



**The Role of Psychological Contract Breach In  
Determining Chinese Civil Servants' Behavioural  
Responses to Organizational Change**

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Figure 2.1      page 20

Table 3.2      page 38

Figure 3.1      page 52

Figure 3.2      page 53

Figure 3.5      page 65

Table 4.1      page 96

Contact information on pages  
290, 291 and 296

# ABSTRACT

In order to cope with the challenges brought about by increasing global competition and rapid technological development, organizational change has become the norm. Organizational change has a profound effect on employment relationships, with a particular area of concern being of the psychological contracts breach (PCB) and the negative behaviours that result from these.

The extant literature concerns more regarding the impact of organizational change on employment relationship. However, the perceived obligations that exist in the employment relationship have received less attention. In addition, little research has been undertaken in a Chinese government context, thus, the current study investigated the role such breaches play in determining the behavioural responses of Chinese civil servants to organizational change. The conceptual framework is formed by strategic, structural, process-oriented and people-oriented change, in relation to the psychological contract breaches associated with the transactional, relational and balanced elements. Finally, with respect to the employees' behavioural responses, the concepts Exit, Voice, Loyalty and Neglect (EVLN) behaviours were used.

A positivist approach of "testing-out" was adopted, whereby a specifically-designed questionnaire was used to collect data from 486 civil servants working for the Chinese government. Mutual expectations of both parties in the employment relationship were explored. Analysis involved traditional statistical techniques and included an assessment of biographical data. In certain areas, the outcomes supported Western findings on how, following change, a breach of the psychological contract can impact on employee behaviour. However, variations with previous studies were also found, which were related to the traditional Chinese cultural dimension, Confucius thought and the social phenomena surrounding the post 1980's generation. The discussion resulted in a new conceptual model of PCB being presented, which applies specifically to the cultural context of Chinese civil servants.

The study advanced knowledge in a number of ways. Theoretical contributions were made to the psychological contract and particularly the breaches brought about by the change process. Contributions were also made in extending knowledge in the area of employee behaviours, particularly those of Exit, Voice, Loyalty and Neglect. Finally, in investigating the various concepts in the culturally specific environment of China, a contribution was made to public management, international HRM and the general area of culture. Practical contributions were made through recommendations for improvement, with further areas for research also being added.

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# List of Content

<b>DECLARATION .....</b>	<b>I</b>
<b>ABSTRACT .....</b>	<b>II</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>III</b>
<b>List of Content .....</b>	<b>IV</b>
<b>List of Tables .....</b>	<b>VIII</b>
<b>List of Figures .....</b>	<b>XI</b>
<b>List of Abbreviations .....</b>	<b>XIII</b>
<b>Chapter 1: Introduction .....</b>	<b>1</b>
1.1 Introduction to the Problem .....	1
1.2 Overview of Psychological Contract Theory.....	3
1.3 Background of the Study .....	5
1.4 Rationale and the Need for the Study .....	8
1.5 Research Question, Aims and Objectives .....	10
1.6 Research Significance.....	11
1.7 Research Background .....	12
1.8 Structure of the Thesis .....	12
<b>Chapter 2: Chinese Civil Servants and the Governmental System ...</b>	<b>17</b>
2.1 The Civil Servant in China .....	17
2.2 Hierarchy of the Chinese Governmental System.....	19
2.2.1 Organizational Structure of the Chinese Governmental system .....	19
2.2.2 Position Level in the Chinese Governmental System .....	21
2.3 Government Reform in China.....	23
2.3.1 The Reform in 1981 and 1993 .....	24
2.3.2 The Reform in 2006 .....	25
<b>Chapter 3: Literature Review .....</b>	<b>29</b>

3.1	Organizational Change .....	29
3.1.1	The Definition of Organizational Change.....	30
3.1.2	Types of Organizational Change.....	31
3.1.3	Employees' Responses to Organizational Change.....	36
3.2	Psychological Contract Theory.....	41
3.2.1	The Arguments Regarding Definition.....	42
3.2.2	Characteristics of the Psychological Contract .....	45
3.2.3	Psychological Contract and Employment Relationship.....	47
3.2.4	Types of Psychological Contract.....	50
3.3	Psychological Contract Breach (PCB).....	54
3.3.1	Issues of Definition .....	55
3.3.2	The Process of PCB .....	58
3.4	Employees' Responses to PCB .....	63
3.4.1	Traditional Framework .....	63
3.4.2	EVLN Framework .....	66
3.5	Cultural Issues on PCB and EVLN Behaviour.....	70
3.5.1	Hofstede's Cultural Dimension.....	72
3.5.2	Confucianism .....	77
3.5.3	The 'Post 80s generation' in China.....	81
3.6	Conceptual Design of this Study .....	82
3.6.1	The Role of PCB .....	83
3.6.2	The Sub-dimensional Inter- correlations.....	86
3.7	The Conclusions of the Literature Review .....	88
3.8.	Conceptual Framework and Hypotheses .....	89

## **Chapter 4: Research Methodology .....** 94

4.1	Research Philosophy.....	95
4.2	Research Approach .....	99
4.3	Research Strategy .....	103
4.4	Questionnaire Design.....	105
4.5	Pilot Study .....	112
4.6	Sampling Strategy.....	114
4.7	Questionnaire Administration and Data Collection.....	117
4.8	Data Treatment: Statistical Procedures.....	119
4.9	Reliability and Validity Issues.....	122
4.10	Ethical Considerations .....	124

## **Chapter 5: Survey Findings.....** 127

5.1	Descriptive Statistics .....	128
5.2	The Test of the Structural Dimension of Organizational Change .....	130
5.2.1	Exploratory Factor Analysis on Organizational Change.....	132
5.2.2	Confirmatory Factor Analysis on Organizational Change.....	134

5.2.3	Second-order Factor Analysis on Organizational change .....	138
5.3	The effect of Organizational Change on Chinese civil servants' EVLN behaviour .....	140
5.4	The effect of Organizational Change on Chinese civil servants' PCB .....	145
5.4.1	Exploratory Factor Analysis on PCB.....	147
5.4.2	Confirmatory Factor Analysis on PCB .....	150
5.4.3	Second-order Factor Analysis on PCB .....	151
5.4.4	The SEM between Organizational Change and PCB.....	153
5.5	The effect of PCB on Chinese civil servants' EVLN behaviour.....	157
5.6	The Mediating Role of PCB .....	162
5.7	The Variance Analysis on PCB and Chinese civil servants' EVLN behaviour .....	165
5.7.1	The Variance Analysis on Chinese civil servants' PCB .....	166
5.7.2	The Variance Analysis on Chinese civil servants' EVLN behaviour .....	169

**Chapter 6: Discussion.....174**

6.1	The Structural Dimension of Organizational Change in the Chinese Government .....	174
6.2	The effect of Organizational Change on Chinese civil servants' EVLN behaviour .....	179
6.3	The effect of Organizational Change on Chinese civil servants' PCB .....	187
6.4	The effect of PCB on Chinese civil servants' EVLN behaviour.....	194
6.5	The Mediating Role of PCB .....	200
6.6	Biographic feature differences of PCB and Chinese civil servants' EVLN behaviour .....	203
6.6.1	Biographic feature differences of Chinese civil servants' PCB .....	203
6.6.2	Biographic feature differences of Chinese civil servants' EVLN behaviour .....	208

**Chapter 7: Conclusion.....213**

7.1	Main Conclusions of this Study.....	214
7.1.1	The Structural Dimension of Organizational Change in the Chinese Government .....	214
7.1.2	The impact of Organizational Change on Chinese civil servants' EVLN behaviour .....	216
7.1.3	The impact of Organizational Change on Chinese civil servants' PCB.....	218
7.1.4	The impact of PCB on Chinese civil servants' EVLN behaviour .....	219
7.1.5	The Mediating Role of PCB between Organizational Change and Chinese civil servants' EVLN behaviour.....	221
7.1.6	The biographic feature of Chinese civil servants' PCB and EVLN behaviour ...	222
7.1.7	The proposed model of this Study .....	224
7.2	Contribution to Knowledge .....	227
7.3	Implications and Recommendations.....	229

7.4      Limitations and Areas for Further Research .....233

**Reference .....236**

**Appendix.....289**

# List of Tables

Table 2.1	Position Level of Chinese Governmental System	22
Table 3.1	The Traditional Categorization of Organizational Change	35
Table 3.2	Reasons for Employee Resistance to Change	38
Table 3.3	The Research on Employees' Responses to Organizational Change	41
Table 3.4	Cultural Dimension and Chinese People's PCB and EVLN behaviour	77
Table 3.5	Theoretical Support of the Conceptual Framework	91
Table 4.1	Research Paradigm	96
Table 4.2	Fundamental Differences between Quantitative and Qualitative Approach	102
Table 4.3	The details of the questionnaire distribution and return	119
Table 5.1	KMO and Bartlett's Test on Organizational Change	130
Table 5.2	Total Variance Explained on the Dimension of Organizational Change	131
Table 5.3	The Results of Exploratory Factor Analysis on Organizational Change	133
Table 5.4	Correlations between the Dimensions of Organizational Change	136
Table 5.5	Model Fitting Index for the First-order Analysis on Organizational Change	138
Table 5.6	Model Fitting Index for the Second-order Analysis for Organizational Change	139
Table 5.7	Model Fitting Index for the Relational Model on Organizational Change and Chinese Civil Servants' EVLN behaviour	141
Table 5.8	Correlations between Organizational Change and Chinese Civil Servants' EVLN behaviour	142
Table 5.9	Model Fitting Index on the Multi-dimensional SEM for Organizational Change and Chinese Civil Servants' EVLN behaviour	143

Table 5.10	Regression Weights between Organizational Change and Chinese Civil Servants' EVLN behaviour	144
Table 5.11	KMO and Bartlett's Test on PCB	146
Table 5.12	Total Variance Explained on the Dimension of PCB	147
Table 5.13	The Results of Exploratory Factor Analysis on PCB	149
Table 5.14	Correlations between the Dimensions of PCB	151
Table 5.15	Model Fitting Index on the Measurement Model of PCB	151
Table 5.16	Model Fitting Index for the Second-order Analysis for PCB	152
Table 5.17	Model Fitting Index on the Relational Model between Organizational Change and PCB	154
Table 5.18	Regression Weights between Organizational Change and Chinese Civil Servants' PCB	154
Table 5.19	Model Fitting Index on the Multi-dimensional SEM for Organizational Change and Chinese Civil Servants' PCB	155
Table 5.20	Regression Weights between Organizational Change and Chinese Civil Servants' PCB (Sub-dimensional level)	156
Table 5.21	Model Fitting Index on the Relational Model on PCB and Chinese Civil Servants' EVLN behaviour	158
Table 5.22	Regression Weights between PCB and Chinese Civil Servants' EVLN behaviour	159
Table 5.23	Model Fitting Index on the SEM of Multi-dimensional PCB and Chinese Civil Servants' EVLN behaviour	160
Table 5.24	Regression Weights between Chinese Civil Servants' PCB and their EVLN behaviour	161
Table 5.25	Model Fitting Index on the SEM for the Mediating Role of PCB on Organizational Change and Chinese Civil Servants' EVLN behaviour	165
Table 5.26	Regression Weights on the SEM for the Mediating Role of PCB on Organizational Change and Chinese Civil Servants' EVLN behaviour	165
Table 5.27	Government-level Difference Test on Relational and Balanced PCB and Chinese Civil Servants EVLN behaviour (ANOVA)	166
Table 5.28	Post Hoc Tests on Government-level Difference: Relational PCB	167
Table 5.29	Post Hoc Tests on Government-level Difference: Balanced PCB	167
Table 5.30	Independent Samples Test on Gender Difference: Relational PCB	168

Table 5.31	Gender Difference Test on Relational PCB and Chinese civil servants' EVLN behaviour (Group Statistics)	168
Table 5.32	Independent Samples Test on Tenure Difference: Balanced PCB	168
Table 5.33	Tenure Difference Test on Balanced PCB and Chinese Civil Servants EVLN behaviour (Group Statistics)	169
Table 5.34	Position-level Difference Test on PCB and Chinese Civil Servants Voice and Neglect behaviour (ANOVA)	170
Table 5.35	Post Hoc Tests on Position-level Difference: Voice behaviour	170
Table 5.36	Post Hoc Tests on Position-level Difference: Neglect behaviour	170
Table 5.37	Government-level Difference Test on PCB and Chinese Civil Servants Voice, Loyalty and Neglect behaviour (ANOVA)	171
Table 5.38	Post Hoc Tests on Government-level Difference: Voice behaviour	172
Table 5.39	Post Hoc Tests on Government-level Difference: Loyalty behaviour	172
Table 5.40	Post Hoc Tests on Government-level Difference: Neglect behaviour	172
Table 6.1	The Correlation between Organizational Change and Chinese Civil Servants' EVLN behaviour	180
Table 6.2	The Correlations between Different Dimensions of Organizational Change and Chinese Civil Servants' EVLN behaviour	182
Table 6.3	The Impact of Organizational Change on Chinese Civil Servants' PCB	188
Table 6.4	The Impact of Different Dimensions of Organizational Change on Chinese Civil Servants' PCB	189
Table 6.5	The Impact of PCB on Chinese Civil Servants' EVLN behaviour	195
Table 6.6	The Impact of Different Dimensions of PCB on Chinese Civil Servants' EVLN behaviour	197
Table 6.7	The Biographic Feature Differences of Chinese Civil Servants' PCB	204
Table 6.8	The Biographic Feature Differences of Chinese Civil Servants' EVLN behaviour	208

# List of Figures

Figure 1.1	Organization of the Research	15
Figure 2.1	Organizational Structure of the Chinese Governmental System	20
Figure 3.1	A 2×2 Model of Psychological Contract	52
Figure 3.2	Exchange Relationships of Psychological Contract	53
Figure 3.3	The Process Model of PCB	58
Figure 3.4	The Discrepancy Model of PCB	60
Figure 3.5	A Model of the Correlation between Breach and Outcomes	65
Figure 3.6	A 2×2 Model of EVLN	68
Figure 3.7	Postulated Conceptual Framework, Variables and Hypotheses	90
Figure 5.1	The Measurement Model of Organizational Change (first-order model)	135
Figure 5.2	The Measurement Model of Organizational Change (second-order model)	139
Figure 5.3	The Relational Model on Organizational Change and Chinese Civil Servants' EVLN behaviour	141
Figure 5.4	The Multi-dimensional SEM for Organizational Change and Chinese Civil Servants' EVLN behaviour	143
Figure 5.5	The Measurement Model of PCB (first-order model)	150
Figure 5.6	The Measurement Model of PCB(second-order model)	152
Figure 5.7	The Second-order SEM for Organizational Change and Chinese Civil Servants' PCB	153
Figure 5.8	The Multi-dimensional SEM for Organizational Change and Chinese Civil Servants' PCB	155
Figure 5.9	The Relational Model on PCB and Chinese Civil Servants' EVLN behaviour	158
Figure5.10	The Multi-dimensional SEM for Chinese Civil Servants' PCB and their EVLN behaviour	160

Figure5.11	The SEM for the Mediating Role of PCB on Organizational Change and Chinese Civil Servants' EVLN behaviour	164
Figure 6.1	A 2×2 model of Organizational Change	175
Figure 7.1	The Overall Conceptual Framework of this Study	224
Figure 7.2	The Relational Model between Organizational Change and Civil Servants' PCB (Sub-dimensional level)	225
Figure 7.3:	The Relational Model between PCB and Civil Servants' EVLN behaviour (Sub-dimensional level)	226
Figure 7.4:	The Relational Model between Organizational Change and Civil Servants' EVLN behaviour (Sub-dimensional level)	226

## List of Abbreviations

AMOS	Analysis of a Moment Structures
CCP	Chinese Communist Party
CFI	Comparative Fit Index
CMIN/DF	Chi-square / Degrees of Freedom
EVLN	Exit, Voice, Loyalty, Neglect
GFI	Goodness-of-Fit Index
IDV	Individualism
IFI	Incremental fit Index
LTO	Long-Term Orientation
MAS	Masculinity
M & As	Mergers and Acquisitions
PCB	Psychological Contract Breach
PCI	Psychological Contract Inventory
PCV	Psychological Contract Violation
PDI	Power Distance Index
RMSEA	Root Mean Square Error of Approximation
SEM	Structural Equation Modelling
SPSS	Statistical Product and Service Solutions
TLI	Tucker-Lewis Index
UAI	Uncertainty Avoidance Index
WTO	World Trade Organization

# **Chapter 1: Introduction**

## **1.1 Introduction to the Problem**

In recent years, globalization, technological improvement, and economic and social development have significantly transformed the global landscape (Chiang, 2010; Branch, 2011; Allen *et al.*, 2012). In order to cope with the increasing competition and survive in this transformed environment, organizations have to improve to sustain an advantage amidst environmental changes (Burke, 2002). Accordingly, a series of changes have been undertaken in organizations, such as fundamental changes in organizational strategy, structure and process (Robinson & Griffiths, 2005). There is also the speeding up of change, which is related to the individuals in the organization, such as establishing better policies to motivate employees (Avey *et al.*, 2008). In the history of organizational development, organizational change plays a particularly important role in the development of an organization (Weick & Quinn, 1999).

According to Jones (2004), organizational change aims to improve the organization's performance and employees' efficiency. In the implementation of organizational change, most employees tend to maintain the status quo in order to protect their vested interests. This is because the change might result in a loss of power, rank and sense of mastery (Callan, 1993). There is also an increase in the amount of work to be done and changes in regulations regarding work, which can inevitably lead to the decrease of employees' sense of job security and job stability (Babakus *et al.*, 1999).

On the other hand, those employees who are not satisfied with their status quo are inclined to support the implementation of organizational change in the hope of getting what they desire. However, because the change could lead to highly ambiguous and conflicting work environments, they are not guaranteed that it would bring them what they want; and this lack of certainty can inevitably lead to them being highly uncertain of their future (McLean Parks & Kidder, 1994).

According to Ashford *et al.* (1989), organizational change could result in a change of employees' attitude, behaviour and work outcomes. In this case, employees' perception, the decrease of employees' sense of job security and job steadiness, and the increase of their sense of uncertainty, would inevitably lead to a series of behavioural responses such as a decrease in organizational commitment (Raja *et al.*, 2004) and organizational citizenship behaviour (Suazo *et al.*, 2005), and an increase in job resignations (Guzzo & Noonan, 1994).

In addition, in terms of the differences in biographic features such as age, gender, and educational qualifications, employees' perceptions on organizational change would be different (Bal *et al.*, 2008; Chin & Hung, 2008). Accordingly, their corresponding behavioural responses would also be different (Taormina, 1999; Bal *et al.*, 2008). For example, a younger employee who is more open-minded is more likely to accept potential changes and be more welcoming of new ways of thinking than an older employee, who may be relatively more conservative and therefore more likely to resist changes and refuse to accept new and emerging ways of doing things. Thus, younger employees usually have a propensity to accept changes (Damanpour & Schneiderw, 2006) and are less likely to experience psychological stress during the implementation of organizational change (Bocchino *et al.*, 2003).

In general, for all the organizations, it is vital to understand employees' responses to organizational change in assuring the success of change (Allen, 2009).

However, in order to ascertain employees' behavioural responses to organizational change, it primarily need to identify the change in employees' perceptions when organizational change occurs, which includes a trilogy of cognition, affection, and conation (Shrigley *et al.*, 1988; Triandis, 1971). Therefore, the current study focuses on this problem in examining the role of employees' perceptions on the correlation between organizational change and those employees' behavioural responses that might support or hinder effective and successful organizational changes.

## **1.2 Overview of Psychological Contract Theory**

At the cornerstone of an employment relationship, is the 'contract'. The term 'contract' is usually used as the agreement between employees and their employer which sets out their employment rights and obligations (Rousseau, 1989). In terms of the written and formal nature of a 'contract', both organization and employees have to abide by the terms and conditions stated therein. At the same time, because a 'contract' is the basic conceptual device through which the law defines the employment relationship, it can provide statutory protection for the fulfilment of employment rights, responsibility and obligations (Deakin, 1986). Aside from the 'contract' that exists in written form and is legally enforceable, there also exists another kind of 'contract' that reflects the needs of an individual, which is referred to as the 'psychological contract'. This kind of contract has implicit expectations about employment (Guest, 2004).

Rousseau (1989) defines the concept of a psychological contract as an employee's perception of the terms and conditions of a mutual exchange agreement between themselves and their organization. Different from formal and written contracts, the psychological contract represents an implicit perception in which one party in the employment relationship may not share the same

interpretation of the contents of the reciprocal exchange agreement as the other party (McLean Parks & Schmedemann, 1994; Robinson, 1996; Rousseau, 1998). Also, differing from legal contracts, which focus on the formalized aspects of work, the psychological contract places more emphasis on the subjective and normative elements and therefore is more dynamic and uncertain (Arnold, 1996). As many researchers (e.g. Schein, 1980; Rousseau, 1995; Ruitenbeek, 2000) have argued, the psychological contract is based on the employees' subjective and inherent beliefs concerning the 'terms and conditions' of the employment relationship. If employees perceive that the organization fails to fulfil its obligations to them, their psychological contract would be breached; that is, Psychological Contract Breach (PCB) would occur (Rousseau, 1995).

In recent years, rapid technological development, higher levels of globalization and increasingly competitive environment are fundamentally changing the world of work (Chiang, 2010; Branch, 2011; Allen *et al.*, 2012). In order to survive, all organizations need to take actions to cope with the economic and social fluctuations (Burke, 2002). Accordingly, a series of organizational change such as downsizing, reorganization, and massive layoffs have become common occurrences (Cheng & Petrovic-Lazarevic, 2005). These changes, not only alter the impersonal nature of organizations such as the change of organizational structure and operational process, but also have a profound impact on the personal-related nature of organizations, specifically, the employment relationship (Schalk, 2004). As McLean Parks and Kidder (1994) indicated, during organizational changes, an employee's thoughts and beliefs may be affected, which would make the employment relationship uncertain, as well as leading to a series of corresponding behavioural responses from that employee.

According to Cullinane and Dundon (2006), with the employment relationship becoming increasingly idiosyncratic and more diverse, the psychological contract has been taken as a crucial concept in understanding the employment relationship,

and has been well applied in empirical studies related to employment relationship and organizational research (Shore & Tetrick, 1994; Marks, 2001; Tsui & Wang, 2002; Guest, 2004). By entailing the reciprocal expectations between the two parties in the employment relationship, the psychological contract has been shown to be of great influence on employees' behavioural responses to organizational change (Anderson & Schalk, 1998; Guest & Conway, 2000). In empirical studies the psychological contract has also been taken as a prominent theory in predicting employees' individual outcome variables (Lester & Kickul, 2001; Rusbult *et al.*, 1988; Withey & Cooper, 1989; Lemire & Rouillard, 2005; Zhao *et al.*, 2007; Cantisano *et al.*, 2008). Therefore, in the testing-out theory in the current study, Psychological Contract Theory can be taken as an appropriate framework in interpreting, predicting and controlling employees' behavioural responses to organizational change.

### **1.3 Background of the Study**

In recent years, public sectors have been experiencing greater pressures in delivering high quality service and customer-oriented administration (Willems *et al.*, 2004). With the introduction of more and more private sector administrative practices (Burgess & Ratto, 2003), the employment relationship in public sectors has been influenced to a great extent. With the general public's expectations of public sector employees increasing and changing, the employment relationship between public sector employees and their organization is beginning to shift. This has resulted in a series of changes being undertaken by the public sector.

According to Rousseau (1995), organizational change involves radical changes to organizational strategy, structure and HRM policies and procedures. Due to the nature of its bureaucratic system, the public sector is more likely to deal with policy making and organizational management in abiding by the organizational

rules, regulations and procedures than the private sector is (Willems *et al.*, 2004). In this situation, the public sector usually has less autonomy and flexibility in the policy making and organizational management when compared to the private sector (Claver, 1999). Therefore, in coping with the increasing challenges public sector organizations have to experience more radical, more fundamental and more continuous organizational change than private sector organizations do (Millward & Brewerton, 1999; Herriot *et al.*, 1998).

In addition, according to Willem *et al.* (2010), because of the differences in management and people's values in the social and economic context, public sector employees might experience a different psychological contract with their organizations compared with private sector employees. Accordingly, when the psychological contract of public sector employees is breached, they may also respond differently in comparison with the behaviour demonstrated by private sector employees (Willem *et al.*, 2010).

As far as the Chinese government is concerned, its characteristics include overstuffed bureaucracy, political interference, inefficient operation and a permanent employment relationship (Jin, 2008). Due to the unique political system and the Chinese people's tradition, the profession of civil servant is considered to belong to a 'privileged bureaucratic class' (Wei *et al.*, 2007). With the improvement of living standards and the reinforcement of democracy, the Chinese are trying to establish a service-oriented government and a highly efficient civil service system. The notion of a 'privileged bureaucratic class' for Chinese civil servants does not easily fit with the social environment of China today. Under these circumstances, the clamour for undertaking government reform is rising (Wei *et al.*, 2007).

On 1<sup>st</sup> January 2006, the 'Law of the Civil Servant of the People's Republic of China' (Tao & Qiu, 2006) was formally issued and implemented. Since this time,

the Chinese government started to undertake government reforms based on the norms of law, to enhance administrative efficiency and capacity. According to Huang and Liu (1988) and Lo (2007), government reform requires establishing a new governmental strategy, organizational structure and function, and the operational pattern related to individual civil servants in order to raise the administrative effectiveness of the government, adapt to environmental transformation and meet its demands. Since the government reform started in 2006, the malady of bureaucracy has seen some improvement and the privileges of civil servants have been restricted, to some extent. For example, according to the 'Law of the Civil Servant of the People's Republic of China', the civil servants' annual work performance has to be assessed by relevant superiors, colleagues, and the public, thereby providing a more holistic approach to assessment; rather than being assessed only by an employee's superior, as was done before. Civil servants who are ranked poorly in their performance appraisal for three consecutive years will be asked to resign or be dismissed. This implies that the job of civil servant in China can no longer be viewed as a permanent one.

Because government reform inevitably hit civil servants' core interests and influenced the inherent privileges and prestige they enjoyed, the traditional employment relationship between them and the government is becoming less stable than previously (Huang, 2003). This will inevitably have an impact on the civil servants' psychological contract and may lead to a breach of their contract. Wang and Wu (2008) point out that PCB is a changing and developing process of complicated feelings and psychological and behavioural orientation. The civil servants may have behavioural responses to the changing work environment according to their perceptions regarding whether or not the government has fulfilled its obligations to them.

In recent years, more and more young Chinese people have yearned to be civil servants. In 2009, more than one million people competed for a civil servant role

(SinovisionNet, 2009). When commencing work as a civil servant, all Chinese civil servants have great expectations of the government. They not only expect to improve their social status by becoming civil servants, but also expect to get an opportunity to show how excellent they are. However, with the implementation of government reforms, more and more civil servants perceive that their expectations of the government have not come true. Accordingly, there is a decrease in civil servants' enthusiasm for work, their morale, and job satisfaction, which consequently results in outcomes such as civil servants' low work efficiency, them making less effort at work, and their reduced loyalty to the government (Wei *et al.*, 2007).

As a country with a population of 1.3 billion and a history spanning 5000 years, China has a unique culture and tradition that is different from that of the Western world (Chee & West, 2007). As Selmer (2002) argued, in comparison with most other cultures in the world, Chinese culture is continual, homogeneous and strong. In view of the influence of cultural diversity on the validity of a conceptual framework, the researcher believes that investigation of civil servants' PCB within a Chinese cultural background will help the Chinese government to reconstruct the balance of the psychological contract with the civil servants during the period of government reform.

## **1.4 Rationale and the Need for the Study**

Within any organization, maintaining a balanced employment relationship is a crucial issue (Fu, 2007). It is argued that the psychological contract is a crucial factor in determining employees' behavioural responses when the organization is facing a period of transformational change (e.g. Schalk & Freese, 2000; Knights & Kennedy, 2005; Lo & Aryee, 2003; Garrow, 2005; Bellou, 2007a).

According to social exchange theory (Homans, 1958, 1961) and equity theory (Adam, 1965), a change in the psychological contract may lead to an imbalance in the social exchange relationship (Sheppard *et al*, 1992). In order to re-establish the mutual balance of the employee-organization relationship, employees are often motivated to have a series of behavioural responses such as reducing their organizational commitment (Turnley *et al*, 2003). Because organizational change may lead to a discrepancy in organizational goals and individual employee's goals (Allen, 2009), employees may perceive that the organization has failed to fulfil its obligations to them, which may lead to a breach of their psychological contract (Morrison & Robinson, 1997; Rousseau, 1995) and their corresponding behavioural responses (Lo & Aryee, 2003).

According to Schalk and Freese (2000), organizational change may lead to profound changes in the psychological contract. Also, critical events that can lead to a change in the psychological contract often occur during a period of organizational change (Conway & Briner, 2002). However, because the psychological contract represents an individual's perceived agreement rather than the actual agreement, it is implicit and subjective (Conway & Briner, 2005). Therefore, when organizational change occurs, a change in the psychological contract would firstly lead to a change of employees' cognition and affection, rather than leading to a direct change in their behavioural responses. Only a change in employees' cognition and affection would lead to a change in their behavioural responses (Zhao *et al*, 2007).

Because the public sector and private sector have different organizational structures and operational patterns, the psychological contract between public sector employees and their organizations might be different from that for private sector employees (Willems *et al.*, 2010). In addition, with studies on the psychological contract being based predominately on Western theories and models (Hui *et al.*, 2004), it can be argued that cultural diversity may affect the

validity of conceptual frameworks when they are applied across cultures. With the influence of unique cultural backgrounds and a specific institutional framework, Chinese employees might also experience a different psychological contract from that of Western settings (King & Bu, 2005). However, research has received extremely limited attention in the Chinese context, particularly within the Chinese public sector. Therefore, there is a question over the validity of current theories and models of the psychological contract and their relevance to a Chinese public sector context. This provides an important area for investigation.

## **1.5 Research Question, Aims and Objectives**

In conducting an investigation into the role of PCB in determining civil servants' behavioural responses to organizational change in the Chinese government context, the research seeks to answer the question: "What is the role of PCB in determining Chinese civil servants' behavioural responses to organizational change?"

In order to answer the above research question, the research aims of this study are to: firstly, to identify the inter-relationship between organizational change, PCB and Chinese civil servants' behavioural responses; secondly, to determine what role of PCB would exert on the correlation between organizational change and Chinese civil servants' behavioural responses.

In accordance with the research aims, the research objectives are presented as follows:

1. To identify the dimension of organizational change in the Chinese government context;

2. To evaluate the impact of organizational change on Chinese civil servants' EVLN behaviour;
3. To ascertain the impact of organizational change on Chinese civil servants' PCB;
4. To examine the impact of PCB on Chinese civil servants' EVLN behaviour;
5. To verify the role of PCB on the correlation between organizational change and Chinese civil servants' EVLN behaviour;
6. To examine the individual differences of Chinese civil servants' PCB and their EVLN behaviour in terms of their biographic features.

## **1.6 Research Significance**

The significance of this study relates to both theoretical and practical elements. First, by investigating the inter-relationship between organizational change, PCB and the civil servants' behavioural responses, it is expected that this study will make a significant contribution to enhancing the level of knowledge in the field of employment relationships (Miles & Mangold, 2004), change management, and organizational behaviour.

Second, many studies of Psychological Contract Theory have thus far been based on the experience generated from the private sector and advanced economies. By applying the research to a broader context, this study will extend current understanding of the subjects to the public sector in China – an emerging and transitional economy.

Finally, with the success of economic reforms in China, a series of political reforms, such as government reforms, have been implemented in recent years. In terms of the difference between Chinese and Western settings, this study

examines the role of PCB in determining Chinese civil servants' behavioural responses to organizational change. This will help the Chinese government gain a better understanding of the civil servants' psyche and their corresponding behaviours; and thus, this study could identify effective ways to improve civil servants' work performance and the government's efficiency.

## **1.7 Research Background**

Research, and the manner of conducting it, is often affected by the specific interest of the researcher, with respect to both their occupational and academic experience. After graduation from a Chinese university with a major in business administration, the researcher studied an MBA degree in the UK, completing it in 2004. After that, the researcher gained five years' experience as a civil servant in the Chinese government.

When undertaking management research, occupational experience can invariably be utilized in interpreting a specific phenomenon, although this approach needs to be accompanied by an open mind, which allows the investigation to provide a broader understanding of the phenomenon's position in the world (Kidger, 1999). The MBA programme laid the conceptual foundation for further research and assisted in developing an interest in the subject area of people. More importantly, the personal experience as a civil servant in the Chinese government also exerted a positive influence on the researcher's academic interests.

## **1.8 Structure of the Thesis**

The thesis structure is composed of seven chapters, with the structure of the thesis being presented in Figure 1.1.

Chapter 1 provides a general introduction to the research. This chapter first introduced the research problem, which was followed by an overview of broad concepts of the psychological contract. A brief background of the issue was discussed, including the public sector context; and the Chinese setting, associated with the background of Chinese government reform, was introduced. The rationale and the need for the study, and also the research question, aims & objectives and research significance, were identified. Finally, the researcher's background was introduced, which then led to an explanation of how the thesis is organized.

Chapter 2 presents details of the Chinese civil servants and the government context which, in providing background information, locates the study in its unique context. Specifically, the details of government reforms in China are introduced in this chapter.

Chapter 3 first presents the definition and types of organizational change and their impact on employees. Previous research on the psychological contract and PCB is then reviewed. The areas that are addressed include definitions, characteristics and types, along with the application of psychological contract and PCB framework in literature and empirical studies. The employees' behavioural responses to organizational change and PCB are then investigated. Then, a review of the main perspectives of cultural dimensions in the extant literature is looked at, which is associated with the review of the main Chinese cultural traditions and social phenomenon. After that, the conceptual design of this study is outlined. Finally, the hypotheses that are based on the postulated model are raised.

In Chapter 4, the research methodology adopted in this study is considered. First, the research strategy and approach are explained, followed by the philosophical perspective of this study. Second, the researcher reviews and justifies the

different types of research design, looking at questionnaire design, sample strategy, and questionnaire administration. Third, the data treatment and analysis are explained, along with the application of statistical analysis techniques. Fourth, the validity and reliability of the measurements and the ethical issues are discussed.

Chapter 5 outlines the survey findings, starting with the descriptive statistics associated with the organization and the respondents' age, gender, educational qualification, tenure, position level, government level, political status and location. Significant responses to questions on organizational change, PCB and Chinese civil servants' behavioural responses are reported. Most importantly, the results for the role of PCB on the correlation between organizational change and Chinese civil servants' behavioural responses are presented. Finally, the results for the variance analysis on Chinese civil servants' PCB and corresponding behavioural responses in terms of the respondents' biographic features are reported.

Chapter 6 provides the discussion of the survey findings in this study. Integrating the literature review, the outcomes are critically discussed and analysed in relation to the survey findings of the whole model and the multi-dimensional model of the correlation between organizational change, PCB and Chinese civil servants' EVLN behaviour. As a result, a model is developed and proposed.

Chapter 7 concludes and summarizes the contribution to knowledge and practices of the current study based on the key points of the research objectives. Implications and recommendations are provided, with a discussion on the limitations which might restrict the extent to which the findings can be generalized. The chapter concludes by providing a suggestion of themes that can be considered for future research.



## **Summary**

This chapter introduced the concepts related to the psychological contract, following which the research was placed in the public sector and Chinese government context. Before critically reviewing the psychological contract and other relevant literature to date, it is necessary to consider the context of the Chinese government and Chinese civil servants in more detail, which will be introduced in Chapter 2.

# **Chapter 2: Chinese Civil Servants and the Governmental System**

This chapter serves a two-fold purpose. Firstly, it outlines the characteristics of the Chinese government context by introducing the Chinese civil servant and the governmental system. Secondly, by introducing the history of reforms in the Chinese governmental system, the fundamental and unprecedented nature of the reforms since 2006 is highlighted. These reforms have significantly contributed to the research question of the current study.

## **2.1 The Civil Servant in China**

According to Yakushik (1996), the term ‘civil servants’ refers to a body of professional staff that includes the following characteristics: (1) recruited and employed by the government; (2) exert public service functions in the interests of the general public; (3) are responsible for the national government; (4) receive a regular payment from the government in the form of a salary and other relevant bonuses; (5) meet the requirements of particular skills in fulfilling public service functions of the government; (6) play the role of public service and management within the legally established structures and the relevant legal regulations; and (7) represent some special part of the country’s machinery and have a distinct status that makes them different from its ‘other parts’.

In a Chinese context, the new civil service system was established following the issue and implementation of ‘the Provisional Regulation of the States Civil Servant’ in 1993(Wang, 2006). Accordingly, the profession of civil servants was

defined as those employees who work at different levels of governmental sectors, except temporary workers and support staff (Chou, 2007). Under this definition, the number of civil servants in the Chinese governments was 5.3 million in 2004 (China Daily, 2004). After 'Law of the Civil Servant of the People's Republic of China', which was implemented on 1<sup>st</sup> January 2006, the definition of civil servants was expanded to refer to all the employees who receive salaries from the government and were recruited in terms of the governmental quota on the number of civil servants. Accordingly, those employees who work at the People's Congresses, People's Consultative Commissions, Courts, and Pro-curatorial Sectors are all included in the group of civil servants. Under this definition, the number of civil servants in Chinese governments was 6.5 million in 2007 (China HR ministry, 2007).

According to Horton (2006), in most Western countries 'civil servants' refers to those who are employed on the basis of professional merit and are selected through a process of fair competition. The civil servants are not responsible for any political Party and only implement the policies of the government departments under the control of elected ministers (Huber, 2000). However, in the Chinese government, in terms of the unique political system and cultural tradition, Chinese civil servants are not only responsible for the public service function of the government but also have to participate in political Party affairs (Burns & Wang, 2010). Therefore, Chinese civil servants usually have to take on more responsibilities, obligations and commitments when compared with civil servants in Western countries.

In addition, in the Chinese government context, there is no specific or fixed-term employment contract between the civil servants and the government. As long as the civil servant is recruited by the government, the obligations and commitment between the civil servant and the government have been identified (SCNPC, 2006). In abiding by a series of governmental regulations and requirements, the

government manages the civil servants and provides their salaries and allowances. At the same time, by complying with the regulations and requirements, civil servants perform their duties in public service and administration on behalf of the government (SCNPC, 2006).

## **2.2 Hierarchy of the Chinese Governmental System**

According to the constitution of the People's Republic of China (Jones, 1985), the country of China must be upheld by the leadership of the Chinese Communist Party (CCP). Thus, the CCP plays an extensive and significant role in the whole system of Chinese government including the management of governmental decision making and personnel appointment (Burns, 2007). Under the Chinese political system, because the systems of CCP and government are tightly connected, the CCP and the government are seamlessly in charge of public service and public administration; a dual principle system is formed within one authority structure (Burns, 2007).

### **2.2.1 Organizational Structure of the Chinese Governmental system**

The organizational structure of the Chinese government can be divided into five levels: central-level government, provincial-level governments, prefectural-level governments, county-level governments and township-level governments (Burns, 2007), as shown in Figure 2.1.

**Figure 2.1: Organizational Structure of the Chinese Governmental System  
(Burns, 2007)**

In the structural hierarchy of the Chinese governmental system, central-level government is the top-level government; it represents the core power of the Chinese government and is responsible for the administration of all the country's governmental affairs (Law *et al.*, 2003). Central-level government consists of ministries, commissions and some organizations or offices directly under central government.

As the middle-level governments in the Chinese governmental system, provincial-level governments and prefectural-level governments are the key components of the Chinese governmental system (Li & Zhou, 2005). As such, provincial-level governments have autonomous rule within the region, province, or municipality, and special administrative powers; prefectural-level governments include prefectural-level city, prefecture, autonomous prefecture and leagues. In the structural hierarchy of the Chinese governmental system, the above two level of governments are not only responsible for the implementation of policies and plans from central-level government but also for supervising the implementation of the policies and plans of the lower-level governments (Martinez-Vazquez *et al.*, 2008).

