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Communicating During Organizational Change Using Social Accounts: The Importance of Trust

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Abstract:

During organisational change, managers must be consistent, show concern and integrity, all of which are essential for trust. One way to maintain trust is with effective communications. Social accounts theory uses communications to make the receiver understand the management's decision in its entirety. This paper looks at four types of social accounts (causal, ideological, referential and penitential accounts) to see which are most effective at maintaining trust during major organisational changes.

A case study method explored two organisations of varying size and industry going through different types of change and found that ideological accounts were best at maintaining trust. Trust was a significant mediator in the relationship between ideological accounts and other performance outcomes.

These findings have implications for organisations embarking on major changes. This paper supports the importance of highlighting long term motives for organisational change and demonstrates consistency across different industries.

Organisational change is becoming more frequent and more important in the 21st Century and appears to be an inevitable aspect of organisational life (Burnes, 2005). In 2008, Britain entered the greatest recession since the 1930's according to the International Monetary Fund. When

Lehman Bros went bankrupt in September 2008, many employees received no prior communication about the problems the organisation was experiencing and got their information in the same way that the world did, i.e. on the news (Siemaszko, 2008). Within the same month, budget airline company XL airlines announced mid-flight to passengers and employees that they would be out of a job by the time the plane was grounded, to the shock of many of the cabin crew (Scheerhout, 2008). Recently, employees of British Airways and Royal Mail have threatened strike action leading to a breakdown in communications between employees and managers as changes are implemented. It is estimated that around 80% of changes implemented within organisations fail to achieve the objectives for which they were set (Burnes, 2005). Human or soft factors are often seen to be the reason for much of the organisational change failings (Terry and Callan, 1997). Specifically, Mabey and Salaman (1995) found that organisational change is often perceived by individuals as threatening, and therefore requires careful implementation to overcome mistrust associated with vulnerability, loss of security and well-being (Saunders and Thornhill, 2003).

It is often claimed that many organisational changes fail because of poor communication (Richardson and Denton, 1996) and Bordia et al (2004) found that effective communication during organisational change has been a key factor in its success in bringing about change. Specifically, it has also been found to increase job satisfaction and reduce employee turnover (Bastien, 1987). Employees prefer to hear about the change from managers they know than external sources such as the media because they place a lot of trust in the information which they receive (Bastien, 1987). Van Dam et al (2008) found that change information should be provided timely, and employees should be informed about the anticipated events, such as the specific changes that will occur, the consequences of the change, and employees' new work roles.

Providing timely and useful information can help reduce uncertainty and anxiety, and increase employees' trust in those who manage the change.

This paper will specifically address the communication of explanations for the change to employees. The aim of this research is to break down the classification of different types of explanations (social accounts) to analyse the impact which each aspect has on trust. This paper presents two case studies of organisations which have recently experienced a change in which the communications and levels of trust and justice are measured. The following section provides an explanatory framework of the concept of social accounts based on main literature contributions. This is followed by the data provided by a series of case studies which will investigate the relationship between social accounts and trust in an organisational change context.

Social Accounts

Social Accounts are... "the explanations one gives another for the decisions and actions he or she has made" (Cobb and Wooten, 1998:75). This method of communication helps the employee understand the decisions from the point of view of the decision maker, allowing the employee to view the changes in a new context. In addition, if the employer and the employees are effectively on the same page, creating a context for practical arrangements, this gives direction and coherence to any further decisions to be communicated (Cobb et al., 2001).

Whilst social accounts literature in the 1990s attempted to classify types of social account, alternative classifications were offered (Bies, 1987, Cobb and Wooten, 1998, Sitkin and Bies, 1993) but no common classification was agreed upon (Tucker, 2010). More recent social accounts literature has tended to focus on the *adequacy* of the social account provided rather than

the *type* of account (e.g. Lester et al., 2007, De Cremer et al., 2010). However, the complexity of information often leads to a variety of types of social account being used, each providing different parts of a complex message. Each of these parts may have differing importance to psychological variables in different types or stages of the change process. Therefore this research seeks to differentiate between different types of social accounts and to unpack the complexity of the message and outcomes.

The classification which is most related to change and to recent organisational issues is that provided by Cobb and Wooten (1998). By this classification, social accounts fall into four different classifications: Causal, ideological, referential and penitential. In reality a combination of these accounts may be given at one time rather than individually. Using Cobb and Wooten's classification a more detailed description of each of the four types of social account will be discussed below:

Causal accounts:

Causal accounts identify the internal and external forces which affect the organisation and why they imply a need for change. By identifying these forces, strategic decisions to overcome them have more purpose and the reasons for the decision become more visible. The decision making process becomes more transparent allowing the perception of fairness to be more easily made (Lee and Robinson, 2000). This type of causal account should not be presented alone; the action to be taken must be announced at the same time to reduce uncertainty. Causal accounts can be used in any situation to describe the current or previous standing of the organisation. It can be used either to set the scene for further accounts or as an explanation in itself.

Ideological accounts:

Ideological accounts address the values of change, in particular the underlying issues why managers want a change programme and what they expect to gain from it. By outlining the core issues affecting the decisions to change and the guiding principles, it can help individuals understand the wide scope of decision which had to be made and their common purpose (Cobb et al., 2001). They can help individuals relate seemingly isolated decisions during the change to the core underlying principles being addressed.

