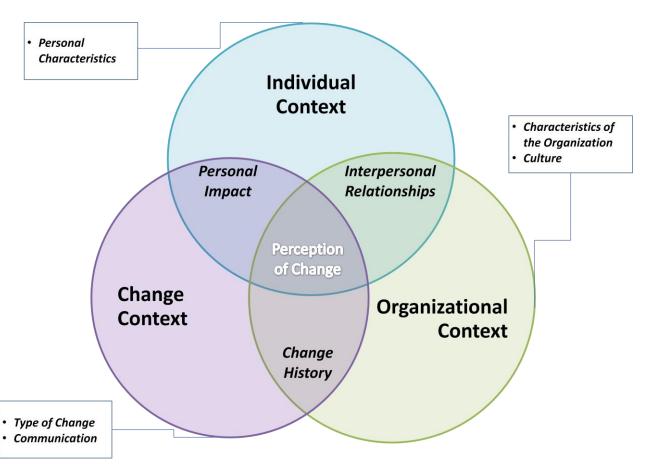
Figure 2 – Contextual Factors

Personal Impact

Where the change context and the individual context overlap is of immediate concern to the change agent. The way the change impacts the employee's personal or professional life is a factor that contributes to resistance behaviour, and it is one of the major sources of stress for the employee (Chaudhry et al., 2009). How individuals perceive the benefits or drawbacks to a change, the incidence it has on their routines at work and at home, determines the degree of their reactions to the change. It is rare that a change will have nothing but positive outcomes for all parties – there will be tradeoffs (Thomas & Hardy, 2011). It varies with different kinds of change, but employees are left coping with what they have lost. This loss could involve, for example, a sense of understanding, work predictability, security, comfort (McKay, Kuntz & Naswall, 2013), work process elements like teams, structures, the way we do things here, or a loss of more tangible elements like work spaces, parking or accessible daycare. The potential cost to the individual of an unmet promise will lead to an evaluation of psychological contract fulfillment (Morrison & Robinson, 1997). An accommodative change, for example, may only impact a small work process, which results in a primarily neutral personal impact. The magnitude of this situation is less likely to influence the perception of psychological contract breach than would a monumental change that impacts all aspects of a company.

Employees in change situations can feel a loss of control (Chaudhry et al., 2009). The psychological contracts they have created are based on previous experiences, on promises that have been made, and on knowledge of the situation, all of which create predictability (Morrison, 1994). A change disrupts predictability and can create uncertainty about the impact of the change on their personal and professional lives. Historically, organizational

change for mergers and acquisitions has often meant radical change, job losses, fear and vulnerability (Bellou, 2005), which contribute to the feeling of anxiety during change. Georgalis et al. (2015) suggest that although individuals may believe in the benefit of the change, they may also have concerns about the impact of the change on their work, leading to anxiety and uncertainty.

Change History

Where the change context and the organizational context overlap is another area of concern to the change agent. The implementation, frequency, duration and outcome of past changes are all factors of the organization's change history, which impact the employees' expectations of future change (Morrison, 1994). The results of past change efforts will impact the employees' belief in the likelihood of success or failure in future change efforts (Akhtar et al., 2015). Along with setting expectations for future change, a failed change can lead to a mistrust of management and the appearance of lack of legitimacy (Rousseau, 1995). A poorly implemented change can be attributed to broken agreements and unfair treatment, which can make restoring trust difficult and will create a negative inclination towards change (Georgalis et al., 2015). A history of adopting and abandoning change programs, or of not changing at all, can lead to cynicism about change among employees and make any change efforts subject to resistance. Connell and Waring (2002) introduce BOHICA ("Bend over here it comes again") syndrome, where resistance to change can be part of the culture of the organization if a history of failed change has been prevalent. Behaviours of disengagement, ambivalence, and passive acceptance due to rapid and continuous change environments can be attributed to change fatigue from repeated change attempts and failures (McMillan & Perron, 2013). Frequent

change programs can lead to stronger affective reactions, such as stress, anxiety, absenteeism, depression or psychological withdrawal (Akhtar et al., 2015), similar to the emotional experiences of psychological contract violations. History of change is important to consider in planning future change, as a series of failed changes and unresolved perceived psychological contract breaches can lead to psychological contract violation.