As the lowest-level of government, county-level government and township-level government are the most basic units within the Chinese governmental system (Kennedy, 2007). As such, county-level governments include district, county-level city, county or autonomous county, and banner or autonomous banner. Township-level government include town or township, sub-district, Ethnic Township, and Sumu or Ethnic Sumu. In the structural hierarchy of the Chinese governmental system, county-level and township-level governments are only responsible for the implementation of the policies and plans from the upper level governments (Yang & Su, 2002).

### **2.2.2 Position Level in the Chinese Governmental System**

In the Chinese governmental system, the levels of civil servants are organized into twelve grades ranging from Premier (the top) to clerical staff (the bottom). These levels of position include: “president/vice president/premier, vice premier/state councillor, minister/governor, vice minister/vice governor, bureau chief,

deputy bureau chief, division chief/county magistrate, deputy division chief/ deputy county magistrate, section chief, deputy section chief, section member, and clerical staff” (Burns, 2007: 8). The details of the position level in the Chinese governmental system are seen in Table 2.1.

**Table 2.1: The Position Level in the Chinese Governmental System**

<b>Grade level</b>	<b>Name of the position level</b>	<b>Type of the position level</b>
Grade 1	president/vice president/premier	Higher Senior level
Grade 2	vice premier/state councillor	
Grade 3	minister/governor	
Grade 4	vice minister/vice governor	
Grade 5	bureau chief	
Grade 6	deputy bureau chief	
Grade 7	division chief/county magistrate	
Grade 8	deputy division chief/deputy county magistrate	
Grade 9	section chief	Lower Senior level
Grade 10	deputy section chief	
Grade 11	section member	Higher Junior level
Grade 12	clerical staff	Lower Junior level

Although there are altogether 12 grades for positions in the Chinese government, only the lowest two grades (section members and clerical staff) are purely junior level civil servants (Burns, 2007). As such, section member refers to the higher junior civil servants whereas clerical staff refers to the lower junior civil servants, respectively. Despite being the two lowest grades, they comprise the majority of Chinese civil servants such as clerical staff, which consist of more than 60% of the total number of Chinese civil servants (Yin, 2011). As the junior level civil servants in Chinese government, the section members and clerical staff are responsible for the enforcement and implementation of government policies as

instructed by their superiors.

In the twelve grades of the Chinese governmental system, the civil servants who are in the position between Grade 1 and Grade 10 are senior level civil servants. As such, section chief and deputy section chief belong to the lower level senior civil servants; whereas the positions of deputy division chief/deputy county magistrate and above positions are higher level senior civil servants (SCNPC, 2006). As senior level civil servants in the Chinese government, the civil servants who are in the positions between Grade 1 and Grade 10 are the agents of the government. They exert the public administrative responsibilities on behalf of the government, and supervise the enforcement and implementation of governmental policies. In comparison with junior level civil servants, senior level civil servants are more likely to keep up the interests of the government (Labatmediene *et al.*, 2007).

### **2.3 Government Reform in China**

According to Chan and Suizhou (2007), in today's world public sector reform, specifically government reform, has become a worldwide phenomenon. A series of reforms such as the New Public Management, marketization and decentralization have been undertaken in the governments of many countries (Hood & Peters, 2004) and have led to positive outcomes (Chan & Suizhou, 2007). By learning from the public sector reforms in Western countries, government reform in China has departed significantly from the Reform and Open Policy of 1979. Nevertheless, differing from the reforms of most industrialized democracies, Chinese administrative reform tended to centre on dealing with problems and responding to managerial questions on the basis of the Chinese political system (Peters, 2002).

### **2.3.1 The Reform in 1981 and 1993**

Before the government reform in 1981, the Chinese government was under a highly bureaucratic and monopolist political system, in which the civil servants were indifferent to public service quality, cost-effectiveness and efficiency of the organization (Zhou, 2008). In addition to which, based on the ‘official oriented’ system and culture that existed in China for thousands of years (Zheng, 2010), Chinese civil servants enjoyed many privileges and were guaranteed permanent employment from the first day of their employment, regardless of their skill and/or performance (Jin, 2008). Even when the civil servants failed to abide by the norms and policies of the government, they would not be removed or even punished. The main reasons for this situation lay in the unadvanced ‘rule of man’ way in which the civil service system was administered (Jenco, 2010), and in its lack of detailed and fair criteria. Therefore, against this background, government reform became necessary.

Since the Reform and Open Policy in 1979, China has embarked on a series of economic reforms in which a centrally planned economic system has been replaced by a market-based economic system (Brugger & Reglar, 1994; Fan & Nolan, 1994; Brødsgaard, 2010). With a deepening of economic reforms, China's economy has grown almost 10% in each year of the last three decades (Dougherty, 2004). With the great success of economic reforms in China, the Chinese people's living standard has greatly improved. Accordingly, people's clamour to enjoy a better public service has become stronger (Wei *et al.*, 2007). Against this background, pressure on the Chinese government to undertake government reform has grown.

Since 1980, China's top leadership have started to realize the importance of government reform in increasing the capacity and legitimacy of its authority (Brødsgaard, 2010). In 1981, by cutting the number of management positions in

the government, and increasing accountability, predictability, and transparency of the government, government reform made bureaucracy more meritocratic (Asian Development Bank, 1995). In 1993, the Chinese government started to take significant actions to reform its civil service system (Wang, 2006). With the implementation of the 'Provisional Regulations on State Civil Servants', relevant regulations had been set up to ensure the scientific management of Chinese civil servants (Xu, 1993). The regulations reflected the fact that the civil servants' administration was seeking to adopt the principles of merit applied in Western countries.

By implementing the above government reforms, the government's efficiency and performance has been improved to some extent. Specifically, with the implementation of government reforms, the position system of the civil servants has been re-classified, and a competition system regarding civil servants' recruitment and performance appraisal has been introduced (Liou, 1997). Nevertheless, because the main aim of the government was economy-oriented, most of the reforms were not enforced formally, especially in less developed regions of the country. As Burn (2007) indicates, the above government reforms led to a situation where the efficiency and effectiveness of central-level governments drastically improved, whereas efficiency and effectiveness outside the central government were still considerably worse.

### **2.3.2 The Reform in 2006**

With the formal issue and implementation of the 'Law of the Civil Servant of the People's Republic of China' (Tao & Qiu, 2006) on 1<sup>st</sup> January 2006, government reform started to play a substantial role in enhancing administrative efficiency and capacity. Since then, not only have the civil servant roles been redefined, including all employees being paid by the national treasury, government reform

has also been identified as the response of the CCP to challenges from socio-economic changes (Chou, 2005). According to Huang and Liu (1988) and Lo (2007), the government reform requires changing old and establishing new structures and functions of the organization; and changing the behavioural pattern of personnel in order to raise administrative effectiveness, adapt to environmental transformation and meet its demands. The government reform starting from 2006 mainly included the following four parts:

### **(1) The transformation of governmental aims**

Since the Reform and Open Policy in 1979, great changes have taken place in China. Especially after the success of joining the World Trade Organization (WTO) in 2001, China is undergoing a rapid and fundamental change process (Alas & Sun, 2008). With the success of economic reform, more changes in government were undertaken in order to adapt to the requirements of the transformational environment and social development. For example, in order to fit the demand of social transformation, the Chinese government has changed the aims from function-oriented to service-oriented (Wei *et al.*, 2007); from merely pursuing financial income to paying more attention to people's living standards and quality (Qian *et al.*, 2011); and from the 'rule by man' to the 'rule by law' (Jenco, 2010).

### **(2) The transformation of governmental structure**

In the long run, although overstaffing is prevalent in all levels of government in China, work efficiency has still been at a very low level. Under the policy of maintaining a permanent job, it is difficult to improve the public service quality of the government. In order to trim the bloated bureaucracy and strengthen competition among civil servants, the government has carried out a series of reforms to adjust governmental structure, such as institutional reform in the Chinese government (Brødsgaard, 2010), which includes integrating two or more independent governmental sections into one, merging governmental sections that

overlap public administrative responsibilities into one, and deactivating the governmental sections that do not belong to public affairs.

### **(3) The reform in civil servants' work tasks**

According to Jones (2004), the main purpose of organizational change is to improve an organization and individual's efficiency in dealing with work tasks. In order to help civil servants handle work tasks in a more efficient way, the Chinese government has been undertaking a series of reforms such as the transformation from traditional governmental workflow to establishing e-government (Seifert & Chung, 2009); the transformation in processing tasks changing from being functional-orientated to divisional-orientated (Li & Gao, 2008); and the transformation from restricting government information to opening-up government information to the public (Shaw, 2010).

### **(4) The reform in civil servants' core benefits**

The success of reform not only needs to improve efficiency but also needs to maintain fairness in the implementation of the reform. Employees' sense of unfairness can not only result in dissatisfaction about the reform but can lead to a series of negative behaviours that can be manifested in actions such as resisting the reform (Jones *et al.*, 2008; Furst & Cable, 2008). Therefore, the Chinese government has been implementing a series of related reforms. For example, in terms of the civil servants' promotion system, it has been altered from being decided by the preference of government leaders to emphasizing competition and fairness (SCNPC, 2006). In terms of the civil servants' performance appraisal, this has been changed from depending solely on the superior's subjective judgments to combining feedback from other sources such as colleagues and common citizens. This is called 360 degree feedback in civil servants' performance appraisal (Maylett & Riboldi, 2007). In terms of the civil servants' reward system, this has been moved from being position level orientated to being position level and tenure orientated (SCNPC, 2006).

Generally speaking, the government reform in 2006 started from the formal issue of the 'Law of the Civil Servant of the People's Republic of China'. On the one hand, with the implementation of the 'Law of the Civil Servant of the People's Republic of China', the obligations and commitments between the civil servants and the government have been identified in the form of law, rather than being merely confined to governmental regulations and requirements (Chan & Suizhou, 2007). Moreover, the civil servants' rights, obligations and commitments have been identified in a written and legal format, which also protects the civil servants' interests to a great extent. However, on the other hand, because the reform is a radical and revolutionary change in government, the traditional employment relationship between the civil servants and the government is becoming less stable (Huang, 2003), which inevitably leads to a change in the psychological contract between the government and the civil servants, to some extent. Accordingly, it is likely to lead to the civil servants' negative behavioural responses, such as putting less effort into work and becoming pessimistic about the government reform (Wang & Wu, 2008).

## **Summary**

This chapter clearly identified the concepts of civil servants in the Chinese context, presenting relevant issues of the Chinese governmental system and government reform. Having understood the relevant issues of the Chinese governmental system, attention now turns to the literature that surrounds organizational change, psychological contract, and the wider issues associated with the research question of this study.

# Chapter 3: Literature Review

This chapter presents a review of previous theoretical and empirical literature concerning organizational change, PCB and employees' behavioural responses. As such, Psychological Contract Theory, particularly PCB, is the main focus of discussion, and is the critical theory employed in this study. Furthermore, in terms of the Chinese government context of this study, a review of the concepts associated with cultural issues regarding PCB and employees' behavioural responses are also presented.

The chapter is divided into seven parts. The first section presents organizational change and its dimensions; whilst the second and third sections lay out the most important theories in this study, that is, the psychological contract and PCB. The fourth section presents employees' behavioural responses to PCB; whilst the fifth section explores how cultural issues impact on PCB and employees' behavioural responses. The sixth section presents the conceptual design of this study, with which the role of PCB and its sub-dimensions are mainly involved. After that, in the seventh section, the conceptual framework and relevant hypotheses are put forward, which are based on the critical literature review and conceptual design. The chapter then closes with a summary.

## 3.1 Organizational Change

With increasing competition and globalization in today's society, organizations are under great pressure to undertake changes to the organization (Weber & Weber, 2001). In order to survive in an increasingly changing environment and stay competitive and productive, organizations need to take action and adapt to

this continuously changing environment (Hayes, 2002). Organizational change seeks to strengthen the effectiveness of an organization, which is related to whether an organization is able to use its resources efficiently in achieving its immediate goals and whether it is able to run efficiently over the long term in the changing environment (Carnall, 1999). Therefore, it is necessary to have a deeper understanding of organizational change and its impact on organizational and employee effectiveness.

### **3.1.1 The Definition of Organizational Change**

According to Soanes and Stevenson (2003: 287), change is “an act or process through which something becomes different”. In terms of organizational change, the literature review shows that there are several definitions, which are based on different disciplines such as psychology, sociology, management and organizational studies.

Cummings and Worley (1993) define organizational change as an organization’s deliberate behaviours of thinking, acting and operating in order to survive or accomplish certain organizational goals; whereas Cohen *et al.* (1995: 396) define organizational change as “moving from the known to the unknown, from relative certainty to relative uncertainty, from the familiar to the unfamiliar”. Another common definition of organizational change is introduced by Van de Ven and Poole (1995: 512); it states that “organizational change is an empirical observation of a difference in form, quality, or state over time in an organizational entity”. Ferdig and Ludema (2002: 8) define organizational change as “characterized as a process that unfolds over time, revealing periods of greater and lesser instability, in which the restlessness of a system is an instinctive response toward survival in a continually changing environment”. Jones (2004: 10) states that “organizational change is the process by which organizations move from their present state to some desired future state to

increase their effectiveness”. Further, Mezias and Glynn (1993: 78) indicate that innovation is a kind of organizational change, which refers to “non-routine, significant, and discontinuous organizational change that embodies a new idea that is not consistent with the current concept of the organization’s business”.

Although different researchers have presented different definitions of organizational change, it can be found that all the definitions refer to the organization’s movement from its current situation to a new situation (Cummings & Worley, 1993). In addition, from the perspective of organizational development, organizational change aims to enhance employees’ development and improve organizational performance through changing employees’ job-related behaviours (Weick & Quinn, 1999). Therefore, organizational change is closely related to employees’ behaviours.

According to Cummings and Worley (2001), organizational change can refer to any kind of change and it can influence all areas of an organization. In recent times, organizational changes such as downsizing, outsourcing, and massive layoffs have become common occurrences (Cheng & Petrovic-Lazarevic, 2005). Any organization not only has to take ownership of necessary changes but also has to focus on the impact of organizational change on employees in order for them to better cope with that change (Allen, 2009).

### **3.1.2 Types of Organizational Change**

Concerning the types of organizational change, there are many classifications provided in literature, some of which are described below.

Tichy (1983) divides organizational change into two forms: strategic change and non-strategic change. As such, strategic change refers to change that can affect the components and overall orientation of the organization. In contrast,

non-strategic change refers to change that can alter the overall orientation of the organization and lead to a drastic difference from the prior condition.

Organizational change has also been categorised as two different forms of change: morphostatic change and morphogenic change (Smith & Tranfield, 1991). As such, morphostatic change refers to the adjustment to adapt to the current condition of the organization and maintain the organization in a steady state; whereas morphogenic change is about finding a new organizational form that is appropriate for the organization.

In terms of the impact of organizational change, the Construction Industry Institute (1994) categorizes changes as being either beneficial or detrimental. As such, beneficial change refers to change that can help an organization reduce costs, the schedule or the extent of difficulty (Ibbs *et al.*, 2001); whereas detrimental change refers to change that may reduce organizational value and influence the organization in a negative way (Ibbs *et al.*, 2001). In terms of the need for change, the Construction Industry Institute (1994) also categorizes change as required and elective change. As such, required change refers to change that is necessary to be implemented in order to meet the objective of the organization, whereas elective change refers to change that aims to enhance organizational effectiveness but is not required to meet the organizational objectives.

The initiation nature of organizational change categories (Burnes, 1996) concerns organizational change as emergent/proactive change and anticipated/reactive change. As such, emergent/proactive change refers to unplanned change, which is unexpected and where the response happens after the stimulus for change; whereas anticipated/reactive change refers to planned change, which is anticipated before it occurs.

Other types of organizational change are operational change and strategic change (DeWit & Meyer, 1998), which is similar to Tichy's (1983) description. As such, operational change aims to improve the performance of the organization within the existing organizational system; whereas strategic change is about changing the organizational structures and processes, and reorienting the organization's mission and purpose (Fiss & Zajac, 2004).

Two further types of organizational change are significant in order to understand the intricacies of organizational change: first-order and second-order change (Weick & Quinn, 1999). Greenberg and Baron (2002) later suggested that first-order change refers to change that is continuous and gradual in nature and involves no major shifts in the existing organizational system (Dana, 2006). On the other hand, second-order change refers to changes that are more radical and fundamental, where major shifts occur involving the changes in basic rules in governance and the transformation of the existing organizational system (Greenberg & Baron, 2002; Chapman, 2002).

According to Jick and Peiperl (2003), organizational change can be divided into developmental, transitional, and transformational change. Developmental change emphasizes the improvement in skills sets and processes within the existing aspects of an organization (Ackerman, 1997). In terms of the simplicity and ease of commitment of developmental change, it is taken as the most frequently implemented change in organizations (Jick & Peiperl, 2003). Transitional change concerns change that is moving from the current to a known desired future state (Iles & Sutherland, 2001). In terms of the episodic and radical nature of transitional change, it is sometimes necessary to change the goalposts and create guidelines to reach the desired state within a given period. Transformational change refers to change that is organic, radical and evolving from the old state to a new entity (Beckhard, 1992). Because transformational change is related to organizational structure, process, culture and strategy, it can result in

reorientation of the organizational developmental mode (Iles & Sutherland, 2001).

In terms of the speed of transformation in an organization, Cummings and Worley (2005) divide organizational change into incremental change and radical/quantum change. As such, incremental change refers to change that is smaller and more adaptive in nature, which “attempts to build on the work that has already been accomplished and improves the functioning of the enterprise in relatively small increments” (Nadler & Tushman, 1995: 22). Radical change, by contrast, refers to change that is seen as a thorough re-examination of all facets of an organization (Cao *et al.*, 2000). It is revolutionary change, which alters the fundamental operation of the organization.

In terms of the different focuses such as timing, depth, scope, frequency and tempo of change, prior research shows a number of categorizations of organizational change (Allen, 2009). Generally speaking, in terms of different criteria, the traditional categorization of organizational change can be summarized as in Table 3.1.

**Table 3.1: The Traditional Categorization of Organizational Change**

<b>Author</b>	<b>Criteria of the Categorization</b>	<b>Name of the Categorization</b>
Tichy (1983)	The depth and extent of organizational change	strategic change and non-strategic change
Smith & Tranfield (1991)	The depth and extent of organizational change	morphostatic change and morphogenic change
Construction Industry Institute (1994)	The impact of organizational change	beneficial change and detrimental change
Construction Industry Institute (1994)	The need for organizational change	required change and elective change
Burnes (1996)	The initiation nature of organizational change	emergent/proactive change and anticipated/reactive change
DeWit & Meyer (1998)	The depth and extent of organizational change	operational change and strategic change
Weick & Quinn (1999)	The frequency and tempo of organizational change	first-order change and second-order change
Jick & Peiperl (2003)	The timing and extent of organizational change	developmental, transitional, and transformational change
Cummings & Worley (2005)	The speed of the transformation in an organization	incremental change and radical/quantum change

The categorization of organizational change can also be considered in terms of its process (Beer, 1980). Here, organizational change is an uninterrupted change process, particularly with regard to an organization's strategy, process, people and structure (Senior, 2002). Indeed, past research has clearly linked an organization's strategy, process, people and structure with organizational change (Moody, 2010; Poloczec *et al.*, 2008; Hammer & Champy, 1993; Kittleson, 1995). As such, strategic change refers to changes in the basic objectives or mission of the organization, such as those which follow M & As (Moody, 2010). Structural change also involves changing the internal structure of the organization, such as the redistribution of functions and responsibilities (Poloczec *et al.*, 2008). Further, process-oriented change requires the

organization to change, so as to achieve optimum workflow and productivity. Here, the process often involves technological development (Hammer & Champy, 1993) and people-oriented change, which is directed towards the employees' attitudes, behaviour and performance (Kittleson, 1995), along with a change in leadership style.

Nevertheless, the previous literature does not contain research or empirical studies that have examined the four dimensions of organizational strategy, process, people and structure, as the key categorizations of organizational change.

### **3.1.3 Employees' Responses to Organizational Change**

As Erorgan (2008) suggested, organizational change will not be able to be implemented successfully unless it is accepted by the employees. Essentially, organizational change disrupts the basic norms, beliefs, and expectations of the organization, either positively or negatively (Allen, 2009). However, even if organizational change is implemented for positive reasons, employees can often respond to change in negative ways and may even resist change efforts (Jones *et al.*, 2008). In literature, the dominant research on organizational change focuses on employees' resistance to change, which would not only decrease their morale and work performance, but is also likely to result in their negative responses to that change (Weber & Weber, 2001). Because employees' responses to organizational change are vital factors in the organization achieving its organizational goals (Martin, 1998; Eby *et al.*, 2000), employee response has become an important factor in determining successful organizational change (Bernerth, 2004; Vakola & Nikolaou, 2005; Rafferty & Simon, 2006; Orge & Berson, 2011).

As Allen (2009) indicates, employees have to establish new ways of thinking and

new expectations, as well as a paradigm shift, in adapting to an organizational change such as the change of organizational operation and the shift of their roles in the organization. In the implementation process of organizational change, both the employee and the organization's expectations are likely to be changed, which may lead to the employment relationship between employees' and organization's expectation being unclear, which can make the fulfilment of the obligations more difficult (McLean Parks & Kidder, 1994; Hind *et al.*, 1996). Also, because organizational change is usually observed by every individual in the organization, discrepancies are always unavoidable (Allen, 2009). When employees feel that changes influence the ability of the organization to fulfil its promises or obligations to them, it may result in their resistance to organizational change (e.g. Erorgan, 2008; Shah & Irani, 2010). Accordingly, a mismatch can occur between the organization's goals and individuals' goals, which may lead to a series of negative responses from employees (e.g. Callan, 1993; Doby & Caplan, 1995; Robertson & Seneviratne, 1995; Hui & Lee, 2000; Piderit, 2000; Ito & Brotheridge, 2001).

According to Senge (1990), employees do not resist organizational change; what they resist is to be changed as individuals. Resistance to change is a result of differences, whether about ideas, plans, motives or priorities (O'Connor, 1993). The reason that employees resist change is summarized below in Table 3.2.

**Table 3.2: Reasons for Employee Resistance to Change (Adapted from O'Connor, 1993; Ouirke, 1996; Ford *et. al*, 2002; Proctor & Doukakis, 2003)**

As is seen in Table 3.2, there are several reasons that can lead to employees' resistance to organizational change. In terms of the reasons behind a 'Need for change' and 'Goals/targets', the main reason can be summarized as the discrepancy between the employees' and the organization's perceptions and each person's expectations regarding organizational change (Hui & Lee, 2000; Piderit, 2000; Ito & Brotheridge, 2001). In terms of the source of reasons for 'Fears for status quo', the main reason can be summarized as organizational change may lead to the loss of employees' power, status and rank, the increase of their work load and responsibilities, and the decrease of their vested interests (Doby & Caplan, 1995; Hui & Lee, 2000; Piderit, 2000; Ito & Brotheridge, 2001; Callan, 1993). In terms of the reasons for 'Risk', the main reason can be summarized as

employees are not clear about their future in the organization and are not clear when the change would finish, which could mean they are under a highly ambiguous and conflicting work environment (Ussahawanitchakit & Sumritsakun, 2008). In terms of the source of reasons for 'Leaders', the main reason can be summarized as the uncertainty and risks that are caused by organizational change and the loss of employees' individual interests, which may reduce the employees' trusts in their leaders (Robinson, 1996; Lo & Aryee, 2003).

Based on the above arguments about employee resistance to change, it can be found that, no matter what the discrepancy regarding employees' and organization's perceptions on organizational change is, employees' fear for the status quo, their sense of uncertainty about possible risks, and their reduced trusts in their leaders are all inescapable in resulting in greater employee pressure (Krug & Aguilera, 2005). Also, employees' perceptions of stress and pressure at work could increase their sense of job insecurity (Brockner, 1988; Sutton & D'Aunno, 1989) and sense of uncertainty (Armenakis & Bedeian, 1999; McHugh, 1997; Lo & Aryee, 2003), which would inevitably increase the possibility of their anxiety and depression at work, and decrease their enthusiasm for work and trust in the organization (Vieitez *et al.*, 2001; Mao *et al.*, 2008). Consequently, it would lead to series of negative behavioural responses from employees (Robinson, 1996; Allen *et al.*, 2001; Adkins *et al.*, 2001; Krause *et al.*, 2003; Vakola & Nikolaou, 2005; Sharkie, 2005; Atkinson, 2007).

In empirical studies, much has been studied regarding the impact of organizational change on employees. According to Ashford *et al.* (1989), organizational change can result in employees' emotional experiences of anxiety, stress and insecurity, and may also have an influence on their organizational commitments, job satisfaction and work performance. By assessing the impact of organizational change on the morale of hospital employees, Decker *et al.* (2001)

found that organizational change led to a series of issues concerning employee morale, such as the increase in their perception of stress. By investigating employees from various Greek organizations, Vakola and Nikolaou (2005) found that organizational change was negatively related to employees' work pressure and attitudes to change, whereby highly stressed employees would reduce their organizational commitment and increase their resistance to organizational change. Further, in terms of three distinct change characteristics: the frequency, impact and planning of change, Rafferty and Griffin's (2006) empirical study examined the impact of different change characteristics on employees. They found that the three change perceptions influence employees' job satisfaction and intention to leave the organization, both directly and indirectly. Furthermore, Smollan (2006) argues that employees' responses to organizational change come under a number of levels including cognitive, affective and behavioural. By undertaking an empirical study, Smollan (2006) also found that employees' behavioural responses can be taken as the outcomes of their cognitive and emotional reactions.

The following table summarizes the literature that is related to employees' responses to organizational change (Table 3.3).

**Table 3.3: The Research on Employees' Responses to Organizational Change**

<b>Author</b>	<b>Perspectives on employees' responses to change</b>
Krug & Aguilera (2005)	Employees' fear for the status quo, sense of uncertainty for possible risks; Employees' reduced trusts in their leaders
Brockner (1988); Sutton & D'Aunno (1989)	Employees' perceptions of stress and pressure at work; Employees' sense of job insecurity
Armenakis & Bedeian, (1999); McHugh (1997); Lo & Aryee (2003)	Employees' sense of uncertainty.
Vieitez <i>et al.</i> (2001); Mao <i>et al.</i> (2008)	Employees' increased anxiety and depression at work; Employees' decreased work enthusiasm and trust for the organization
Decker <i>et al.</i> (2001)	Employees' perceptions of stress
Vakola & Nikolaou (2005)	Employees' work pressure and attitudes to change; Employees' reduced organizational commitment
Rafferty & Griffin (2006)	Employees' job satisfaction and turnover intentions
Smollan (2006)	Employees' cognitive, affective and behavioural responses

Based on the literature review and empirical studies of employees' responses to organizational change, it is understood that organizational change can firstly lead to a change in employees' perception, which then results in their series of responses. As Shrigley *et al.* (1988) and Triandis (1971) indicate, all the employees' responses to organizational change depend on a change in their attitudes, which includes a trilogy of cognition, affection, and conation. Therefore, organizational change can influence employees' behaviour through influencing their perception of change.

### **3.2 Psychological Contract Theory**

In the employment relationship, the term 'contract' is usually taken as the

agreement between the employees and their organization, which lays down their employment rights, duties and responsibilities (Rousseau, 1989). However, besides the contract that is written and formal, there also exists another contract that can reflect an individual's implicit and unvoiced expectations of the employment relationship. It is termed the 'psychological contract' (Guest, 2004).

### **3.2.1 The Arguments Regarding Definition**

Although the concept of the psychological contract has been in existence since the early 1960s (Argyris, 1960; Levinson *et al.*, 1962), there still remains no universal accepted definition (Anderson & Schalk, 1998). Different researchers tend to use different perspectives to define psychological contract. For example, Argyris (1960) focused on the psychological attachments between employees and their organization within a specific group of employees. Alternatively, Levinson *et al.* (1962) considered it in terms of the mutual relationship between employees and the organization. Morrison (1994) emphasized the unspoken and implicit nature of the psychological contract; whereas Rousseau (1989) focused on the organization's promises to the employees. Although there is no objection that the psychological contract concerns promises and obligations that are subjective, implicit and reciprocal, different researchers tend to measure the construct of the psychological contract in terms of its different aspects (Roehling, 1997).

Argyris (1960) was the first researcher to put forward the concept of the psychological contract by introducing the term 'psychological work contract' in the employment relationship between employees and their superiors in the factory. As Argyris (1960) indicated, in the employment relationship the existence of an implicit and informal contract should also be emphasized (Cullinane & Dundon, 2006). Since Argyris's research in 1960, the definition, conceptualization and measurement of psychological contract have been significantly evolving (Anderson & Schalk, 1998). As such, Levinson *et al.*

(1962: 21) defined the psychological contract as “a product of mutual expectations that are largely implicit and unspoken and which frequently antedates the relationship between person and company”. Kotter (1973: 92) similarly referred to relationships as “an implicit contract between an individual and his organization which specifies what each expects to give and receive from the other in their relationship”. For Schein (1980: 22), the psychological contract is defined more in terms of expectations as “an unwritten set of expectations operating at all times between every member of an organization and the various managers and others in that organization”. A further emphasis is from Herriot and Pemberton (1996: 136), who view the psychological contract as “the perception of both parties (employer and employee) of their relationship and the things they offer each other in this relationship”. Again, the relationship element is present.

In accordance with the above definitions of the psychological contract, researchers argue that the psychological contract is a bilateral exchange relationship, in which both employees’ and organizations’ perception of the reciprocal promises and obligations are emphasized (Argyris, 1960; Kotter, 1973; Schein, 1980; Guest, 2004). According to the bilateral exchange approach to psychological contracts (Freese & Schalk, 2008), in order to fully assess the notion of mutual and reciprocal obligations in the employment relationship the psychological contracts should include the ‘organization’s perspective’ and the ‘employee’s perspective’ (Herriot & Pemberton, 1996; Guest, 1998b).

With regard to the two parties of the psychological contract, organization is abstract, with the perception of organization always taken to mean its representatives or agents, such as managers and employers (Rousseau, 1989). Sometimes the perception of representatives or agents does not definitely reflect the perception of the organization (Schalk & Freese, 1993). Furthermore, because the bilateral exchange approach to the psychological contract includes two parties’ perceptions of the employment relationship, one party’s perception may

be different from the other party's, which can result in difficulties in measurement for empirical studies (Guest & Conway, 2001). Therefore, the bilateral exchange approach has not been universally accepted and adopted in the relevant research and empirical studies.

Rousseau (1989) developed a revised approach, which was different to the bilateral approach to the psychological contract. Going beyond the primary definition of the psychological contract, Rousseau (1990, 1995) introduced a narrower definition: the unilateral exchange approach (Freese & Schalk, 2008). Rather than focusing on a bilateral exchange, the unilateral exchange approach only focuses on the employees' perception not the organization's perception (Rousseau, 1989). Rousseau also emphasized that the concept of the psychological contract is an employee's perception of their mutual obligations with their organization, which limits the psychological contract to the employees' individual perceptions (Rousseau, 1990). Rousseau therefore defines the concept of the psychological contract as:

The term psychological contract refers to an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. Key issues here include the belief that a promise has been made and a consideration offered in exchange for it, binding the parties to some set of reciprocal obligations (Rousseau, 1989: 123).

On the basis of Rousseau's unilateral exchange approach, a number of researchers put forward a similar perspective regarding the concept of the psychological contract (e.g. Robinson and Rousseau, 1994; Newell & Dopson, 1996; Morrison & Robinson, 1997). For example, Robinson and Rousseau (1994) argued that the psychological contract focuses on an employee's individual beliefs on the reciprocal obligations between them and their organization. Morrison and Robinson (1997) argued that the psychological contract is made up of perceptions about the reciprocal exchange agreement between the two parties

in the employment relationship. Based on the employees' perception, Rousseau's unilateral exchange approach has been supported by many other researchers and has provided a feasible measurement for measuring the psychological contract (e.g. Rousseau, 2000; McDonald & Makin, 2000; Hui *et al.*, 2004).

In the current study, the focus of the civil servants' (employees') perception of the psychological contract is advocated, which follows Rousseau's (1990) perception about the psychological contract. The reasons include: (1) in any organization, its objectives and activities are based on the activities and performance of the employees. Research on the civil servants' perception is significant and valuable for the management of the organization; (2) in view of the measurement of empirical investigation on the governments in China, it is more realistic to measure the psychological contract based on the civil servants' perceptions.

### **3.2.2 Characteristics of the Psychological Contract**

In the employment relationship, the employees' perceptions of the reciprocal exchange agreement may be different from those of their employer, which makes the psychological contract more complicated (Conway & Briner, 2005). Unlike formal contracts, the psychological contract is inherent, implicit and perceived. Therefore, employees may not share their interpretation of the terms and conditions of the reciprocal exchange agreement with their employer (McLean Parks & Schmedemann, 1994; Robinson, 1996; Rousseau, 1998). Unlike legal contracts focusing on the formalized aspects of work, the psychological contract focuses on the subjective and normative elements in the employment relationship (Arnold, 1996). The characteristics of the psychological contract can be summarized as follows:

**(1) Subjective.** In a written contract, all the terms and conditions of the contract

have to be specific; both employees and their employer have to abide by the terms and conditions of the contract unconditionally (Supardi *et al.*, 2009). However, as for the psychological contract, it is implicit and informal, which essentially refers to a subjective perception of the reciprocal obligations (Rousseau, 1989). Employees always have their own perceptions about the employment relationship of the organization, and this is likely to lead to inconsistency in their perception compared to that of the organization (Rousseau, 1995).

**(2) *Dynamic.*** In a formal contract, because all the terms and conditions have to be defined clearly, it is stable and seldom changeable (Coyle-Shapiro *et al.*, 2008). Even if any change happens in the contract, it requires both parties to undertake negotiations and accept compromises. However, as for the psychological contract, it is not always in a stable condition. First, within the background of a transitional environment, any adjustment of organizational change is likely to influence the psychological contract (Zhao *et al.*, 2007). Second, with the organizational change bringing employees' perceptions of unfairness and sense of equity into question, the psychological contract is also likely to be influenced (Esterhuizen & Martins, 2008). As Freese and Schalk (1996) indicate, in terms of the dynamic nature of the psychological contract, the relationship between employees and the organization is changing over time. Therefore, in order to maintain the balance of the psychological contract, both employees and employers need to strengthen the mutual communication between the two parties in the employment relationship.

**(3) *Mutual.*** The psychological contract emphasizes the promises made by both parties in an employment relationship (Cheng & Po, 2009). In this respect it is different from organizational commitment, which refers to the employees' emotional attachment to their organization, which is demonstrated by the efforts they make to achieve the organization's goals (Porter *et al.*, 1976; Mowday *et al.*,

1979). In terms of the dynamic and subjective nature of the psychological contract, both parties of the employment relationship need to establish sufficient communication and negotiation in order to understand their mutual obligations (Anderson & Schalk, 1998). Furthermore, because the psychological contract binds “the parties to some set of reciprocal obligations” (Rousseau, 1989: 123), it relates to the mutual benefit and the duty that exist in the employment relationships (Shore & Tetrick, 1994).

**(4) Influential.** As for the general expectation, it focuses on what an employee expects to receive from the organization (Robinson *et al.*, 1994). However, the psychological contract emphasizes employees’ perceptions of the reciprocal exchange relationship; only those promised expectations can be taken as part of the psychological contract (Robinson, 1996). Thus, not all the expectations can form part of the psychological contract (Anderson & Schalk, 1998). Furthermore, when the employees’ expectation fails to be fulfilled, it may de-motivate them; whereas when the employees’ psychological contract fails to be fulfilled, it could not only upset the employees but it could also lead to a series of unfavourable consequences regarding their attitudes and behaviours, such as the decrease of employees’ trust in the organization and the increase of employee turnover (Robinson & Rousseau, 1994).

### **3.2.3 Psychological Contract and Employment Relationship**

In today’s world, under the transformational settings such as increasing global competition and rapid technological development, organizations are facing an increasingly dynamic environment (Freese, 2007). In order to survive, they will have to take action to cope with the challenges that are caused by this rapidly transforming environment (Burke, 2002). Accordingly, a series of organizational changes such as Mergers & Acquisitions (M & As) and downsizing have been undertaken.

A number of empirical studies and other literature on HRM have highlighted that organizational change has a profound effect on the employment relationship (Herriot & Pemberton, 1996; Schalk, 2004; Freese, 2007; Coyle-Shapiro & Shore, 2007). Organizational change would make the employment relationship unclear (Freese, 2007; Chaudhry *et al.*, 2011; Korn, 2009), which could correspondingly lead to a series of employee behavioural responses such as increased intention to leave and decreased effort at work (Turnley & Feldman, 1999a; Zhao *et al.*, 2007; Suazo *et al.*, 2005; De Cuyper & De Witte, 2008). In the extant literature, although the impact of organizational change on the employment relationship has been granted a high degree of attention, very few research and empirical studies have focused on the perceived obligations that exist in the employment relationship (Freese, 2007). In addition, from the aspect of organizational development, to ensure the improvement of the organization it is important for both parties in the employment relationship to understand and agree on their mutual obligations and expectations (Rousseau, 2004).

The term psychological contract, as an employee's perceptions of the terms and conditions of a mutual exchange agreement between them and their organization, is often used to describe employees' perceptions of changes to the employment relationship (Rousseau, 1989, 1990; Shore & Tetrick, 1994). Prior researchers have suggested that the psychological contract provides a broad explanatory framework that helps researchers establish a deeper understanding of the employment relationship in organizations (e.g. Shore & Tetrick, 1994; Atkinson, 2007; Guest, 1998a). In the employment relationship, the term psychological contract is often used to describe the implicit and reciprocal nature of the exchange relationship, which has been well applied in empirical studies related to employment relationship and organizational research (Marks, 2001; Atkinson, 2007); and becomes particularly important in understanding and managing organizational and employees' behaviour (Schein, 1980).

Guest (2004: 543) suggests that “in a permanently turbulent system, we need frameworks that can usefully analyse the changing employment relationship and its consequences for both employer and employee”. The psychological contract offers a potential framework that can help to understand the ‘hidden’ aspects of changing employment relationships (Shore & Tetrick 1994). Because the employment relationship is becoming increasingly idiosyncratic and diverse, the psychological contract framework can reflect an individual’s implicit and unvoiced expectations of the employment relationship (Cullinane & Dundon, 2006).

As Garrow (2005) suggested, the psychological contract framework can be categorized as a three-stage process including contracting, sense-making and monitoring change. As such, in the contracting stage both employees and the organization need to identify their perceptions of the process and content of the psychological contract (Millward & Brewerton, 1999); then, in the sense-making stage, by using the content of the psychological contract, organizational life needs to be interpreted, particularly with regard to the employees’ psychology, attitude and behaviour (Rousseau, 2001). Finally, in the monitoring change stage, fulfilment of the psychological contract needs to be evaluated, and thus to identify any possible breach or violation of the psychological contract (Garrow, 2005).

Further, Conway and Briner (2009) argued that the research related to the psychological contract mainly focuses on three aspects: the first focus is about how the psychological contract framework plays a role in understanding the changing employment relationship. The second focus is about how the psychological contract framework influences individual reactions to organizational change; whilst the third focus is about how employees respond when their psychological contract is breached (Cassar & Briner, 2011). The aims

and objectives of this study are to contribute to the above three aspects on the research of the psychological contract, specifically, the impact of the psychological contract in understanding the changing employment relationship.

In summary, in terms of the highly subjective and implicit characteristics, the psychological contract exists in any organization (Rousseau, 1989). In recent years, the theoretical and empirical research related to Psychological Contract Theory has been increasing at a phenomenal rate (Suazo, 2009). The psychological contract has been used as an important conceptual framework in understanding the employment relationship (Robinson *et al.*, 1994; Robinson & Morrison, 2000; Coyle-shapiro & Kessler, 2000; Shore *et al.*, 2004; Taylor & Tekleab, 2004; Zhao *et al.*, 2007; Aggarwal & Bhargava, 2009); but has also been taken as an explanatory framework to explain the transition process of the employment relationship from the old deal to the new deal (Arnold, 1996, Herriot *et al.*, 1997; Guest, 2004). As the link between the psychology of employees and organizations, the psychological contract has also been taken as one of the important factors in influencing employees' attitude, behaviour and performance (Pate *et al.*, 2003). Therefore, in the current study the psychological contract is considered as an appropriate framework to offer rich and deep insights into the complex and under-researched employment relationship between the Chinese government and its civil servants.