According to Cobb et al (1995) and Novelli et al (1995), three types of values need to be addressed in an ideological account: a) Superordinate goals at the organisational level that outline what the organisation is trying to achieve and provide direction; b) The broader core values that tackle the issues of what is important to the organisation, helping to unify the workforce around particular values; c) The procedural implications of the decision including the distribution of budgets, staff cuts and authority in the new structure and the criterion on which this will be set. Ideological accounts explain how the decision was made and why the change is necessary. Ideological accounts are often preceded by causal accounts which may set the scene for the change goals outlined by this account.

Referential accounts:

The aim of referential accounts is to adjust the frame of reference the employee uses to evaluate the fairness of decisions. For example, a decision to make 300 employees redundant during an organisational merger may seem very unfair to most employees. However, when reminded of a similar merger between two organisations within the same industry three years ago where 900 employees were made redundant during the process, suddenly the loss of 300 people does not

seem as unfair as before. By using referential accounts managers partially relieve themselves of responsibility for the decision by creating context (Sitkin and Bies, 1993).

Referential accounts can also be used as a benchmark for success (Cobb and Wooten, 1998, Cobb et al., 2001). This gives the employee's confidence that whatever losses they may suffer during the change process, the overall outcome for the organisation will be successful. There is also the advantage with referential accounts in the research needed to seek out appropriate organisations that have undergone similar changes. Managers will see how others have overcome problems and will make them better prepared for the challenges they face (Cobb et al., 2001). Referential accounts present the context for the change in which employees can understand the decision, without it the decision may seem abstract or meaningless.

Penitential accounts:

The main objective of a penitential account is to express regret for any harm done and to seek forgiveness. Such accounts express the event as an isolated incident and encourage employees not to generalise minor mistakes across all the organisation's decisions (Bies, 1987). The key message is that the account giver has acknowledged the loss occurred and sympathises with them (Cobb et al., 2001).

Unlike the three other accounts, penitential appears not to be represented by the social account classifications used by Sitkin and Bies (1993) in conflict management and by Rousseau and Tijoriwala (1999) in their initial use of social accounts in organisational change. However more recent literature of social accounts has tended to focus on apology versus denial in social accounts (e.g. De Cremer et al., 2010) or on apology versus polite social accounts (Skarlicki et al., 2004). In addition, the issue of apology in rebuilding trust and trust repair literature has been

well documented in recent research (e.g. Ferrin et al, 2007) which demonstrates the importance of the inclusion of penitential accounts in this research.

Penitential accounts can lead to better relations between managers and subordinates (Schlenker, 1980, Bies, 1987). Also, relationships of trust can be recovered more quickly and help to develop the idea that managers are only human, they make mistakes, allowing employees to accept this and move on (De Cremer et al., 2010). Cobb and Wooten (1998) argue that penitential accounts are most effective when accompanied by the other three accounts and also some gesture from the organisation e.g. counselling service or redundancy package.

This paper proposes that by identifying the most crucial type of social account in a given situation, relevant to the change experience which is at hand, managers can use this as a model for explaining to employees the decisions they have made. By focusing on one or two key messages within the social account the amount of information given to employees can be reduced and less confusing or organized over a suggested timescale.

Use of social accounts

Social accounts have been used in a number of areas of organisational research, for example: to improve loyalty, commitment and trust (e.g. Folger and Konovsky, 1989, Lind and Tyler, 1988); to help employees adjust better to downsizing (e.g. Brockner et al., 1990, McFarlin and Sweeny, 1992); to mitigate negative reactions in layoff survivors and victims' (Brockner et al., 1990); to create or maintain positive evaluations of leaders (Bies and Shapiro, 1988); and to manage conflict (Sitkin and Bies, 1993). Traditionally, social accounts research has focused on the opinions and perceptions which the receiver has of the account giver and the repercussions of this for the workplace (Brockner, Konovsky et al. 1994). The aim of social accounts is often

seen as a means to quell anger and reduce negative reactions (Bies 1987, Shapiro 1991). In keeping with this trend, this research will investigate how social accounts can be used to maintain trust during an organisational change.

Social accounts and the role of trust

The importance of trust during organisational change has been studied by a number of authors (e.g. Dirks and Ferrin, 2001, Hasle and Sorensen, 2007). A number of factors have been found to contribute to trust in an organisation including communication of decision making which will be the concern of this research. Social accounts theory suggests that the explanations which are given for a decision have an impact on the employee's perceptions of that decision and their behaviours in relation to the change. This research uses social accounts theory as a model to analyse these explanations and the link to trust during organisational change as a form of conflict.

Trust is defined as the… "willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party" (Mayer et al., 1995:712). Alternatively, trust may also be described as: "...a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another" (Rousseau et al., 1998:395). This definition emphasises the vulnerability of the trusting party which is relevant to the emotional insecurity connected to change. Trust is based on positive or negative previous experiences of the relationship (Rotter, 1980). As trust relationships may take a long time to build up, through the accumulation of previous experiences and applying this to current situations in the form of expectations, major events such as organisational changes can

bring about a complete reassessment of the trust relationship, either making or breaking the trust bond (Morgan and Zeffane, 2003).

There is some evidence of a positive relationship between social accounts and trust. Social accounts have been used to improve trust in leader-follower relationships (Bies, 1987, Schlenker, 1980). In addition Rousseau and Tijoriwala (1999) found a moderation effect between management's given reason for change and trust in management on the perceived legitimacy of those changes. It is reasonable to assume that given the close relationship between procedural justice and trust, it is likely that a link between social accounts and trust exists. However, the exact nature of this relationship is unknown. Given the forward looking style of ideological accounts, and their appeal to mutual goals we might expect ideological accounts to have the strongest link to trust therefore our research here tests this hypothesis.