Interpersonal Relationships

Where the organizational context and the individual context overlap also brings into focus what matters to the change agent whose task it is to make perception of the change positive. Because interpersonal relationships influence the organization and its employees, a role-model consideration comes into play at this point. The reaction to change by supervisors, managers, leaders, and admired peers has an impact on the way employees also react to the situation. A dedicated, trusted leader may champion the change and create an excitement about the change. An ambivalent manager, who does not respect the policies, who speaks negatively about the change or who exhibits resistant behaviours, may have a harmful influence on employees' perceptions.

Furst and Cable (2008) focus on the importance of the manager in the change process and as part of the interpersonal element of change. Because managers have the power to guide behaviours though reward or sanction, their actions influence employee support for change. Using attribution theory (Kelley, 1973), they show that "employee resistance to change may not only reflect the type of influence tactic used by their managers but also the nature of the relationship between the employee and the manager" (Furst and Cable, 2008, p. 459). A stronger relationship, defined in their research as having a high level of

leader-member exchange, involves loyalty, trust, mutual respect, support, and liking. Employees are less likely to perceive a psychological contract breach from a change situation when this relationship is of a high quality. A lesser relationship will negatively influence the way in which the employee views the intentions behind the manager's actions of support for change or actions towards the employee. For example, in a positive relationship, an ingratiation tactic used by the manager towards the employee could be perceived as positive and respectful, reducing resistance. However, if the relationship is considered to be of low quality, without trust or respect, this same tactic might prove to increase resistance by coming across as a political agenda (Furst and Cable, 2008). Relationships are subjective, and the degree of power that the manager holds over the employee will shape the perceptions of the relationship, of the manager's behaviours and intentions and, overall, of the psychological contract fulfillment.

Part 3: Considerations for Change Agents

In situations of organizational change, understanding the psychological contract is essential in transforming the resistant reaction of employees to change. It puts change agents in contact with the human element in the change process. Whether external or internal, the change agent and change recipients form a relationship for the duration of the change. The psychological contract allows the change agent to consider the change from the point of view of the recipient. When change agents lack that perspective, they will inevitably approach resistance from an angle that has been documented for many years in resistance literature – a one-sided story in which resistance is demonized and seen only as an obstacle to overcome on the road to change (Thomas & Hardy, 2011).

Once the perception of how the psychological contract has been formulated by employees has been realized, the change agent has an opportunity to intervene and transform it effectively. This intervention is critical to the outcome of the change. Returning to the questions suggested by Ford and Ford (2010) is a starting point at which change agents learn to consider resistance as feedback.

3.1 Change Agents' Perception

"Why am I seeing this behavior as resistance?"

Until now, in the context of this paper, psychological contracts have been shown as an aspect of the employee-employer relationship. However, such contracts are not limited to this relationship. In its broader definition, the psychological contract involves "an individual's belief regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party" (Rousseau, 1989, as cited in Guest, 1998, p. 651). The change agent-change recipient relationship too is involved in a psychological contract. Considering their own contextual factors of perception may help change agents understand how their perceptions are shaped and why they perceive resistance negatively.

Change Context

The change context, including the type of change and implementation plan, will impact the change agent's perceptions of the situation and their expectations of employee resistance. For example, a transformational change will require a different approach, preparation, communication plan and skill set than would a small, accommodative change. Pardo del Val and Fuentes (2003, p. 153) found that some factors, such as "different interests among employees and management, communication barriers, organizational silence, and capabilities gap" grow more significant in times of a strategic,

transformational change. If a lack of complete or timely information can have a negative effect on employee perception, a change plan with a high emphasis on communication and information sharing should diminish employee behaviours seen as resistance and increase engagement. The amount of information the change agent has, and is permitted to communicate to the change recipients, will therefore influence the perception of the situation.

Organizational Context

The familiarity of the change agent with the organization will impact their perception of the change. An internal change agent, or an external one who has previously worked with the organization, will perceive the change and employee's resistance in a different way than will an external change agent. The culture of the organization, for example, its tolerance for hierarchy, its appetite for risk and ambiguity, its openness and willingness to accept opposing views, will determine what the change agent will face going into the change process. Along with understanding the organizational context they are entering, change agents need to understand the multiple power dynamics, particularly between organization and change agent, employer and employee, and change agent and change recipients, and they need to reflect on what shapes their own perception of the organizational culture.