### **3.2.4 Types of Psychological Contract**

In terms of the type of psychological contract used, the most common typology is the two-way dimension, including transactional and relational contracts (e.g. Rousseau 1990, 1995; Csoka, 1995; Millward & Hopkins 1998; Coyle-Shapiro *et al.*, 2008; Haq *et al.*, 2011). As Macneil (1985) indicated, the transactional and relational contracts are the two most fundamental components of the psychological contract, which can be conceptualized on a relational-transactional

continuum. As such, the transactional contract refers to short-term arrangements that are highly concerned with monetary issues and personal benefits (Rousseau, 1995). Relational contracts, in contrast, refer to open-ended arrangements that centre on socio-emotional terms rather than purely monetary issues (Rousseau, 1995).

Further, in order to better categorize the psychological contract, Rousseau and Parks (1993) addressed five different dimensions, which include focus, time-frame, stability, scope and tangibility. Based on these five different dimensions, the transactional contract focuses more on the obligations that are extrinsic and economic; whereas the relational contract focuses more on perceived obligations, which are intrinsic and emotional in nature (Hui *et al.*, 2004). The transactional contract is more specific and short-term; whereas the time frame for a relational contract is more open-ended and indefinite (Van de Ven, 2004). In addition, the transactional contract is more tangible when compared with the relational contract; whereas the relational contract is more subjective when compared to the transactional form (Levin, 2003).

Although the two-way dimension of the psychological contract is well adopted in research, it is not necessarily the only one categorising the psychological contract (Millward & Herriot, 2000). To adequately describe the contemporary employment relationships, Rousseau (1995) proposed a 2×2 model of psychological contract by adding two new dimensions: the time frame and performance requirements. As such, the time frame refers to how long the employment relationship can continue (e.g. limited/short term or open ended/long term) (Rousseau, 2000); whilst performance requirements refer to the degree to which the required levels of performance are clearly specified by the employer (e. g. clearly specified or weakly specified) (Rousseau, 1995). The 2×2 model of the psychological contract creates a typology of four possible psychological contract types, which include transactional contracts, relational

contracts, balanced contracts and transitional contracts, as demonstrated in Figure 3.1:

**Figure 3.1: A 2×2 Model of Psychological Contract (Rousseau, 1995, 2000)**

As seen in Figure 3.1, transactional contracts typically involve a short-term arrangement that is perceived to exist and that has specified performance requirements; relational contracts are typically found within a long-term exchange with clearly non-specified performance requirements; balanced contracts are a combination of transactional and relational contracts, which typically involve a long-term time frame and specified performance requirements (Rousseau, 2000). As Hui *et al.* (2004) indicated, the transactional, relational, and balanced contracts represent important forms of the psychological contract in the employment relationship. However, with regard to the transitional contract, because it usually occurs during organizational changes that are at odds with the employment relationship, it is not considered a true form of the psychological contract, and therefore it is rescinded (Hui *et al.*, 2004). Accordingly, Rousseau (2000) developed operationalization, which formalizes the three aspects of transactional, relational and balanced contracts into a Psychological Contract Inventory (PCI). Empirical studies that have assessed and confirmed the three types of psychological contract have been undertaken in different countries such as the United States (Rousseau, 2000), Latin America (Dabos & Rousseau, 2004);

Singapore (Rousseau, 2000), and China (Hui *et al.*, 2004).

In addition, Shore and Barksdale (1998) proposed the categorization of the psychological contract with regard to two dimensions, which include the level of mutual obligation in the psychological contract and the degree of perceived balance in employee and employer obligations. Accordingly, four distinct types can be comprised, as seen in Figure 3.2:

**Figure 3.2: Exchange Relationships of Psychological Contract (Shore & Barksdale, 1998)**

According to Figure 3.2, Mutual High Obligations implies that both employees and employer perceive that they are highly obligated to each other. As a balanced relationship between employees and their employer, Mutual High Obligations are consistently related to the most favourable attitudes and behaviours (Payne *et al.*, 2008). Mutual Low Obligations, as a balanced relationship between employees and their employer, implies that both parties think they can maintain the employment relationship with limited effort; and also, that both employees and employer do not have strong expectations from each other. Employee Over-obligation, as an unbalanced relationship between employees and their employer, implies that employees feel that the employer has fulfilled or exceeded their obligations to them but they have not yet restored the balance by fulfilling their own obligations to the employer in return. Finally, Employee

Under-obligation, as an unbalanced relationship between employees and their employer, implies that employees feel they have fulfilled their obligations to the organization, but that the organization has not fulfilled its own obligations to them in return. According to Robinson *et al.* (1994), Employee Under-obligation is likely to lead to a contract breach and violation by employees.

In comparing different categorizations of the psychological contract, it can be found that a 2×2 model of the psychological contract not only reflects its typology but also provides well-examined scales for the measurement of different types of the psychological contract. In accordance with the research focus of this study, it is appropriate to employ Psychological Contract Theory to examine Chinese civil servants' responses to organizational change.

### **3.3 Psychological Contract Breach (PCB)**

According to Garrow (2005), the psychological contract evolves as the employment relationship changes and time passes. In studies of psychological contract, one of the most important focuses is the research on PCB (Chen *et al.*, 2008). With rapid technological development, higher levels of global competition, and an increasingly competitive environment, a series of organizational changes such as organizational restructuring and downsizing becomes a common phenomenon (Chiang, 2010; Branch, 2011; Allen *et al.*, 2012). In a changing environment, organizational changes often make the employment relationship unclear (Freese, 2007; Chaudhry *et al.*, 2011; Korns, 2009). Accordingly, as a theory that is related to employees' perception of the employment relationship, psychological contract is inevitably affected by a change in employment relationship (e.g. McLean Parks & Kidder, 1994; Coyle-Shapiro & Kessler, 2000; Van de Ven, 2004; Gakovic, & Tetrick, 2003; Chao *et al.*, 2011). Therefore, the likelihood of PCB increases (Robinson, 1996; Braun, 1997; Bal *et al.*, 2008;

Chen *et al.*, 2008), which may alter the employees' responses to the employment relationship (Zhao *et al.*, 2007; Suazo *et al.*, 2005; De Cuyper & De Witte, 2008).

### 3.3.1 Issues of Definition

According to social exchange theory (Homans, 1958, 1961), employees are determined to establish an employment relationship that is fair and balanced. When a discrepancy is perceived by the employees between the organization's promises regarding its obligations and what the employees actually receive from the organization, PCB can occur (Rousseau, 1995; Lo & Aryee, 2003; Restubog *et al.*, 2006). The discrepancy between employees and their organization represents an imbalance in the social exchange relationship. In order to re-establish mutual balance in the employee-organization relationship, employees often respond to PCB with a series of behaviours such as reducing their organizational citizenship behaviour and putting in less effort at work (Turnley *et al.*, 2003).

In the early stages of research on the psychological contract, researchers usually used the terms psychological contract breach (PCB) and psychological contract violation (PCV) interchangeably (Zhao *et al.*, 2007). Under this definition, Robinson and Rousseau (1994) defined PCB/PCV as the organization's failure to fulfil its obligations to the employees' psychological contract. Rousseau (1989) described PCB/PCV as a strong emotional experience when the employees feel that the organization fails to fulfil its obligation. Research on PCB/PCV is vague and ambiguous (Morrison & Robinson, 1997, 2004; Rousseau & Greller, 1994), which suggests that PCB/PCV emphasizes both employees' perceptions and emotional experiences of the organization's failure to fulfil its obligations to their psychological contract.

Morrison and Robinson (1997) distinguished PCB from PCV by suggesting that

PCB refers to the employees' perception of unfulfilled obligations by the organization; whereas PCV focuses on what employees' emotional responses to the organization's failure fulfilment on its obligations to them. According to Pate *et al.* (2003), because PCB essentially refers to what an employee identifies or perceives as unfulfilled obligations, it is likely to end after a relatively short period and go back to the relatively stable condition of psychological contract. Alternatively, it may lead to PCV, which is more than the failure of the organization to fulfil its obligations to the employees (Pate *et al.*, 2003). Essentially, PCV is not only a 'promise' that has been broken, but it may also lead to a stronger emotional responses from the employees (Rousseau, 1989).

Further, Robinson and Morrison (2000) argued that PCB represents the employees' cognitive assessment of how well the organization has fulfilled the psychological contract to them; and PCV represents the employees' emotional response to that assessment. Robinson and Morrison's (2000) longitudinal study examined the factors that affect employees' perceptions of how their psychological contract has been breached by the organization, and the factors that determine whether employees' perceptions would lead to their experience of PCV. Their empirical findings support Morrison and Robinson's (1997) contention that PCB and PCV are distinct.

Coyle-Shapiro and Kessler (2000) summarized the distinction between PCB and PCV as: PCB captures employees' cognitive view of what they have received from their organization and what they were promised by their organization; and thus arrive at a view of the degree to which the obligations have not been fulfilled by their organization. Conversely, PCV captures employees' emotional and affective experience that follows on from PCB and is accompanied by their feeling of anger, injustice and betrayal.

Whilst previous research supports a distinction between PCB and PCV, it is clear

that both represent the employees' view with regards to an organization's failure to fulfil its obligations (Morrison & Robinson, 1997). That is, although the onset of PCV means that the employees' response has escalated into a strong emotional reaction, rather than being merely a perception that the organization has failed to fulfil its obligations, it has been argued that there is a high correlation between PCB and PCV (Robinson & Morrison, 2000; Raja *et al.*, 2004; Suazo (2009). For example, Raja *et al.* (2004) argued that PCV represents a kind of mechanism through which PCB can be translated into a series of outcomes, such as high turnover, increased job dissatisfaction, and low organizational citizenship behaviour. Further, Suazo's (2009) empirical study suggests that PCV is a mediating variable in the relations between PCB and the workplace attitudes and behaviours of employees.

With respect to the current research, a greater focus was placed on PCB, with the reasons being two-fold. First, the study targeted the Chinese public sector, within which the influence of social desirability (Paulhus, 1991) is an extremely strong force. In this environment, civil servants are often unwilling to disclose their true emotional feelings about any breach, even if it existed, with such behaviour being due to both traditional Chinese culture and the hierarchical system. Consequently, in a Chinese context, PCV is difficult to measure with any degree of accuracy. Therefore, the term PCB was adopted as the preferred focus for the current study, as it represented the civil servants' perceptual process. Second, according to Shrigley *et al.* (1988) and Triandis (1971), an employees' perception relates to a trilogy of cognition, affection, and conation, which are distinct from an employees' behaviours and work outcomes. Both PCB and PCV are closely concerned with employee perception, so rather than escalating these into behaviours and work outcomes, the perceptual focus was adopted. Furthermore, as the main purpose of the current study was to investigate the Chinese civil servants' response to organizational change, it was felt best to focus on the key concept of PCB, rather than dwelling on the distinction between PCB and PCV.

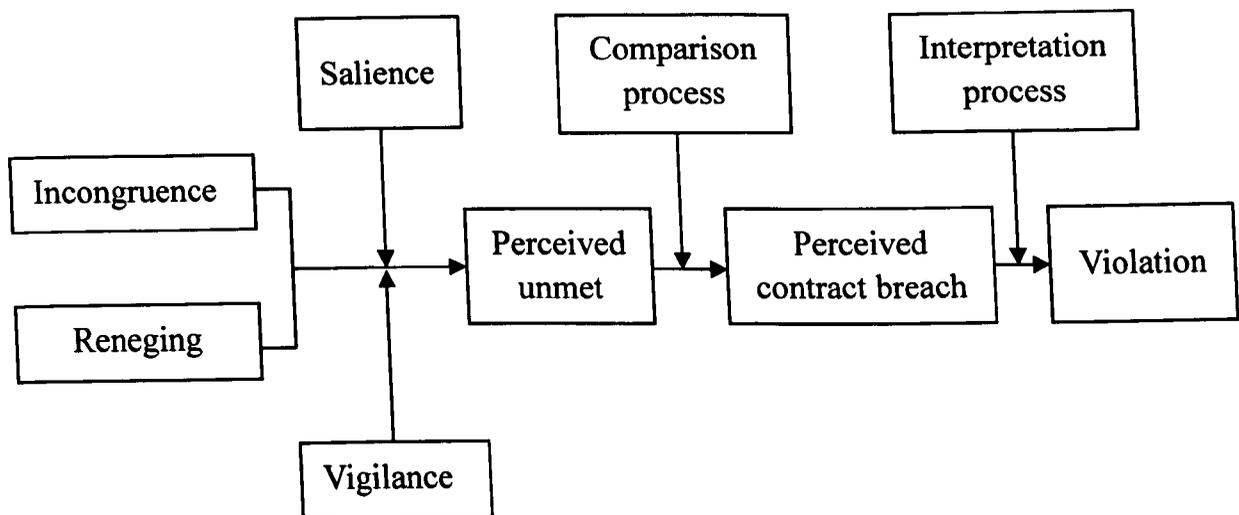
### 3.3.2 The Process of PCB

Many researchers have focused their research on the processes of PCB (e.g. Morrison & Robinson, 1997; Turnley & Feldman, 1999b; Lo & Aryee, 2003; Pate *et al.*, 2003). The following represent some classic models that demonstrate the process of PCB.

#### (1) The Process Model of PCB

This model, developed by Morrison and Robinson (1997) describes the whole process of the psychological contract by outlining how the employees' psychological sense-making is established to the employees' emotional experience of violation. It is shown in Figure 3.3:

**Figure 3.3: The Process Model of PCB**



As seen in Figure 3.3, the first two key factors that can precipitate PCB can be identified and distinguished as reneging and incongruence (Morrison & Robinson, 1997). As such, incongruence occurs when employees have different cognition regarding the employment obligations from that of their organization (Cheng & Petrovic-Lazarevic, 2005; Morrison & Robinson, 1997); whereas

reneging occurs when the organization breaks its promises and obligations to the employees on purpose, because it is unable or unwilling to fulfil them (Morrison & Robinson, 1997; DelCampo, 2007).

According to Robinson and Morrison (2000), both reneging and incongruence will directly contribute to the employees' PCB; however, for different reasons, the degree of PCB will be different. If the employee attributes the PCB to reneging, it is likely to lead to the employee undergoing a series of emotional experiences of violation (Morrison & Robinson, 1997). If the employee attributes the PCB to incongruence, although PCB would occur, it is possible to prevent it developing into violation by using communication between the two parties involved in the contract (Robinson & Morrison, 2000). Morrison and Robinson (1997) also argued that, in terms of the subjective nature of the psychological contract, the process of PCB is usually influenced by employees' beliefs and perceptions, which can be reflected in the comparison and interpretation process.

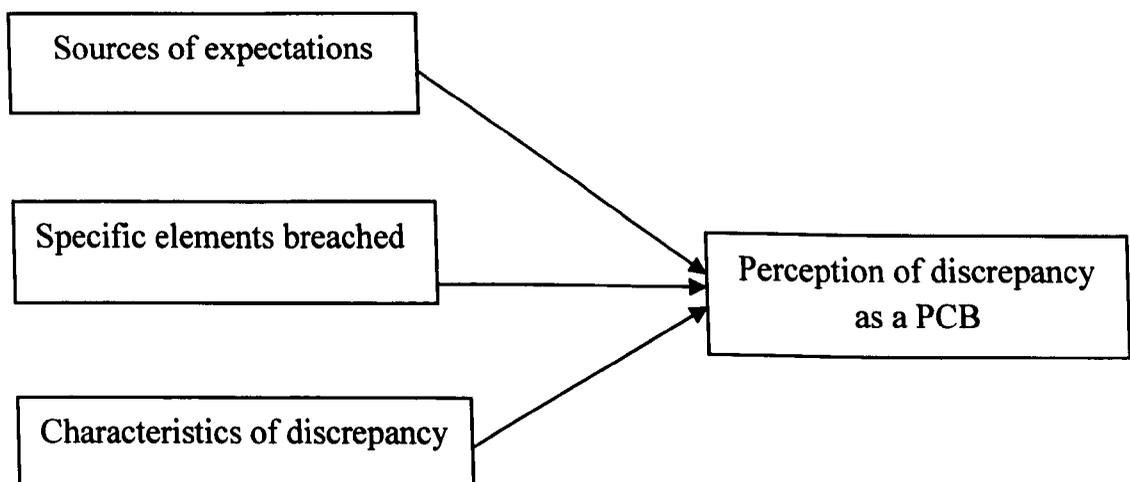
This model can clearly illustrate the three stages of PCB, which include perceived unmet promises, perceived breach of contract, and violation (Morrison & Robinson, 1997). In the process of PCB, every stage is influenced by a different process of information gathering and sense-making, which includes salience (size, importance, vividness), vigilance (uncertainty, nature of relationship and perceived costs), a comparison process (self-serving biases and threshold effects), and interpretation process (outcome assessment, attributions, fairness judgments and social contract) (Morrison & Robinson, 1997). As such, salience and vigilance are two important factors. If employees are lacking in vigilance, it is likely that they may not notice that promises are unfulfilled (Morrison & Robinson, 1997). This implication can help to explain why employees are sometimes not influenced by violation of the psychological contract. In addition, by emphasizing the role of reciprocity in the comparison process in the development of PCB, Morrison and Robinson (1997) argued that

PCB not only occurs when employees perceive that they have not received the obligations that should have been forthcoming, but that it also occurs when employees perceive that they have made contributions but have not received the obligations that the organization promised them (Morrison & Robinson, 1997). By linking the psychological contract literature to research on breach and violation, the interpretation process will determine the intensity of employees' negative emotional experience (Robinson & Morrison, 2000)

## **(2) The Discrepancy Model of PCB**

The model developed and adapted by Turnley and Feldman (1999b) clearly demonstrates a discrepancy model for understanding the factors of employees' PCB. According to Turnley and Feldman (1999b: 368), the factors that lead to PCB include three aspects: "sources of employees' expectations, the specific contract elements on which discrepancies occur, and the nature of the discrepancy itself". The model is shown in Figure 3.4:

**Figure 3.4: The Discrepancy Model of PCB**



According to Turnley and Feldman (1999b), sources of employees' expectations include: the organization's promises to them; the organization's culture and common practices that are perceived by the employees; and the employees'

specific expectations of organizational operations. As an important issue in the psychological contract, the failure of the fulfilment of employees' expectations is likely to lead to their PCB (Turnley & Feldman, 1999b).

As for the specific elements breached, because of the dynamic nature of the psychological contract, the potential elements in the psychological contract are unable to be fully identified (Turnley & Feldman, 1999b). In accordance with the previous research, Turnley and Feldman (1999b: 373) concentrated on those most frequently used elements: "amount of pay, merit pay, fringe benefits, job security, training and development, advancement opportunities, and the work itself". Although different employees have different perceptions regarding these elements, they are the main reasons that can result in PCB (Turnley & Feldman, 1999b).

As for the characteristics of the discrepancy itself, these include "the magnitude of the discrepancy, over-reward and under-reward tradeoffs, amount of time between the promise and discrepancy, and the perceived cause of the discrepancy" (Turnley & Feldman, 1999b: 374). In general, the greater the discrepancy is, the higher the likelihood that a PCB will transpire (Turnley & Feldman, 1999b).

### **(3) Other models of PCB**

Based on the earlier research, Lo and Aryee (2003) adopted a more dynamic model of PCB. They suggested that organizational change and an employee's history of breach of contract are the antecedents of PCB, which are positively related to PCB and may lead to an employee's turnover intentions, psychological withdrawal behaviour, and may negatively relate to civic virtue. In Lo and Aryee's (2003) model, employees' trust in their employer was found to be the mediator of the correlation between PCB and employees' work outcomes

Pate *et al.* (2003) also developed a PCB model to explain the cognitive

mechanism of PCB. In accordance with Andersson's (1996) study, PCB can be explained by organizational justice, which concerns how employees' perceived fairness influences their behaviour in organizations (Novelli *et al.*, 1995). In Pate *et al.*'s (2003) model, three aspects of organizational justice issues - distributive justice, procedural justice and interactional justice - have been presented in assessing the extent to which organizational justice issues are sufficient and necessary for the change of employees' work outcomes.

In general, the above models provided the conceptual framework for the analysis of PCB. As such, the model developed by Morrison and Robinson (1997) pays attention to the development of PCB. The model developed by Turnley and Feldman (1999b) focuses on the causes of PCB. However, the form of PCB is a systematic process and it is closely related to the surrounding environment of the organization. Therefore, both Morrison and Robinson's (1997) and Turnley and Feldman's (1999b) models lack consideration of the dynamics of PCB. Although the model developed by Lo and Aryee (2003) accounts for the dynamics of PCB and concerns the whole process between organizational change, PCB and employees' work outcomes, it does not explain the role of PCB on the correlation between organizational change and employees' work outcomes. In addition, the model developed by Pate *et al.* (2003) concerns the sub-dimensional triggers of PCB in leading to its corresponding outcomes, but it neglects explanation of the cause of PCB.

According to Rousseau (1995), transformational organizational change can increase the likelihood of perceived PCB and lead to a negative impact on the employment relationship. During the period of transformational organizational change, it is difficult for organizations to avoid making changes to the psychological contract (Ruitenbeek, 2000). Therefore, to minimize the risk of PCB and improve the performance of employees, it is necessary to renegotiate the psychological contract during the period of organizational change and

transition (Ruitenbeek, 2000; Herriot *et al.*, 1998).

### **3.4 Employees' Responses to PCB**

In the research related to psychological contract, a number of studies focus on reporting employees' responses to the breach of their psychological contract (e.g. Guest, 1998b, Turnley & Feldman, 1999a; Turnley *et al.*, 2003; Pate *et al.*, 2003; Zhao *et al.*, 2007). In order to maximize the application of the Psychological Contract Theory, it is important to also focus on how employees would respond when their psychological contract is breached (Cassar & Briner, 2011).

#### **3.4.1 Traditional Framework**

The traditional perspective on the impact of PCB on employees' attitudes and behaviours has generally been grounded in social exchange theory and equity theory (Aselage & Eisenberger, 2003), and affective events theory (Zhao *et al.*, 2007).

According to social exchange theory, in the employment relationship both parties of the exchange relationship provide tangible benefits such as reward and money, or intangible benefits such as socio-emotional support to another (Blau, 1964). Because these benefits are a form of reciprocity, one party in the employment relationship is obligated to return favours that are provided by the other party, which, in the course of interactions, strengthens the interpersonal relationships (Gouldner, 1960). In addition, according to equity theory (Adam, 1965), each individual in an organization seeks to establish and keep a fair and balanced exchange relationship with others (Suazo, 2009). When employees perceive that there is an inequity between what they were promised and what was delivered by their organization, then PCB is likely to occur (Morrison & Robinson, 1997; Rousseau, 1995).

Because any discrepancy and inequity represents an imbalanced social exchange relationship between the employees and their organization, employees would usually adopt a variety of negative workplace attitudes and behaviours such as decreased job satisfaction (e.g. Robinson & Rousseau, 1994), in-role job performance (e.g. Robinson, 1996; Turnley & Feldman, 1999a), organizational commitment (e.g. Robinson, 1996), and increased turnover intention (e.g. Robinson & Rousseau, 1994) in order to re-establish the mutual balance of the employee-organization relationship.

However, although the above theories have been taken to explain PCB and its impact on employees' attitudes and behaviours (Pate *et al.*, 2003; Turnley *et al.*, 2003; Zhao *et al.*, 2007), they have not differentiated the impact of PCB on attitudinal and behavioural outcomes. In addition, both theories emphasize the cognitive and objective judgments of the employees' reaction, whereas the impact of emotional factors is ignored.

Affective events theory is different from the above theories (Weiss & Cropanzano, 1996) in that it emphasizes employees' emotional responses, which refers to employees' emotional or affective reactions when they experience a significant workplace event (Zhao *et al.*, 2007). According to affective events theory (Weiss & Cropanzano, 1996), the experience of a positive or negative workplace event shapes employees' emotions and leads to a series of emotional or affective reactions including attitudinal and behavioural reactions (Mignonac & Herrbach, 2004; Zhao *et al.*, 2007; Bal *et al.*, 2008; Glasø *et al.*, 2011; Gouthier & Rhein, 2011). Based on affective events theory (Weiss & Cropanzano, 1996), a negative workplace event can lead to a series of employees' negative emotional reactions such as fear, anger, depression or frustration (Morrison & Robinson, 1997; Zhao *et al.*, 2007). Accordingly, employees' negative emotional reactions are likely to result in their negative work attitudes, such as a decrease in

trust (Dimoka, 2010) and job satisfaction (Parzefall & Hakanen, 2010). As a result, employees' negative work attitudes can result in their negative work behaviours, such as a decrease in their organizational commitment (Thoresen *et al.*, 2003). In accordance with affective events theory, employees' perception of PCB can be taken as a significant workplace event that can lead to employees' emotional or affective reactions (Zhao *et al.*, 2007). In turn, employees' emotional or affective reactions are likely to predict their work attitude, and accordingly, the employees' work attitude would predict their work behaviour (Zhao *et al.*, 2007). This is shown in Figure 3.5:

**Figure 3.5: A Model of the Correlation between Breach and Outcomes (Zhao *et al.*, 2007)**

However, although affective events theory emphasizes the impact of emotional factors, the link between PCB and employees' responses such as attitudes and behaviours is discrete, which is somewhat removed from the actual employee responses in practice (Gallagher, 2008). In addition, without the theoretical support of social exchange theory, affective events theory fails to explain the processes of employees' perceptions regarding a negative event such as PCB. As Bal *et al.* (2008) argued, according to social exchange theory, when employees perceive their obligations have not been fulfilled by the organization, this would usually lead to them experiencing negative affective events. Subsequently, according to affective events theory (Blau, 1964; Taylor & Tekleab, 2004), PCB as an imbalanced social exchange relationship would influence employees' work attitudes and behaviours. Here, it is maintained that Farrell's (1983) EVLN model is the best model to describe employees' responses to PCB.

### 3.4.2 EVLN Framework

In a traditional framework, social exchange theory and equity theory have often been employed to explain the correlation between PCB and the employees' responses. According to social exchange theory and equity theory (Blau, 1964; Adam, 1965), both parties in the employment relationship try to maintain the balance and equity of the exchange relationship. If the employees feel that the organization has fulfilled its obligations to them, they tend to respond to the organization with a positive attitude and behaviour. Conversely, if the employees feel that the organization has failed to fulfil its obligations to them, they can respond by displaying negative attitudes and behaviour (Robinson & Rousseau, 1994). Further, according to affective events theory (Weiss & Cropanzano, 1996), PCB will often lead to negative emotional and behavioural responses from employees.

Traditional frameworks have generally found the impact of PCB on employees' behavioural responses to be in line with certain outcomes, such as positive and constructive relations, or ones that are negative and destructive (Kickul, 2001; Lester *et al.*, 2002; Turnley *et al.*, 2003; Kickul *et al.*, 2004). In order to explain the employees' responses to PCB in a clearer and more abstract way, Farrel (1983) developed the EVLN framework. In using of the Exit, Voice, Loyalty, and Neglect typology, he integrated the employees' constructiveness-destructiveness and activity-passivity dimensions into a 2×2 model (Farrell & Rusbult, 1992). It is argued that, in comparison with traditional frameworks, the EVLN framework provides a more effective means with which to test the employees' responses to PCB (Gallagher, 2008).

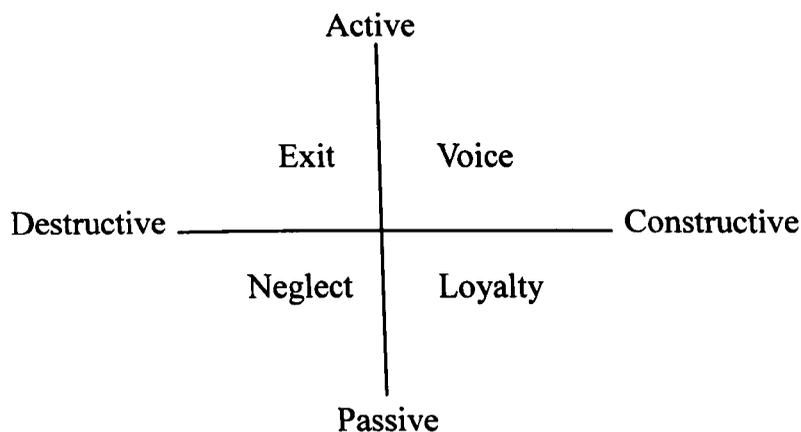
The EVLN framework was originally designed by Hirschman in 1970; and subsequent researchers have continued to develop it (e.g. Farrell, 1983; Rusbult *et al.*, 1988; Withey & Cooper, 1989). According to Farrell (1983), the EVLN

framework suggests that employees would respond to PCB with increased Exit behaviour (quitting their job), increased Voice behaviour (putting forward their constructive advice to the organization), decreased Loyalty behaviour (decreased extra-role behaviour or organizational citizenship behaviours), and increased Neglect behaviour (putting in less effort at work, increased absenteeism and lateness).

Further, as Rusbult *et al.* (1986) indicated, EVLN can be identified as four important employee responses to PCB, including increasing the intention to leave their jobs (Exit), expressing their opinions to the organization (Voice), reducing their organizational commitments (Loyalty), and reducing their job commitment and responsibilities to the organization (Neglect). As such, Voice and Loyalty are considered to be constructive to organizational development, whereas Exit and Neglect are considered to be destructive behavioural responses. On the other hand, Exit and Voice are considered as active behavioural responses; whereas Neglect and Loyalty are considered as passive behavioural responses (Rusbult *et al.*, 1988).

Farrell and Rusbult (1992) further expanded the EVLN framework by suggesting that employee responses to PCB can be categorized in two different dimensions in terms of constructiveness-destructiveness and activity-passivity. This is shown in Figure 3.6:

**Figure 3.6: A 2×2 Model of EVLN (Farrell & Rusbult, 1992)**



As seen in Figure 3.6, within the dimensions of constructiveness-destructiveness, Voice and Loyalty behaviour are constructive responses, in which employees tend to get and maintain a satisfactory employment relationship; conversely, Exit and Neglect behaviour are destructive responses, which would be unfavourable to keeping a satisfactory employment relationship. Within the dimensions of active and passive, Exit and Voice behaviour are active responses, in which employees tend to be more pro-active in responding to their dissatisfactions with the organization; whereas Neglect and Loyalty behaviour are passive responses, whereby employees are more passive and negative in responding to their dissatisfactions with the organization.

In empirical studies, a number of researchers have examined the correlation between PCB and employees' EVLN behaviour in different contexts (e.g. Turnley & Feldman, 1999a; Thomas & Pekerti, 2003; Ping, 1993; Hagedoorn *et al.*, 1999; Liljegren *et al.*, 2008; Bellou, 2009). As such, an important empirical study was conducted by Turnley and Feldman (1999a) among American managers and executives. By adopting the EVLN model to explain employees' responses to PCB, Turnley and Feldman (1999a) found that there is a positive correlation between PCB and employees' Exit, Voice and Neglect behaviour, and there is a negative correlation between PCB and employees' Loyalty behaviour.

Further, by investigating 233 teachers and maternity nurses in the Netherlands, Hagedoorn *et al.*'s (1999) empirical study supported the two-dimensional structure of the EVLN framework. They found that PCB is negatively related to employees' considerate Voice and Loyalty behaviour but positively related to their aggressive Voice and Neglect behaviour. In addition, in Bellou's (2009) empirical study among Greek public sector employees, it was found that PCB increased the destructive behaviour of Neglect and reduced the constructive behaviour of Loyalty, but did not significantly influence employees' Exit and Voice behaviour.

In addition, within the Chinese context, researchers have also examined the correlation between PCB and employees' EVLN behaviour. For example, in Pak's (2007) empirical study among Hong Kong employees, it was found that there is a positive correlation between psychological contract and employees' Exit and Neglect behaviour; and a negative correlation between psychological contract and employees' Voice and Loyalty behaviour. Further, Fu (2007) also examined the correlation between PCB and employees' EVLN behaviour within two private sectors in Taiwan; she found that PCB was positively related to employees' Exit and Neglect behaviour but negatively related to their Voice and Loyalty behaviour. Nevertheless, in terms of the difference in the availability of employees' internal and external job alternatives, the correlation between PCB and employees' EVLN behaviour would be different. Si *et al.* (2008) empirically examined the impact of PCV from three dimensions including transactional, relational and managerial psychological contract on Chinese managers' EVLN behaviour, and deduced the following conclusions: first, managerial psychological contract violation was positively related to Exit and Neglect and negatively related to Voice and Loyalty. Second, transactional psychological contract violation was positively related to Exit behaviour and negatively related to Voice and Neglect behaviour, but did not significantly influence managers' Loyalty behaviour. Third, relational psychological contract violation was

negatively related to Neglect but did not significantly influence managers' Exit, Voice and Loyalty behaviour. As such, it is important to note that both transactional and relational psychological contract violation were negatively related to Neglect behaviour. This contrasts with many of the Western studies' empirical findings.

In general, in most studies, PCB is considered to be positively related to employees' Exit, Voice and Neglect behaviour but negatively related to their Loyalty behaviour. However, different contexts and situations can result in differences in the correlation between PCB and employees' EVLN behaviour. Therefore, in the current study the correlation between PCB and civil servants' EVLN behaviour will be examined within the Chinese government context.

### **3.5 Cultural Issues on PCB and EVLN Behaviour**

As Thomas *et al.* (2003) and Thompson (2001) indicated, culture is a system which includes beliefs, morals, values, attitudes and behaviours that are shared by the people in a society. As "the collective programming of the mind that distinguishes the members of one group or category of people from others" (Hofstede, 2001: 9), cultural issues focus on a collective attribute, rather than an individual attribute. Culture is indirectly visible but can be manifested in the form of behaviours and can be categorized as a group of people's common ground (Hofstede & McCrae, 2004). In addition, cultural issues significantly influence people's psychological contracts, which can shape how the members of a society receive and deal with information within the given social environment (Kickul *et al.*, 2004; Shaw, 1990).

In order to understand and analyse the cultural differences and their influence, cultural dimension theories have been developed since the second half of the 20<sup>th</sup>

century. In breaking up cultural issues into identifiable elements, cultural dimension theories can help people to understand cultural differences in terms of different cultural dimensions (Maranga, 2010).

Early research on cultural dimension theories was based mainly on anthropology and the degree of economic and technological evolution, modernity, or differentiation. However, because of a lack of empirical testing, these dimensions are not convincing (Hofstede & McCrae, 2004). Further, Trompenaars and Hampden-Turner (1993; 1998) developed the seven cultural dimensions, and raised some unique dimensions that previous theories had not elaborated on. However, the seven cultural dimensions did not develop from statistical data and are not considered to be scientific, in that their reliability and validity have not been examined in an empirical study or even in a different context (Vesper, 2010).

House *et al.* (2002, 2004) developed the GLOBE cultural dimension, which refers to Global Leadership and Organizational Behavioural Effectiveness (GLOBE). By describing and predicting how specific cultural variables influence leadership, organizational processes and effectiveness, GLOBE theory aims to develop an empirically-based theory for cultural dimension. By outlining nine cultural dimensions, GLOBE tries to address Hofstede's (1980, 1988) conceptual deficits on cultural dimensions (House *et al.*, 2004). Although GLOBE is one of the most recent theories among cultural dimension theories, it is more US-centric and the relevant empirical studies are limited in comparison with the earlier cultural dimension theories such as Hofstede's five cultural dimensions (Hofstede, 2006; Earley, 2006).

Among different cultural dimension theories, Hofstede's cultural dimensions theory has been taken as the most used one in the arena of cultural research (Dahl, 2005). This is not only because of its clarity and parsimony (Kirkman *et al.*,

2006), but also because it employs statistical methods to help establish a series of convincing correlations between diverse factors, and its measurements are relative rather than absolute (Williamson, 2002; Al-Sharqawi, 2004).

However, there still have been criticisms of Hofstede's cultural studies. For example, the data that Hofstede adopted in his studies are all from IBM employees, which may not represent national cultural values (McSweeney, 2002). Nevertheless, most researchers have favoured Hofstede's framework and have cited and referred to it in their research and empirical studies (e.g. Javidan *et al.*, 2006; Earley, 2006; Smith, 2006; Haapaniemi & Makinen, 2009). As the validity and the reliability of Hofstede's cultural dimensions have been well established in the extant literature, it is considered to be a coherent theory with which to explain the variation between national cultures (Haapaniemi & Makinen, 2009).

### **3.5.1 Hofstede's Cultural Dimension**

Hofstede (1980) identified four work-related and value-based items as forming the cultural dimension: Power Distance (PDI), Uncertainty Avoidance (UAI), Individualism-Collectivism (IDV), and Masculinity-Femininity (MAS). Further, based on a survey designed and conducted in the Chinese culture, a fifth cultural dimension of Long-Term/Short-Term Orientation (LTO) was identified by Hofstede and Bond (1988).

PDI describes the degree of people's acceptance of inequality in a country's social system (Aggarwal & Goodell, 2010). By exhibiting a dominant pattern in the social order across cultures, PDI presents the cultural responses from the formal pattern of high PDI culture to a low PDI culture that is de-emphasizing dominance in the social order (Dodor & Rana, 2007). As such, high PDI culture emphasizes autocracy, in which the inequality of power and wealth is allowed to exist in the society (Hofstede, 1994). By following a high PDI social order, each

person in a society clearly knows his or her place in that society (Hofstede, 1997, 2001). On the contrary, in a low PDI culture, people usually tend to minimize their inequality. This is because people in a low PDI culture focus on democracy, value of equality and equal opportunity for everyone (Hofstede, 1980, 1983, 1984).

IDV describes how individuals think of themselves in relation to the group in which they live (Dodor & Rana, 2007). In literature, IDV has been taken as the most useful cultural dimension in predicting and explaining a diverse array of people's behaviour in a society (Triandis, 1995). A high IDV society emphasizes the importance of individual rights and preferences. Because people only consider themselves and their immediate benefits, the interpersonal relationships in the group is usually very loose (Alam & Hoque, 2010). On the contrary, a low IDV society emphasizes the characteristics of collectivism, loyalty and respect between group members (Hofstede, 1994). By reinforcing extended families and collectives, every individual in society has to take responsibility for others in their society (Hofstede, 1997, 2001).

UAI refers to the degree a society tolerates uncertainty and ambiguity (Hofstede, 2001). In a high UAI society, people have low tolerance for social uncertainty and ambiguity. In order to reduce uncertainty and ambiguity, people aim to establish a rule-oriented society that institutes laws, order, and regulation in order to assure a safe and pleasant life (Hofstede, 2001). Conversely, in a low UAI society, people have high tolerance for uncertainty and ambiguity, and have more tolerance for accepting a diversity of opinions (Lu, 2011). Because they are usually less rule-oriented, people in a low UAI society are more willing to accept changes and take greater risks.

MAS refers to the extent that a society sticks with the traditional masculine roles of achievement, control and power (Hofstede, 1991). In a high MAS society,

there is a high level of male dominance and gender inequality, in which people are considered to be more aggressive, ambitious, assertive, competitive and achievement-orientated (Hofstede, 2001). On the contrary, in a low MAS society, there is a high level of gender equality between men and women, in which people are assumed to be more nurturing, and display male dominance to a lesser extent (Pfeil *et al.*, 2006). In this type of society, because people are said to pay more attention to quality of life, equality in relationships and preservation of the environment, there is a low level of differentiation and discrimination between men and women in many aspects of the society (Hofstede, 2001).

LTO was added by Hofstede and Bond (1988) after finding a strong link to Confucian philosophy in Asian countries, particularly China, in comparison with Western cultures (Hofstede, 2001). It refers to “the extent to which a society exhibits a pragmatic future-orientated perspective rather than a conventional historic or short-term point of view” (Mooij & Hofstede, 2010: 90). In a high LTO society, people are very concerned with the values of long-term commitments, thrift and perseverance (Hofstede, 2001). In consideration of long-term interests, people in high LTO societies are patient, willing to overcome obstacles over time, and emphasize the importance of maintaining interpersonal relationships (Ryu, 2005). Conversely, in a low LTO society, people do not reinforce the concept of long-term commitments, thrift and perseverance. Also, because people are more concerned with short-term interests, they usually tend to deal with interpersonal relationships that are comparatively short-term (Ryu, 2005). In addition, because long-term commitments are not taken as important, changes can take place more rapidly in a low LTO society (Oluwabusuyi, 2011).