The issue of trust is of particular interest in this research due to its influence in psychological and performance outcomes of the change as mentioned above. If, as we predict social accounts are related to trust then this is likely to have a domino effect on the outcomes of the change, such as an employee's commitment to the organisation, their tendency towards organisational citizenship behaviours (OCB), their job satisfaction and their intentions to stay with or to leave the organisation. All of these variables have been previously linked with trust (e.g. Deluga, 1995, Rich, 1997). In short, it is pertinent for organisations to consider maintaining positive trust or increasing levels of trust during periods of uncertainty and change.

Many authors have emphasised the critical importance of trust during organisational change including (Dirks and Ferrin, 2001, Lines et al., 2005). In times of conflict, crisis or change, employees expect managers to be consistent, show concern and demonstrate integrity (Morgan

and Zeffane, 2003), all of which have been identified as qualities required of the trustee (Lines et al., 2005). In some cases trust has a direct effect on the outcome, for example, on positive attitudes, cooperation or performance. But sometimes it has a more indirect effect, interacting with other determinants (such as communication or procedural justice) acting as a facilitator of trust (Dirks and Ferrin, 2001). Therefore this research considers how these variables are affected during the change.

The present study:

The aim of this research was to identify which type of account is most important for maintaining trust during organisational change. Using case studies of organisations which have been through a change this research identifies which accounts are used by managers and the effects which the use of these accounts has on trust and procedural justice, as well as several other outcomes relating to the performance of the organisation.

In particular, causal and ideological accounts are often provided together as would be logical, cause and effect language would expect (Cobb and Wooten, 1998). For example, a causal account describing the problems with the organisation will do little to motivate employees into supporting the change alone; likewise an ideological account which projects the future goals of the organisation alone may leave employees wondering what they were doing wrong in the first place. Therefore, it is likely that employers would seek to present causal and ideological accounts together. Also they are likely to be the best remembered therefore it is likely that all social accounts will be correlated with each other but causal and ideological accounts are the most commonly used combination. This leads us to the first hypothesis:

H1a: Causal and Ideological accounts will be the most commonly used accounts by managers in organisations undergoing change.

H1b: Causal and Ideological accounts will significantly predict the success of social accounts

Ideological accounts tend to be used when a change is actively sought by management, whereas a causal or referential account would be more likely to be used in a reactive situation, where change is needed in order to keep up or survive (Lines et al., 2005). Therefore, we would expect all types of social account to be correlated to trust but ideological accounts to be the most significant in predicting levels of trust. This leads us to our second hypothesis:

H2: Ideological accounts will be related to higher levels of trust in employees who have recently experienced an organisational change.

Trust has been linked to a variety of outcome variables which are related to the performance of an organisation following a change (Deluga, 1995, Lines et al., 2005, Rich, 1997) therefore this study aims to identify the relationship between social accounts, trust and the outcome variables. In addition, trust has been found to mediate between various types of organisational justice and outcome variables (e.g. Aryee et al., 2002). Dirks and Ferrin (2001) have noted that trust impacts on organisational change in both direct and indirect ways, therefore this research will also check for mediation effects of trust and procedural justice in this data.

H3: Trust will mediate the relationship between ideological social accounts and outcome variables of organisational citizenship behaviour; intentions to leave the organisation; organisational commitment; and job satisfaction.

Method

The difficulty in studying organisational change is in the diversity in the way it is dealt with and how it affects individual organisations. Therefore, a case study method was used so that each case where a change was occurring could be studied in its own context and a holistic approach to the change situation could be used. A pilot case study was used to develop and test the design of a social accounts scale (described below). In this pilot, interviews were conducted with 11 participants who had experienced a complex period of change in the academic institution in which the case was set. These interviews suggested a relationship between the social account received and feelings of trust and justice employees felt towards the organisation (for more information see *'citation concealed for review purposes').*

This paper considers two further organisations which had recently undergone a significant organisational change. One organisation was experiencing changes to their manufacturing philosophy, the adaption of a new system which would involve the re-training and restructuring of the organisation. The second was a logistics company who had been experiencing rapid growth for a period of 2-3 years prior to the data collection. The change represented a series of small scale incremental changes throughout the organisation with different experiences for different departments or groups of employees.

Measures:

Field questionnaires were administered to all employees in both organisations. The field questionnaire consisted of a measure of which social account had been received. As there were no previously designed scales to measure Cobb and Wooten (1998)'s classification of social accounts, a scale was designed and piloted. The remainder of the questionnaire consisted of a

variety of measures to assess procedural justice adapted from the ESRC Centre for Organisation and Innovation file of measures (PFAIR); of trust adapted from Cook and Wall (1980); organisational citizenship behaviours (OCB) a scale adapted from Van Dick et al (2006); intention to leave the organisation adapted from the ESRC (Centre for Organisation and Innovation file of measures – IQ); organisational commitment adapted from Cook and Wall (1980) and job satisfaction from Warr et al (1979). The internal validity of all of these scales has been tested numerous times in the literature and has been deemed to be satisfactory by academics in the field.

Results

The first organisation employs roughly 450 employees and is a family owned business in manufacturing seals for industries such as car manufacturing and gas and water suppliers. Based in the South East of Germany, the company produces annual revenues of 70 million (€). In 2006, the company laid down its strategy for the next five years including a three stage plan to improving their manufacturing. The overall plan will include multi-national ventures and extensive expansion with a partner organisation in the Czech Republic; but the first stage is a manufacturing change based at their existing plant which will improve quality standards to enable the successive stages of the plan to be implemented which is the changes studied here. The organisation is attempting to optimise the production system at their current plant by implementing a Toyota-based manufacturing philosophy.