Individual Context

The personal characteristics of the change agent, for example, personality traits, coping styles, needs and demographic variables, affect his or her approach to transforming the psychological contracts involved in resistance. Change agents who have an external locus of control will be more inclined to attribute negative change outcomes to external

factors, such as change recipient resistance, than to accept blame for failure (Ford & Ford, 2010). A negative affectivity towards resistance will hamper the change agent's ability to perceive resistance as positive and to use it as a tool.

Intersections of Contextual Factors of Perception

The personal impact of the change will be a factor in the perception of the situation. Change agents who have career progressions contingent on the successful implementation of a change program may be more perceptive of the way in which the change is impacting the change recipients. The change agent's history with change success or failure may have an effect on perceptions of the current change situation, whether or not it occurred in the same organization, and on the expected reactions of change recipients. The interpersonal relationships between the change agents and the change recipients will shape their perception, influence their reactions to resistant behaviours, and determine the effort put towards listening to feedback and responding accordingly.

3.2 <u>Change Agents' Actions</u>

<div align="center">

**"If I viewed the resistance as feedback, what could I learn about
how to refine the change effort?"**

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When change agents perceive resistance negatively and expect it, their actions of ignoring resistant behaviour, of remaining ambivalent, or of actively fighting resistance, can create a self-fulfilling prophecy situation where resistance will be an obstacle (Ford et al., 2008; Ford & Ford, 2010). Treating resistance as feedback opens up the possibility to explore the benefits of resistance. Thomas and Hardy (2011, p. 324) state that when resistance is considered a core part of change and used to facilitate successful change, "resistance now ceases to be dysfunctional behaviour and instead is a product of interactions between the

change agent and change recipient, whereby the former makes sense of the reaction of the latter."

Klonek, Lehmann-Willenbrock and Kauffeld (2014) use MI (motivational interviewing coding) to identify the types of change agent behaviours that lead to employee resistance in the change process. Through an analysis of the communication approaches of change agents and the reactions of change recipients, they classify the types of conversation that occur during the implementation of change as "change talk" and "sustain talk". Whereas "change talk" by change recipients is considered language that supports the need for change, "sustain talk" argues against change (Klonek et al., 2014). Change agents using language that is constraining, presumptive, hostile, authoritative, or criticizing will lead to negative sustain talk, which contributes to resistant behaviour. Active listening behaviour, including paraphrasing, respecting, emphasizing recipient's control and supporting, will lead to positive change talk. Their research demonstrates how the openness of two-way communication has implications for the change agent's behaviour, and can lead to meaningful positive resistance conversations. The outcome of resistance is linked to the change agent's own attitudes, beliefs and abilities. Change agents with a negative affectation of resistance, and change recipients with a negative affectation of change will find themselves spiraling downwards, limiting change progress.

Klonek et al. (2014) explain that resistance to change can be beneficial, a positive resource when it is used to identify the concerns and doubts connected with the change process and its anticipated result. Viewing the organization as a complex ecosystem of interrelated parts, it becomes apparent that a change in one area of the organization can have a ripple effect, sometimes deeper than originally seen. Because it is difficult for

those designing a needed change to account for all possible reactions and outcomes, further listening to the specific objections of employees can be informative. A change agent who can decipher the resistance and find the root cause might uncover potential issues that need to be resolved before successful change can be achieved. Employees who have a deep knowledge of the official and unofficial workflow, the processes and networks of an organization, can point to better change outcomes and may be able to indicate potential flaws in the change plan. Ford and Ford (2010) cite the example of a situation faced by a change agent facilitating a session with employees. An engineer was exhibiting resistant behaviours in a meeting, without communicating his concerns or issues with the change. By engaging the engineer in a private discussion after the meeting, together he and the change agent were able to discover a potential problem in the plan relating to the critical communication and workflow between divisions, something that had not been considered in the new structure. Through a collaborative redesign of the plan, they were able to prevent the error, create change engagement, and succeed.