According to Hofstede and Hofstede (2005), the score for Hofstede's five cultural dimensions in Chinese culture is PDI (80), IDV (22), MAS (66), UAI (40) and LTO (118) respectively. Therefore, China is usually taken as a country that is very high in LTO, relatively high in PDI and MAS, relatively low in UAI,

and very low in IDV.

As Hanisch and Han (2003) argued, in a high PDI society, because people's thought is greatly influenced by a hierarchical ordering, obedience and compliance are usually taken for granted. In this situation, there are seldom contradictions between subordinates and their superiors; also, in accordance with the hierarchical ordering of a society, subordinates would seldom approach their superiors directly (Sudarwan & Fogarty, 1996). Thus, it is less likely that people in high PDI societies will show their Voices at work. Furthermore, because people in high PDI societies can accept the existence of a hierarchy of inequality that is perceived to provide the best protection for everyone (De Jong & Semenov, 2002), low turnover intention exists (Farh *et al.*, 2007; Tamar *et al.*, 2009).

In low IDV societies, first, in order to avoid confrontation people tend to respond to dissatisfying situations in a subtler way (Trubisky *et al.*, 1991; Au & Bemmels, 2000); thus, Exit behaviour is more prevalent for people in low IDV societies to respond to PCB (Thomas & Au, 2002). Second, people in low IDV societies usually have lower career aspirations and tend to have high emotional dependence on and high moral commitment to the organization (Hofstede, 1997, 2001). Because Voice behaviour is usually taken as a threat to team spirit (Wang *et al.*, 2009), it is usually adopted by the individualists rather than the collectivists (Thomas & Au, 2002). Third, people in low IDV societies pay great attention to maintaining harmony, and tend to avoid conflict by displaying passive and non-confrontational behavioural responses (Bhawuk, 2001). For the people in low IDV societies, they'd like to be patient to wait for things improvement when PCB occurs (Leck & Saunders, 1992). Thus, an increased Loyalty behaviour is usually adopted.

In low UAI societies, people can tolerate uncertainty and are not very concerned

about the system and rules (Dodor & Rana, 2007). They have low anxiety levels and a greater acceptance of change and failure (Emery & Oertel, 2006). According to Karun (2009), people in low UAI societies tend to respond to PCB in a more constructive way. Therefore, it is more likely that they will respond to PCB with Voice or Loyalty behaviour. However, people in low UAI societies have a greater tolerance for social uncertainty and ambiguity, believe in accepting and encouraging dissentient viewpoints among others, and are not averse to trying new things (Lu, 2011). In this case, it is less likely for them to respond to uncertainty through Voice behaviour.

In high MAS societies, people are very aggressive, egotistic and goal-orientated (Dodor & Rana, 2007), and pay excessive attention to their career development, work achievement and status in society (Mooij & Hofstede, 2010). This is different from low MAS societies, in which people are more concerned with the creation of a pleasant and less frustrating career development and social status (Hofstede, 1991). In a high MAS situation, any changes in the organization are likely to result in the change of people's emotional feelings (Morrison & Robinson, 1997). Therefore, it would be more likely for people in high MAS societies to perceive PCB.

In high LTO societies, people usually focus on future rewards and hard work (Hofstede, 1994). In addition, in considering the achievement of long-term interests, people in high LTO societies tend to respond to PCB in a more constructive way, such as with Loyalty behaviour (Karun, 2009). Nevertheless, in order to achieve their long-term interests, people in high LTO societies can be patient at work even if the acquisition of their immediate interest would be influenced (Yoon, 2009). Employees may also remain silent in response to any changes in government reforms even if the changes influence their immediate interests (Yoon, 2009).

Within the Chinese context, the impact of Hofstede's five cultural dimensions on Chinese people's PCB and EVLN behaviour are summarized in Table 3.4.

**Table 3.4: Cultural Dimension and Chinese People's PCB and EVLN behaviour**

<b>China's situation Cultural dimension</b>	<b>Brief Statement</b>	<b>PCB and EVLN Behaviour</b>
<b>PDI</b>	Average high	Low intention on Exit behaviour Reduced Voice behaviour
<b>IDV</b>	Very low	Increased Exit and Loyalty behaviour Reduced Voice behaviour
<b>MAS</b>	Average high	More likely to perceive PCB
<b>UAI</b>	Average low	Reduced Voice behaviour Increased Loyalty behaviour
<b>LTO</b>	Very high	Reduced Voice behaviour Increased Loyalty behaviour

### 3.5.2 Confucianism

As a predominant ethical and philosophical ideology that has existed in China for thousands of years, Confucianism is firmly rooted in Chinese cultural traditions and has exerted a very strong impact on Chinese people's thinking and psyche (Redding, 1990).

Confucianism is centred on the teaching of humanism, which emphasizes the cultivation of virtue and maintenance of ethics (Juergensmeyer, 2006). Basically, Confucianism can be characterized by the promotion of five virtues (Wuchang), which include Humaneness (Ren), Righteousness (Yi), Propriety (Li), Wisdom (Zhi) and Integrity (Xin) (Runes, 1983; Watt, 1999). As such, 'Ren' refers to people's obligation of humaneness for each other including love, harmony, kindness and benevolence (Wang *et al.*, 2005); 'Yi' refers to people's moral disposition to do good and to the upholding of righteousness (Craig, 1998); 'Li' refers to a comprehensive system of norms that guides people to act with

propriety or politeness (Turkson, 2005); 'Zhi' refers to people's ability to distinguish truth from untruth, and his/her moral cultivation; and 'Xin' refers to people's moral quality of honesty, integrity and trustworthiness (Elliot and Martin, 2008). In addition to the above five virtues, Confucianism can also be characterized by the promotion of many other elements such as Loyalty (Zhong), Filial piety (Xiao), Continency (Jie), Honesty (Cheng), Forgiveness (Shu), Gentleness (Wen), Kind-heartedness (Liang), Respectfulness (Gong), Frugality (Jian) and Modesty (Rang).

Based on the above elements of Confucianism, the main characteristics of Confucianism are as follows:

Firstly, Confucianism emphasizes that individuals should abide by the hierarchical principles and the distinction of social status (Bond, 1991). In accordance with the elements of Confucian characteristics such as Loyalty (Zhong), Filial piety (Xiao), Respectfulness (Gong), Righteousness (Yi) and Propriety (Li), Confucianism contends that people have to handle interpersonal relationships in terms of the hierarchical ordering of a society (Bond & Hwang, 1986; Laaksonen, 1988). In the key principles of Confucianism 'wu lun', five foundational relations are defined including parent-child, ruler-subject, husband-wife, elder-younger sibling, and friend-friend (Pang-White, 2011). Although the basic relationship of 'friend-friend' refers to a relationship of equals, the other four relations reveal that a hierarchical ordering is the principal foundation of human relationships in Chinese culture (Tan, 2003).

In terms of the emphasis of the hierarchical principles of Confucianism, the relationships for people in different social status, roles and gender may be different (Kee, 2008). For example, in terms of the gender difference and position level difference, men and superiors can always enjoy greater favours than women and their supposed inferiors. The basic roles for women and

inferiors are to obey the orders of men and superiors. In Confucianism, it is permissible for inequality to exist among people with different social status, roles and gender (Tan, 2003).

Secondly, Confucianism is centred on the teaching of the moral values of interpersonal relationships. As Juergensmeyer (2006) argued in terms of the core characteristics of humanism, in spite of the five virtues ('wuchang') and other elements of Confucian characteristics, they all concern the interpersonal relationships among people. Therefore, interpersonal relationships are particularly important in Chinese society. As such, as a special type of interpersonal relationship in Chinese society, 'Guanxi' refers to the durable networks and connections among people, which are used to exchange favours in personal relationships, and which are characterized by favour, trust and interdependence (Dunning & Kim, 2007; Wong and Chan, 1999). This is different from bribery, which emphasizes short-term benefits or gains, as Guanxi focuses on long-term obligations (Kidd, 2001; Yang, 2002). In addition, in accordance with the Confucian characteristics of harmony and hierarchy, the concept of Guanxi aims to establish harmonious interpersonal relationships and respect for the hierarchy of a society (Dunning & Kim, 2007). In Chinese society, Guanxi has become an influential procedural mechanism in an individual's work and social activity (Peng & Luo, 2000).

Thirdly, Confucianism stresses the value of Harmony. To create a harmonious interpersonal relationship, the five relationships of 'wu lun' are put forward, to specify each relationship within its own ethical code and principle. Hoare and Butcher (2008) defined Harmony as a person's inner balance, along with the balance of their natural and social surroundings. Chinese people aim to achieve harmony or balance by controlling the extremes (Pun, *et al.* 2000). It is particularly important to maintain harmony through exchanging a favour with a favour. If mutual exchanges are not enacted, then the Guanxi principle regarding

reciprocity and equity are likely to be violated, which may result in a loss of face ('Mianzi').

Earley (1997) defined 'Mianzi' as a phenomenon which refers to a person's reputation or social status. Although the impact of Mianzi on the members of a society varies in different cultural backgrounds, it emphasizes the importance of the reciprocal relationship of respect and courtesy (Buttery & Leung, 1998). Mianzi is an important cultural value in China and Chinese people always have a strong intention to get and keep Mianzi (Hofstede & Bond, 1988). No matter an individual's social status and achievements, if he or she could fulfil the relevant obligations of the social roles according to the five virtues of Confucianism, then he or she is likely to have Mianzi. Basically, Chinese people tend to give Mianzi to others, and at the same time they count on other people to reciprocate the level of Mianzi to them (Hofstede, 1991). Likewise, confronting each other, losing one's temper, or showing arrogant behaviour would lead to a loss of Mianzi. Further, the loss of Mianzi can result in the termination of a Guanxi relationship and may also weaken the network in which the individual operates (Pun *et al.*, 2000).

In Chinese society, in consideration of Guanxi (Wang *et al.*, 2010) and Mianzi (Earley, 1997), people usually seek to protect reciprocal relationships of respect and courtesy (Buttery and Leung, 1998), and long term interests (Wang *et al.*, 2010). People are less likely to show their Voice to obtain short-term interests because they do not wish to run the risk of breaking Guanxi (Wang *et al.*, 2010) and Mianzi (Earley, 1997). More importantly, based on the idea of Harmony in Confucian thought, people are always seeking to establish balanced natural and social surroundings through their understanding and by helping each other (Hoare and Butcher, 2008). In this case, showing Voice behaviour is usually taken as a threat to a harmonious environment.

### **3.5.3 The ‘Post 80s generation’ in China**

As a popular terminology that is used to identify subgroups, the term ‘generation’ has been widely applied to the research field of psychology and management (Rogler, 2002; Egri & Ralston, 2004; Schewe & Meredith, 2004; Dou *et al.*, 2006). As per Rogler’s (2002) definition, generation refers to a classification of people who were born at a certain period of time and who share similar values, attitudes or life styles.

Generally, age and social structural elements are often taken as the indicators in classifying generations (Rogler, 2002). Integrating the social context in current Chinese society, and using the two indicators in classifying a generation, the ‘Post 80s generation’ is identified as the most typical subgroup that exists in Chinese society (Elegant, 2007; Moore, 2005).

As Cao (2009) indicated, the ‘Post 80s generation’ is a translation of the Chinese term (八零后), which refers to those people who were born in the 1980s. In China currently the ‘Post 80s generation’ has been taken as a unique generation due to the following reasons:

On the one hand, since the implementation of the ‘One-child Policy’ in 1979, the majority of children born in the ‘Post 80s generation’ are the only children in their families (Cao, 2009). Under the consideration and love of all their family members, the ‘Post 80s generation’ is often self-oriented, egotistical and individualistic (Sabet, 2010). By claiming ‘living for myself’, the ‘Post 80s generation’ is more concerned with his or her personal feeling and subjective judgment, rather than caring about other people’s feelings and opinions (Elegant, 2007). Unlike the previous generation, that of their parents, they are less concerned with spiritual benefits and pay greater attention to material interests such as pursuing fashion trends and personality (Chen, 2011). Because of the

support and help from their parents, the 'Post 80s generation' is inclined to spend much of their money without concern for the long-term consequences.

On the other hand, since the implementation of the 'Reform and Open Policy' in 1979, the living standard of Chinese people has been improving year by year. Growing up in a relatively rich and diverse environment, the 'Post 80s generation' is better-educated, more open-minded, and more optimistic about their future when compared with the earlier generations (Wolburg & Pokrywczynski, 2001). Furthermore, with the influence of a more diverse environment in the last 30 years, the 'Post 80s generation' is becoming a hybrid generation, with a combination of Chinese traditions and Western culture (Elegant, 2007). In contrast with their parents' generation, which was more influenced by Chinese traditions, the 'Post 80s generation' is influenced more by Western culture and thought rather than Confucian thoughts such as Mianzi (Buttery & Leung, 1998), and long-term commitments (Hofstede, 1994). They not only uphold freedom and actively express their own opinions, they also like to embrace various challenges and accept new ideas (Moore, 2005; Elegant, 2007).

### **3.6 Conceptual Design of this Study**

As seen in the literature review, many researchers have discussed the correlation between organizational change, PCB and employees' behavioural responses. For example, Lo and Aryee (2003) found that organizational change is an antecedent of PCB and is positively related to employees' PCB. Schalk and Freese (2000) found that the employees' psychological contract would be affected by organizational changes, which consequently lead to the change of the employees' attitudes and behaviours towards their work. Turnley and Feldman (1999a) and Kiazad (2010) found that PCB is positively related to the employees' Exit, Voice and Neglect behaviour but negatively related to employees' Loyalty behaviour.

However, little work has focused on how the mediating process interplays between organizational change and employees' behavioural responses. Furthermore, no research has looked at the correlations in terms of the sub-dimensions. Therefore, the current study seeks to develop the conceptual framework to address the gaps in the previous studies.

### **3.6.1 The Role of PCB**

According to Conway and Briner (2005), PCB refers to employees' perceptions when the organization fails to fulfil its obligations to them. Essentially, PCB represents perceived unmet obligations, which have the characteristics of being implicit and subjective (Pate *et al.*, 2003). Thus, when organizational change occurs, it would primarily lead to a change of the employees' cognition and affection, rather than their direct behavioural responses (Weiss & Cropanzano, 1996; Suazo *et al.*, 2005). Therefore, the employees' behavioural responses to PCB are based on a change of employees' cognition and affection (Zhao *et al.*, 2007).

First, according to Allen (2009), organizational change may lead to a discrepancy between organizational goals and employees' individual goals. When this discrepancy occurs, employees may perceive that the organization has failed to fulfil its obligations to them, which is likely to lead to a change in interpretation of the psychological contract, and could perhaps result in PCB (Morrison & Robinson, 1997; Rousseau, 1995). According to social exchange theory (Homans, 1961), a change in an aspect of an employee's psychological contract may lead to an imbalance in the social exchange relationship (Sheppard *et al.*, 1992). In order to restore balance to the exchange relationship, employees are often motivated to have a series of behavioural responses, such as EVLN behaviour (Turnley *et al.*, 2003).

Second, because organizational change usually requires employees to think in a different way, any change in an organization could have a significant impact on its employees (Allen, 2009). Therefore, in the implementation process of organizational change, employees' expectations and needs are likely to be altered, which may result in ambiguity of the psychological contract between employees and their organization, and thus make the fulfilment of obligations more difficult (McLean Parks & Kidder, 1994; Hind *et al.*, 1996). As a result, it can possibly lead to employees' behavioural responses such as Exit, Voice, Loyalty and Neglect behaviour (Turnley & Feldman, 1999a).

Third, as many researchers have argued, organizational change can not only lead to a possible loss of employee interests such as power, status and rank, but it can also lead to employees' being overloaded with work and having reduced resources to carry out their work (Doby & Caplan, 1995; Hui & Lee, 2000; Piderit, 2000; Ito & Brotheridge, 2001; Callan, 1993). Against the background of change in the work environment, ambiguity and conflict may lead employees to feel very uncertain about their future in the organization and unclear about when their job might change or end. Because of this, it is likely that the high level of ambiguity and conflict may lead to employees feeling a greater sense of uncertainty in the employment relationship (Storseth, 2004). According to Storseth (2004), the uncertainty of organizational change can result in employees' feeling a lack of job security, with this job insecurity having a negative impact on their job satisfaction, which can show as EVLN behaviour (Robinson, 1996; Allen *et al.*, 2001; Adkins *et al.*, 2001; Greenglass *et al.*, 2002; Krause *et al.*, 2003; Vakola & Nikolaou, 2005; Sharkie, 2005; Atkinson, 2007).

In addition, the success of the implementation of organizational change depends on the extent to which the employees can accept it (Erorgan, 2008). When employees perceive that the organizational change cannot satisfy their expectations, they often respond to it in a negative way and resist change efforts

(Weber and Weber, 2001; Jones *et al.*, 2008). In consideration of the development of organizations, it is also important to pay attention to employees' feedback to organizational change.

In literature, two models can be taken as the theoretical basis of employees' feedback to organizational change, which are single-loop learning and double-loop learning (Argyris & Schon, 1978). As such, single-loop learning refers to a process in which organizations can find and correct their problems in order to ensure that they achieve their stated objectives (Argyris, 1977). According to Dodgson (1993), single-loop learning can be seen as the organizational activities that bring the knowledge or regulations down through an organization without a variation of its organizational goals and methods. Conversely, double-loop learning refers to a process in which organizations can find and solve their problems even if their existing policies and goals need to be modified (Argyris & Schon, 1978). According to Dodgson (1993), double-loop learning would change the knowledge-base, firm-specific competences or routines of the organization.

As Mason (1993) suggested, double-loop learning is also called 'strategic learning', in which organizations should primarily make sense of the organizational environment in order to achieve the organizational objectives. Thus, in comparison with single-loop learning, double-loop learning is more appropriate for a dynamic environment (Yeo, 2002). This study focuses on the civil servants' behavioural responses in an organizational change environment, specifically, government reforms since 2006. The government reforms have been fundamentally changing the norms, procedures, organizational structures and objectives of the government (Lo, 2007). In accordance with the double-loop learning theory, the organization is a cycling process (Dooley, 1999). Therefore, in order to ensure the success of the implementation of organizational change, attention also needs to be paid to employees' feedback regarding organizational

change, such as their behavioural responses (Bareil *et al.* 2007).

### **3.6.2 The Sub-dimensional Inter- correlations**

According to Beer (1980) and Senior (2002), any kind of organizational change is an uninterrupted changing process with regard to the organization's strategy, process, people, and structure. In the current study, these four dimensions were adopted to examine the sub-dimensional inter-correlations between organizational change, PCB and employees' behavioural response.

Firstly, according to Moody (2010), strategic changes refer to changes in the basic objectives or mission of the organization. Any organization will have to think about adjusting its strategy to its dynamic environment, in order to achieve the organization's goals, and ensure a strong fit between strategy and the organization's environment (Jones, 2009). For example, under the changing environment, organizations sometimes have to undertake strategic change such as M & As in order to increase their competitive strength, maximize their profits and minimize risks to the organization (Walter, 1987). However, M & As can create uncertainty among employees, which would inescapably lead to them feeling more under pressure (Krug & Aguilera, 2005). Accordingly, employees' enthusiasm for work can decrease, whilst their dissatisfaction about the organization can increase (Mao & Liu, 2008). According to Lo and Aryee (2003), uncertainty is one of the important factors leading to a breach of the employees' psychological contract. Under a strong feeling of uncertainty, employees' perceptions of both organizational obligations and contributions can be changed (Bellou, 2007b). Accordingly, this may lead to a series of behavioural responses, such as EVLN behaviour.

Secondly, according to Poloczek *et al.* (2008), structural changes involve changing the internal structure of the organization, which may include

restructuring the organizational sectors, or redistributing the functions and the responsibility for organizational sectors. For example, to optimize the organization's functions and responsibilities and to increase its work efficiency, an organization sometimes carries out a series of structural changes, such as downsizing through cutting down certain sectors, or by merging the sectors that are overlapping in function (Cappelli, 1999). Accordingly, by undergoing the process of structural change, employees from the surviving sectors can feel more stressed at work (Greenhalgh, 1983; Armstrongstassen, 1993). Sutton and D'Aunno (1989) stated that, as a significant outcome of downsizing and layoffs, stress usually accompanies strong feelings of threat and worry, which may lead to changes in the remaining employees' work attitudes and behaviours, such as reduced organizational commitment and job satisfaction, and increased intention to leave (Brockner, 1988). Furthermore, with the implementation of structural changes, employees become concerned about the increase in workload as a result of the reduction of manpower (Campbell *et al.*, 2000). Accordingly, changes may lead to an increase in employees' job insecurity, which is likely to lead to reduced commitment and reduced job satisfaction (Ashford *et al.*, 1989). Correspondingly, it could lead to the employees' PCB and EVLN behaviour (e.g. Edwards *et al.*, 2003).

Thirdly, as Hammer and Champy (1993) indicated, process-oriented changes require the organization to re-engineer processes to achieve optimum workflow and productivity. For example, with the increase in technological development, the work efficiency of organizations has improved significantly (Nganga *et al.*, 2011). The introduction of new technology allows an organization to re-engineer its processes in order to adapt to the changes that technological development can lead to. However, the application of new technology can increase efficiency and reduce the need for human labour. Due to a lack of required skills for new technology, some employees may have to become resigned to the possibility of losing their jobs (Cavanaugh *et al.*, 2011), which could inevitably increase the

possibility of employees' PCB as well as their corresponding EVLN behaviour (Vieitez *et al.*, 2001).

Fourthly, people-oriented changes are directed towards employees' attitudes, behaviour and performance (Kittleson, 1995), such as a change in leadership style. As a change involving the human dynamics of an organisation, a change in leadership style is found to significantly affect the employees' psychological contract (Chu & Fu, 2005). Under these dynamics, due to a lack of understanding of the new leadership style and the uncertainty of future work assignments, it is less likely that the employees will trust the new leadership style (Flood *et al.*, 2008). According to Robinson (1996), decrease of trust can lead to change in the employees' psychological contract, and negative responses such as an increase in job dissatisfaction, and a high employee turnover (Judge & Ilies, 2004; Kane & Tremble, 2000).

### **3.7 The Conclusions of the Literature Review**

By critically reviewing the literature regarding organizational change, PCB and employees' behavioural responses, the main conclusions are outlined below:

- (1) A four-dimensional structure, including the organization's strategy, process, people, and structure, can be taken as one of the categorizations of organizational change;
- (2) Organizational change is likely to lead to employees' resistance to change, and may lead to changes in their psychology and behaviours;
- (3) The psychological contract broadly consists of three dimensions of transactional contract, relational contract and balanced contract;
- (4) PCB usually occurs in the period of organizational change and can result in uncertainty of the employment relationship, and a series of employees'

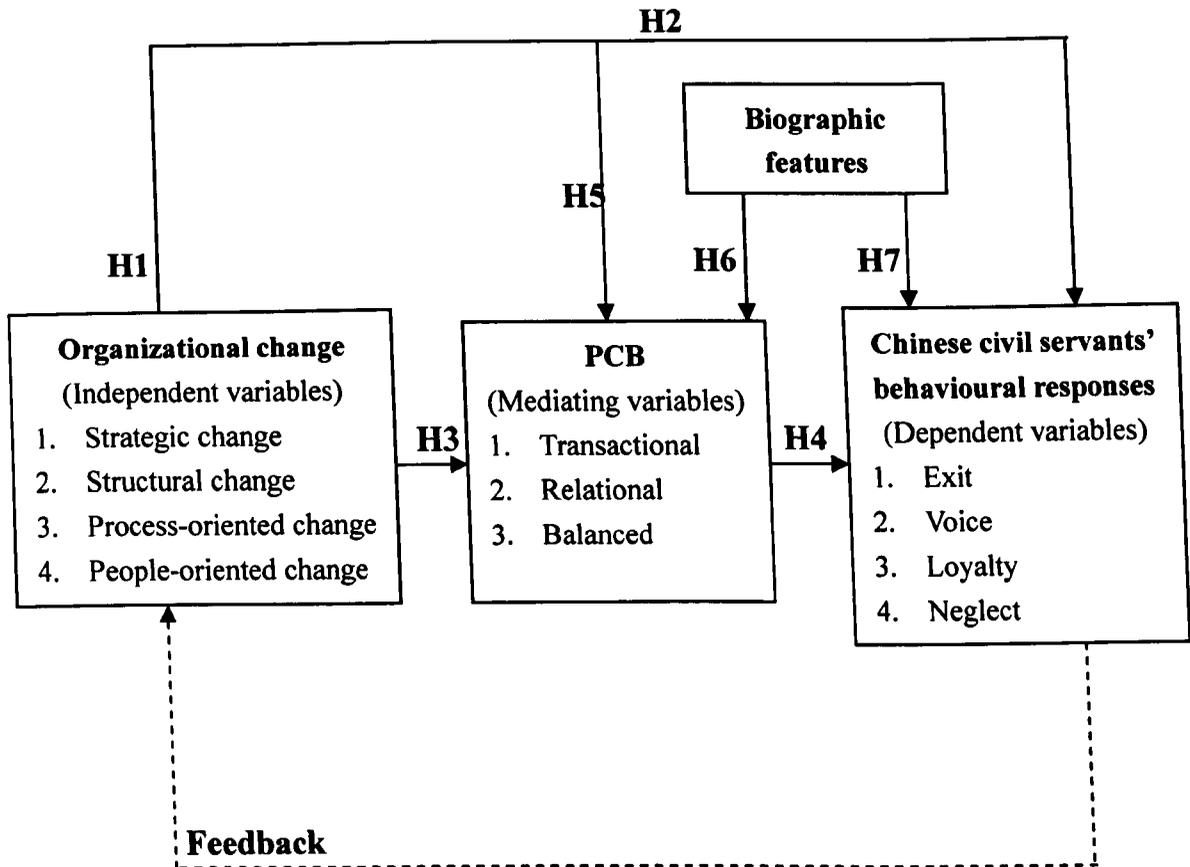
behavioural responses;

- (5) Based on the main stream of empirical studies in Western countries, there is a positive correlation between PCB and employees' Exit, Voice and Neglect behaviour; and a negative correlation between PCB and employees' Loyalty behaviour. However, in terms of the different contexts, the impact of PCB on employees' EVLN behaviour will vary;
- (6) Cultural issues have a great impact on employees' PCB and their EVLN behaviour.

### **3.8. Conceptual Framework and Hypotheses**

Based on the literature review and empirical studies, the correlation between organizational change, PCB, and the Chinese civil servants' EVLN behaviour can be presented as a coherent conceptual framework. In accordance with the research aim of this study, the variables were identified within the conceptual framework (Figure 3.7):

**Figure 3.7: Postulated Conceptual Framework, Variables and Hypotheses**



As can be seen in Figure 3.7, organizational change is taken as the independent variable, which includes strategic change, structural change, process-oriented change and people-oriented change. The EVLN behaviour of the Chinese civil servants was used as dependent variables, which consisted of four different kinds of behaviour: Exit, Voice, Loyalty and Neglect. PCB operated as a mediating variable, which included the transactional, relational and balanced forms of PCB. With respect to individual biographic features, the areas of age, gender, educational qualifications, tenure, position-level at government, governmental level of working, political status, and respondent's location were used to determine differences and correlations in PCB and EVLN behaviour. Finally, because the civil servants' responses to organizational change (Chinese government reform) were directly related to the success of organizational change, this was also considered, although it was not a key focus of the study.

Having identified a clear direction for the current study, the key areas can be broken down to provide a more detailed outline of the study's conceptual framework (Table 3.5):

**Table 3.5: Theoretical Support of the Conceptual Framework**

<b>Conceptual Item</b>	<b>Theoretical Outline</b>	<b>Related studies</b>
<b>Organizational change</b>	<ol style="list-style-type: none"> <li>1. An on-going process with regard to the organization's strategy, process, people and structure;</li> <li>2. A connection between organizational change and organizational strategy, process, people, and structure.</li> </ol>	Beer (1980); Senior (2002); Moody (2010); Poloczek <i>et al.</i> (2008); Hammer & Champy, (1993); Kittleson (1995)
<b>PCB</b>	<ol style="list-style-type: none"> <li>1. Three aspects involving transactional, relational and balanced, which form a Psychological Contract Inventory;</li> <li>2. Empirical studies have confirmed the three aspects of the psychological contract in different countries;</li> <li>3. Employee perception of the organization's failure to fulfil psychological contract is important.</li> </ol>	Hui <i>et al.</i> (2004); Rousseau (2000); Dabos & Rousseau (2004); Rousseau & Parks (1993); Van de Ven (2004)
<b>Employees' behavioural responses</b>	<ol style="list-style-type: none"> <li>1. The EVLN framework is more effective for testing employees' responses to PCB than traditional framework;</li> <li>2. Development of the Exit, Voice, Loyalty, and Neglect (EVLN) typology;</li> <li>3. Employee EVLN behaviour can be categorized using the dimensions of constructiveness-destructiveness and activity-passivity.</li> </ol>	Farrel (1983); Gallagher (2008); Farrell & Rusbult (1992); Rusbult <i>et al.</i> (1986); Mellahi <i>et al.</i> (2010)
<b>Organizational change on employees' behavioural responses</b>	<ol style="list-style-type: none"> <li>1. Change results in employee behavioural responses such as organizational commitment, job satisfaction and work performance;</li> <li>2. Different change characteristics lead to both direct and indirect employee behavioural responses.</li> </ol>	Erorgan (2008); Shah & Irani (2010); Rafferty & Griffin (2006); Smollan (2006); Weber & Weber (2001)
<b>Organizational change on PCB</b>	<ol style="list-style-type: none"> <li>1. PCB often occurs during organizational change;</li> <li>2. Organizational change makes the</li> </ol>	Ussahawanitchakit & Sumritsakun (2008); Freese (2007);

	<p>fulfilment of contract more difficult;</p> <p>3. Organizational change can increase the possibility of PCB by influencing the employees' subjective and psychological perceptions.</p>	<p>Chao <i>et al.</i> (2011); Bal <i>et al.</i> (2008); Chen <i>et al.</i> (2008),</p>
<b>PCB on employees' behavioural responses</b>	<p>1. PCB responses are grounded in social exchange theory, equity theory and affective events theory;</p> <p>2. The correlation between PCB and employee EVLN behaviour has been examined in different contexts.</p>	<p>Turnley &amp; Feldman (1999a); Thomas &amp; Pekerti, (2003); Bellou (2009); Si <i>et al.</i> (2008); Pak (2007); Fu (2007)</p>
<b>Employees' behavioural responses to organizational change</b>	<p>1. Successful organizational change depends on the extent to which employees can accept the change;</p> <p>2. Employees often respond to organizational change in a negative way and resist change efforts;</p> <p>3. Organizations follow a cycling process based on the double-loop learning theory.</p>	<p>Erorgan (2008); Weber &amp; Weber (2001); Jones <i>et al.</i> (2008); Dooley (1999)</p>
<b>The mediating role of PCB</b>	<p>1. Employee perceptions include a trilogy of cognition, affection, and conation;</p> <p>2. Employee responses to organizational change happen at a number of levels, including cognitive, affective and behavioural;</p> <p>3. Employees respond to organizational change according to how well they perceive their psychological contract is being fulfilled.</p>	<p>Smollan (2006); Shrigley <i>et al.</i> (1988); Triandis (1971); Lo &amp; Aryee (2003); Schalk &amp; Freese (2000); Wang &amp; Wu (2008)</p>

To operationalize the research objectives, seven null hypotheses were identified and used to test out the theoretical constructs (Figure 3.7):

**H1:** Within the Chinese government context, organizational change does not consist of a four-dimension structure of strategic change, structural change, process-oriented change and people-oriented change.

**H2:** There is no correlation between organizational change and the Chinese civil

servants' EVLN behaviour.

**H3:** There is no correlation between organizational change and the Chinese civil servants' PCB.

**H4:** There is no correlation between PCB and the Chinese civil servants' EVLN behaviour.

**H5:** PCB does not mediate the correlation between organizational change and the Chinese civil servants' EVLN behaviour.

**H6:** There is no significant difference in the Chinese civil servants' PCB, with regard to their biographic features.

**H7:** There is no significant difference in the Chinese civil servants' EVLN behaviour, with regard to their biographic features.

## **Summary**

Having conducted a critical literature review and identified the gap in the literature, a postulated conceptual framework and the relevant seven main hypotheses were presented. The following chapter relates to the methodology and methods used to gather the raw data and the systematic analysis of this.

# Chapter 4: Research Methodology

“Research is best conceived as the process of arriving at dependable solutions to problems through the planned and systematic collection, analysis, and interpretation of data” (Mouly, 1978: 12). In the process of research, the choice of an appropriate methodology is of particular importance.

The main aim of this chapter is to explain and justify the research design and processes adopted within the programme of study in order to achieve the research objectives. The chapter seeks to defend the adoption of a positivist paradigm. By arguing the ontological and epistemological positions, together with the nature of the phenomena to be studied, quantitative methodology is identified as highly appropriate to be used for this study. This is in accordance with the research question and objectives, together with the strategy and methods selected to investigate them. The aim is to demonstrate that a well-informed stance has underpinned the research approach, leading to outcomes that are rigorous and defensible.

The starting point of this chapter is to outline the philosophical position of this study regarding both knowledge and reality, and its implications for the research methodology undertaken. Based on the research philosophy and the literature review, in accordance with the study’s research purpose, the research strategy and method are presented. As a result, the techniques and procedures of collecting data in this study are justified. These include questionnaire design, pilot study, sampling strategy, questionnaire administration and data collection, as well as data treatment. Next, an evaluation of reliability and validity, and outlines of the approaches are presented, which help to ensure the ethical

treatment of participants. Then, in line with the research aim and conceptual construct, integrated with the conceptual framework, seven hypotheses are put forward. Finally, a summary of the chapter is given.

## **4.1 Research Philosophy**

Research philosophy refers to a belief that contains the theoretical and philosophical underpinning of collecting and analysing a social phenomenon (Levin, 1988). According to Saunders *et al.* (2009), research philosophy is about how the researcher considers the world, and it underpins the research strategy and methods. Therefore, an examination of philosophical beliefs is of specific importance and is a necessary part of any research.

Three reasons are discussed here to explain why the exploration of philosophy is significant to research methodology. Firstly, the research philosophy does not only help researchers to define and specify the overall research strategy and research method to be used in a study, but also helps to gather and interpret the evidence in answering the research questions posed (Easterby-Smith *et al.*, 1997). Secondly, by identifying the limitations of particular approaches at an early stage, the research philosophy can help the researcher to identify what methodologies and methods are appropriate for his/her research (Easterby-Smith *et al.*, 1997). Thirdly, the research philosophy can be helpful for the researcher to establish creative and innovative thinking in selecting or adapting research methods that were out of his/her prior experience (Easterby-Smith *et al.*, 1997).

With regard to research philosophy, the choice of an appropriate paradigm for methodology can be taken to be of particular importance (Easterby-Smith *et al.*, 2008). The research paradigm refers to the broad framework that consists of the researcher's beliefs, perception and assumptions towards the reality and nature of

knowledge (Cohen *et al.*, 2000; Collins & Hussey, 2003). Essentially, the research paradigm consists of three different components: ontology, epistemology and methodology (Easter-by-Smith *et al.*, 2008). Ontology is the study of being, that is about what and how it exists; epistemology refers to a study of knowing, that is about how individuals can come to know things (Clough & Nutbrown, 2002); whilst methodology is about how the researcher uses different techniques to investigate the world (Easter-by-Smith *et al.*, 2008).

In terms of the researcher's ontological, epistemological and methodological beliefs, traditionally, two main approaches, normative and interpretative, are broadly used to describe the nature of the world or reality (Carr, 1995). Further, Guba and Lincoln (1994, 2005) and others (Lincoln & Guba, 2000; Mertens, 1998) identified three major paradigms in their frameworks: positivist/post positivist, critical/emancipatory and interpretive/constructivist (see Table 4.1).

**Table 4.1: Research Paradigm (adapted from Guba & Lincoln, 2005: 193)**

Positivism is derived from the natural sciences (Saunders *et al.*, 2009), and is characterized by the testing of hypotheses developed from existing theory through advocating the application of natural science methods to the study of social reality (Bryman & Bell, 2007). It is defined as an ideal, which seeks to investigate social world phenomena by applying the research model of natural science (Denscombe, 1998). In terms of a distinct epistemological view, positivism presumes that the social world exists objectively and externally (Saunders *et al.*, 2009). Because the positivist paradigm essentially contends the existence of objective truth, it can be revealed by applying scientific methods and the use of statistics (Cassell & Symon, 1997). It also allows the researcher to measure the properties of the social world by using a series of natural science methods such as quantitative approach, survey strategy and statistical analysis techniques (May, 2001; Hatch & Cunliffe, 2006; Carr, 2006; Saunders *et al.*, 2007; Eriksson & Kovalainen, 2008).

Opposite to positivism, interpretivism emphasizes the subjective aspects of human activity, contending that the natural sciences cannot be applied to the social sciences' world due to the difference between the natural world and the social world (Saunders *et al.*, 2009). Interpretivism requires the researcher to understand and interpret the social world by focusing on the meanings that research subjects attach to social phenomena (Saunders *et al.*, 2009; Remenyi *et al.*, 2002). In terms of the researcher's experience of ontology and epistemology, interpretivism contends that there is an inseparable relationship between the researcher and the real world; it also contends that the researcher's knowledge on the world is from his/her lived experience (Weber, 2004). Furthermore, because the social situation is complex and unique, different individuals always have different views and attitudes about social phenomena (Elkelish, 2007). The paradigm of interpretivism can enable researchers to gain a deep insight into an individual's specific situations and their view of the social world. (Elkelish, 2007)

Although positivism and interpretivism are the main paradigms in the study of social reality (Benton & Craib, 2001), the critical perspective can also be found in literature. With respect to the positivism paradigm, due to the emphasis on the uncritical nature of certain facts, the major criticism of positivism is of its oversimplification of the complex situation in the social world, its failure to identify the feelings of the participants, and the fact that it often excludes the salient stakeholders from the study (Adorno, 1973; Elkelish, 2007). In terms of the interpretivism paradigm, the main criticism is of its uncritical acceptance of the participants' reports and its tendency to ignore the situational context (Probert, 2002). From a critical perspective, the researcher should always be critical of the real world. However, in terms of the difference of recognition, different researchers will have different perspectives on the 'facts', and will draw different conclusions; thus, the truth of a theory cannot be examined in a correct way (Saunders *et al.*, 2009).

In summary, the criticism for any philosophical perspective is of "the relevancy of human subjectivity" (Gill & Johnson, 1997: 139), which often exists amongst researchers holding opposing philosophical stances. Therefore, in any research the methodology should pay great attention to the appropriation between the research paradigm and the specific nature of the study (Ruse, 1989), and make sure the research paradigm is in accordance with the research question (Alreck & Settle, 1995).

In the current study, the aims and objectives of the research specifically examine the role of PCB on the correlation between organizational change and civil servants' behavioural responses. A positivist paradigm (Neuman, 2000) is appropriate and logical for this research for a number of reasons: first, a positivist paradigm is based on the assumption that the methods and practices of the natural scientists can be applied to behavioural studies and the theories relating to

organizational change and psychological contract (Goldenberg, 2006). Second, the current study sought to examine the correlation between organizational change, PCB and civil servants' EVLN behaviour within the Chinese government context, rather than seeking a deeper understanding of the relevant issues. Thus, adopting a more objective stance towards the research is important (Easterby-Smith *et al.*, 2008). The positivist paradigm can provide a methodology that is highly structured for facilitating replication (Gill & Johnson, 1997), and can undertake a statistical analysis that is based on the collection of quantifiable observations (Saunders *et al.*, 2003). In this case, it was logical to adopt a positivist paradigm. Third, a positivist research approach seeks to use natural scientific methodology to eliminate the complexity of the external world that is related to psychological issues and the employment relationship (Nudzor, 2009). In the current study, the research focus is related to the civil servants' psychological issues and the employment relationship between the Chinese government and its civil servants. In terms of these three points, the researcher asserts that a positivist paradigm is appropriate in this study.