In 2006, the organisation employed a consulting company to assist them in this venture. The first announcement of the intended change and decision to incorporate a new style of production came at an employee meeting when the company was undergoing the analysis stages of its action

plan and the consultants were introduced at this meeting. From this point on, communications to all employees about the change have been made primarily through the company magazine. There was some concern from the Works Council about anxiety among employees, so we aim to discover here how successful the communications have been in ensuring that employees support the change, and look at ways to maintain their trust and be perceived as fair by employees.

The second organisation is a German organisation working in logistics. They employ approximately 300 employees. The organisation is one of the leading distributors and service providers for IT and consumer electronics in Germany. The organisation is the German partner of a multinational wholesale in logistics companies. Throughout 2005 and 2006 the German partner of this organisation has been leading the way in growth terms, expanding profit margins and premises across the country. This research took place in 2007 while the growth of the organisation was still in full swing. There have been a series of incremental changes within the organisation to cope with the growth over the last three years.

This means that various employees would have experienced different parts of the changes and will have been affected in different ways. Therefore, in order to clarify the questionnaire employees were asked to consider one work-related change which they had experienced in the last twelve months and to describe it briefly, in order to provide context for the following questions.

The quantitative data for case studies were combined into one data set with an additional variable of the type of change they experienced (planned change for the first organisation and incremental change for the second organisation). Comparisons based on this condition were conducted throughout the analysis and any important differences noted for discussion later.

Manipulation checks and measures:

Of the 185 returned questionnaires (137 from the first organisation and 48 from the second), 172 were deemed usable[1]. Of the usable sample, 97 were male, 59 were female and 16 failed to specify. In the first organisation 63% were male (N=81) and 28% female (N=36); whereas the second organisation was 37% male (N=16) and 51% female (N=22). Gender had no significant effects on the ratings of the social accounts and on trust and procedural fairness within the combined data set. The ages of employees ranged from 15 to 60 years (M=34.52, SD=11.95) and length of employment ranged from <1 to 43 years (M=10.64, SD=9.87).

A factor analysis showed a few of the items of the new social account scale failed to load as expected, possibly due to being presented out of sequence These were removed from the scale. A few other statements which loaded on additional variables (most likely highlighting different aspects of complex variables) were also removed. The final factor analysis with four factors explained 78.57% of the variance with a varimax rotation and produced the following variables (see table 1) representing social accounts: all of which were had reliability score above the recommended 0.70 (Nunnally and Bernstein, 1994). For a full version of the social accounts scale used here, please see *(Citation concealed for review purposes).*

[INSERT TABLE 1 ABOUT HERE]

The variable of social account success was also new to this research. All three questions loaded as one factor in a confirmatory factor analysis to form one scale consisting of 3 items with a Cronbach's alpha of α=.90. Other variables used previously tested scales. For confirmation, we computed Alphas for these scales which can be seen in table 1 and all were found to be satisfactory and confirmatory factor analyses supported this.

H1a: Causal and Ideological accounts will be the most commonly used accounts by managers in organisations undergoing change.

The most commonly perceived social account was ideological (M=4.01, SD=1.54) followed by penitential (M=3.78, SD=1.52), causal (M=2.90, SD=1.61) and referential (M=2.86, SD=1.36) respectively[2]. This suggests some partial support for hypothesis 1a.

H1b: Causal and Ideological accounts will significantly predict the success of social accounts

Despite these medium and low perceptions of these accounts, employees did perceive themselves to have been moderately well informed. This indicated some success of the account information (M=4.14, SD=1.65). It is logical to suggest that the accounts which were most commonly perceived (ideological accounts and penitential accounts) may be the most crucial in determining the success of the communications. All types of social account were found to be correlated with the perceived success of the account with ideological accounts being the highest correlated with social account success: r(169)=.676, p<.001; interestingly causal account were the second highest correlated to social account success: r(169)=.545, p<.001; followed by penitential r(169)=.443, p<.001; and referential, r(169)=.285, p<.001.

Multiple Regression analyses were used to test whether the type of social account used could predict the level of success of the account. With all four types of social account entered in one model onto social account success the analysis found that both ideological accounts (β=.563, t(167)=7.009, p<.001) and causal accounts (β=.260, t(167)=3.870, p<.001) significantly predicted the perceived success of the social account, in a significant model, R²=.506, F(4, 164)=41.934, p<.001. Referential and penitential accounts were not significant predictors. This

supports hypothesis 1b suggesting that even where causal accounts are not highly perceived they are still important in determining the success of the social account.

H2: Ideological accounts will be related to higher levels of trust in employees who have recently experienced an organisational change.

The second and third hypotheses tested here concentrate on ideological accounts, which were the most commonly perceived accounts. All four classifications of social accounts correlated significantly with trust: ideological being the highest $(r(169)=.427, p<.001)$ followed by penitential $(r(169)=.339, p<.001)$, and causal $(r(169)=.209, p<.001)$.

A linear regression with all four social account types as predictors and trust as the outcome variable produced a significant model, $R^2=.204, F(4, 163)=10.455, p<.001$. Ideological accounts were the only significant predictor of trust in this regression model $(\beta=.403, t(166)=3.973, p<.001)$. None of the other types of account significantly predicted trust, which suggests that hypothesis 2 is supported.