Accepting resistance as formative feedback, both verbal and non-verbal, gives the change agent the opportunity to clarify issues or details about the change process and to engage employees in a way that will strengthen the change. If the reasons for the change are not understood, or are perceived to be external, employees may feel that by resisting they are standing up for the values and beliefs of the organization (McKay et al., 2013). Employees who resist may genuinely care about the organization, feel a sense of ownership, and experience frustration due to the perception of not having a voice. Their resistant behaviour can mean, for them, an attempt at fulfilling their part of the

psychological contract. The belief that resistant employees are acting in their own self-interest and against the interest of the organization increases the distance between change agents and change recipients, and limits their ability to find common ground.

Viewing resistance as helpful feedback also creates the opportunity to remedy unresolved issues from past change initiatives (Ford & Ford, 2010). In cases where resistance behaviour stems from a history of change failure, taking time to understand the past situations prompt change agents to take action to resolve present issues, or to modify their approach in the future. If employees have already been aware of a previous psychological contract breach, they are more active in evaluating the psychological contract for future breaches. A change agent who views resistance as feedback can take actions that will help mitigate the risk of psychological contract violation. This may require a modification of the change plans or processes, the development of a creative mutually acceptable solution or, if appropriate, the offering of a sincere apology. If properly handled, such revision enhances credibility and strengthens the relationship between change agent and change recipient, and between employer and employee. With an apology perceived to be sincere, formal and timely, victims of broken agreements may be willing to repair the relationship (Ford & Ford, 2010).

3.3 Transforming the Psychological Contract

Not all change situations cause psychological contracts to end in breach or violation. In organizational change, Rousseau (1995) explains that it is possible to transform the psychological contract, either gradually over time as the lifecycle of the employment relationship evolves, or in larger, more deliberate ways. This transformation process

"determines whether change degenerates into violation or transforms the basis of the relationship" (Rousseau, 1995, p. 161). Rousseau (1995) states that the transformation of the psychological contract occurs in four steps: challenging the contract, preparing to reframe, new contract generation and new contract testing and reliance.

Although all steps are important in achieving a successful transformation of the contract and positive change outcome, the first step is the most significant for change agents to consider because they can influence perception through their intervention. To challenge the contract, there has to be a strong belief in the reason for the change, a clear understanding and a perception of legitimacy (Rousseau, 1995). Understanding the change is also reflective of 'unfreeze', the first step in Lewin's (1951) three stages of change. This is the point at which it is important to motivate the employees to believe that the status quo is unacceptable (Furst & Cable, 2008). Connell and Waring (2002, p. 354) suggest that "it is important for business leaders to establish credibility by clarifying their rationale for change; otherwise changes may be viewed purely as change for the sake of it". The individual's perception is what will determine whether or not they believe the change is needed. This is where change agents can intervene and have an influence on the change outcome:

> **Proposition 3: There is a significant role for the change agent to play in guiding resistant employees through the first step of the transformation of their psychological contract.**

Conclusion

The arguments of this research paper serve to inform the change agent of the significance of the psychological contract between employees and employers of the organizations in which they facilitate change. Psychological contracts, although subjective and difficult to analyze for another party, introduce the change agent to the importance of perception because it is the central force in the creation of the psychological contract, in the evaluation of a breach and the escalation to a violation, and in the way reactions and interactions are developed and understood. By focusing on resistance to change through the lens of the psychological contract, change agents will be in a better position to transform resistance and to lead the change recipient through the change process.

Based on the propositions put forth and the relevant research, I encourage any change agent to consider change through the lens of the psychological contract. In order to do so, the change agent must do three things: 1) understand reactions to change as consequences of both perception and psychological contract evaluation, and to consider resistant behaviour as beneficial feedback; 2) consider the organizational, change, and individual contexts which influence the perception of change, always conscious of promises and expectations that change recipients may well believe they have with the employer; 3) use resistance as a feedback tool, and to carefully choose types of conversation and language that allow the discovery of root causes for reactions that may be perceived as resistance, and to take appropriate action to support change recipients. These three considerations and actions have the overall objective of guiding change recipients through the first step of their psychological contract transformation.

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