## **4.2 Research Approach**

In line with the philosophical stance adopted for a piece of research, an appropriate research approach needs to be used to reflect the research paradigm and relevant research philosophy (Saunders *et al.*, 2009).

### **Inductive/Deductive approach**

The choice between deductive and inductive approaches has received extensive discussion in the literature (Fereday & Muir-Cochrane, 2006). Hussey and Hussey (1998: 19) defined deductive research as “a study in which a conceptual and theoretical structure is developed which is then tested by empirical

observation; thus particular instances are deduced from general influences.” The deductive approach is used to further develop a theory, and involves designing a research strategy to test hypotheses associated with that theory (Saunders *et al.*, 2009). This process is referred to as moving from the general to the specific, and is broadly in line with the positivist philosophy (Kelle, 2005). Conversely, inductive research is viewed as being “developed from the observation of empirical reality” (Hussey & Hussey, 1998: 13). In this way, general rules are induced from specific cases. This is opposite to the deductive approach since it involves moving from specific observations to broad general patterns and theories. The inductive approach emphasizes collecting data and developing a theory, which results from data analysis (Saunders *et al.*, 2009). That is, the inductive approach is concerned with moving from the specific to the general, which is broadly in line with the interpretivist philosophy (Amaratunga *et al.*, 2002).

In the case of the current study, in line with the aim of this research - that is to determine the role of PCB on the correlation between organizational change and Chinese civil servants’ EVLN behaviour - a deductive approach is mainly adopted. This is because a deductive approach develops from a theory or other general ideas such as laws and principles (Knox, 2004). Based on these, a specific hypothesis can be raised. Accordingly, a relevant research strategy is designed to test the hypotheses (Elkelish, 2007). Based on specific general theories or principles, the researcher raises specific hypotheses to test whether these general theories or principles can be supported (Saunders *et al.*, 2009). In this study, theoretical concepts relating to organizational change, psychological contract, and employees’ EVLN behaviour formed the basis of the investigation. The existence of a large body of literature about these theories meant that a theoretical framework and hypotheses were available for rigorous statistical testing. By undertaking questionnaire surveys, the researcher would be able to discover whether or not the hypotheses are fit for the general theories in the

Chinese governmental context.

### **Quantitative/Qualitative approach**

According to Bryman (2001), in terms of the different roles of theory, epistemological and ontological issues, two approaches - quantitative and qualitative - are identified as the key research strategies in the context of social science (Johnson & Harris, 2002). Numerous researchers have discussed the merits of these two approaches (Cavaye, 1996; Darke *et al.*, 1998; Hussey & Hussey, 1998; Leedy & Ormrod, 2001; Miles and Huberman, 1994).

According to Nunan (1992: 3), “quantitative approach is obtrusive and controlled, objective, generalizable, outcome oriented, and assumes the existence of ‘facts’ which are somehow external to and independent of the observer or researcher”. It is usually based on numerical data collection and analysis using questionnaires as an instrument (Gay & Airasian, 2003; Denscombe, 1998). The quantitative approach also aims to assess and analyse the correlations between certain variables (Cohen *et al.*, 2003). The qualitative approach is an alternative approach, which is “subjective in nature and involves examining and reflecting on perceptions in order to gain an understanding of social and human activities” (Collis & Hussey, 2003: 53). It is based on the collection and analysis of non-numerical data such as observations and interviews (Gay & Airasian, 2003).

In terms of the two research approaches, their fundamental difference is that the quantitative approach emphasizes the testing of theory by using numerical quantification in data collection and analysis and is based on the philosophy of positivism (Punch, 2005); whilst the qualitative approach emphasizes the generation of theory by utilizing words rather than numerical data in the collection and analysis of data, and is broadly based on the philosophy of constructivism (Bryman, 2001). The fundamental differences between

quantitative and qualitative approach are shown in Table 4.2.

**Table 4.2: Fundamental Differences between Quantitative and Qualitative Approaches (Bryman & Bell, 2007: 28)**

	<b>Quantitative</b>	<b>Qualitative</b>
Principle orientation to the role of theory in relation to research	Deductive; testing of theory	Inductive; generation of theory
Epistemological orientation	Natural Science model, in particular positivism	Interpretivism
Ontological orientation	Objectivism	Constructivism

This study adopted a predominantly quantitative approach for the following reasons: firstly, as it is in accordance with the positivist paradigm and deductive approach of this study, a quantitative approach is appropriate to be taken as this study's main approach. Secondly, the quantitative approach enables the researcher to survey a large sample of the population within a relatively short time frame, and is especially suitable for the context of China (Kelly *et al.*, 2003). Thirdly, the quantitative approach seeks to gather numerical data and, in applying statistical analysis, determine the extent to which there are differences and correlations between that data (Saunders *et al.*, 2009). In the current study, the variables of PCB and employees' EVLN behaviour can be measured by adopting the well-informed scales found in prior research and empirical studies (Rousseau, 2000; McDonald & Makin, 2000; Hui *et al.*, 2004; Mellahi *et al.*, 2010). Nevertheless, because there is no suitable scale for measuring organizational change in terms of the categorization of strategic, structural, process-oriented and people-oriented change, informal interviews with civil servants were used to help build the organizational change elements of the questionnaire.

### 4.3 Research Strategy

Research strategy refers to a procedure that seeks the most appropriate method to address the research problem, which provides the overall research direction for achieving the research objectives (Wedawatta *et al.*, 2011). The main research strategies include experiment, survey, case study, grounded theory, ethnography, and action research (Yin, 1994; Miles & Huberman, 1994; Cavaye, 1996; Wolcott, 1997; Darke *et al.*, 1998; Hussey & Hussey, 1998; Klein & Myers, 1999; Leedy & Ormrod, 2001; Kelley, 2003; Bowen, 2006; Belli, 2009).

Experiment strategy aims to measure a small number of variables in order to establish the cause and effect relationships between them (Belli, 2009). Survey strategy refers to a collection of quantitative information in a variety of ways from a pre-determined sample of people (Kelley *et al.*, 2003). Case study strategy refers to an in-depth investigation of a specified current phenomenon within its real-life context (Yin, 1994). Grounded theory refers to the data collection that is generated by a series of observations rather than being derived from an initial conceptual framework (Bowen, 2006). Ethnography emanates from the field of anthropology and seeks to interpret the social world based on a particular setting (Wolcott, 1997). Action research refers to a form of practical research where the researcher seeks to use an interventionist, qualitative or interpretive method to develop a solution to the research problem (Klein & Myers, 1999).

Research strategy depends on the choice of research approach (Saunders *et al.*, 2009). As a strategy that is predominately associated with a deductive approach, survey strategy can describe, explore, or explain physical characteristics, phenomena, behaviour, attitudes, and so forth. Therefore, in this study, by generalizing questionnaire data based on the research aims and objectives, a survey strategy (Coolican, 1999) was adopted. Cohen *et al.* (2000: 171) list the

characteristics of a survey strategy. The most relevant points have been adapted and are listed below:

- (1) It is usually associated with the positivist paradigm, quantitative and deductive approach;
- (2) For ensuring the data collection for the research is straightforward and efficient, it is usually collected on a one-shot basis;
- (3) It allows a large amount of population to be covered in research;
- (4) The collected data is usually used for statistical analysis and comparison;
- (5) The results from the data analysis are usually used to explain the social phenomena and relationship between variables;
- (6) It usually generates appropriate statistical instruments for the built-in pilot test and data treatment;
- (7) Based on a survey sample of a large enough proportion of the population, generalizations can be made.

Although survey strategy is appropriate in the positivist paradigm, deductive and quantitative approaches, it has some limitations (Cohen *et al.*, 2000). These limitations are: first, the survey strategy is not suitable for a unique and complex situation; second, it takes the researcher a lot of time to undertake the survey; third, the accuracy and honesty of survey data are questionable (Cohen *et al.*, 2000).

Nevertheless, the above limitations do not hinder the current study, for the following reasons: firstly, the study focuses on the role of PCB in determining Chinese civil servants' behavioural responses to organizational change; therefore, rather than being about specificities, the study is more focused on trends and relations. Secondly, during the survey, the researcher has to distribute and collect the survey questionnaire and undertake the survey among a number of targeted people and targeted areas, which takes the researcher a lot of time and money.

Nevertheless, because the survey strategy is accurate and valid in gathering relevant information for the research, it is highly cost-effective (Newby *et al.*, 2003). Thirdly, although the accuracy and honesty of survey data are questionable, there are many other factors that can influence this accuracy and honesty, such as sensitivity of the questions (Gupta *et al.*, 2002) and social desirability (Smith & Ellingson, 2002).

#### 4.4 Questionnaire Design

In accordance with the survey research strategy, the current study considered the elements of cost and time (Gillham, 2000), the population of Chinese civil servants (Gillham, 2000; Oppenheim, 1992), and the validity of the data (Gillham, 2000). To achieve the research aims, a questionnaire survey was adopted as the main data collection method in this study, which required the researcher to consider the association between the data and research aims as well as the gathering of data from a widely dispersed population.

In the social sciences, the questionnaire needs to comply with the following guiding principles: (1) the required information needs to be translated into specific questions that can and will be answered; (2) the design and format should attract the respondents to become involved in and willing to complete the questionnaire; and (3) clarity and precision should aim to minimize response error (Malhotra & Birks, 2000). In accordance with the research aims and objectives of the current study, the following steps were undertaken during the questionnaire design:

**(1) Specify the information that will be sought.** Based on the research aims and objectives, information was sought that related to organizational change, Chinese civil servants' PCB, and their EVLN behaviour. Following a systematic literature

review, telephone interviews were conducted with 15 civil servants who were directly involved in the organizational change process in the Chinese government. Their responses helped develop a questionnaire for measuring elements of 'organizational change'.

In terms of the information about PCB, it was collected by following an approach using a composite measurement of PCB (Conway & Briner, 2005). This composite measurement was undertaken by using various contents items of the psychological contract (e.g. pay and income, steady job, and career development opportunities), in which each respondent indicates the extent to which the organization has fulfilled its obligations to them regarding each item (Zhao *et al.*, 2007). After that, all of the respondents' choices on each item are reverse scored so that higher scores reflect stronger PCB (Turnley & Feldman, 1999a; Pak, 2007; Zhao *et al.*, 2007; Montes & Irving, 2008). In this study, the contents items in previous studies were broadly adopted (Rousseau, 2000; McDonald & Makin, 2000; Hui *et al.*, 2004). As such, Rousseau (2000) developed the PCI as a psychometrically sound tool for measuring the fulfilment of the psychological contract. Therefore, the 12 items for measuring the fulfilment of the psychological contract are originally based on Rousseau's (2000) scales. Nevertheless, because the current study focuses on a Chinese setting and government context, the items in Rousseau's (2000) scales did not totally fit this context. By carrying out telephone interviews with the Chinese civil servants, the item of 'Recognition of contributions to the organization' in McDonald and Makin's (2000) study and the items of 'Support me to attain the highest possible level of performance' and 'Skill development that increases my value to the government' in Hui *et al.* (2004) were added to the questionnaire.

In terms of the information about employees' EVLN behaviour, the measurements in Mellahi *et al.*'s (2010) empirical study were adopted. The

reasons for this include: in empirical studies of employees' EVLN behaviour, Hagedoorn *et al.*'s (1999) measurement is well-examined and adopted. However, they divided employees' Voice behaviour into considerate Voice and aggressive Voice, which is not appropriate for the Chinese context. Particularly within the context of Chinese government, where the organizational structure has a high power distance and the concept of a highly collectivist culture, it is unlikely that superiors and subordinates would exhibit aggressive Voice behaviour (Hofstede, 1991; Saini & Budhwar, 2008). Further, Mellahi *et al.* (2010) argued that superiors and subordinates are less likely to exhibit aggressive Voice behaviour within an Indian cultural background. By undertaking the pilot test, Mellahi *et al.* (2010) dropped several items from Hagedoorn *et al.*'s (1999) measurements that were not appropriate for an empirical study in India. Because Mellahi *et al.*'s (2010) measurements of employees' EVLN behaviour are compatible with Chinese cultural values and norms and have been well examined in empirical studies, they were adopted within the current study.

**(2) Determine questionnaire type.** Questionnaires can usually be classified into two basic types of question: open-ended and closed (Sawer, 1984). According to Brown (2001) and Foddy (1993), open-ended questions give permission to the respondent to answer the questions in their own words, which produces mainly qualitative data; whereas closed questions limit the respondent to a set of pre-defined options and produce mainly quantitative data. To be specific, open-ended questions encourage the respondents to express their opinions, thus avoiding the bias that may result from suggesting responses to individuals (Han, 2009); although this may lead to a variety of answers, which can be more difficult to codify, analyze, and interpret. Conversely, by providing uniformity across questions in terms of types and specificity of the obtained data, closed questions can be easier to answer, with the codifying, analysis and interpretation being less complicated (Millwood & Heath, 2000). Nevertheless, when compared to open-ended questions, closed questions have disadvantages, such as the

relatively narrow range of responses (Schaeffer & Presser, 2003).

In the current study, a form of closed question was adopted for the questionnaire. This is because closed questions can easily be analysed numerically, which is appropriate for the empirical and quantitative nature of this study. In addition, to avoid the bias of closed questions, informal interviews with civil servants were undertaken, which is not only helpful for the development and design of the questionnaire, but also helped to identify answer categories for the closed questions (Vinten, 1995).

**(3) Content of individual items.** The questionnaire was divided into four distinct sections (see Appendix III). The questionnaire aimed to examine the role of PCB in determining the correlation between organizational change and Chinese civil servants' EVLN behaviour in a specific cultural setting - the Chinese public sector. Section 1 comprised 12 items, which examined the extent to which Chinese civil servants had experienced organizational change. Section 2 comprised 15 items, which sought to examine the extent to which Chinese civil servants experience PCB. Section 3 consisted of 19 items, which examined how Chinese civil servants responded to PCB. Finally, Section 4 included 8 questions that sought personal information from the respondents – the biographic data.

According to the objectives of the current research, the extent of organizational change that Chinese civil servants' are experiencing was tested using a measure developed for this study. This was based on the concept and categories found in the literature, which resulted in a 12-item scale being used to measure organizational change. The extent of Chinese civil servants' PCB was tested using a measure developed by Rousseau (2000), McDonald and Makin (2000) and Hui *et al.*, (2004), with a 15-item scale being used to measure the level of PCB. The extent of employees' EVLN behaviour in relation to the PCB was tested using a scale developed by Mellahi *et al.* (2010), which comprised 19

items.

In terms of the respondent's personal background, in Section 4, the question on biographic features included 'age', 'gender', 'educational qualification', 'position level', 'government level' and 'political status'. These questions were selected as they are in line with the governmental statistics used for Chinese civil servants. They were chosen to ensure that the biographic features of the sample were broadly similar to the biographic features, as identified by the governmental statistics, of Chinese civil servants. As China is a geographically large country, the question of 'location' was used to ensure that the sample came from its various regions, which helped to ensure that the respondents were broadly representative of civil servants for the whole country. In addition, the question of 'tenure' refers to a 'five years' period which is a key criterion in this categorization. This is because it has been five years since the implementation of 'Law of the Civil Servant of the People's Republic of China' in 2006, which can be taken as the start of a series of reforms and changes in the Chinese government. Therefore, in this study the biographic features were used as the variable factors to make variance analysis of civil servants' PCB and their EVLN behaviour.

**(4) Determine form of response.** According to Churchill and Iacobucci (2002), there are four basic types of questions that might be used in a questionnaire: open-ended, dichotomous, multichotomous and scales. As such, open-ended questions allow the respondents to answer the questions in their own words in order to explore their feelings and attitudes (Cohen *et al.*, 2007). Dichotomous questions provide two given alternatives, in which the respondent would be asked to select the answer he/she prefers (Salant & Dillman, 1994). Dichotomous questions usually have two possible opposing choices, most commonly 'yes' or 'no'. Multichotomous questions provide multiple choices in a list, in which the respondent would be asked to select the most applicable answer that he/she

prefers (Wrenn *et al.*, 2006). Scaled questions can be considered as multichotomous question, but, essentially, they are used to convey the respondents' perceptions.

In Sections 1 to 3 of the questionnaire, because information was required on a number of bi-polar categories, the semantic differential scale provided a realistic option (Osgood *et al.*, 1957). The Likert scale (1932) was used because it is considered as normative in nature, with the additional bonus that the data obtained is relatively straightforward to analyse (Easterby-Smith *et al.*, 1997). According to Sekaran (1992), any number of points can be used on the scale. Some researchers argue that a seven-point scale provides greater precision, particularly with respect to the extent to which a respondent views the items (Clark, 1998; Hair *et al.*, 2003). However, although a seven-point scale is favourable for the improvement of questionnaire reliability, it may bring difficulties to the participants as they have to look at and choose between too many numbers in the scales. Therefore, a five-point scale is often considered to be standard (Elmore & Beggs, 1975). As Grant (2010) argued, a five-point scale is common. In the current study, the purpose of the questionnaire was to provide data that would help examine the correlation between organizational change, PCB and Chinese civil servants' EVLN behaviour. After a review of various arguments on scales, a compromise was reached to use a five-point bi-polar numerical rating scale, with extreme anchors. Within the scales, the anchors for actual scores were in the range from 'not at all/not at all fulfilled/definitely not' to 'to a great extent/completely fulfilled/definitely yes'.

In Section 4, the information was based on the respondent's personal background, which required a nominal answer. Therefore, nominal scales that provide word labels were used to identify the relevant categories (Kidder & Jude, 1986). The nominal scales were employed to classify the respondent's age, gender, educational qualification, tenure at the government, position at the government,

government level, political status, and location.

**(5) Determine wording and sequence of questions.** As a general rule, questionnaire wording should be based on the whole context of the respondent's situation, trying to avoid ambiguity, and making the questionnaire easily understood (Fanning, 2005). In line with general questionnaires, the researcher aimed to ensure that all questions were kept brief, grammatically simple, clear and focused. At the same time, leading words, jargon and colloquialisms, double-barrelled phrases and prestige bias were also avoided in the questionnaire (Neuman, 2011).

Although the sequence of questions can be presented in a random order (Kumar *et al.*, 1999) or placed in a logical sequence, question placement is very important in the questionnaire design, because whether the sequence of questions is appropriate would influence the respondents' motivation in completing the questions (Sudman & Bradburn, 1982). Generally, questions that are sensitive and concern the respondents' personal details should not be positioned at the beginning part of the questionnaire (Frazer & Lawley, 2000). Thus, in this study, in consideration of the sensitivity about personal data, the questions regarding the respondents' biographic features were placed in the last part of the questionnaire.

**(6) Determine the questionnaire layout and its relevant physical issues**

In the questionnaire, except the above five aspects, the layout of the questionnaire and some physical issues including font type, font size, spaces between questions, and paper stock should also not be ignored (Fanning, 2005). First, the layout of the questionnaire was carefully designed to eliminate the need to flip back and forth between pages (Salant & Dillman, 1994). Second, in accordance with the font size in most questionnaire design, in this questionnaire the font size of 12 points made all the questions readable by respondents who had normal vision (Sanchez & Goolsbee, 2010). In addition, in order to show the

respondents the conscientiousness and respect of the researcher, the paper stock for this questionnaire was of good quality (Salant & Dillman, 1994).

## 4.5 Pilot Study

In designing the questionnaire and with regard to the actual conditions faced by Chinese civil servants, a pilot study was necessary. Thus, the final questionnaire was prepared by referring to the outcomes of the pilot study. According to Mesa-Lao (2011), a pilot study is a small experiment that is designed and takes place before a formal study. By testing logistics and gathering information within a small group of people, a pilot study can effectively help the researcher to find deficiencies in design of the proposed content and procedures, and accordingly make relevant adjustment to address these deficiencies, in order to reduce any waste of time and resources on the formal study and improve its quality and efficiency. In the current study, the pilot test mainly included two parts, which are as follows:

### **(1) English-Chinese translation test**

As Saunders *et al.* (2007) suggested, translation is extremely important in international research. In previous multi-country research, the most popular method is back translation (Brislin, 1970). However, because the back translation approach lacks consideration of the issue of asymmetry, misinterpretation of the statement and expression of the same words or constructs may occur (Douglas & Craig 2007). Therefore, the back translation approach was not considered suitable for the current study.

In the current study, the parallel translation approach was employed to examine the accuracy and precision of the translation (Harkness *et al.*, 2004). As a 'collaborative translation' of the questionnaire, parallel translation is undertaken

by inviting several independent people to translate the questionnaire (Harkness, 2003), which emphasizes the importance of both disciplinary expertise and cultural knowledge in translation (Douglas & Craig, 2007) and the equivalence in meaning (Hambleton, 1993; Douglas & Craig, 2006; 2007).

By following the procedure of the parallel translation approach, firstly, the researcher invited two independent translators who are Chinese and hold PhD degrees in English linguistics to translate the questionnaire from English to Chinese. Accordingly, two Chinese versions of the questionnaire were collected. After the translation from the two translators, a review meeting was held to amend and finalize the Chinese-version questionnaire. There were five people involved in the review meeting including the two translators, two HRM professionals and the researcher. In the review meeting, the participants discussed both English and Chinese version of the questionnaire word by word, until all the participants reached an agreement. After that, the refined questionnaire was given to an independent person who is a teacher in Chinese language linguistics. In doing so, any wording ambiguities in the questionnaire could be avoided as much as possible; and the researcher could be assured that the respondents would not misinterpret any of the questionnaire's statements or expressions. With the Chinese teacher's suggestions, a few minor amendments were made to the wording, without affecting its original meaning. A rigorous process was followed to ensure that the important data gathering instrument closely paralleled previous questionnaires and that it provided a reliable basis for subsequent data analysis.

## **(2) Initial reliability assessment**

Because conducting a pilot-test of any research instrument within a specific cultural background is critical (Douglas & Craig 2006), a total of 28 civil servants working for the Chinese government were invited to pilot-test the questionnaire. This was done to establish an initial reliability assessment. The

pilot test also helps the researcher to capture any possible difficulties in the process of the questionnaire survey, such as wording ambiguities. In addition, the pilot study also provided assurance that there were no ambiguities or confusion in the questions, and to achieve the initial reliability and validity of the study. The questionnaire distribution and analysis were carried out by the researcher. The reliability analysis of the factors in the questionnaire was assessed by using statistical techniques, such as Cronbach Alpha, within the SPSS software package. The results were satisfactory ( $\alpha > .50$ ), with these being presented in Appendix VI.

Based on the results from the initial reliability assessment, the one item in the questionnaire concerning PCBs, which referred to 'B1: training me only for my current job', was deleted. The reason that this item was deleted was because it was easy for Chinese civil servants to misinterpret the statement. In the pilot test, a number of respondents took 'B1: training me only for my current job' to mean training for their career development, which was not the intention. Thus, after the pilot study a final questionnaire was developed.

## **4.6 Sampling Strategy**

In survey research, it is impractical to collect data from every individual in a setting or population, especially if a large population is targeted (Han, 2009). A sampling strategy was necessary in order to ascertain whether the patterns observed in the sample group could be replicated in the whole target population (Brown, 2001; Mertens, 1998). According to Fisher (2010), sampling involves selecting a representative sample from the overall population, which is of particular importance in a positivist study (Fisher, 2010). The quality of any research is determined not only by the appropriateness of the methodology and instrument used, but also by the suitability of the sampling strategy that has been

adopted (Cohen *et al.*, 2003).

The main sampling strategies include probability sampling and non-probability sampling (Schofield, 1996; Mertens, 1998). As such, probability sampling focuses on choosing elements in a form of random selection, which mainly includes simple random sampling, stratified random sampling, cluster sampling and systematic sampling (Saunders *et al.*, 2009); whereas in a non-probability sampling the samples can be obtained through the researcher's knowledge of the topic being studied; this strategy mainly includes convenience sampling, quota sampling and purposive sampling (Saunders *et al.*, 2009).

Generally, researchers prefer probability over non-probability sampling because it's more accurate and rigorous by involving a random selection. Although some researchers undertake statistical analysis from data obtained by using non-probability sampling, probability sampling is ideal in using parametric statistics to infer trends (Heckathorn, 1997). Therefore, in accordance with the research objectives of this study, probability sampling is an appropriate sampling strategy to use.

With regard to the Chinese government, there are more than 6.5 million civil servants in different levels of government (China HR Ministry, 2007); therefore, it would not be possible to survey the whole civil service population. According to Saunders *et al.* (2003), when the researcher is not able to carry out the survey among the whole target population, but a complete list of groups of the population is available, a stratification sampling method is appropriate to be used.

Stratification is the process of dividing members of the population into homogeneous subgroups before sampling. Then simple random sampling is applied within each stratum. The stratified sampling often improves the

representativeness of the sample by reducing sampling error. It can produce a weighted mean that has less variability than the arithmetic mean of a simple random sample of the population.

As China covers 960 million square kilometres and has a population of 1.3 billion (Chee & West, 2007), regional differences could have an important influence on the results of any empirical research. In most cases, regions have been taken as a variable to examine other variable differences (e.g. Zhang, 2010; Nelson *et al.*, 1995). As far as the Chinese government is concerned, because of the high centralization of governmental systems, the influence of regional difference on civil servants is considered relatively weak (Blanchard & Shleifer, 2001). Nevertheless, in order to avoid regional difference impacting on the correlation between organizational change, PCB and Chinese civil servants' EVLN behaviour, it was taken as a criterion in partitioning the civil servant 'stratification'.

In accordance with Yamane's (1967) formula, an acceptable sample size for the target population can be calculated by utilizing the formula:  $\frac{N}{1+N(e^2)}$  (Thamwipat & Sawakejun, 2011). Thus, by calculation, the sample size in the current study should not be less than 400 questionnaires. In this study, with the assistance of the researcher's friends and prior colleagues who work in the HRM department of the Chinese government, a total of 510 hard copies of the Chinese version of the questionnaire were distributed to Chinese civil servants on a face-to-face basis. In terms of the regional difference, the entire population of Chinese civil servants was firstly divided into five different regions: North, South, East, West and Middle. Based on the rough population distribution in the different regions, 110 copies of the questionnaire were distributed to civil servants in both North and Middle China; 105 copies were distributed to civil servants in both South and East China; and 80 copies were distributed to civil

servants in West China.

## **4.7 Questionnaire Administration and Data Collection**

According to Saunders *et al.* (2007), two main approaches are often used in questionnaire administration: self-administered questionnaire and interviewer-administered questionnaire. The self-administered questionnaire is often mailed out and completed by respondents whenever and wherever they like, after which they are returned via mail (Brown, 2001). However, this approach can lead to a low return rate and misunderstanding amongst respondents (Han, 2009). The interviewer-administered questionnaire is given to groups of individuals all at one time and place and requires verbal or face-to-face contact between the interviewer and the interviewees (Maylor & Blackmon, 2005). Because the interviewer is on the spot during the survey, any confusion or ambiguities from respondents can be clarified, and a high return rate is often forthcoming. The interviewer-administrated questionnaire is regarded as one of the most common techniques used in all types of business and management research (Maylor & Blackmon, 2005; Aastrup & Halldorsson, 2008). In this study, although it is time consuming and costly due to dealing with a large population of Chinese civil servants, to ensure a high return rate and quality data, the interviewer-administrated method of administering the questionnaire was chosen.

In the current study, with the assistance of the researcher's friends and prior colleagues who work in the HR department of the Chinese government, the questionnaire was distributed within the different regions of China between June 2011 and September 2011. In each region, the questionnaire was randomly distributed to civil servants working in different levels of government. In terms of the respondents' preference, two alternative forms of questionnaire

distribution were adopted in the survey: hard copy and electronic version. Before the survey started, the interviewers (the researcher's friends and prior colleagues who work in the HRM department of the Chinese government) firstly gave all the respondents a detailed explanation about the questionnaire and answered any possible confusion or ambiguities that the respondents had.

Questionnaire distribution in the North, Middle and West regions was undertaken with the assistance of government HRM managers, who attended the mass public meetings and activities, enabling them to enlist a number of civil servants working at different levels and sections of the government, who were available to answer the questionnaire. 110, 110 and 80 copies were distributed to civil servants in the North, Middle and West regions, respectively; out of these 105, 110 and 77 were returned: a return rate of 95%, 100% and 96%, respectively. Due to time restrictions, distributing the questionnaires in the East and South regions were undertaken by two of the researcher's ex-colleagues who work as HRM managers in the government. To ensure the high quality of the survey, detailed information about the questionnaire was carefully explained to the participants by the two government HRM managers before the start of the survey. 105 copies were distributed to civil servants in both the East and South regions. Out of these, 98 and 101 copies were collected from the East and South regions, giving a return rate of 93% and 96% respectively.

In summary, from the total of 510 questionnaires that were distributed among the different regions, a total of 491 were returned. The average return rate was 97%. After a review of the returned questionnaires, it was found that five copies of the electronic questionnaire were blank, with no questions being answering. It was subsequently discovered that the five respondents had forgotten to save the files when they submitted their questionnaires. This may be due to their poor skills using Microsoft Office. Therefore, overall, the final number of valid questionnaires returned was 486, with the valid return rate being satisfactory

(95%). The details of the questionnaire distribution are shown in Table 4.3:

**Table 4.3: The details of the questionnaire distribution and return**

<b>Item Region</b>	<b>No. of questionnaires</b>	<b>No. returned</b>	<b>Return rate (%)</b>	<b>Valid No. returned</b>	<b>Valid return rate (%)</b>
<b>East</b>	105	98	93%	98	93%
<b>West</b>	80	77	96%	77	96%
<b>South</b>	105	101	96%	101	96%
<b>North</b>	110	105	95%	103	94%
<b>Middle</b>	110	110	100%	107	97%
<b>Total</b>	510	491	97%	486	95%

## **4.8 Data Treatment: Statistical Procedures**

In social science research, it is important to use a statistical techniques tool to undertake data analysis (Nachmias & Nachmias, 2008). Answers to questions in the questionnaire were subjected to SPSS and AMOS analysis (Norusis, 1991), which formed the key software package for the data analysis. As key statistical software for data analysis, SPSS can not only be used on descriptive statistics such as plots, frequencies and descriptive ratio statistics, but also can be used to undertake bivariate statistics such as means, *t*-test and ANOVA, and to predict for identifying groups such as factor analysis (Norusis, 1991). Nevertheless, SPSS cannot be used for analysis of SEM, path analysis, and confirmatory factor analysis. AMOS, as an add-on module for SPSS, is specially designed for the above analysis. By providing simple drawing tools for creating SEM path diagrams, AMOS has been taken as one of the most popular and easiest to use techniques in dealing with SEM programs (Chan *et al.*, 2007; Halvorsrud *et al.*, 2010). The following steps show how SPSS and AMOS techniques were utilized

in the statistical procedures of this study.

Step 1: the researcher compiled the data being collected by using SPSS statistical software. The purpose of compiling the data was to put it into a form that will later be useful for storing, accessing, sorting and analysing it (Brown, 2001). After the data entry, SPSS 16.0 was used to undertake the descriptive statistical analysis in terms of the biographic features. The purpose of this was to check whether the biographic features of the respondents fitted the overall biographic features of Chinese civil servants, in order to identify the representativeness of the sample.

Step 2: in accordance with the research objectives of the current study, the structural dimensions of organizational change in the Chinese government context were first examined. In order to examine the internal reliability of the measurement model of organizational change and whether a four-dimensional structure of organizational change is appropriate in the Chinese government context, relevant factor analysis was undertaken. First, before undertaking factor analysis, the researcher has to test whether the items in the questionnaire are appropriate for carrying out the factor analysis (Anderson & Gerbing, 1988). Therefore, a KMO and Bartlett's Test was carried out by utilizing SPSS statistical technique (Anderson & Gerbing, 1988; Russo & Tencati, 2008). Second, the questionnaire about organizational change is a self-developed questionnaire, which is based on the literature review related to organizational change, integrating it with the preliminary informal interviews among Chinese civil servants (Sukhwal, 2010). Therefore, by utilizing the SPSS statistical package, exploratory factor analysis of the items in the organizational change questions was undertaken first (Tang, 2010). With the exploratory factor analysis, the number of factors was decided by examining the output from the principal components analysis. Third, to test how well the hypothesized factor model explains the observed pattern of sample correlations or covariance (Shevlin *et al.*,

2000), a confirmatory factor analysis was undertaken after the relevant exploratory factor analysis by utilizing the AMOS statistical technique.

Step 3: in terms of the questions on PCB, the items are respectively from the measurement in the studies of Rousseau (2000), McDonald and Makin (2000) and Hui *et al.* (2004). Although the pilot study has revised the questionnaire by making the wording more comprehensive and reduced misunderstanding in the Chinese government context, an exploratory factor analysis is also necessary in examining the questionnaire's reliability and validity (Tang, 2010). By utilizing SPSS statistical technique, a KMO and Bartlett's Test and exploratory factor analysis were carried out (Russo & Tencati, 2008; Tang, 2010). In terms of the questions on EVLN, because the measurement is in accordance with the measurement of Mellahi *et al.*'s (2010) empirical study on employees' EVLN behaviour, by utilizing SPSS statistical analysis technique the researcher can only need to undertake the Cronbach Alpha test to examine the reliability of each factor on EVLN behaviour, rather than carrying out factor analysis.

Step 4: in order to examine the correlation between organizational change, PCB and Chinese civil servants' EVLN behaviour, as well as for testing how well the hypothesized factor model explains the observed pattern of sample correlations or covariance (Shevlin *et al.*, 2000), relevant confirmatory factor analysis on PCB was undertaken by utilizing AMOS statistical technique. Additionally, AMOS statistical technique was used to carry out SEM, which provides an intuitive model to show the hypothesized correlations between one or more independent variables (Ullman & Bentler, 2004). In the current study, SEM was used to examine the correlation between organizational change and Chinese civil servants' EVLN behaviour; PCB and Chinese civil servants' EVLN behaviour; organizational change and Chinese civil servants' PCB; and the mediating role of PCB on the correlation between organizational change and Chinese civil servants' EVLN behaviour.

Step 5: in the current study, in terms of the eight biographic features of Chinese civil servants, the researcher has undertaken the relevant variance analysis of civil servants' PCB and their corresponding behavioural responses. By adopting parametric inferential statistics technique, the relevant hypotheses can be tested by applying SPSS statistical techniques. As such, because the three biographic features (gender, tenure and political status) have two options in distinguishing the civil servants, independent sample tests were adopted to undertake the variance analysis (Nachar, 2008). However, the other five biographic features (age, educational qualification, respondent's position level, the government level at which the respondent is working and their location in China) have three or more options in distinguishing the civil servants, therefore, one way analysis of variance (ANOVA) was adopted to undertake the variance analysis (Lee *et al.*, 2006). In testing the inferential statistical significance, a value of  $p < .05$  was used as the level of statistical significance (Demšar, 2006).

## **4.9 Reliability and Validity Issues**

According to Sekaran (1992), reliability and validity are two important criteria that need to be considered in empirical research for assuring the suitability of the instruments used.

Reliability refers to the consistency with which an instrument measures whatever it is measuring (Brown, 2001), which ensures that the data collection instrument results in the desired outcomes consistently over time (McMillan & Schumacher, 1993; Easterby-Smith, *et al.*, 2002). Reliability is particularly an issue with regard to quantitative research (Bryman, 2004), for example, using surveys. Reliability is usually tested by a statistical operation, indicated by the reliability coefficient of a Cronbach Alpha test (1951). McMillan and Schumachers (1993)

indicated that a Cronbach Alpha test is generally the most appropriate way to examine the research's reliability. DeVellis (1991: 83) described Cronbach Alpha as "an indication of the proportion of variance in the scale scores that is attributable to the true score". Theoretically, the higher the coefficient, the more reliable the research method is. As Nunnally and Bernstein (1994) and Litwin (1995) indicated, an alpha score of .70, which indicates that the data is internally consistent and hence reliable, is usually considered as acceptable in most studies (Sekaran, 1992). Sometimes lower thresholds can also be seen in the literature (Nunnally, 1978; Brauchle & Azam, 2004; Pai *et al.*, 2011). By utilizing the SPSS statistical package, data from the questionnaire was tested. The results showed that the alpha score for all of the 12 factors in the questionnaire was higher than .60 (see in Appendix VI). Therefore, the questionnaire used in the current research is considered reliable.

Validity means the extent to which a measure or scale can accurately reflect the particular concept of a study (Easterby-Smith *et al.*, 2002). It is used to determine whether the research truly measures what it is intended to measure, and to evaluate the truthfulness of the results (Joppe, 2000). There have been different types of validity that researchers aim to establish; amongst them, content validity and construct validity are mainly considered within the current questionnaire survey (Nunan, 1992: 16; Seliger & Shohamy, 1989: 27; Punch, 1998: 101; Brown, 2001: 177).

According to Cohen *et al.* (2000), content validity asks the question as to whether a measurement fairly and comprehensively covers the domain or items that it purports to cover. In order to assure the content validity of a piece of research, the researcher has to make sure the questionnaire content, data analysis method and linguistic interpretation effectively reflect the research aims and objectives (Sintonen, 1995). In the current study, by undertaking parallel translation with the participation of professionals in English, content review by

academic staff in HRM and practitioners in the Chinese government, along with the pilot test among 28 Chinese civil servants, it was ascertained that the measurement instrument comprehensively covers the domain or items that it purports to cover. In addition, as Seliger and Shohamy (1989) state, content validity aims to examine whether the data collection procedure is representative and consistent with the current theory underlying the variable being measured. The research is further strengthened by the fact that the questions were strongly based on theoretical concepts, some of which were drawn from previous validated questionnaires. This approach was explained in Sections 4.6 and 4.7.

As the strongest test of validity for an instrument, construct validity tests how well the instrument adequately measures the theoretical construct it claims to be measuring. In essence, high construct validity confirms that the instrument is measuring the theoretical construct well, with links between related constructs providing support for this validity (Aiken, 2003). According to Bowden (2004), the effective way to defend the construct validity of the items is to undertake factor analysis. In this study, before carrying out the factor analysis, the results of KMO and Bartlett's Test showed that the items in the questionnaire were appropriate to undertake the factor analysis (Anderson & Gerbing, 1988). The relevant factor analysis and the results of Rotation sums of Squared Loadings confirm the claim that the construct validity of the current study is strong (Tsai *et al.*, 2011).

## **4.10 Ethical Considerations**

In the social sciences, ethical and moral issues have had greater attention paid to them in recent years (Cohen *et al.*, 2000). As Miles and Huberman (1994) suggested, in the process of research the researcher should not only be responsible for the contribution to knowledge but also be concerned with the

research subjects, sponsors and other participants in the research. The current study was carried out in accordance with the general principles that relate to protecting the physical and mental welfare of participants (Korac-Kakabadse *et al.*, 2002).

Before the survey, ethical approval was gained from the research committee of the University by submitting the participant information sheet and consent form (see Appendix I). When the survey started, clear and comprehensive language was used to explain the nature of the research to the participants, which included the time that would be involved, the methods to be used, and the use of the findings (Berg, 1995, Fetterman, 1989, Delamont, 1984). Also, the research purpose was explained to the participants, emphasizing that the results would only be used for academic research and not for any other purpose. Every participant was assured that their personal-related information would be kept confidential, with the survey being anonymous (Zhu, 2007). Nevertheless, the participants had the right to withdraw or stop the survey at any time during the study. All of the above was explained clearly in a cover letter, which was attached as the first page of the questionnaire. In addition, the cover letter expressed sincere thanks to the participants; and contact details were provided, which it was felt would lessen the possibility of the participants feeling exploited (Faimon, 2009; Saleem *et al.*, 2010).

Additionally, in the writing-up stage of the research, some key points related to ethical issues were highlighted: first, to ensure that the findings were reported honestly and accurately; second, to avoid the possibility of presenting data that could be harmful to the participants; and third, by following the requirements of the Data Protection Act 1998, all the raw data in this study was preserved in a safe place and will be destroyed two years after the completion of this research.