A regression model with all four social accounts as predictors and procedural fairness as the outcome was again significant, $R^2=.528, F(4, 159)=44.400, p<.001$, with both ideological, $\beta=.548, t(162)=6.915, p<.001$, and referential accounts, $\beta=.207, t(162)=3.159, p=.002$, as significant predictors of procedural fairness. See figure 1 below which summarises these relationships.

[INSERT FIGURE 1 ABOUT HERE]

Given the previous regression results it would suggest that ideological accounts predict both trust and justice in this relationship. Previous literature has cited procedural justice as an antecedent

of trust (e.g. Mayer et al., 1995) and therefore a mediation analysis was conducted on these variables to see if the relationship between ideological accounts and trust is mediated by procedural justice. In two bivariate regression analyses, (a) $R^2 = .500$, $F(1, 164) = 164.161$, $p < .001$, and (c) $R^2 = .182$, $F(1, 168) = 37.414$, $p = .011$ respectively, ideological accounts were a significant predictor of procedural justice, (a) $\beta = .707$, $t(164) = 12.812$, $p < .001$, and ideological accounts were a significant predictor of trust, (c) $\beta = .427$, $t(168) = 6.117$, $p < .001$, suggesting that the first two criteria for mediation have been met (Zhang et al., 2009). A multiple regression, $R^2 = .299$, $F(2, 163) = 34.712$, $p < .001$, found that procedural justice was a significant predictor of trust when controlling for ideological accounts, (b) $\beta = .500$, $t(164) = 5.394$, $p < .001$. A Sobel Z test was found to be significant, $z = 4.973$, $p < .001$, which means that the relationship between ideological accounts and trust is fully mediated by procedural justice. Figure 2 demonstrates this mediation model. This analysis demonstrates that the predictive effect of ideological social accounts is explained by their relationship to procedural justice, which then predicts levels of trust. In other words, by providing an ideological account, levels of perceived procedural justice are likely to increase and when levels of procedural justice increase the level of trust will also increase. In this way, providing an ideological social account is related to an increase in levels of trust.

[INSERT FIGURE 2 ABOUT HERE]

H3: Trust will mediate the relationship between ideological social accounts and outcome variables of organisational citizenship behaviour; intentions to leave the organisation; organisational commitment; and job satisfaction.

In order to test this hypothesis we first need to examine whether a relationship between trust and these outcome variables exists. Linear regression models found that trust was a positive

significant predictor of organisational citizenship behaviour (M=5.63, SD=0.79): R²=.279, F(1, 166)=64.286, p<.001, β=.528, t(166)=8.018 p<.001; organisational commitment (M=5.31, SD=1.03): R²=.361, F(1, 167)=94.208, p<.001, β=.601, t(167)=9.706, p<.001; and job satisfaction (M=4.98, SD=1.04): R²=.473, F(1, 168)=150.642, p<.001, β=.668, t(168)=12.274, p<.001; and a negative significant predictor or intentions to leave the organisation (M=2.10, SD=1.34): R²=.113, F(1, 165)=-21.050, p<.001, β=-.336, t(165)=-4.588, p<.001. This suggests that trust is indeed related to each of these outcome variables. These results were significant for each variable in both case studies.

Next, in order to test the mediation analysis with each of these variables, first considering organisational citizenship behaviours. First, we used ideological accounts as the predictor, organisational citizenship behaviours as the outcome and trust as a potential mediator (see figure 3 below). In two bivariate regressions, (a) R²=.182, F(1, 168)=37.414, p<.001, and (c) R²=.291, F(1, 168)=15.530, p<.001, ideological accounts were a significant predictor of trust, (a) β=.427, t(168)=6.117, p<.001, and ideological accounts were a significant predictor of organisational citizenship behaviours, (c) β=.291, t(168)=3.941, p<.001, suggesting that the first two criteria for mediation have been met. A multiple regression, (b) R²=.284, F(2, 165)=32.695, p<.001, found that trust was a significant predictor of organisational citizenship behaviours when controlling for ideological accounts, (b) β=.496, t(166)=6.800, p<.001 and the relationship between ideological accounts and organisational citizenship behaviours is reduced to insignificance (d) β=.076, p=.301 when controlling for trust. A Sobel Z test was performed to test whether the difference between the direct path and the mediated path which was found to be significant, z=4.567, p<.001, which means that the relationship between ideological accounts and organisational citizenship behaviour is fully mediated by trust (see figure 3). This means that

when providing an ideological social account a higher rate of organisational citizenship behaviours will also occur because of the relationship between ideological accounts and trust and because trust is a predictor of organisational citizenship behaviours.

[INSERT FIGURE 3 ABOUT HERE]

Further mediation analyses also found that trust mediated the relationship between ideological accounts and the other outcome variables of intentions to leave the organisation (Sobel Z: z=-3.238, p=.001)[3]; organisational commitment (Sobel Z: z=4.903, p<.001)[4] and job satisfaction (Sobel Z: z=5.171, p<.001)[5]. These mediation analyses offer support for hypothesis 3.

To help us to understand the above mediation analyses and to look at the overall complexity of the model, a structural equation model was tested. The aim of structural equation modelling is to compare a predicted set of relationships with the covariances of the data set provided (Hoyle and Smith, 1994). Three models were tested and table 2 shows the comparison of fit statistics for each model. Model 1 links ideological and referential accounts to procedural justice, justice to trust and trust to outcome variable; model 2 analysed to impact of trust and justice on the social accounts; and model 3 analysed the impact of outcome variables on trust and social accounts. The best fit model was when only ideological and referential accounts predicted procedural fairness. shows the model which demonstrated the best fit. This model has a fit of CFI=.978 and RMSEA=.065, which indicates a relatively good fit (as seen in table 2).

[INSERT TABLE 2 AND FIGURE 4 ABOUT HERE]

Discussion

This paper looked at two organisations that underwent various changes – an introduction of technological change, and an evolutionary growth change. The use of social accounts was predicted to influence the way employees reacted to the change. As hypothesised, ideological accounts were the most commonly used account by employees when describing a change. However, causal accounts were not used as much as penitential accounts (partial support for hypothesis 1a). Despite this, causal accounts and ideological accounts are the only two significant predictors of the perceived success of a social account (support for hypothesis 1b) which suggests that in order to achieve a successful account of your actions, a causal and ideological account should be the most central to the communication. In both case studies, changes imposed were perceived as relatively positive by the employers and employees. In the first organisation the objective of expansion and improvement without threat of opposition was clear and in the second organisation the continuing success of the organisation was the need to change. This may explain the lower than expected levels of causal accounts in these scenarios as neither organisation was changing as a means of correcting previous mistakes or needing to attribute blame for lack of success. Lines et al (2005) suggested that ideological accounts would be more likely to be used when a situation is active (i.e. the change is instigated by the organisational goals rather than a reactive change in response to the environment or competitors). This could be argued to be the case in both of these case studies which would support Lines et al's hypothesis. The data collection for these case studies took place before the 'credit crunch' of 2008 suggesting that the organisations were not being reactive. In line with this, low levels of referential accounts can be seen in the combined set and in both case studies. Table 3 below shows the reminder of the hypotheses tested here and the results.

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Hypothesis 2 suggested that ideological accounts would significantly predict trust. This was confirmed by the regression analyses reported above. However, tests for procedural justice were also performed as the relationship between social accounts and procedural justice seemed stronger; procedural justice was found to mediate the relationship between ideological accounts and trust and the structural equation model supported this.

Psychological outcomes such as organisational commitment, intentions to leave, organisational citizenship behaviours and job satisfaction have been found to have an important impact of the overall outcome of the change (Burnes, 2005, Lines et al., 2005). In addition each of these variables has been linked to trust (Deluga, 1995, Lines et al., 2005, Rich, 1997). Several mediation tests were performed and it was found that trust mediated the relationship to each of these variables from ideological accounts. Therefore, it is suggested that by providing ideological social accounts, employers can increase trust which will in turn increase the chances of a successful change. However, as the causality of this relationship is yet to be confirmed further testing of this relationship is required. This, therefore, is strong support for hypothesis 3. Table 3 shows a summary of the hypotheses tested here and the results.

[INSERT TABLE 3 ABOUT HERE]

Limitations

Before moving on to discuss some of the practical implications of this research for managers and contributions for the literature on social accounts it is important to highlight some potential limitations of the research here. Although this study considered two case studies who were going through different types of change and found little difference in the results, this is by no means an exhaustive study of the impact of social accounts in all organisational change. The

variety of change, however, between these studies (one planned, one incremental; two different industries; different contexts) suggests that there may not be as much difference as we might have assumed. Secondly, the use of this scale to measure the social account classifications was new to this research project and further validation of it is required in future studies. Pilot studies and reliability analysis of the scale during this project do suggest that it is reliable and valid for the measurement which it was intended which suggests that positive further validations are likely.

Practical Implications

This research can offer a number of contributions to the literature and to practice about social accounts and organisational change. One of the main contributions is that it highlights the importance of ideological accounts. Ideological accounts frame the change in terms of what will be achieved by the change, they address the long term goals of the organisation and how the decision will work towards those (Cobb and Wooten, 1998). Ideological accounts are usually positive in nature and can therefore be used to motivate employees to work towards the change. They represent a strategy which employers can really use to get employees on board with a change. As described by Cobb and Wooten (1998) ideological accounts should include the superordinate goals of the organisation (what the change is trying to achieve), the broader core values (why this is important) and the procedural implications (how the goals will be achieved).

This research explored the application of social accounts theory across two different types of change. Comparisons suggest little, if any, difference in the use of social accounts across different types of change. The case studies covered planned changes verses incremental changes. This will be especially interesting for managers who wish to apply this theory as it

reduces the complexity of the application of social accounts theory which is a big contribution to the social accounts literature. Procedural justice acted as a mediator between social accounts and trust and outcome variables, suggesting that social accounts may be an effective way to ensure that the human factors in organisational change are managed.

The theory of social accounts provides a straight forward model to categorise the explanations given by employers for a change. In this research the Cobb and Wooten (1998) classification has been used as a guideline for social accounts. The case study research here has highlighted the importance of ideological accounts in promoting trust in the organisation. Ideological accounts project the future achievements and long term goals of the organisation, aligning these with the explanation for the change.

The case study data suggests that trust mediates the relationship between ideological social accounts and each of the outcome variables of organisational citizenship behaviours, organisational commitment, intentions to leave the organisation and job satisfaction which means that the impact which ideological accounts have on trust is reflected on the outcome variables which could have a real impact on the success of the change. The role of procedural justice in this model appears to be as another mediator, this time between ideological accounts and trust. This presents a double mediation affect of ideological accounts on procedural justice, justice on trust, and then trust onto the outcome variables. This is demonstrated by the structural equation model.