## **Summary**

In summary, this chapter has looked at the methodological issues embedded in this piece of research. To start with, it reviewed the research philosophy and the paradigm adopted. This was followed by a discussion of research approach and the overall strategy of this study. The reasons for adopting a survey-based approach were discussed. Details on the design of the questionnaire and the procedures of the pilot study were then provided. After that, attention was drawn to important issues in the main study: specifically, the sampling, data collection and data treatment, and issues of validity and reliability.

# Chapter 5: Survey Findings

This chapter contains findings from the questionnaire survey, which was designed to examine Chinese civil servants' psychological perceptions of organizational change, and their possible responses.

The chapter is divided into two main sections. Firstly, based on the data analysis of Section 4 of the questionnaire (see Appendix III), descriptive statistics that outline the biographic features relating to the respondents are presented. Secondly, inferential statistics are presented, with these progressing through the sequence in the questionnaire, ranging from Section 1 to Section 4 (see Appendix III). Section 1 concerns the extent of organizational change that the respondents experienced within the government. Section 2 addresses the respondents' perceptions about the government's fulfilment of its obligations and commitments to civil servants. Section 3 relates to the respondents' EVLN behaviour when the government fails to fulfil its obligations and commitments to them. Section 4 covers the respondents' personal information, which is used to undertake the variance analysis on PCB and Chinese civil servants' EVLN behaviour.

The individual hypotheses reported in this chapter are linked to the seven broad hypotheses identified in the end of literature review chapter, which refer to: **H1** the structural dimension of organizational change; **H2** the effect of organizational change on Chinese civil servants' EVLN behaviour; **H3** the effect of organizational change on Chinese civil servants' PCB; **H4** the effect of PCB on Chinese civil servants' EVLN behaviour; **H5** the mediating role of PCB between organizational change and Chinese civil servants' EVLN behaviour; **H6** the

individual differences of Chinese civil servants' PCB, with regard to their biographic features; and **H7** the individual differences of Chinese civil servants' EVLN behaviour, with regard to their biographic features.

## **5.1 Descriptive Statistics**

Descriptive statistics provide a broad overview of the respondents' characteristics, which are drawn from the biographic variables in Section 4 of the questionnaire. This data outlines the biographic features of the sample respondents, which includes age, gender, educational qualification, tenure and position-level in the government; the level of the government in which the respondent is working; political status; and location in China. The purpose of gathering such information is primarily because:

- (1) The biographic variables of age, gender, educational qualification, position-level at the government, the level of government at which the respondent is working, and political status are the most generally used biographic variables in the National Statistics of Civil Service (Chinese State Administration of Civil Service, 2010);
- (2) In terms of the large size of both the country and its population, questionnaires were distributed to reflect the population distribution of each region. For instance, the population in China is mainly distributed in the Northern, Middle, Eastern and Southern region, whereas it is much less populated in the Western regions. Therefore, the questionnaires were distributed more in the North, Middle, East and South regions rather than the West region.
- (3) By taking 2006 as the starting year for Chinese government reform, 'five years' is taken as a criterion for categorizing the tenure of the respondents.

The samples in the current study are civil servants from different regions of China. A total of 510 questionnaires were distributed. In terms of the relative proportion of Chinese people in the different regions, 110 questionnaires were distributed to each of the North and Middle China areas, 105 questionnaires were distributed to each of the South and East China areas, and 80 questionnaires were distributed to West China. By the end of the survey, a total of 491 questionnaires were returned, with 486 of them being qualified as valid.

By undertaking the descriptive analysis, the researcher found that the statistical results of the respondents' biographic features broadly fitted the overall profile of Chinese civil servants, as described by the Chinese State Administration of Civil Service (2010). As such, the respondents' ages are mainly less than 35 (43.4%), and between 36 and 45 (31.9%), with 19.8% and 4.9% being between 46 and 55 and over 55, respectively. Male and female respondents are approximately 60% (60.7%) and 40% (39.3%), respectively; more than 90% of the respondents have higher educational qualifications including Master Degree and above (32.9%), Bachelor Degree (40.3%) and University Diploma (18.5%); whilst only 8.2% of the respondents have an educational qualification of High School and below. The respondents' tenures in the government are 42.6% (five years and below) and 57.4% (more than five years) respectively. About 60% of the respondents are junior level civil servants, which include 23.3% of the lower junior level civil servants and 38.1% of the higher junior level civil servants; and about 40% of the respondents are senior level civil servants, including 30.5% of the lower senior level civil servants and 8.2% of the higher senior level civil servants. The government level at which the respondents are working are: 9.9% central level, 10.5% provincial level, 24.7% prefectural level, 36.8% county level, and 18.1% township level. Most of the respondents' are CCP members (88.7%). (The full details of the biographic features are presented Appendix IV.)

## 5.2 The Test of the Structural Dimension of Organizational Change

In order to examine the structural dimension of organizational change, it is necessary to first undertake the relevant factor analysis (Goldstein *et al.*, 2007). However, before undertaking a factor analysis, and in order to test whether the items in the questionnaire are appropriate for carrying out the factor analysis, the KMO and Bartlett's Test were undertaken (Anderson & Gerbing, 1988).

According to Russo & Tencati (2008), the KMO measure of sampling adequacy examines whether the partial correlations among variables are small. By indicating the degree to which the variables are related, the KMO measure of sampling adequacy can help the researcher to evaluate whether using a factor analysis makes sense (Russo & Tencati, 2008). As a rule of thumb, the value for the KMO ranges from 0 to 1. Only when the value of KMO is greater than .60 would it make sense for a factor analysis (Hsu *et al.*, 2006). Furthermore, Bartlett's Test examines the hypothesis that the variables are uncorrelated in the samples. If the result shows that the Bartlett's Test of Sphericity is at the level of significance (.000), the variables are correlated and thus it would be appropriate to undertake the factor analysis (Grace & O'Cass, 2004).

**Table 5.1: KMO and Bartlett's Test on Organizational Change**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.759
Bartlett's Test of Sphericity	Approx. Chi-Square	2.539E3
	df	66
	Sig.	.000

The results showed that the value of KMO was .759, which meant that it would make sense to carry out the relevant factor analysis (Table 5.1). Likewise, the result of the Bartlett's Test was within the level of significance (.000); therefore,

it was appropriate to undertake further actions on factor analysis.

Further, in order to test the construct validity of the items in measuring ‘organizational change’, a total variance test on ‘organizational change’ was undertaken (Wuensch *et al.*, 1991). According to Zaltman and Burger (1975) and Kerlinger and Lee (2000), in order to ensure the construct validity of the questionnaire, the rotation sums of squared loadings must be greater than 50%.

**Table 5.2: Total Variance Explained on the Dimension of Organizational Change**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.578	38.153	38.153	4.578	38.153	38.153	2.461	20.512	20.512
2	1.654	13.782	51.935	1.654	13.782	51.935	2.273	18.940	39.452
3	1.170	9.754	61.688	1.170	9.754	61.688	1.906	15.886	55.338
4	1.084	9.033	70.721	1.084	9.033	70.721	1.846	15.383	70.721
5	.828	6.899	77.620						
6	.628	5.234	82.853						
7	.508	4.235	87.088						
8	.465	3.877	90.965						
9	.382	3.181	94.146						
10	.332	2.763	96.910						
11	.209	1.740	98.649						
12	.162	1.351	100.000						

As can be seen in Table 5.2, the ‘total’ for component 1 is 4.578, which explains the variance of 38.153%; the ‘total’ for component 2 is 1.654, which explains the variance of 13.782%; the ‘total’ for component 3 is 1.170, which explains the variance of 9.754%; the ‘total’ for component 4 is 1.084, which explains the variance of 9.033%; and the overall cumulative percentage is 70.721%. In general, the four components can reflect the greatest amount of information

about the components. Therefore, it is considered valid to undertake factor analysis on the components in the questionnaire relating to 'organizational change' (Bowden, 2004).

### **5.2.1 Exploratory Factor Analysis on Organizational Change**

Based on the review of literature relating to organizational change, and integrating this with the preliminary informal interviews among Chinese civil servants, a questionnaire was designed for the current study (Sukhwai, 2010). In this situation, because the researcher has no priori ideas on the numbers and nature of the factors underlying the data (Kelton *et al.*, 2010), it is necessary to undertake exploratory factor analysis of the items as a priority (Tang, 2010).

As a description of the orderly simplification of interrelated measures, exploratory factor analysis was used to explore the possible underlying factor structure based on a set of observed variables, which helped to determine the factor structure that can explain the covariance structure of the data, in accordance with how participants responded (Child, 1990). According to Tsai *et al.* (2011), in exploratory factor analysis the factor loading for each item must be greater than .50. In accordance with this measure, and by undertaking exploratory factor analysis, the underlying four factor structure was identified. The results of the factor analysis are as follows (Table 5.3):

**Table 5.3: The Results of Exploratory Factor Analysis on Organizational Change**

Item	Factor			
	1	2	3	4
<b>Factor 1: (<math>\alpha=.87</math>)</b>				
<b><u>People-oriented change</u></b>				
A10: change on civil servants' promotion	<b>.901</b>	.066	.130	.040
A11: change on civil servants' performance appraisal	<b>.825</b>	.302	-.019	.281
A12: change on civil servants' salary criteria	<b>.677</b>	.301	.131	.404
<b>Factor 2: (<math>\alpha=.74</math>)</b>				
<b><u>Process-oriented change</u></b>				
A9: change on government information	.118	<b>.860</b>	.107	.056
A7: change on government workflow	.226	<b>.748</b>	.139	-.005
A8: change on task process	.139	<b>.672</b>	.274	.208
<b>Factor 3: (<math>\alpha=.69</math>)</b>				
<b><u>Structural change</u></b>				
A5: merging government sections	-.011	.111	<b>.830</b>	.137
A4: integrating government sections	.038	.269	<b>.762</b>	.159
A6: deactivating government sections	.423	.107	<b>.666</b>	-.307
<b>Factor 4: (<math>\alpha=.70</math>)</b>				
<b><u>Strategic change</u></b>				
A3: Change on government administration	.051	-.089	.058	<b>.852</b>
A2: Change on government objective	.344	.377	.223	<b>.589</b>
A1: Change on government mission	.353	.298	-.011	<b>.587</b>

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

In terms of the difference in distribution of the items for the organizational change section of the questionnaire, the results showed that organizational change can be categorized as four factors: people-oriented change, process-oriented change, structural change, and strategic change. As such, components A1-A3 were distributed to the factor of 'strategic change', whilst

components A4-A6 were distributed to the factor of 'structural change'. Components A7-A9 were distributed to the factor of 'process-oriented change' and components A10-A12 were distributed to the factor of 'people-oriented change'. Further, in order to test the reliability of the four factors, Cronbach's  $\alpha$  test was undertaken by utilizing the SPSS statistical package. The results showed that the Cronbach's  $\alpha$  for each dimension was .87, .74, .69, .70, respectively. This means that the reliability of the four factors is generally acceptable (Pai *et al.*, 2011).

## **5.2.2 Confirmatory Factor Analysis on Organizational Change**

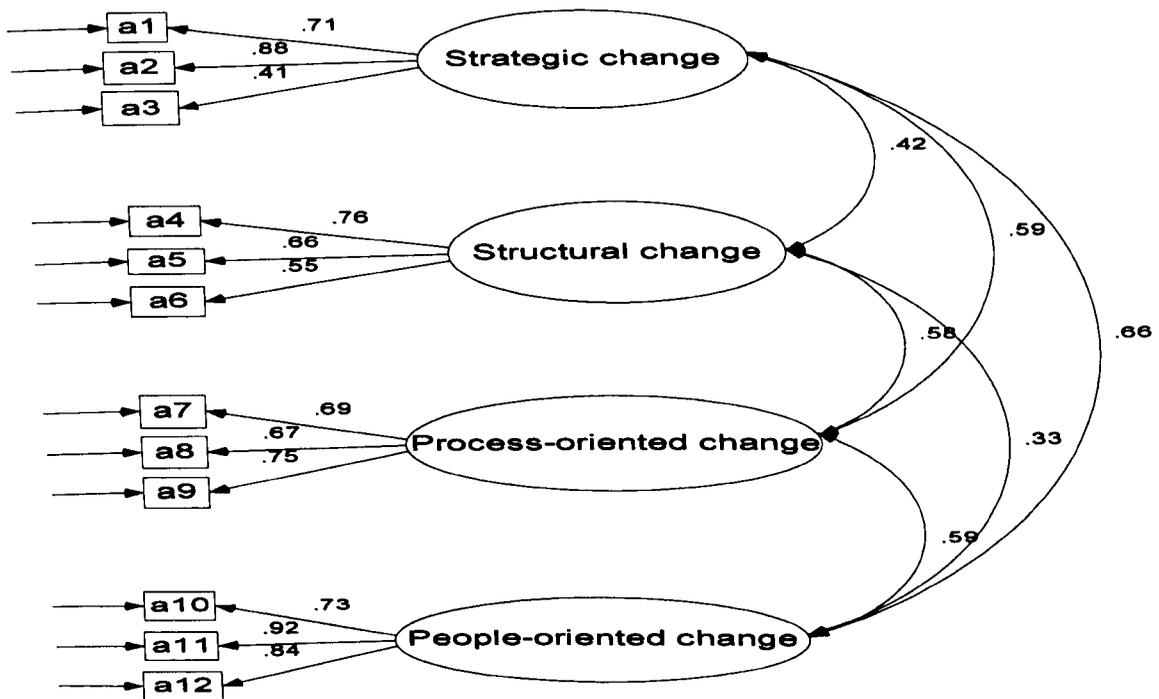
For testing the hypothesis on the four-dimensional structure of organizational change, this study also undertook confirmatory factor analysis on organizational change, in terms of its dimensions and corresponding items on the scale. Confirmatory factor analysis can allow a statistical test that shows how well a priori specified factor model explains the observed pattern of sample correlations or covariance (Shevlin *et al.*, 2000).

In the process of the confirmatory factor analysis, and in order to test whether the latent variables for each factor had significant loadings with relevant factors, a primary need examination of the measurement model was undertaken (Hamid *et al.*, 2011). The greater the factor loadings, the more significance the latent variables hold. According to Tsai and Jirovec (2005), factor loadings of less than .40 should be deleted. Furthermore, for the factor loading between latent variables and observable variables to be meaningful they have to be significant at the level of .05.

Figure 5.1 illustrates the measurement model of confirmatory factor analysis on

organizational change. As such, the loadings between the observed measures (e.g. a1, a2) and the latent variables (e.g. strategic change) are obtained from “the estimates on the standardized regression weights”. All the loadings (e.g. .71, .88) are not less than .40, which means that all the loadings are acceptable to reflect the relevant factors.

**Figure 5.1: The Measurement Model of Organizational Change (first-order model)**



In addition, as outlined in Table 5.4, the results on the path coefficients between the factors show that the correlations between those factors were significant at the level of .05. The results verify that the measurement model of organizational change is acceptable and valid. Therefore, the measurement model confirms the results from the exploratory factor analysis, which means that ‘organizational change’ consists of four dimensions, including strategic change, structural change, process-oriented change and people-oriented change.

**Table 5.4: Correlations between the Dimensions of Organizational Change**

			Estimate	S.E.	C.R.	P
Strategic change	<-->	Structural change	.419	.011	4.967	***
Structural change	<-->	Process-oriented change	.582	.028	6.877	***
Strategic change	<-->	Process-oriented change	.593	.017	6.295	***
Process-oriented change	<-->	People-oriented change	.585	.037	8.675	***
Structural change	<-->	People-oriented change	.327	.025	5.048	***
Strategic change	<-->	People-oriented change	.657	.020	6.793	***

In addition, and in order to examine the quality of the model's overall fit, absolute fit measures, including CMIN/DF, GFI, IFI, TLI, CFI and RMSEA, were used to determine whether the overall model could predict the covariance matrix distribution (Chou *et al.*, 1998; Byrne, 2001).

As such, CMIN/DF refers to the maximum likelihood estimation that Chi-square is divided by the degrees of freedom. As a general rule of thumb, the value for CMIN/DF should be two or less. When the ratio is greater than 2.00, it means that this measure is generally considered unacceptable (Sudarwan & Fogarty, 1996; Byrne, 2001).

GFI refers to the Goodness-of-Fit Index, which is calculated by comparing the fit functions of the unconstrained and constrained models (Elkelish, 2007). As a general rule of thumb, the value for the GFI should be close to 1.0 and above .80 (Mishra & Datta, 2011; Singh *et al.*, 2011; Lin *et al.*, 2012). The higher the GFI is, the higher the similarity between fit functions is; and accordingly, the better fit the model is.

IFI refers to the Incremental Fit Index, which provides “a measure of the proportional improvement in fit of a substantive model relative to a null model that is nested within the substantive model” (Widaman & Thompson, 2003: 18). As a general rule of thumb, the value for the IFI should be close to 1.0 and above .80 (Mishra & Datta, 2011; Singh *et al.*, 2011; Lin *et al.*, 2012).

TLI refers to the Tucker-Lewis Index, which was developed by Tucker and Lewis (1973). By calculating the length of the continuum running from the null model to an ideal model, the TLI can “provide an index of the relative placement of a substantive model along the continuum” (Widaman & Thompson, 2003: 21). Again, as a general rule of thumb, the value for the TLI should be close to 1.0 and above .80 (Mishra & Datta, 2011; Singh *et al.*, 2011; Lin *et al.*, 2012).

CFI refers to the Comparative Fit Index. By taking sample size into account, CFI evaluates “the fit of a user-specified solution in relation to a more restricted, nested baseline model” (Brown, 2006: 84). As a general rule of thumb, the value for the CFI extends from 0 to 1 (Bentler & Yuan, 1999). When the value is greater than .80, it means this model can be considered acceptable (Mishra & Datta, 2011; Singh *et al.*, 2011; Lin *et al.*, 2012).

RMSEA refers to Root Mean Square Error of Approximation. By measuring the discrepancy between the original elements and the reproduced covariance matrices, the RMSEA can calculate the measurement errors for all correlations in the model using the degree of freedom (Elkelish, 2007). Generally, the value for RMSEA extends from .05 to .10. The value above .10 represents a poor model fit (MacCallum *et al.*, 1996). For a tenable model, the RMSEA value should be below than .08 (Cheng, 2012).

As shown in Table 5.5, the results for CMIN/DF, GFI, IFI, TLI, CFI and RMSEA are 1.866, .917, .931, .923, .930, .052 respectively. For an acceptable model, the

model fitting index for CMIN/DF should be below than 2.0; the model fitting index for GFI, IFI, TLI and CFI should be in the range between 0.8 and 1.0; the model fitting index for RMSEA should be below than 0.8. With reference to the above criteria, the measurement model of organizational change is considered acceptable. This confirms that the measurement model of organizational change is acceptable and the correlations between different factors of organizational change are significant.

**Table 5.5: Model Fitting Index for the First-order Analysis on Organizational Change**

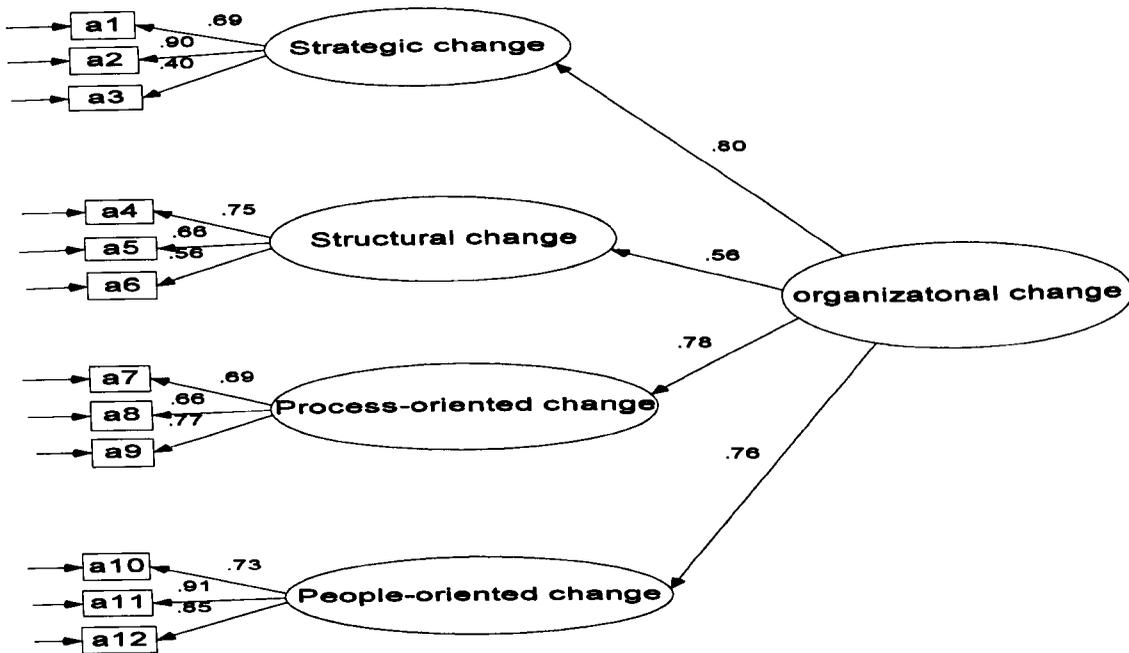
<b>CMIN/DF</b>	<b>GFI</b>	<b>IFI</b>	<b>TLI</b>	<b>CFI</b>	<b>RMSEA</b>
1.866	.917	.931	.923	.930	.052

The results from the first-order analysis on organizational change showed high correlations between the factors. In order to test the appropriateness of the four dimension of organizational change, the second-order confirmatory factor analysis was investigated.

### **5.2.3 Second-order Factor Analysis on Organizational change**

The second-order model of confirmatory factor analysis on organizational change is outlined in Figure 5.2. Both the loadings between the observed measures (e.g. a1, a2) and the latent variables (e.g. strategic change), and the path coefficients between latent variables, are obtained from “the estimates on the standardized regression weights”. As shown in Figure 5.2, all the loadings (e.g. .69, .90) are acceptable to reflect the relevant factors ( $\geq .40$ ), and all the coefficients are at significant level ( $p < .05$ ).

**Figure 5.2: The Measurement Model of Organizational Change (second-order model)**



As shown in Table 5.6, an inspection of the measurement model fit of organizational change indicates that the level of model fit is satisfied (CMIN/DF=1.956, GFI= .904, IFI= .916, TLI= .905, CFI= .913, RMSEA= .054). With reference to the criteria on an acceptable model, the fitting indexes from the second-order analysis on organizational change are acceptable. Therefore, the measurement model for the second order analysis on organizational change is reasonable. This confirms that the structure of “organizational change” consists of the four factors including strategic, structural, process-oriented and people-oriented change.

**Table 5.6: Model Fitting Index for the Second-order Analysis for Organizational Change**

CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.956	.904	.916	.905	.913	.054

By undertaking the exploratory factor analysis, first-order factor analysis and

second-order factor analysis, the assumptions regarding the four-dimension structure of organizational change, which included strategic change, structural change, process-oriented change and people-oriented change are confirmed. Therefore, the first null hypothesis is rejected and the alternative hypothesis accepted:

**H1: In the Chinese government context, organizational change consists of a four-dimensional structure including strategic change, structural change, process-oriented change and people-oriented change.**

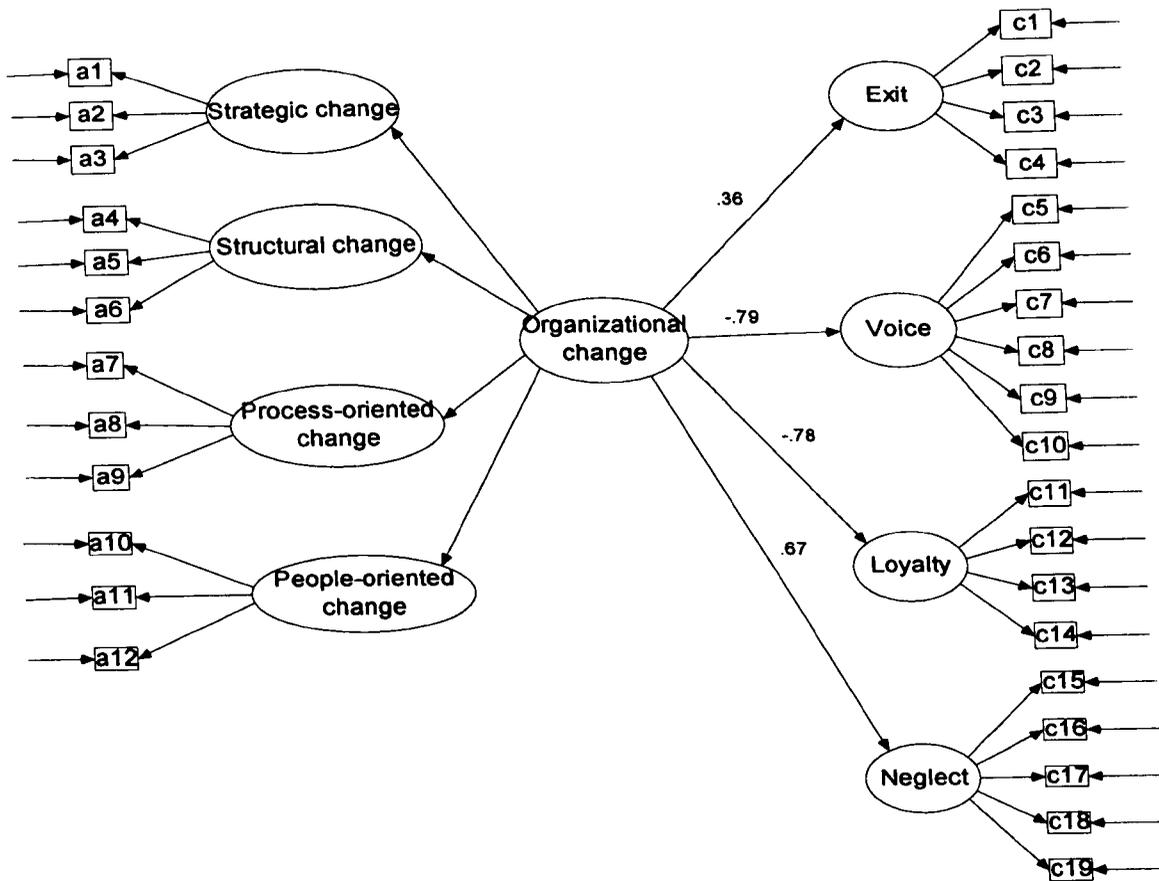
### **5.3 The effect of Organizational Change on Chinese civil servants' EVLN behaviour**

According to Millsap and Everson (1991), in order to verify those measurement models that are derived from classical test theory, it is necessary to undertake confirmatory factor analysis. Therefore, before examining the effect of organizational change on Chinese civil servants' EVLN behaviour, the relevant confirmatory factor analysis was first undertaken. The confirmatory factor analysis for organizational change has been shown in Section 5.2. As for the measurements on the civil servants' EVLN behaviour, because it is based on the prior well-examined measurements (Mellahi *et al.*, 2010), the relevant confirmatory factor analysis is not necessary. Therefore, the following is the SEM between organizational change and the Chinese civil servants' EVLN behaviour.

The relational model (Codd, 1970) between organizational change and the Chinese civil servants' EVLN behaviour is presented in Figure 5.3. The path coefficients between organizational change and the civil servants' EVLN behaviour are acceptable at significant level ( $p < .05$ ), which mean that the

relational model between organizational change and the civil servants' EVLN behavioural is established.

**Figure 5.3: The Relational Model on Organizational Change and Chinese Civil Servants' EVLN behaviour**



The inspection of the relational model fit of organizational change and the Chinese civil servants' EVLN behaviour is shown in Table 5.7, which indicates that the level of model fit is acceptable (CMIN/DF=1.787, GFI= .868, IFI= .895, TLI= .879, CFI= .880, RMSEA= .051). The results confirm that the relational model between organizational change and Chinese civil servants' EVLN behaviour is reasonable and valid.

**Table 5.7: Model Fitting Index for the Relational Model on Organizational Change and Chinese Civil Servants' EVLN behaviour**

CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.787	.868	.895	.879	.880	.051

Table 5.8 shows the results verify that this model is acceptable and valid. Based on the results from the exploratory and confirmatory factor analysis, in the fitted model, all the path coefficients between the latent variables, and the latent variables and the observable variables were significant at the level of .05.

**Table 5.8: Correlations between Organizational Change and Chinese Civil Servants' EVLN behaviour**

			Estimate	S.E.	C.R.	P
Exit	<---	Organizational change	.361	.365	5.130	***
Voice	<---	Organizational change	-.793	.331	-6.863	***
Loyalty	<---	Organizational change	-.779	.362	-6.829	***
Neglect	<---	Organizational change	.668	.485	6.990	***

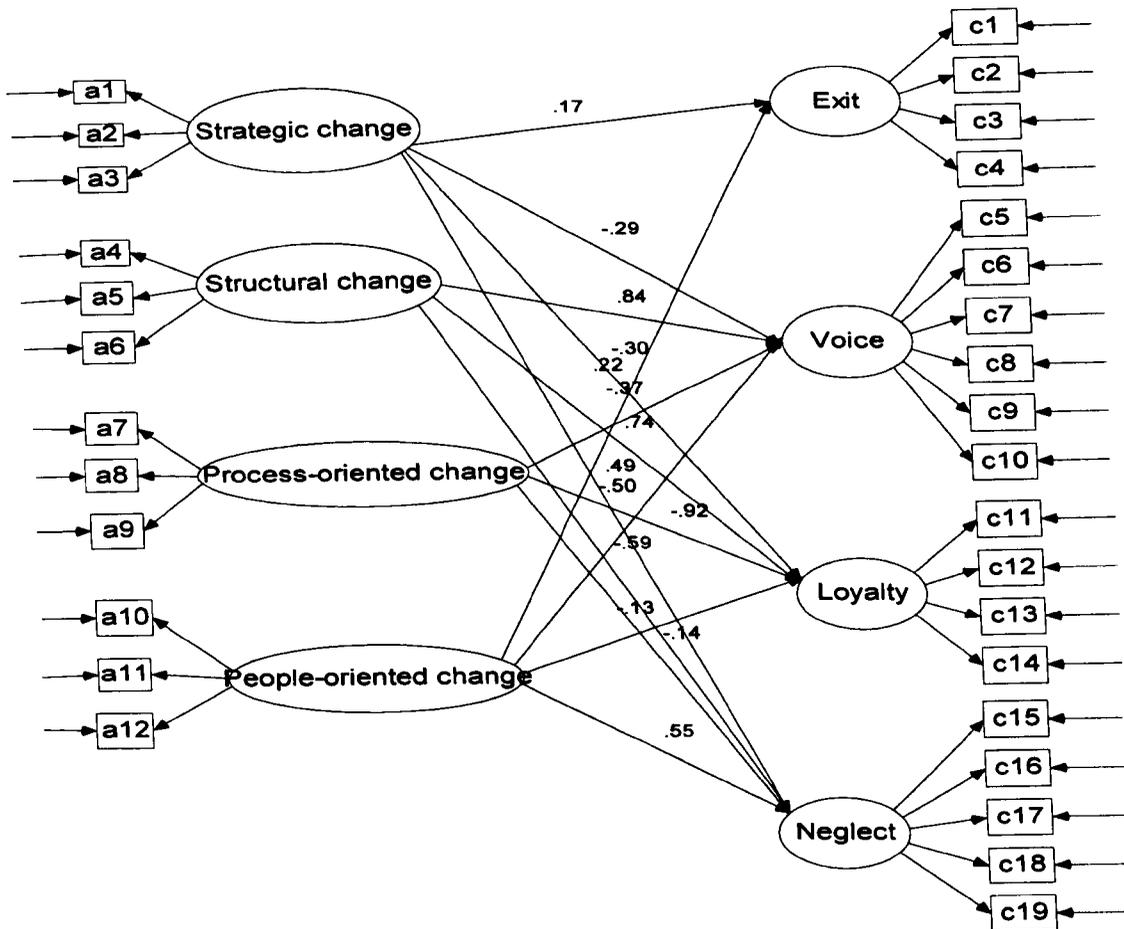
Therefore, the second null hypothesis is rejected and the alternative hypothesis accepted:

**H2: Organizational change is positively related to Chinese civil servants' Exit and Neglect behaviour, but negatively related to Chinese civil servants' Voice and Loyalty behaviour.**

In terms of the different dimensions of organizational change, the effect of organizational change on the Chinese civil servants' EVLN behaviour can also be examined (Figure 5.4). In terms of the sub-dimensional level, the path coefficients between organizational change and the civil servants' EVLN behaviour are acceptable at significant level ( $p < .05$ ), which mean that the correlations between different dimensions of organizational change and the civil servants' EVLN behavioural are established, apart from the impacts of structural change and process-oriented change on their Exit behaviour, which are not

significant.

**Figure 5.4: The Multi-dimensional SEM for Organizational Change and Chinese Civil Servants' EVLN behaviour**



As shown in Table 5.9, the inspection of the relational model fit of organizational change and the Chinese civil servants' EVLN behaviour indicates that the level of model fit is satisfied (CMIN/DF=1.838, GFI= .929, IFI= .943, TLI= .930, CFI= .943, RMSEA= .052). The results confirm that, in terms of the sub-dimensional level, the relational model between organizational change and Chinese civil servants' EVLN behaviours are reasonable and valid.

**Table 5.9: Model Fitting Index on the Multi-dimensional SEM for Organizational Change and Chinese Civil Servants' EVLN behaviour**

CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.838	.929	.943	.930	.943	.052

The standard regression coefficient between the latent variables is shown in Table 5.10. Except for the impact of structural change and process-oriented change on the civil servants' Exit behaviour, all other dimensions of organizational change are significantly related to the Chinese civil servants' EVLN behaviour. As such, the highest significance includes: (1) process-oriented change is negatively related to the civil servants' Loyalty behaviour at a very high level of -.915; (2) structural change is positively related to the civil servants' Loyalty behaviour at a high level of .745; and (3) structural change is positively related to the civil servants' Voice behaviour at a high level of .841. The lowest significance includes: (1) people-oriented change is negatively related to the civil servants' Loyalty behaviour at a very low level of -.134; and (2) process-oriented change is negatively related to the civil servants' Neglect behaviour at a very low level of -.137.

**Table 5.10: Regression Weights between Organizational Change and Chinese Civil Servants' EVLN behaviour**

		Estimate	S.E.	C.R.	P
Exit	<--- People-oriented change	.223	.086	3.185	.001
Exit	<--- Strategic change	.166	.284	2.263	.024
Loyalty	<--- Process-oriented change	-.915	.091	-10.365	***
Loyalty	<--- Structural change	.745	.093	10.080	***
Loyalty	<--- People-oriented change	-.134	.059	-2.050	.040
Loyalty	<--- Strategic change	-.297	.204	-4.106	***
Neglect	<--- People-oriented change	.546	.069	9.265	***
Voice	<--- Structural change	.841	.105	8.597	***
Voice	<--- Process-oriented change	-.370	.073	-4.498	***
Voice	<--- People-oriented change	-.496	.052	-7.296	***
Neglect	<--- Structural change	-.591	.094	-10.325	***
Neglect	<--- Strategic change	.494	.287	6.295	***
Voice	<--- Strategic change	-.289	.173	-4.005	***
Neglect	<--- Process-oriented change	-.137	.073	-2.531	.011

Therefore, the sub-sections of the second null hypothesis are rejected and the

alternative hypotheses accepted:

**H2a:** Strategic change is positively related to the Chinese civil servants' Exit and Neglect behaviour, but negatively related to the Chinese civil servants' Voice and Loyalty behaviour.

**H2b:** Structural change is negatively related to the Chinese civil servants' Neglect behaviour, positively related to the Chinese civil servants' Voice and Loyalty behaviour, but not significantly related to the Chinese civil servants' Exit behaviour.

**H2c:** Process-oriented change is negatively related to the Chinese civil servants' Voice, Loyalty and Neglect behaviour, but not significantly related to the Chinese civil servants' Exit behaviour.

**H2d:** People-oriented change is positively related to the Chinese civil servants' Exit and Neglect behaviour, but negatively related to the Chinese civil servants' Voice and Loyalty behaviour.

## **5.4 The effect of Organizational Change on Chinese civil servants' PCB**

In the current study, one of the research objectives was to examine the effect of organizational change on the Chinese civil servants' PCB. By following Millsap and Everson's (1991) suggestion, it is important to undertake the relevant factor analysis before examining the correlation. The factor analysis for organizational change has been completed in Section 5.2. Therefore, the following will outline the factor analysis for the Chinese civil servants' PCB.

Before undertaking the factor analysis, a KMO and Bartlett's Test was carried out (Anderson & Gerbing, 1988), in order to test whether it was appropriate to carry out a factor analysis on these items in the questionnaire.

**Table 5.11: KMO and Bartlett's Test on PCB**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.779
Bartlett's Test of Sphericity	Approx. Chi-Square	4.955E3
	df	91
	Sig.	.000

The results showed that the value of KMO was .779, which meant that it would make sense to carry out the relevant factor analysis (Table 5.11). Likewise, the result of Bartlett's Test is at the level of significance (.000); therefore, it is appropriate to take the following actions with regard to factor analysis.

Further, in order to test the construct validity of the items in measuring PCB, a total variance test on PCB was undertaken. The value for the rotation sums of squared loadings should be more than 50%, thereby ensuring the construct validity of the questionnaire (Zaltman & Burger, 1975; Kerlinger & Lee, 2000).

**Table 5.12: Total Variance Explained on the Dimension of PCB**

Comp onent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	5.925	42.319	42.319	5.925	42.319	42.319	3.801	27.152
2	2.426	17.331	59.649	2.426	17.331	59.649	3.667	26.196	53.348
3	1.643	11.739	71.388	1.643	11.739	71.388	2.526	18.041	71.388
4	.917	6.548	77.936						
5	.555	3.965	81.900						
6	.515	3.680	85.580						
7	.462	3.300	88.880						
8	.424	3.029	91.909						
9	.292	2.087	93.996						
10	.276	1.969	95.965						
11	.205	1.461	97.426						
12	.146	1.046	98.472						
13	.125	.892	99.364						
14	.089	.636	100.000						

As shown in Table 5.12, the 'total' for component 1 is 5.925, which can explain 42.319% of the variance; the 'total' for component 2 is 2.426, which can explain 17.331% of the variance; the 'total' for component 3 is 1.643, which can explain 11.739% of the variance; and the cumulative percentage was 71.338%. In general, the three components can reflect the greatest information of the total components. Therefore, a valid factor analysis can be undertaken on the components in the questionnaire that related to PCB (Bowden, 2004).

### 5.4.1 Exploratory Factor Analysis on PCB

In the current study, because the PCB measurement is based on the studies of Rousseau (2000), McDonald and Makin (2000) and Hui *et al.* (2004), an exploratory factor analysis is also needed to examine the reliability and validity

of the questionnaire (Tang, 2010).

Exploratory factor analysis requires that the factor loading for each item must be greater than .50 (Tsai *et al.*, 2011). As shown in Table 5.13, a three factor structure, including transactional PCB, relational PCB and balanced PCB was identified. As such, components B2-B5 were distributed to the factor of 'transactional PCB'; components B6-B10 were distributed to the factor of 'relational PCB'; and components B11-B15 were distributed to the factor of 'balanced PCB'. Further, in order to test the reliability of the three factors, Cronbach's  $\alpha$  test were undertaken. The results show that the Cronbach's  $\alpha$  for each dimension is .77, .91, .90, respectively. The results mean that the reliability of the three factors is acceptable (Pai *et al.*, 2011).