Conclusions

These findings have several implications for organisations embarking on a period of major change and the potential conflict which this might entail. This research found that ideological

accounts are the most important type of social account to help maintain trust during an

organisational change and therefore managers would be advised to ensure that the future goals of

the organisation and the positive outlook of the change is central to the message which they wish

to communicate to employees in giving explanations for decisions. Causal accounts are also

important for ensuring that the social account is understood and the benefits of a successful

account can be seen throughout the psychological outcomes of the change process, including

organisational citizenship behaviour, organisational commitment, job satisfaction and intentions

to leave the organisation.

Notes:

[1] 13 questionnaires were eliminated from the analysis where no social account had been recalled by participants. It appears that the length of employment was linked to these missing cases which suggest that these were employees who had recently joined the organisation and therefore had not been present when the initial communications had taken place.

[2] There was a slight difference in the ordering of the social accounts between case studies. In the first organisation causal accounts were the lowest perceived social account (M=2.87, SD=1.61), whereas in the second organisation referential accounts were the lowest accounts perceived (M=2.62, SD=1.18). However, in both case studies ideological accounts and penitential accounts were the highest and second highest types of account perceived respectively. There was no significant difference between the levels of each type of social account perceived between case studies.

[3] In two bivariate regression analyses, R^2=.182, $F_{(1, 168)}$=37.414, p<.001, and R^2=.038, $F_{(1, 167)}$=6.619, p=.011 respectively, ideological accounts were a significant predictor of trust, β=.427, $t_{(168)}$=6.117, p<.001, and ideological accounts were a significant predictor of intentions to leave the organisation, β=-.195, $t_{(167)}$=-2.573, p=.011, suggesting that the first two criteria for mediation have been met. A multiple regression, R^2=.116, $F_{(2, 164)}$=10.779, p<.001, found that trust was a significant predictor of intentions to leave the organisation when controlling for ideological accounts, β=-.309, $t_{(165)}$=-3.775, p<.001. A Sobel Z test was performed to test whether the difference between the direct path and the mediated path which was found to be significant, z=-3.238, p=.001, which means that the relationship between ideological accounts and intentions to leave the organisation is fully mediated by trust.

[4] For organisational commitment two bivariate regression analyses, R^2=.182, $F_{(1, 168)}$=37.414, p<.001, and R^2=.113, $F_{(1, 169)}$=21.582, p<.001 respectively, found that ideological accounts were significant predictors of trust, β=.427, $t_{(168)}$=6.117, p<.001, and organisational commitment, β=.337, $t_{(166)}$=4.646, p<.001, fulfilling the first two mediation criteria. A multiple regression, R^2=.367, $F_{(2, 166)}$=48.176, p<.001, found that trust was a significant predictor of organisational commitment when controlling for ideological accounts, β=.561, $t_{(167)}$=8.152, p<.001. A Sobel Z test was performed to test whether the difference between the direct path and the mediated path which was found to be significant, z=4.903, p<.001, which means that the relationship between ideological accounts and organisational commitment is fully mediated by trust.

[5] For job satisfaction the two bivariate regression analyses, R^2=.182, $F_{(1, 168)}$=37.414, p<.001, and R^2=.269, $F_{(1, 170)}$=62.419, p<.001 respectively, also found ideological accounts to be a predictor of trust, β=.427, $t_{(168)}$=6.117,

p<.001, and predictors of job satisfaction, β=.518, t(170)=7.901, p<.001, fulfilling the first two mediation criteria. A multiple regression, R²=.548, F(2, 167)=101.370, p<.001, found that trust is a significant predictor of job satisfaction when controlling for ideological accounts, β=.558, t(121)=9.701, p<.001. A Sobel Z test was performed to test whether the difference between the direct path and the mediated path which was found to be significant, z=5.171, p<.001, which means that the relationship between ideological accounts and job satisfaction is also fully mediated by trust. In addition, ideological accounts were still a significant predictor when controlling for trust, β=.304, t(168)=5.286, p<.001, suggesting that the relationship between ideological accounts and job satisfaction is both mediated by trust and independent of trust. Ideological accounts affect an individual's job satisfaction both directly and indirectly

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Table 1 – Field Questionnaire Construction Reliability Measures

Scale Measures	Number of Items	Cronbach's Alpha
Causal	2 items	α=.79
Ideological	3 items	α=.87
Referential	4 items	α=.87
Penitential	3 items	α=.81
Social Account Success	3 items	α=.90
Procedural Justice (PRFAIR)	7 items	α=.90
Trust	9 items	α=.88
Organisational Citizenship Behaviour (OCB)	14 items	α=.75
Intentions to Leave (ITL)	5 items	α=.86
Organisational Commitment	9 items	α=.79
Job Satisfaction	16 items	α=.91

Table 2 – Path Analyses model fit Comparisons

	MODEL 1	MODEL 2	MODEL 3
Chi-Square	39.810	123.872	42.135
df	23	22	21
p	.016	<.001	.004
CFI	97.8	.868	.973
RMSEA	.065	.165	.077

Table 3 Summary of hypotheses and results

Hypothesis	Results
H1a: Causal and Ideological accounts will be the most commonly used accounts by managers in organisations undergoing change.	Supported for Ideological but not Causal
H1b: Causal and Ideological accounts will significantly predict the success of social accounts	Supported
H2: Ideological accounts will be related to higher levels of trust in employees who have recently experienced an organisational change.	Supported
H3: Trust will mediate the relationship between ideological social accounts and outcome variables of organisational citizenship behaviour; intentions to leave the organisation; organisational commitment; and job satisfaction.	Supported for all outcome variables