**Table 5.13: The Results of Exploratory Factor Analysis on PCB**

Item	Factor		
	1	2	3
<b>Factor 1: (<math>\alpha=.77</math>)</b>			
<b><u>Relational PCB</u></b>			
<b>B7:</b> fulfilment on secure employment	<b>.884</b>	.228	.072
<b>B9:</b> fulfilment on concerning civil servants' long-term well-being	<b>.872</b>	.104	.222
<b>B8:</b> fulfilment on steady employment	<b>.868</b>	.106	.153
<b>B10:</b> fulfilment on concerning civil servants' personal welfare	<b>.795</b>	.208	-.099
<b>B6:</b> fulfilment on recognition of civil servants' contributions to the organization	<b>.761</b>	.148	.182
<b>Factor 2: (<math>\alpha=.91</math>)</b>			
<b><u>Balanced PCB</u></b>			
<b>B14:</b> fulfilment on supporting civil servants to attain the highest possible level of performance	.068	<b>.858</b>	.160
<b>B12:</b> fulfilment on opportunities for promotion	.215	<b>.852</b>	.142
<b>B13:</b> fulfilment on developmental opportunities with the government	.289	<b>.820</b>	.050
<b>B11:</b> fulfilment on supporting the civil servants in meeting increasingly higher goals	.065	<b>.804</b>	.188
<b>B15:</b> fulfilment on skill development that increases civil servants' value to the government	.283	<b>.704</b>	.330
<b>Factor 3: (<math>\alpha=.90</math>)</b>			
<b><u>Transactional PCB</u></b>			
<b>B2:</b> fulfilment on materials and equipment needed to perform the job	-.029	.194	<b>.829</b>
<b>B4:</b> fulfilment on a job limited to specific, well-defined responsibilities	.184	.248	<b>.781</b>
<b>B5:</b> fulfilment on requiring civil servants to perform only a limited set of duties	.191	-.028	<b>.703</b>
<b>B3:</b> fulfilment on the resources necessary to do job	.062	.391	<b>.649</b>

Extraction Method: Principal Component Analysis.

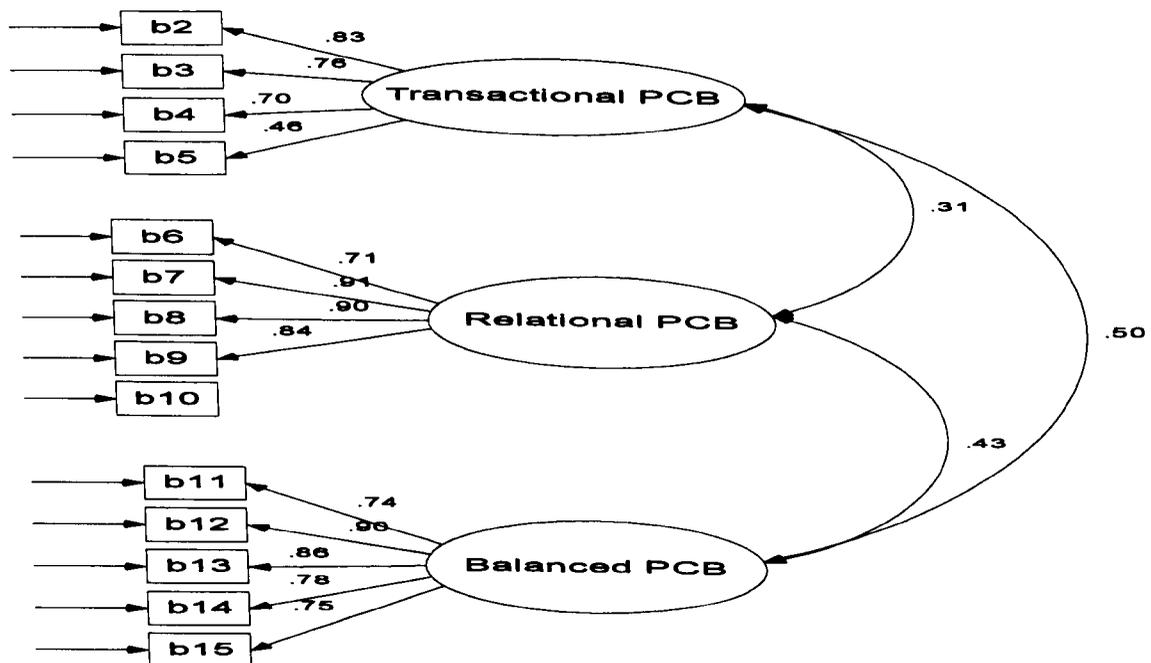
Rotation Method: Varimax with Kaiser Normalization.

## 5.4.2 Confirmatory Factor Analysis on PCB

For testing that shows how well a priori specified factor model explains the observed pattern of sample correlations or covariance (Shevlin *et al.*, 2000), a confirmatory factor analysis was undertaken.

In order to test whether latent variables for each factor had significant loadings with relevant factors, an examination of the primary needs measurement model was required (Hamid *et al.*, 2011). The measurement model of confirmatory factor analysis on the Chinese civil servants' PCB, as seen in Figure 5.5, showed the loadings results of each factor on the relevant items to be acceptable. The loadings between the observed measures (e.g. b2, b3) and the latent variables (e.g. transactional PCB) are obtained from “the estimates on the standardized regression weights”, all the loadings (e.g. .83, .76) are not less than .40, which means that all the loadings are acceptable to reflect the relevant factors.

**Figure 5.5: The Measurement Model of PCB (first-order model)**



As outlined in Table 5.14, the results on the path coefficients between the factors show that the correlations between those factors are significant ( $p < .05$ ). The results verify that the measurement model of PCB is acceptable and valid.

**Table 5.14: Correlations between the Dimensions of PCB**

	Estimate	S.E.	C.R.	P
Transactional PCB <--> Relational PCB	.310	.018	4.761	***
Transactional PCB <--> Balanced PCB	.497	.022	6.537	***
Relational PCB <--> Balanced PCB	.427	.024	7.480	***

An inspection of the measurement model fit of the Chinese civil servants' PCB (Table 5.15) indicates that the level of model fit was satisfied (CMIN/DF=1.733, GFI= .894, IFI= .896, TLI= .885, CFI= .894, RMSEA= .046). With reference to the above criteria, the measurement model of PCB is considered acceptable. This confirms the correlations between different factors of PCB are significant.

**Table 5.15: Model Fitting Index on the Measurement Model of PCB**

CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.733	.894	.896	.885	.894	.046

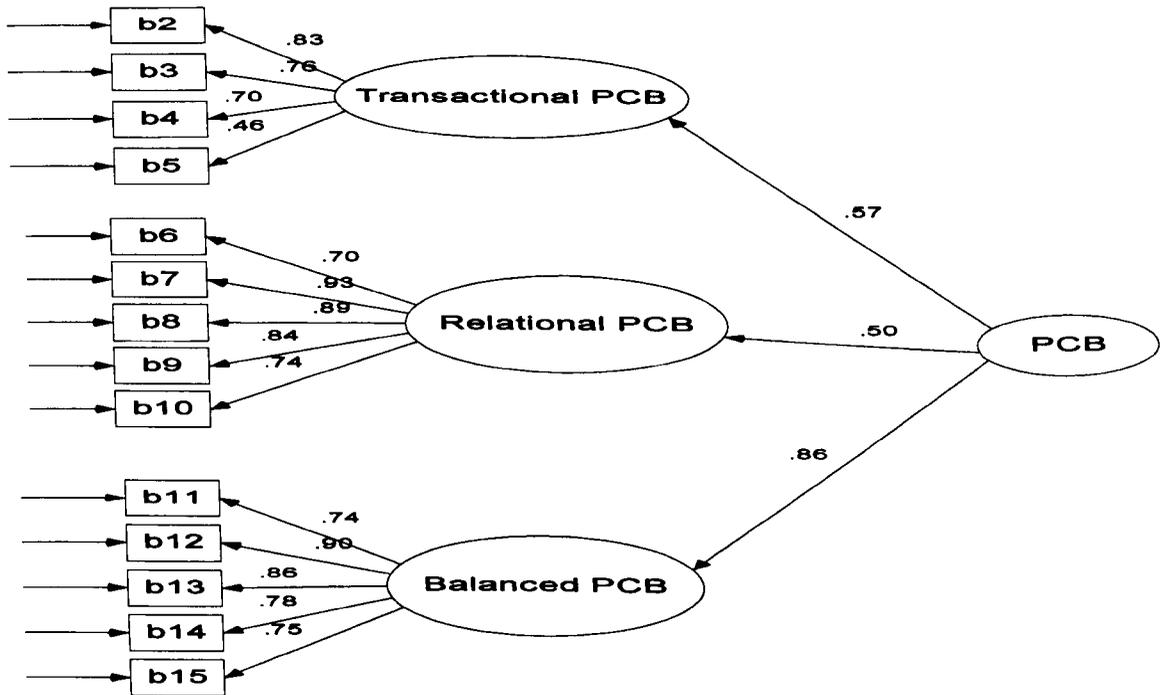
Following this, it is possible to continue the analysis with an examination of the SEM between organizational change and the Chinese civil servants' PCB.

### 5.4.3 Second-order Factor Analysis on PCB

The second-order model of confirmatory factor analysis on PCB is outlined in Figure 5.6. Both the loadings between the observed measures (e.g. b2, b3) and the latent variables (e.g. transactional PCB), and the path coefficients between latent variables, are obtained from "the estimates on the standardized regression

weights”. As shown in Figure 5.6, all the loadings (e.g. .83, .76) are acceptable to reflect the relevant factors ( $\geq .40$ ), and all the coefficients are at significant level ( $p < .05$ ).

**Figure 5.6: The Measurement Model of PCB (second-order model)**



As shown in Table 5.16, an inspection of the measurement model fit of PCB indicates that the level of model fit is satisfied (CMIN/DF=1.718, GFI= .923, IFI= .937, TLI= .943, CFI= .936, RMSEA= .048). With reference to the criteria on an acceptable model, the fitting indexes from the second-order analysis on PCB are acceptable. Therefore, the measurement model for the second order analysis on PCB is reasonable and valid. This confirms that the structure of “PCB” consists of the three factors including transactional, relational and balanced PCB.

**Table 5.16: Model Fitting Index for the Second-order Analysis for PCB**

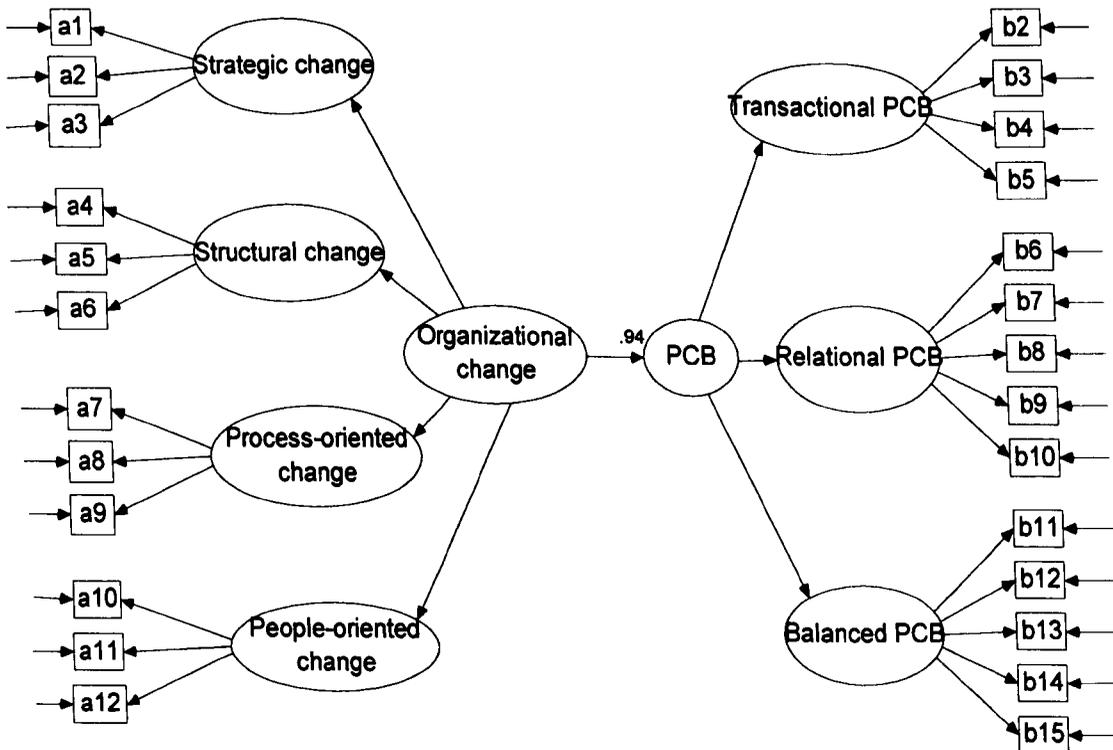
CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.718	.923	.937	.943	.936	.048

By undertaking the exploratory factor analysis, first-order factor analysis and second-order factor analysis, the three factors of PCB including transactional, relational and balanced PCB are confirmed.

### 5.4.4 The SEM between Organizational Change and PCB

Figure 5.7 shows the relational model (Codd, 1970) of organizational change and the Chinese civil servants' PCB. In this model, the path coefficient between the independent variable (organizational change) and the dependent variables (PCB) is .94, which is obtained from “the estimates on the standardized regression weights”.

**Figure 5.7: The Second-order SEM for Organizational Change and Chinese Civil Servants' PCB**



The inspection of the relational model fit of organizational change and the

Chinese civil servants' PCB is shown in Table 5.17, which indicates that the level of model fit is acceptable (CMIN/DF=1.667, GFI= .896, IFI= .921, TLI= .909, CFI= .920, RMSEA= .047). The results confirm that the relational model between organizational change and Chinese civil servants' PCB is reasonable and valid.

**Table 5.17: Model Fitting Index on the Relational Model between Organizational Change and PCB**

CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.667	.896	.921	.909	.920	.047

Table 5.18 shows a significant correlation ( $p < .05$ ) between organizational change and the civil servants' PCB. The findings suggest that the correlation between organizational change and Chinese civil servants' PCB is significant.

**Table 5.18: Regression Weights between Organizational Change and Chinese Civil Servants' PCB**

		Estimate	S.E.	C.R.	P
PCB	<--> Organizational change	.944	.414	6.675	***

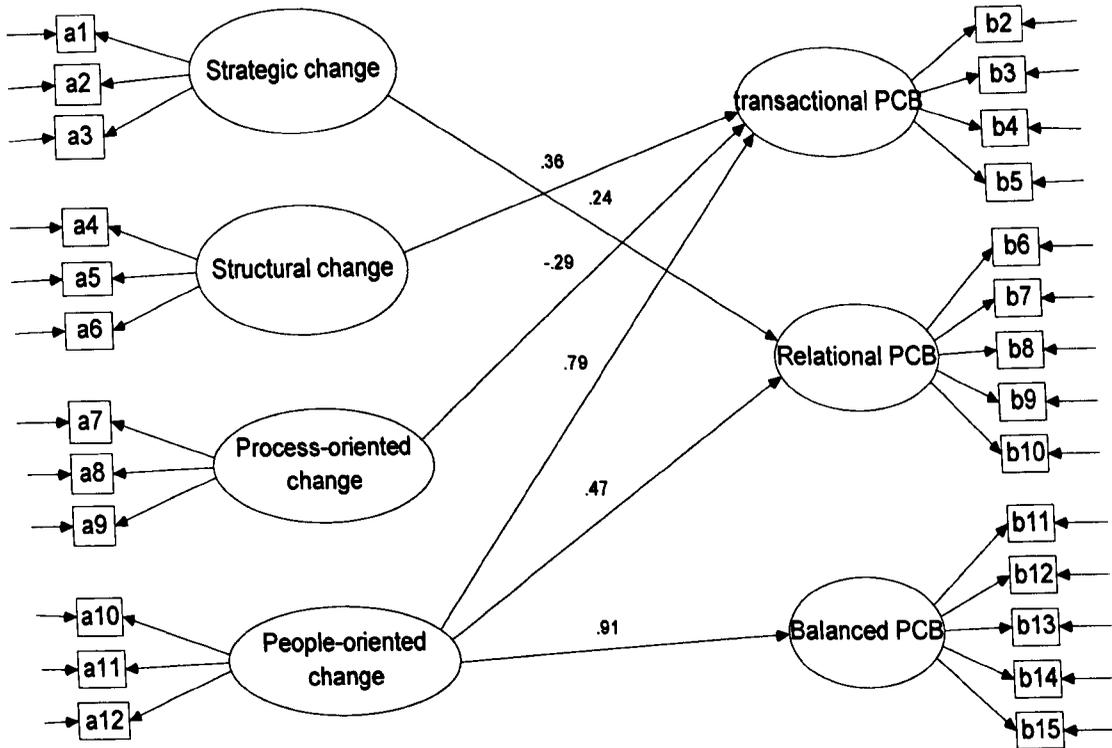
Therefore, the third null hypothesis is rejected and the alternative hypothesis accepted:

**H3: Organizational change is positively related to the Chinese civil servants' transactional, relational and balanced PCB.**

In terms of the different dimensions of organizational change, the effect of organizational change on the Chinese civil servants' PCB can also be examined (Figure 5.8). The results show that, in terms of the sub-dimensional level, the correlations between organizational change and the civil servants' PCB are significant, apart from the impact of strategic change on the civil servants'

transactional and balance PCB, and the impact of structural change and process-oriented change on the civil servants' relational and balanced PCB.

**Figure 5.8: The Multi-dimensional SEM for Organizational Change and Chinese Civil Servants' PCB**



A look at the relational model fit of organizational change and the Chinese civil servants' PCB suggests that the model fit was satisfied (CMIN/DF=1.923, GFI= .919, IFI= .933, TLI= .921, CFI= .933, RMSEA= .055), which is seen in Table 5.19. The results mean that, in terms of sub-dimensional level, the relational model between organizational change and the civil servants' PCB is reasonable and valid.

**Table 5.19: Model Fitting Index on the Multi-dimensional SEM for Organizational Change and Chinese Civil Servants' PCB**

CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.923	.919	.933	.921	.933	.055

The standard regression coefficient between the latent variables (Table 5.20) shows the different dimensions of organizational change and PCB, of which six correlations were significant. As such, the highest significance includes people-oriented change, which is positively related to the civil servants' transactional PCB and balanced PCB, with a level of .791 and .911 respectively.

**Table 5.20: Regression Weights between Organizational Change and Chinese Civil Servants' PCB (Sub-dimensional level)**

			Estimate	S.E.	C.R.	P
transactional PCB	<---	Structural change	.364	.088	6.327	***
transactional PCB	<---	People-oriented change	.791	.120	8.023	***
Balanced PCB	<---	People-oriented change	.911	.069	14.590	***
transactional PCB	<---	Process-oriented change	-.289	.171	-4.314	***
Relational PCB	<---	People-oriented change	.470	.034	8.713	***
Relational PCB	<---	Strategic change	.243	.175	5.420	***

Therefore, the sub-groups of the third null hypothesis are rejected and the alternative hypotheses accepted:

**H3a: Strategic change is positively related to the Chinese civil servants' relational PCB, but not significantly related to the Chinese civil servants' transactional and balanced PCB.**

**H3b: Structural change is positively related to the Chinese civil servants' transactional PCB, but negatively related to the Chinese civil servants' relational and balanced PCB.**

**H3c: Process-oriented change is negatively related to the Chinese civil servants'**

transactional PCB, but not significantly related to the Chinese civil servants' relational PCB and balanced PCB.

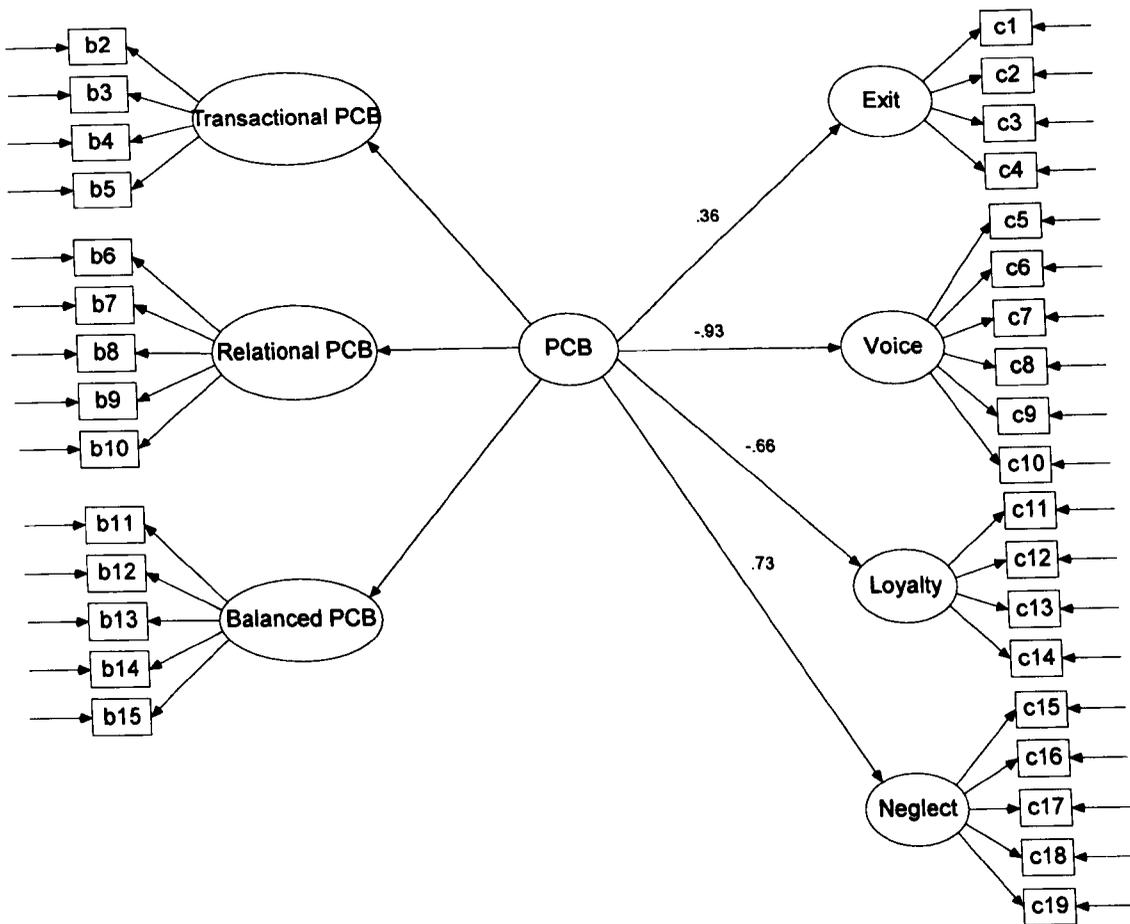
H3d: People-oriented change is positively related to the Chinese civil servants' transactional PCB, relational PCB and balanced PCB.

## **5.5 The effect of PCB on Chinese civil servants' EVLN behaviour**

Before examining the effect of PCB on the Chinese civil servants' EVLN behaviour, a confirmatory factor analysis was undertaken. The confirmatory factor analysis for PCB was completed in Section 5.4.2; therefore, the following will directly examine the SEM between PCB and the Chinese civil servants' EVLN behaviour.

The results verify that the relational model is acceptable and valid (Figure 5.9). In this model, the standard path coefficient between PCB and the civil servants' EVLN behaviour is .36, -.93, -.66, .73 respectively, which indicates a significant correlation ( $p < .05$ ) between them. The findings suggest that the SEM between PCB and the civil servants' EVLN behaviours is established.

**Figure 5.9: The Relational Model on PCB and Chinese Civil Servants' EVLN behaviour**



As seen in Table 5.21, the relational model fit of PCB and the Chinese civil servants' EVLN behaviour indicates that the level of model fit is satisfied (CMIN/DF=1.732, GFI= .917, IFI= .922, TLI= .921, CFI= .932, RMSEA= .058). The results confirm that the relational model between PCB and the civil servants' EVLN behaviours is acceptable and valid.

**Table 5.21: Model Fitting Index on the Relational Model on PCB and Chinese Civil Servants' EVLN behaviour**

CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.732	.917	.922	.921	.932	.058

The results also verify that this model is acceptable and valid (Table 5.22). Based

on the results from the exploratory and confirmatory factor analysis, the researcher found that, in the fitted model, the path coefficients between the latent variables, the latent variables and the observable variables were significant at the level of .05.

**Table 5.22: Regression Weights between PCB and Chinese Civil Servants' EVLN behaviour**

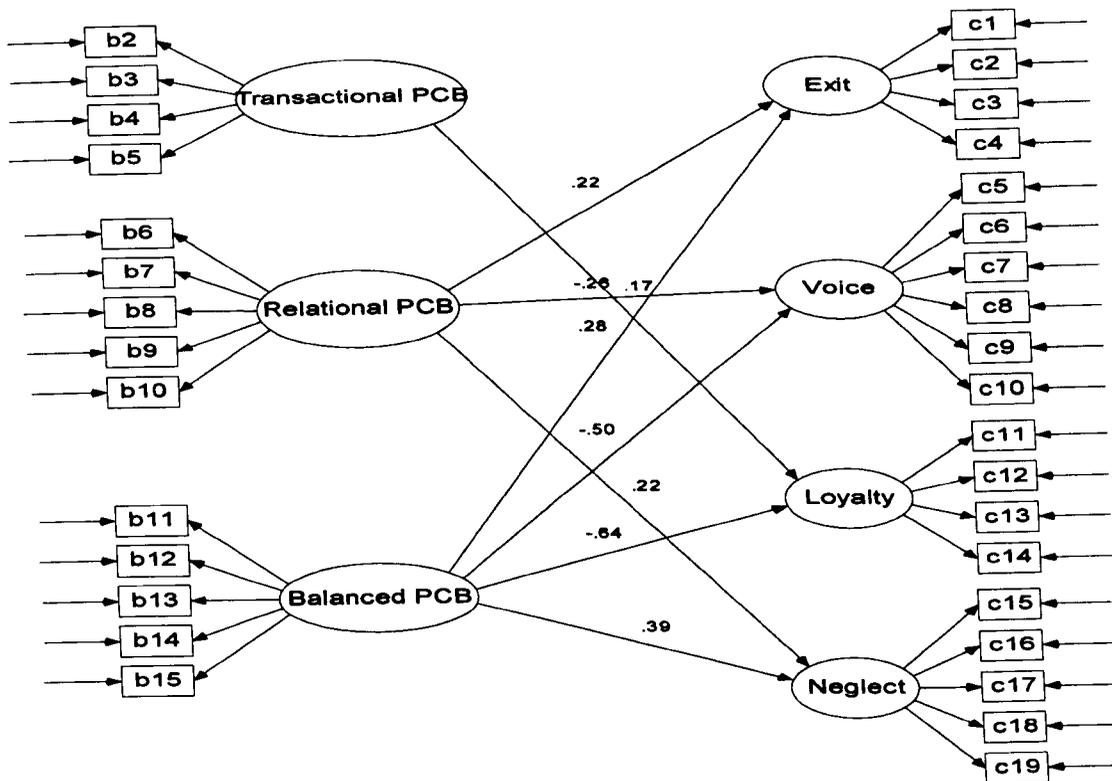
			Estimate	S.E.	C.R.	P
Neglect	<---	PCB	.732	.250	8.492	***
Exit	<---	PCB	.356	.189	5.661	***
Voice	<---	PCB	-.930	.181	-8.212	***
Loyalty	<---	PCB	-.661	.158	-7.054	***

Therefore, the fourth null hypothesis is rejected and the alternative hypothesis accepted:

**H4: PCB is positively related to the Chinese civil servants' Exit and Neglect behaviour, but negatively related to their Voice and Loyalty behaviour.**

In terms of the different dimensions of PCB, the effect of PCB on the Chinese civil servants' EVLN behaviour can also be examined. As seen in Figure 5.10, in terms of the sub-dimensional level, PCB was a significant influence on the Chinese civil servants' EVLN behaviour, except for the impact of transactional PCB on the civil servants' Exit, Voice and Neglect behaviour, and the impact of relational PCB on civil servants' Loyalty behaviour.

**Figure 5.10: the multi-dimensional SEM for Chinese civil servants' PCB and their EVLN behaviour**



A look at the relational model fit of multi-dimensional PCB and the Chinese civil servants' EVLN behaviour (Table 5.23) suggests that the level of model fit is satisfied (CMIN/DF=1.766, GFI= .877, IFI= .893, TLI= .881, CFI= .890, RMSEA= .050). The results confirm that, in terms of sub-dimensional level, the relational model PCB on Chinese civil servants' EVLN behaviours is acceptable and valid.

**Table 5.23: Model Fitting Index on the SEM of Multi-dimensional PCB and Chinese Civil Servants' EVLN behaviour**

CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.766	.877	.893	.881	.890	.050

As seen in Table 5.24, the model is acceptable and valid and, as such, the path coefficients between the latent variables are significant at the level of .05. Except for the impact of transactional PCB on the civil servants' Exit, Voice and Neglect

behaviour, all other dimensions of PCB are significantly related to different dimensions of the civil servants' EVLN behaviour. The highest significance is: balanced PCB, which is negatively related to the civil servants' Loyalty and Voice behaviour, at a level of -.637 and -.503 respectively. The lowest significance is: transactional PCB that is positively related to the civil servants' Loyalty behaviour (.169).

**Table 5.24: Regression Weights between Chinese Civil Servants' PCB and their EVLN behaviour**

			Estimate	S.E.	C.R.	P
Exit	<---	Relational PCB	.218	.081	4.206	***
Voice	<---	Relational PCB	-.264	.037	-5.561	***
Neglect	<---	Relational PCB	.220	.064	5.042	***
Voice	<---	Balanced PCB	-.503	.045	-8.977	***
Loyalty	<---	Balanced PCB	-.637	.058	-10.823	***
Neglect	<---	Balanced PCB	.391	.070	8.393	***
Exit	<---	Balanced PCB	.282	.085	5.334	***
Loyalty	<---	Transactional PCB	.169	.083	3.640	***

Therefore, the sub-groups of the fourth null hypothesis are rejected and the alternative hypotheses accepted:

**H4a: Transactional PCB is not significantly related to the Chinese civil servants' Exit, Voice and Neglect behaviour, but positively related to the Chinese civil servants' Loyalty behaviour.**

**H4b: Relational PCB is positively related to the Chinese civil servants' Exit and Neglect behaviour, negatively related to the Chinese civil servants' Voice behaviour, but not significantly related to Chinese civil servants' Loyalty behaviour.**

**H4c: Balanced PCB is positively related to the Chinese civil servants' Exit and Neglect behaviour, but negatively related to the Chinese civil servants' Voice and Loyalty behaviour.**

## **5.6 The Mediating Role of PCB**

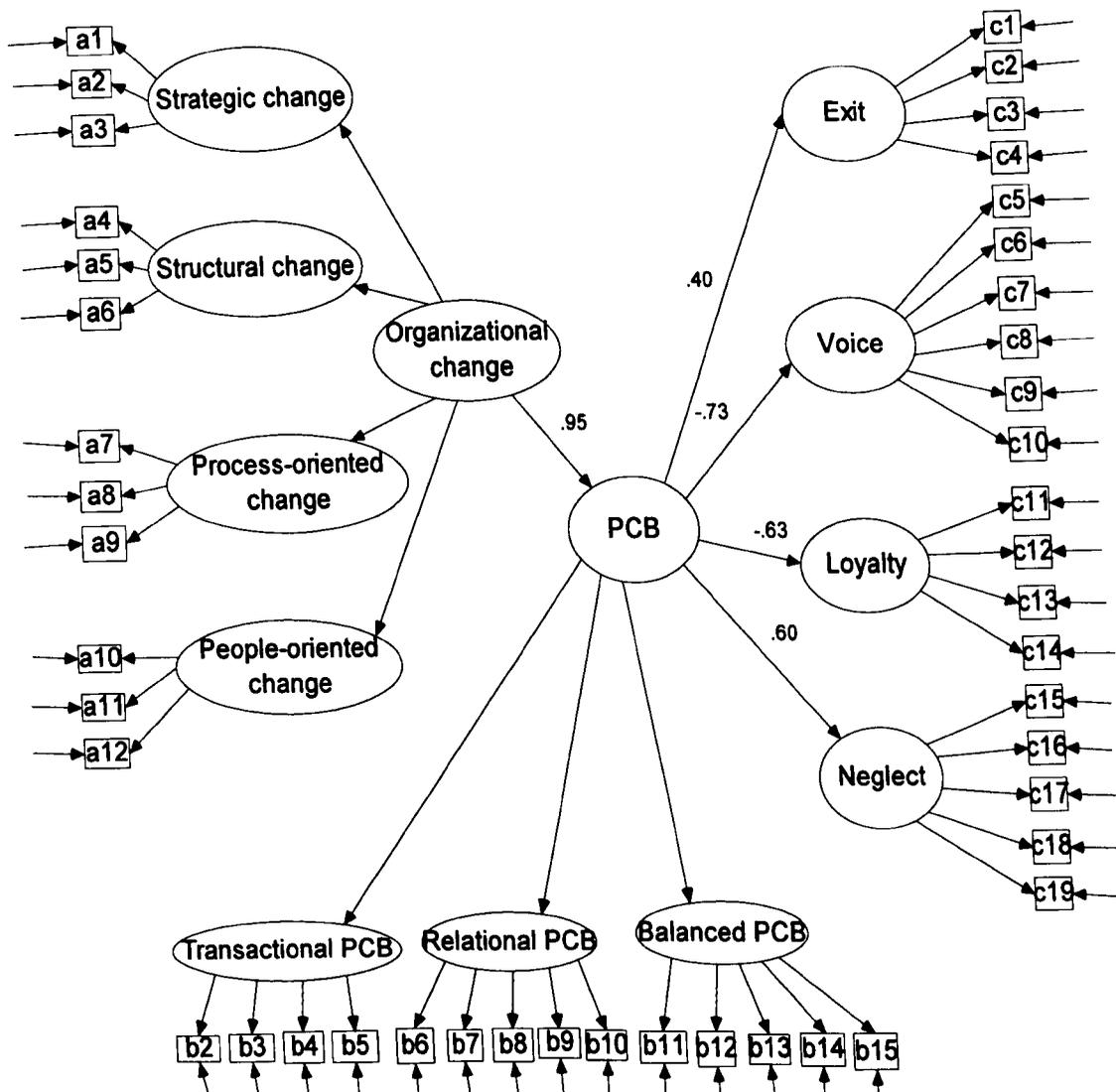
In order to examine the mediating role of PCB on the correlation between organizational change and the civil servants' EVLN behaviour, the SEM was used for the analysis. According to Baron and Kenny (1986), there are three steps to examine the mediating role: (1) undertaking the regression analysis between the mediating variable and independent variable by checking whether the coefficient of regression is at a significant level; (2) undertaking the regression analysis between dependent and independent variables by checking whether its coefficient of regression is at a significant level; (3) undertaking the regression analysis between the dependent and independent variables, mediating variable and independent variable in the same model, and checking whether its coefficient of regression is at a significant level.

In the current study, the independent variable was 'organizational change', whilst the dependent variable was the 'Chinese civil servants' EVLN behaviour', and the predicated mediating variable was 'PCB'. In following Baron and Kenny's (1986) three steps in examining the mediating role, the first two steps have been completed. These include establishing the SEM between organizational change and PCB, as shown in Section 5.4.4, and establishing the SEM between organizational change and Chinese civil servants' EVLN behaviour, as shown in Section 5.3. Therefore, the next step was to examine, in the same model, whether the following coefficient of regression are at a significant level: (1) the regression analysis between organizational change and Chinese civil servants' EVLN

behaviour and, (2) the regression analysis between organizational change and PCB.

The relational model of organizational change, PCB and the Chinese civil servants' EVLN behaviour (Figure 5.11) is verified as acceptable and valid. The standard path coefficient between organizational change and PCB is .95, with the standard path coefficient between PCB and Chinese civil servants' EVLN behaviour being .40 (Exit), -.73 (Voice), -.63 (Loyalty), .60 (Neglect) respectively, which shows a significant correlation between them ( $p < .05$ ) between them. Therefore, the relational model between organizational change, PCB and the civil servants' EVLN behaviours is established. The findings suggest that the mediating role of PCB on the correlation between organizational change and the civil servants' EVLN behaviour exists.

**Figure 5.11: The SEM for the Mediating Role of PCB on Organizational Change and Chinese Civil Servants' EVLN behaviour**



Further inspection indicates that the level of model fit is acceptable (Table 5.25) (CMIN/DF=1.711, GFI= .881, IFI= .877, TLI= .865, CFI= .876, RMSEA= .068). The results mean that, when the three variables (organizational change, PCB and EVLN behaviours) were put in the same model, it is significant that PCB is mediating the correlations between organizational change and the civil servants' EVLN behaviour. Therefore, the mediating role of PCB on the relationship between organizational change and Chinese civil servants' EVLN behaviours is reasonable and valid.

**Table 5.25: Model Fitting Index on the SEM for the Mediating Role of PCB on Organizational Change and Chinese Civil Servants' EVLN behaviour**

CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
1.711	.881	.877	.865	.876	.068

All the path coefficients between the latent variables are significant at the level of .05, and the model is acceptable and valid (Table 5.26). The findings, therefore, suggest that the SEM on the mediating role of PCB between organizational change and civil servants' EVLN behaviour is established.

**Table 5.26: Regression Weights on the SEM for the Mediating Role of PCB on Organizational Change and Chinese Civil Servants' EVLN behaviour**

	Estimate	S.E.	C.R.	P
PCB <--- Organizational change	.951	.199	5.715	***
Exit <--- PCB	.398	.281	5.568	***
Neglect <--- PCB	.595	.326	6.862	***
Loyalty <--- PCB	-.627	.229	-6.578	***
Voice <--- PCB	-.733	.233	-6.893	***

Based on the above results, the fifth null hypothesis is rejected and the alternative one accepted:

**H5: PCB is mediating on the correlation between organizational change and the Chinese civil servants' EVLN behaviour.**

## **5.7 The Variance Analysis on PCB and Chinese civil servants' EVLN behaviour**

After examining the SEM on organizational change, PCB and the Chinese civil servants' EVLN behaviour, the respondents' individual differences of PCB and their EVLN behaviour, in terms of the biographic features, are examined.

### 5.7.1 The Variance Analysis on Chinese civil servants' PCB

With respect to the respondents' age, educational qualification, position level in the government, government level of their working place, and location an ANOVA test was undertaken in term of the three dimensions of PCB. The results show that the government level of the respondents' working place showed significant differences. However, in terms of the respondents' age, educational qualification, position level at government, and their location, no significant differences on the respondents' PCB were found.

In terms of the differences on the government level the civil servants are working, there were significant differences on the relational and balanced PCB (Table 5.27).

**Table 5.27: Government-level Difference Test on Relational and Balanced PCB and Chinese Civil Servants EVLN behaviour (ANOVA)**

	Sum of Squares	df	Mean Square	F	Sig.
Relational PCB Between Groups	13.256	4	3.314	5.479	.000
Within Groups	290.917	481	.605		
Total	304.173	485			
Balanced PCB Between Groups	10.273	4	2.568	3.598	.007
Within Groups	343.350	481	.714		
Total	353.623	485			

To identify the details of the differences for relational and balanced PCB, a Post Hoc test was carried out. Using Tukey B, different kinds of significant differences were found. As such, as can be seen in Tables 5.28 and 5.29, county-level government civil servants were less likely to have relational PCB than provincial-level and township-level government civil servants; whilst

prefectural-level and county-level government civil servants were less likely to have balanced PCB compared to provincial-level government civil servants.

**Table 5.28: Post Hoc Tests on Government-level Difference: Relational PCB**  
 (\* the Red Font marks the significant difference)

the government level the civil servants are working	N	Subset for alpha = 0.05		
		1	2	3
Tukey B <sup>a</sup> county-level government	179	2.2726		
central-level government	48	2.3833	2.3833	
Prefectural-level government	120	2.5800	2.5800	
provincial-level government	51		2.6314	
township-level government	88		2.6591	

**Table 5.29: Post Hoc Tests on Government-level Difference: Balanced PCB**  
 (\* the Red Font marks the significant difference)

the government level the civil servants are working	N	Subset for alpha = 0.05	
		1	2
Tukey B <sup>a</sup> prefectural-level government	120	2.6133	
county-level government	179	2.6279	
township-level government	88	2.7864	2.7864
central-level government	48	2.9000	2.9000
provincial-level government	51		3.0471

With respect to respondents' gender, tenure in the government and political status, an independent *t*-test was undertaken in terms of the three dimensions of PCB. The results found one difference for gender and one for tenure in the government. However, the results found that respondents' political status made no significant difference to their PCB.