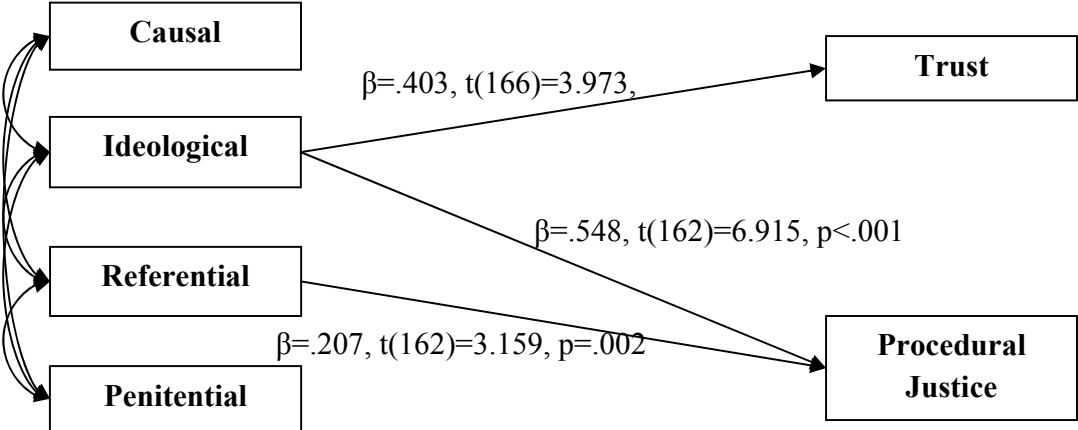**Figure 1 – Social Accounts Regression Model on Trust and Procedural**

| Causal |

| Ideological |

β=.403, t(166)=3.973,

| Trust |

β=.548, t(162)=6.915, p<.001

| Referential |

β=.207, t(162)=3.159, p=.002

| Penitential |

| Procedural Justice |

Figure 2 – Mediation Analysis of ideological Social accounts, Procedural Justice and Trust

(c)   β=.427, p<.001

(d)   β=.063, p=.501

Ideological Social Accounts

Trust

(a) β=.707, p<.001

Procedural Justice

(b)   β=.500, p<.001

Sobel Z test: z=4.973, p<.001
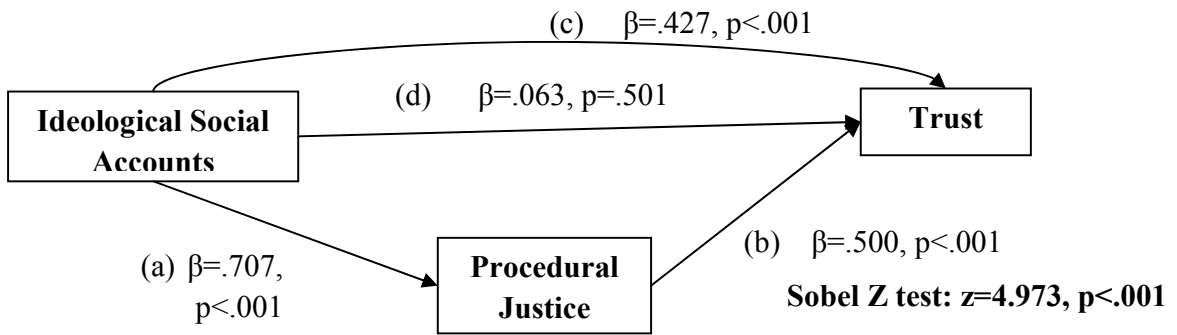
Figure 3 – Mediation analysis of ideological accounts, trust and organisational citizenship behaviours

(c)   β=.291, p<.001

Ideological Social

(d)   β=.076, p=.301

Organisational Citizenship Behaviours

(a) β=.427, p<.001

Trust

(b)   β=.496, p<.001

Sobel Z test: z=4.567,
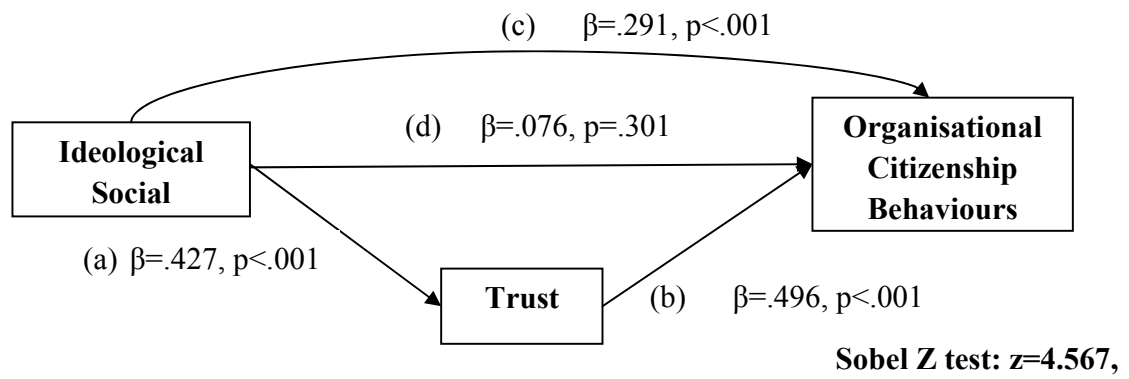
Figure 4 – Path Analysis model 1 (best fit)