An independent *t*-test showed that there was a significant difference on the relational PCB in terms of the respondents' gender (Table 5.30).

**Table 5.30: Independent Samples Test on Gender Difference: Relational PCB**

		t	df	Sig. (2-tailed)
Relational PCB	Equal variances assumed	-4.647	484	.000
	Equal variances not assumed	-4.696	419.874	.000

The significant differences between female and male civil servants in terms of their relational PCB identified female civil servants as less likely to have relational PCB than male civil servants (Table 5.31).

**Table 5.31: Gender Difference Test on Relational PCB and Chinese civil servants' EVLN behaviour (Group Statistics)**

gender of respondent		N	Mean	Std. Deviation	Std. Error Mean
Relational PCB	female	191	2.2639	.75247	.05445
	male	295	2.5986	.79025	.04601

An independent *t*-test found significant differences on the balanced PCB in terms of respondents' different lengths of tenure in the government (Table 5.32).

**Table 5.32: Independent Samples Test on Tenure Difference: Balanced PCB**

		t	df	Sig. (2-tailed)
Balanced PCB	Equal variances assumed	-2.270	484	.024
	Equal variances not assumed	-2.310	468.679	.021

Table 5.33 shows that there are significant differences between tenure and balanced PCB; that is, those respondents with over five years of service are more likely to experience balanced PCB than those with less than five years of service.

**Table 5.33: Tenure Difference Test on Balanced PCB and Chinese Civil Servants EVLN behaviour (Group Statistics)**

	tenure as a civil servant	N	Mean	Std. Deviation	Std. Error Mean
Balanced PCB	5 years and below	207	2.6222	.79127	.05500
	more than 5 years	279	2.7993	.89145	.05337

Based on the results from the variance analysis on the Chinese civil servants' PCB, the sixth null hypothesis was rejected and the alternative one accepted:

**H6:** There are significant differences of the Chinese civil servants' PCB, with regard to their gender, tenure at the government and the governmental level they are working.

### **5.7.2 The Variance Analysis on Chinese civil servants' EVLN behaviour**

With respect to the respondents' age, educational qualification, position level at the government, government level of their working place, and location, ANOVA tests were undertaken in term of the respondents' Exit, Voice, Loyalty and Neglect behaviour. The results showed that the respondents' position level at government and the government level of their working place showed significant differences. However, in terms of the respondents' age, educational qualification and their location, no significant differences were found for EVLN behaviour.

The respondents' position-level at government revealed significant differences on the Chinese civil servants' Voice and Neglect behaviour (Table 5.34).

**Table 5.34: Position-level Difference Test on PCB and Chinese Civil Servants Voice and Neglect behaviour (ANOVA)**

		Sum of Squares	df	Mean Square	F	Sig.
Voice behaviour	Between Groups	3.382	3	1.127	2.675	.047
	Within Groups	203.180	482	.422		
	Total	206.562	485			
Neglect behaviour	Between Groups	7.612	3	2.537	2.891	.035
	Within Groups	423.013	482	.878		
	Total	430.625	485			

To identify the details of the differences on respondents' Voice and Neglect behaviour, a Post Hoc Tukey B test was carried out. There are significant differences between higher senior level civil servants and lower junior level civil servants in terms of their Voice and Neglect behaviour (Table 5.35 and Table 5.36). As such, higher senior level civil servants are less likely to show their Voice behaviour than lower junior level civil servants, whereas lower junior level civil servants are less likely to show their Neglect behaviour than higher senior level civil servants.

**Table 5.35: Post Hoc Tests on Position-level Difference: Voice behaviour (\* the Red Font marks the significant difference)**

position level at the government	N	Subset for alpha = 0.05	
		1	2
Tukey B <sup>a</sup> <b>higher senior level</b>	<b>40</b>	<b>3.4167</b>	
lower senior level	148	3.4899	3.4899
higher junior level	185	3.5640	3.5640
<b>lower junior level</b>	<b>113</b>		<b>3.6873</b>

**Table 5.36: Post Hoc Tests on Position-level Difference: Neglect behaviour (\* the Red Font marks the significant difference)**

position level at the government	N	Subset for alpha = 0.05	
		1	2

Tukey B <sup>a</sup>	lower junior level	113	1.9168	
	higher junior level	185	2.0130	2.0130
	lower senior level	148	2.1905	2.1905
	higher senior level	40		2.3050

In terms of the differences regarding working at the various governmental levels, there are significant differences with respect to Voice, Loyalty and Neglect behaviour (Table 5.37).

**Table 5.37: Government-level Difference Test on PCB and Chinese Civil Servants Voice, Loyalty and Neglect behaviour (ANOVA)**

		Sum of Squares	df	Mean Square	F	Sig.
Voice behaviour	Between Groups	5.276	4	1.319	3.152	.014
	Within Groups	201.286	481	.418		
	Total	206.562	485			
Loyalty behaviour	Between Groups	13.609	4	3.402	6.898	.000
	Within Groups	237.247	481	.493		
	Total	250.856	485			
Neglect behaviour	Between Groups	17.420	4	4.355	5.069	.001
	Within Groups	413.205	481	.859		
	Total	430.625	485			

To identify the details of the differences on respondents' Voice, Loyalty and Neglect behaviour, Post Hoc Tukey B and Duncan tests were carried out. As in Tables 5.38-5.40, different kinds of significant differences existed. As such, central-level and township-level government civil servants are less likely to show Voice behaviour than county-level government civil servants; and prefectural-level government civil servants are less likely to show Loyalty behaviour than central-level, county-level and provincial-level government civil servants. Finally, county-level government civil servants are less likely to demonstrate Neglect behaviour than provincial-level, township-level and

central-level government civil servants.

**Table 5.38: Post Hoc Tests on Government-level Difference: Voice behaviour (\* the Red Font marks the significant difference)**

the government level the civil servants are working	N	Subset for alpha = 0.05	
		1	2
Duncan <sup>a</sup> <b>central-level government</b>	48	<b>3.4271</b>	
<b>township-level government</b>	88	<b>3.4394</b>	
provincial-level government	51	3.4967	3.4967
Prefectural-level government	120	3.5319	3.5319
<b>county-level government</b>	179		<b>3.6862</b>

**Table 5.39: Post Hoc Tests on Government-level Difference: Loyalty behaviour (\* the Red Font marks the significant difference)**

the government level the civil servants are working	N	Subset for alpha = 0.05		
		1	2	3
Tukey B <sup>a</sup> <b>Prefectural-level government</b>	120	<b>3.3333</b>		
township-level government	88	3.5170	3.5170	
<b>central-level government</b>	48		<b>3.7031</b>	
<b>county-level government</b>	179		<b>3.7081</b>	
<b>provincial-level government</b>	51		<b>3.7941</b>	

**Table 5.40: Post Hoc Tests on Government-level Difference: Neglect behaviour (\* the Red Font marks the significant difference)**

the government level the civil servants are working	N	Subset for alpha = 0.05	
		1	2
Tukey B <sup>a</sup> <b>county-level government</b>	179	<b>1.8302</b>	
Prefectural-level government	120	2.1283	2.1283
<b>provincial-level government</b>	51		<b>2.2392</b>
<b>township-level government</b>	88		<b>2.2568</b>
<b>central-level government</b>	48		<b>2.2833</b>

With respect to respondents' gender, tenure at the government and political status, independent *t*-tests were undertaken in term of the respondents' Exit, Voice, Loyalty and Neglect behaviour. No significant differences on respondents' EVLN behaviour in terms of the respondents' gender, tenure at the government and political status were found.

Based on the results from the variance analysis on the Chinese civil servants' EVLN behaviour, the seventh null hypothesis was rejected and the alternative one accepted:

**H7: There are significant differences in the Chinese civil servants' EVLN behaviour, with regard to their position level at the government and the governmental level at which they are working.**

## **Summary**

Based on the data from the questionnaire survey and by utilizing the statistical technique of SPSS and AMOS, the major findings of the current study were generated. The correlation between organizational change, PCB and the Chinese civil servants' EVLN behaviour was identified, particularly in terms of their sub-dimensions. Additionally, the results of the variance analysis showed some significant differences in terms of the biographic features of the respondent. Having presented the data, attention turns to the discussion of the results, which is done in line with the research objectives, the literature from which these flowed, and the Chinese government context.

# **Chapter 6: Discussion**

The main aim of this chapter is to discuss the key findings of the present study, together with the wider literature, to include previous theories and empirical studies undertaken in the area. Using the research objectives as the vehicle for the discussion, this chapter is divided into seven sections. The first section addresses the structural dimension of organizational change within the Chinese government context and explains aspects of the findings. The second, third and fourth sections explore a number of areas, including organizational change, on the Chinese civil servants' EVLN behaviour; along with the effect that organizational change has on the Chinese civil servants' PCB and the effect PCB has on their EVLN behaviour. Correspondingly, the fifth section outlines the mediating role of PCB on the correlation between organizational change and the Chinese civil servants' EVLN behaviour. In the sixth section the Chinese civil servants' individual differences of PCB and EVLN behaviour are discussed in terms of their biographic differences. Finally, this chapter concludes with a summary.

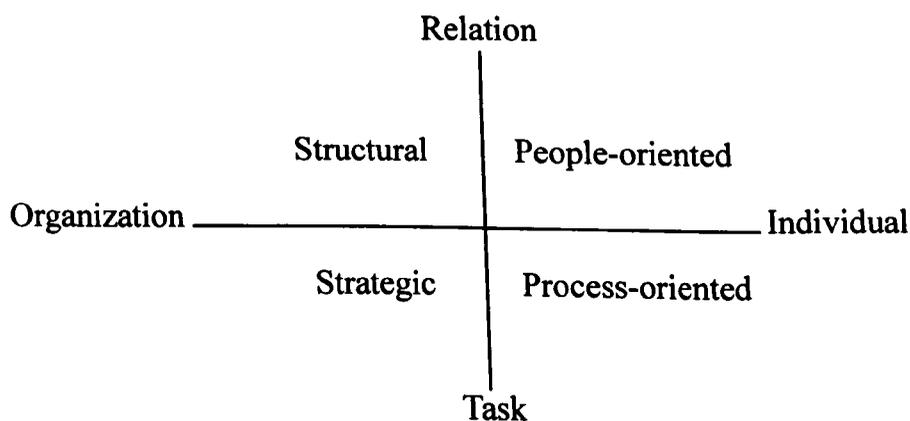
## **6.1 The Structural Dimension of Organizational Change in the Chinese Government**

As reported in Chapter 5, the survey findings suggest that organizational change, in the Chinese government context, consists of a four-dimensional structure, including strategic change, structural change, process-oriented change and people-oriented change. This finding supports Beer (1980) and Senior's (2002) viewpoint on organizational change: that any kind of organizational change is an

on-going process to match the organization's strategy, process, people, and structure.

As Jones (2004) argued, organizational change aims to increase the effectiveness and efficiency of organizations by enhancing the employees' individual development and altering their on-the-job behaviours (Weick & Quinn, 1999). Therefore, organizational change is not only related to change at an organizational level but is also related to change at an individual level. In addition, the improvement of organizational and individual performance is not only related to organizational or individual tasks (Ussahawanitchakit & Sumritsakun, 2008) but also has an impact on the employment relationship between organizations and individuals (Bellou, 2007a). Therefore, as shown in Figure 6.1, organizational change can be categorized as a 2×2 model, which is seen in terms of the 'organization-individual level' and the 'relation-task level'.

**Figure 6.1: A 2×2 Model of Organizational Change**



As far as the Chinese government is concerned, since the formal implementation of the 'Civil Service Law' in 2006, a series of reforms and changes has been undertaken within the Chinese government (Chan & Suizhou, 2007). At the organizational level, the government turned first to the strategic changes such as establishing a 'service-oriented' government (Colin & Zhang, 2007), paying more attention to people's living standards (Qian *et al.*, 2011), and emphasizing

use of the 'rule by law' in government administration (Jenco, 2010). As Stadtlander (2006) argued, strategic change alters the overall orientation and components of the organization. By changing the specific elements of governmental strategic orientation (Worley *et al.*, 1996), governmental tasks have been changing from 'function-oriented' to 'service-oriented' and from the 'rule by man' to the 'rule by law' (Tang *et al.*, 2011; Jenco, 2010). Undoubtedly, because strategic change involves organizational reorientation and the redefinition of the organizational missions, it determines whether the organizational change is going in the correct direction (Fiss & Zajac, 2004).

In order to achieve the mission of establishing a 'service-oriented' government and 'rule by law' government administration, it is necessary for the government to alter the conditions of overstaffing and sectorial overlap that occur between government departments (Peerenboom, 2002). Accordingly, a series of structural changes such as merging governmental sections and downsizing have been undertaken by the Chinese government. Particularly, in 2007, the Chinese government started to implement institutional reform (Brødsgaard, 2010). In order to trim its bloated bureaucracy, the governmental sections that overlapped in public administrative responsibilities were merged, and the governmental sections that did not belong to public affairs were deactivated. In order to optimize the organizational structure of the government, some of the independent governmental sections were incorporated into one. With the implementation of structural change, the government's prior organizational structure and internal relationships have been changed (Poloczek *et al.*, 2008).

At the individual level, by carrying out process-oriented changes, the Chinese government has established an e-government, and adopted a series of technological innovations and managerial approaches for improving the civil servants' efficiency in their work tasks (Zhao, 2010). As Freksa *et al.* (2007) argued, process is related to and determined by the tasks at hand. Thus,

process-oriented change involves altering individual employee work tasks, in order to improve their efficiency and performance (Zaheer *et al.*, 2010). For example, the establishment of e-government (Seifert & Chung, 2009) not only supports the civil servants in the more effective handling of work tasks but it also reduces the waste of government resources (Byström, 1997; Freund *et al.*, 2005). By altering the service process of public affairs from being functional-oriented to divisional-oriented (Li & Gao, 2008), not only do the civil servants' tasks in the work process become much more reasonable than they were but the process can provide a more highly efficient public service to the citizens (Yuan *et al.*, 2009). With the implementation of an opening-up of government information to the public (Shaw, 2010), civil servants do not have to fulfil extra work tasks in looking through most of the governmental public service information when they are dealing with the public's affairs, which helps to improve work efficiency.

Furthermore, in implementing the process of government reform, the Chinese government has also implemented a series of people-oriented changes to ensure equality and fairness for every civil servant (Chen, 2000). As such, with the adjustment to the civil servants' promotion system with a change away from one that fully depends on the superior's decision, a competitive mechanism is introduced into the system. By implementing a 360 degree feedback in the civil servants' performance appraisal (Maylett & Riboldi, 2007), civil servants not only have to be careful in their relationships with their superiors but they also have to be more concerned with handling their relations with their colleagues and subordinates. The implementation of 360 degree feedback makes the civil servants' performance appraisal more equitable and detailed. In addition, by altering the civil servants' reward system, from being position level orientated to being position level and tenure orientated, the civil servants' salary distribution becomes more appropriate and fair; in short, more equitable (Chen & Church, 1993; Bozionelos & Wang, 2007). In brief, with the implementation of the people-oriented changes, civil servants have to be more concerned about dealing

with their relationships in the work place and have to cope with more competition from their colleagues, in order to look after their personal interests (Hon & Grunig, 1999).

In summary, in the Chinese government context, organizational change consists of a four-dimensional structure including strategic change, structural change, process-oriented change and people-oriented change. In terms of the characteristics of these different dimensions, organizational change can be proposed as a 2×2 model, in which two key aspects can help distinguish common forms of organizational change: relation-task and organization-individual. As such, strategic change concerns a change in the aims, mission and basic objectives of the government (Roberts, 2008). It is therefore related to change at organization and task level. Structural change involves the adjustment and alteration of the organizational structure within the government, including the whole set of relationships, size of the organizational sectors, and the authority structure (Ciobanu *et al.*, 2001). Therefore, it is related to change at organization and relation level. Process-oriented change is related to change such as technological developments and automation of information (Fountain, 2001), which involves the replacement of heavy capital equipment, simplification of the operational process, and the retraining of employees to adapt to the changes. Therefore, process-oriented change is related to changes at task and individual level. Because people-oriented change is directed towards the civil servants' individual performance in the government, as well as strengthening competition in developing a sense of self-actualization amongst the civil servants (Week *et al.*, 2004), it is related to change both at the relationship and individual level.

## **6.2 The effect of Organizational Change on Chinese civil servants' EVLN behaviour**

The current study investigated the dynamic relationship between organizational change and Chinese civil servants' EVLN behaviour within a Chinese government context. Based on the results of the survey findings, organizational change consists of four dimensions, which are: strategic change, structural change, process-oriented change and people-oriented change. The Chinese civil servants' EVLN behaviours are represented by the 2×2 model of EVLN (Rusbult *et al.*, 1988) which represents four EVLN behaviours to PCB, which are: Exit, Voice, Loyalty and Neglect. Consequently, the SEM was used to analyse the relationship between organizational change and Chinese civil servants' EVLN behaviour. The AMOS software package was used, following the methodology of Mfuh (2009) and AL-Dossary (2008).

In general, the empirical results show that a significant positive correlation exists between organizational change and the EVLN behaviour of Chinese civil servants. The path coefficients from organizational change to the four dimensions of the civil servants' EVLN behaviour are .361, -.793, -.779 and .668 respectively, with significant p-values of .000 (Table 6.1). This means that organizational change is significantly associated with an increase in Exit and Neglect behaviour, but with decreases in Voice and Loyalty behaviour. This is partially consistent with previous empirical results, which showed a significant positive correlation between organizational change and employees' Exit, Voice and Neglect behaviour, and a negative correlation between organizational change and employees' Loyalty behaviour (Saunders, 1992; Turnley & Feldman, 1999a; Chaudhry *et al.*, 2009). As Turnley and Feldman (1999a) argued, organizational change can lead to an increase of Exit, Voice and Neglect behaviour, but a decrease of Loyalty behaviour. Table 6.1 provides a summary of the correlation

between organizational change and the EVLN behaviour of Chinese civil servants.

**Table 6.1: The Correlation between Organizational Change and Chinese Civil Servants' EVLN behaviour (\* the Red Font shows the difference in the Chinese context)**

Organizational change \ EVLN behaviour	Exit	Voice	Loyalty	Neglect
<b>Organizational change</b>	+0.361	<b>-0.793</b>	-0.779	+0.668

The empirical results show that an increase in organizational change is associated with a decrease in the civil servants' Voice behaviour, which is opposite to the findings of previous empirical research (Turnley & Feldman, 1999a).

According to Hofstede's five cultural dimensions (Hofstede, 2001), China is regarded as having a low IDV culture, in which people place priority on the family and group, and seek satisfaction from a job well done, as defined by the group rather than the individual (Hofstede, 1984). A low IDV culture also means a high level of collectivism. In Chinese culture, with the strong influence of collectivism, people usually have low career aspirations and tend to have high emotional dependence and high moral involvement in the organization (Hofstede, 1997, 2001). According to Wang *et al.* (2009), in the Chinese context, Voice behaviour is usually taken as a threat to team spirit; people usually tend to reduce their Voice behaviour when responding to government reforms.

In terms of the lower UAI for Chinese culture (Hofstede, 1994), Chinese people have greater tolerance for uncertainty and ambiguity, a belief in accepting and encouraging dissentient viewpoints, and are not against trying new things (Lu, 2011). In this situation, Chinese civil servants would usually take the government reforms as granted, and would be more open to accepting changes and more tolerant with regard to the uncertainty that is caused by government reforms.

Therefore, it would be less likely for Chinese civil servants to show their Voice behaviour during government reforms.

In terms of the higher PDI seen in Chinese culture (Hofstede, 1994), Chinese people have a greater tolerance for accepting inequity and appreciating the value of obedience than other cultures do. Indeed, the high value placed on authority and compliance becomes an attitude or social norm (Hanisch & Han, 2003). Searl *et al.* (2010) also argue that people in high PDI cultures can not only accept an unequal distribution of power, but also their concerns are more regarding hierarchy; they have a greater reluctance or fear to speak up. Thus, the Chinese civil servants would be less likely to show their Voice behaviour during government reforms.

In terms of the higher LTO within Chinese culture (Hofstede, 1994), in order to obtain their long-term interests Chinese people usually care less about the loss of their short-term interests, and they usually decide how to act and behave according to their long-term future plans (Yu & Cable, 2011). Accordingly, people are more concerned with their career development opportunities rather than immediate interests such as insufficient working resources (Rousseau, 2000). In order to achieve the final success of their career development, they tend to reduce their Voice behaviour when responding to any change in government reforms, even if the change has influenced their immediate interests (Yoon, 2009). Therefore, Chinese civil servants usually reduce their Voice behaviour in response to government reforms.

In terms of the influence of Confucian thought, firstly, Confucianism emphasizes to follow up the hierarchical principles (Bond, 1991) and accepts the existence of inequality in handling interpersonal relationships (Bond & Hwang, 1986; Laaksonen, 1988; Tan, 2003). In this situation, expressing Voice at work does not fit the principles of Confucian thought. Secondly, Chinese people are moderate

and pay great attention to Guanxi (Wang *et al.*, 2010) and Mianzi (Earley, 1997), in which people focus on long-term obligations, benefits and gains (Yang, 2002), and protect reciprocal relationships through respect and courtesy (Buttery & Leung, 1998). Therefore, when the civil servants perceive that their promises and obligations are broken, they usually prefer to reduce their Voice behaviour in response to PCB (Pak, 2007). Furthermore, based on Confucian thought, Chinese culture tends to emphasize the establishment of a harmonious environment and interpersonal relationships (See, 2009), which aim to balance natural and social surroundings through people's understanding and mutual help (Hoare & Butcher, 2008). Therefore, in consideration of establishing a harmonious environment with the government and in interpersonal relationships, Chinese civil servants usually tend not to use their Voice behaviour in response to government reforms.

Furthermore, empirical studies show different correlations between the dimensions of organizational change and the Chinese civil servants' EVLN behaviour (Table 6.2), which are detailed as follows:

**Table 6.2: The Correlations between Different Dimensions of Organizational Change and Chinese Civil Servants' EVLN behaviour (\* the Red Font shows the difference in the Chinese context)**

Organizational change \ EVLN behaviour	Exit	Voice	Loyalty	Neglect
<b>Strategic change</b>	+0.166	<b>-0.289</b>	-0.297	+0.494
<b>Structural change</b>	<b>No Sig.</b>	+0.841	<b>+0.745</b>	<b>-0.591</b>
<b>Process-oriented change</b>	<b>No Sig.</b>	<b>-0.370</b>	-0.915	<b>-0.137</b>
<b>People-oriented change</b>	+0.223	<b>-0.496</b>	-0.134	+0.546

First of all, the empirical results show that strategic change is positively related to the Chinese civil servants' Exit and Neglect behaviour, but negatively related to their Voice and Loyalty behaviour. This is consistent with the general results relating to the impact of organizational change on the Chinese civil servants'

EVLN behaviour. This means that strategic change is significantly associated with an increase in the Chinese civil servants' Exit and Neglect behaviour, but a decrease in their Voice and Loyalty behaviour. The empirical results imply that strategic change has a significant effect on the employees' EVLN behaviour. As can be seen in the discussion in Section 6.1, strategic change refers to changes in the level of organization-task. As far as the Chinese government is concerned, the mission for strategic change is to change the government from a centralized government to one that is service-oriented and from a 'rule by man' government to a 'rule by law' government (Colin & Zhang, 2007; Jenco, 2010). In doing so, it would inevitably influence the privileges that civil servants have seen as their due since the days of ancient China. Strategic change is fundamentally changing the 'official oriented' system and a culture that has existed in China for thousands of years (Zheng, 2010). Although these changes would be a definite help for social progress and political development in China, it would be less likely for the Chinese civil servants to accept these changes in the short-term.

As Knox (2007) argued, by following the strategy of service-oriented government, on one hand, the commitment and responsibilities of the Chinese government and its civil servants have been refined; with the functions of the governments being transformed to focus more on public service. On the other hand, a series of privileges that previously belonged to civil servants has been abolished, in order to adapt to the requirements of a service-oriented government. Therefore, this change could lead to a series of EVLN behaviours in Chinese civil servants, such as the decrease of Voice and Loyalty behaviour and the increase of Exit and Neglect behaviour.

Second, the empirical results show that structural change is positively related to the Chinese civil servants' Voice and Loyalty behaviour, but negatively related to their Neglect behaviour. This is different from the general results (Table 6.1) relating to the impact of organizational change on the civil servants' EVLN

behaviour. This means that structural change is significantly associated with an increase in the civil servants' Voice and Loyalty behaviour, but also to a decrease in their Neglect behaviour. As can be seen in the discussion in Section 6.1, structural change refers to changes in the level of organization-relation. Before the implementation of the structural change, the Chinese government was highly bureaucratic and functioned under monopolist conditions (Khanna *et al.*, 2005). Because of the lack of criteria and specific requirements at work, the civil servants were relatively not concerned with the quality of public service, or the effectiveness and efficiency of the government (Zhou, 2008). By implementing structural change within the government, those who had not been working hard or were ineffective were selected out of government.

In addition, some government sectors that fulfilled similar governmental functions were merged. In doing this, because the most excellent civil servants and the necessary government sectors were kept, governmental efficiency was in line to improve. The civil servants would also have a stronger sense of equity, with their work enthusiasm and motivation being raised. Accordingly, the civil servants would be more loyal to the government and willing to work harder within the new system (Trivellas, *et al.*, 2010). Furthermore, structural change such as governmental sector mergers and downsizing brings a sense of crisis and competition to the civil servants' world (Walter, 1987), which makes them realize that it would be possible for them to be selected out if they failed to put in an effort at work. The strength of sense of crisis and competition would lead to a decrease in the civil servants' Neglect behaviour; and at the same time, it would inspire them to work in a more constructive and active way (Rusbult *et al.*, 1988), which could result in them having a strong intention to show their Voice to the government on work matters.

Third, the empirical results show that process-oriented change is negatively related to the Chinese civil servants' Voice, Loyalty and Neglect behaviour. This

is partially consistent with the general results (Table 6.1) relating to the impact of organizational change on the EVLN behaviour of civil servants. The distinct difference is that process-oriented change is significantly associated with a decrease in the civil servants' Neglect behaviour. Section 6.1 outlined that process-oriented change refers to the change in the level of individual-task. Because of the close association with the civil servants' personal interests, process-oriented change could lead to a change in the civil servants' EVLN behaviour, such as a decrease of Voice and Loyalty. In addition, with process-oriented change such as technological development and e-government, civil servants' work tasks can become much more efficient than before (Nganga *et al.*, 2011; Moon, 2002).

Nevertheless, the introduction of process-oriented change forces the government to reengineer its process, in order to adapt to that change. By providing specific working criteria and regulations for the civil servants, process-oriented change restrains their Neglect behaviour to a great extent, although this is not necessarily through their own willingness. Furthermore, the application of process-oriented change could reduce the needs of the workforce, by selecting out those civil servants who lack the required skills for the process-oriented changes. Correspondingly, it may lead to the civil servants' state of job insecurity and the possibility of losing their jobs (Cavanaugh *et al.*, 2011), which would inevitably increase the possibility of the civil servants' destructive behaviour, particularly seen in a low level of Loyalty.

Fourth, the empirical results show that people-oriented change is positively related to the civil servants' Exit and Neglect behaviour, but negatively related to their Voice and Loyalty behaviour. This is in line with the general results (Table 6.1) that relate to the impact of organizational change on the civil servants' EVLN behaviour. This means that people-oriented change is significantly associated with an increase in the civil servants' Exit and Neglect behaviour, but

leads to a decrease in their Voice and Loyalty behaviour.

People-oriented change refers to the change in the level of individual-relation, such as the change in the civil servants' promotion system. With the implementation of people-oriented change with the application of a competition system, it can become more difficult for civil servants to obtain and maintain their personal interests than was previously the case. This change is likely to have a large psychological impact and put pressure on the civil servants (Krug & Aguilera, 2005). According to Smith (1986) and Persky (1995), in terms of the basic characteristics of human beings, everyone in the world pursues the greatest amount of benefits with the lowest quantity of labour and pain (Mill, 1836). Thus, when the civil servants perceive that government reforms have influenced the acquisition of their personal goals, they are likely to have strong behavioural responses, such as an increase in their Exit and Neglect behaviours, and a decrease in their Voice and Loyalty behaviours.

Fifth, in terms of the dimensions of organizational change it can be seen that structural change and process-oriented change are not significantly related to the Chinese civil servants' Exit behaviour. Also, although both strategic change and people-oriented change are positively related to the Chinese civil servants' Exit behaviour, the extent of their Exit behaviour is not strong, with it being .166 and .223 respectively. This means that the Chinese civil servants do not have a strong inclination for Exit behaviour when organizational changes happen.

According to Hofstede (2001), China is a high PDI culture. In this culture, people usually have a high tolerance for accepting inequality that is perceived to provide the best protection for everyone (De Jong & Semenov, 2002). Accordingly, low turnover intention exists in a high PDI society (Farh *et al.*, 2007; Tamar *et al.*, 2009). In addition, in recent years, the unemployment rate in China has been at a high level (Xue & Zhong, 2003; Giles *et al.*, 2005). The enrolment expansion in

Colleges and Universities also means that many graduates fail to find jobs each year. ‘Graduate unemployment’ has become a distinct social phenomenon in present-day China (Bai, 2006). As a profession that is steady and has high social status, the profession of civil servant has become the most popular one in China in recent years (SinovisionNet, 2009). Even if the current civil servants feel dissatisfaction with their jobs, against the background of the high unemployment rate in China, they have to be very cautious before they make the decision to leave. Therefore, it can be imagined that Chinese civil servants usually do not show a strong intention for Exit behaviour when organizational changes occur.

### **6.3 The effect of Organizational Change on Chinese civil servants’ PCB**

The current study investigated the correlation between organizational change and the Chinese civil servants’ PCB. Based on the results of the survey findings, organizational change consists of four dimensions, which are: strategic change, structural change, process-oriented change and people-oriented change. Meanwhile, PCB is represented by Rousseau’s (2000) model, which consists of three dimensions, which are: transactional, relational and balanced PCB. Consequently, the SEM was used to analyse the correlation between organizational change and the Chinese civil servants’ PCB. The AMOS software package was implemented following the methodology advocated by Mfuh (2009) and Al-Dossary (2008).

The SEMs were used to investigate the correlation between each dimension of organizational change and the civil servants’ PCB. In general, empirical results show that different dimensions of organizational change had differing impacts on the different dimensions of the Chinese civil servants’ PCB. These results are partially consistent with previous theoretical and empirical research by Morrison

(1994), Lo and Aryee (2003), Bellow (2007a), and Turnley and Feldman (1998), who found that organizational change has a significant impact on employees' PCB.

In general, empirical results show that there is a significant positive correlation between organizational change and the PCB of the Chinese civil servants. The path coefficient from organizational change to the Chinese civil servants' PCB is .940, along with significant p-values of .000 (Table 6.3). This means that organizational change is significantly associated with an increase of the civil servants' PCB. This is consistent with previous empirical results, which show a significant positive correlation between organizational change and employees' PCB (Turnley & Feldman, 1998; Robinson & Morrison, 2000).

**Table 6.3: The Impact of Organizational Change on Chinese Civil Servants' PCB**

<b>Organizational change ----&gt; PCB</b>	<b>+.940</b>
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As a number of researchers (e.g. Turnley & Feldman, 1998; Shore *et al.*, 2004; Tsui & Wang, 2002) have suggested, PCB usually happens during a period of organizational change. Lo and Aryee's (2003) empirical study indicated that organizational change can be taken as one of the antecedents of PCB. By affecting the employees' thoughts and beliefs, organizational change makes the employment relationship become more uncertain and the obligations more difficult to fulfil (Schalk, 2004; McLean Parks & Kidder, 1994). Under the uncertainty of employment, civil servants may perceive a discrepancy between the government's promised obligations to them and its actual fulfilment of those obligations (Morrison & Robinson, 1997; Rousseau, 1995), which could lead to their PCB (e.g. Turnley & Feldman, 1998; Pate *et al.*, 2003). As far as the Chinese government is concerned, the implementation of government reform in 2006 meant that a number of privileges that previously belonged to the civil

servants were withdrawn. Correspondingly the civil servants' sense of respect for their profession was not as strong as it had been. With the introduction of competition into the civil servants' performance system, reward system and promotion system, their job insecurity steadily increased. Also, with the transformation of the organizational structure and workflow, the civil servants' uncertainty became stronger than ever. Therefore, no matter what the theoretical analysis is, the reality of the Chinese government reforms tends to support the empirical findings: organizational change is positively related to Chinese civil servants' PCB.

Furthermore, empirical studies show that there are different correlations between the dimensions of organizational change and the Chinese civil servants' PCB (Table 6.4).

**Table 6.4: The impact of Different Dimensions of Organizational Change on Chinese Civil Servants' PCB (\* the Red Font shows the difference in the Chinese context)**

PCB Organizational change	Transactional PCB	Relational PCB	Balanced PCB
<b>Strategic change</b>	No Sig.	+0.243	No Sig.
<b>Structural change</b>	+0.364	No Sig.	No Sig.
<b>Process-oriented change</b>	-0.289	No Sig.	No Sig.
<b>People-oriented change</b>	+0.791	+0.470	+0.911

First, the empirical results show that strategic change is positively related to the Chinese civil servants' relational PCB. This is consistent with the general result relating to the impact of organizational change on the Chinese civil servants' PCB. This means that strategic change is significantly associated with the increase in Chinese civil servants' relational PCB. Section 6.1 referred to the strategic change in relation to the changes in the level of organization-task. In the Chinese government context, strategic change mainly implies that the

government's mission is changing from just dealing with public affairs to emphasizing its service-orientation to its citizens (Wei *et al.*, 2007); that its objective is changing from merely pursuing financial income to paying greater attention to people's living standards and quality of life (Qian *et al.*, 2011); and that its administrative strategy is changing from a 'rule by man' to a 'rule by law' (Jenco, 2010). For instance, the 83<sup>rd</sup> term and condition of the 'Chinese Civil Service Law' (SCNPC, 2006: 83) clearly indicates that

the civil servant will be fired in terms of five circumstance including failing in performance appraisal for two continuous years, not qualifying for their current job, refusing work rearrangement, not fulfilling the commitment and being absent for more than fifteen days.

This means the profession of civil servant has fundamentally been changing from a permanent to an impermanent one.

The profession of civil servant that was called 'golden bowl' (金饭碗) has become less certain and more competitive (Wong & Zhao, 1999), which could lead to a decrease in the civil servants' sense of security and continued employment (De Cuyper *et al.*, 2010). A decrease in the civil servants' sense of job security and steady employment could have a strong impact on their long-term and non-specific performance requirement; that is, their relational psychological contract (Rousseau, 1995).

Furthermore, strategic change refers to a change in the mission and objectives of the government (Moody, 2010), which determine the direction of government reform. Thus, it would not usually concern the transactional and balanced psychological contract, which is related to the civil servants' specific performance requirements. Therefore, this can explain the lack of significant correlation between strategic change and the Chinese civil servants' transactional

and balanced PCB.

Second, the empirical results show that the structural change is positively related to the Chinese civil servants' transactional PCB, which is consistent with the general result as seen in Table 6.3. This means that structural change is significantly associated with the increase in the civil servants' transactional PCB. As far as the Chinese government is concerned, structural change refers to an improvement in governmental operational efficiency for public affairs (Brødsgaard, 2010), such as integrating two or more independent governmental sections into one, merging governmental sections that overlap, and deactivating governmental sections that do not belong to public affairs. Because this kind of change mainly concerns the mergers of government sections and downsizing, it would inevitably lead to a decrease in the number of civil servants who are working in the same position (Özkanlı & Bumin, 2006). Accordingly, the civil servants who survive the structural change have to take on a greater workload, which would inevitably increase their work intensity.

According to Rousseau (2000), work intensity is part of the transactional psychological contract. Thus, an increase in the civil servants' work intensity could lead to an increase in their transactional PCB. On the other hand, during implementation of the structural change, although the civil servants have to take on more work than ever, their anxiety about losing their job is not as strong as before. This could lead to benefits relating to their long-term performance requirements (Swan *et al.*, 1986). For example, by implementing structural change, those civil servants who are identified as being low in work efficiency, or perform poorly, would be selected out of their jobs. Therefore, after undergoing strong competition during the structural changes, those civil servants who survived the changes would feel more relieved than before. Accordingly, their sense of uncertainty for their future and their job insecurity would be greatly reduced in the short term. Therefore, this can explain the lack of significant

correlation between structural change and Chinese civil servants' relational & balanced PCB.

Third, the empirical results show that process-oriented change is negatively related to Chinese civil servants' transactional PCB. This is inconsistent with the general result (Table 6.3) relating to the impact of organizational change on their PCB. This means that process-oriented change is significantly associated with a decrease in their transactional PCB. In the Chinese context, process-oriented change refers to the improved delivery of governmental services and the more efficient management of government, such as changing from a traditional governmental workflow to establishing an e-government style (Seifert & Chung, 2009), changing in task process from being functional-oriented to divisional-oriented (Li & Gao, 2008), and changing from restricting government information to opening-up government information to the public (Shaw, 2010).

As opposed to the effect of structural change that increases the civil servants' work intensity, with the implementation of process-oriented changes such as technological development and workflow simplification, not only the civil servants' work efficiency is increased, but also their work becomes easier than before (Nganga *et al.*, 2011). In doing so, it not only saves on material resources and manpower but also decreases the civil servants' work intensity. Because the saving on manpower and the decreased work intensity belongs to the transactional psychological contract (Rousseau, 2000), it is suggested that process-oriented change will decrease the Chinese civil servants' transactional PCB. Furthermore, because the change relating to workflow and work tasks is related to specific and short-term performance requirements, it may not influence the civil servants' benefits in relation to their long-term performance requirement. Therefore, there is no significant positive correlation between process-oriented change and the Chinese civil servants' relational and balanced PCB.

Fourth, the empirical results show that people-oriented change is positively related to the civil servants' transactional PCB, relational PCB and balanced PCB. This is consistent with the general result that relate to the impact of organizational change on the civil servants' PCB, which implies that people-oriented change plays an important role in Chinese civil servants' behavioural responses to organizational change. The empirical results mean that people-oriented change is significantly associated with the increase in Chinese civil servants' transactional, relational and balanced PCB. In the Chinese government context, it mainly refers to those regulations and policies that relate to civil servants since the civil service reform of 2006. Examples are that civil servants' promotion is changing from being directly appointed by the government to a process of fair competition (SCNPC, 2006); the civil servants' performance appraisal is changing from depending solely on the manager's subjective judgments to combining feedback from other sources such as the colleagues and service objects (Maylett & Riboldi, 2007); and the criteria for the civil servants' reward system is moving from a position-level orientation to being position-level and tenure orientated (SCNPC, 2006).

As seen in the discussion of people-oriented change, it is obvious that it is related to civil servants' vital benefits. Therefore, it is likely to have a significant influence on different kinds of PCB. For example, with the implementation of the civil servants' new performance appraisal system, the Chinese civil servants' enthusiasm for work has been improved greatly (Burns, 2007). Particularly with respect to the application of highly competitive mechanisms in the appraisal system, work efficiency increased. Because the civil servants' appraisal results are not only related to the individual's economic benefits such as salary increases but also have a great impact on their potential for promotion and career development (Vallance, 1999), people-oriented change is not only associated with the civil servants' short-term views, but also with their long-term benefits. Therefore, there is a significant correlation between people-oriented change and

the Chinese civil servants' relational and balanced PCB.

## **6.4 The effect of PCB on Chinese civil servants' EVLN behaviour**

The current study investigated the correlation between PCB and Chinese civil servants' EVLN behaviour. PCB is represented by Rousseau's (2000) model, which consists of three dimensions, which are: transactional, relational and balanced PCB. Meanwhile, Chinese civil servants' behavioural responses to PCB are represented by the 2×2 model of EVLN (Rusbult *et al.*, 1988), which are: Exit, Voice, Loyalty and Neglect. Consequently, the SEM was used to analyse the correlation between organizational change and the Chinese civil servants' EVLN behaviour.

The SEMs were used to investigate the correlation between each dimension of PCB and the Chinese civil servants' EVLN behaviour. In general, the results showed that different dimensions of PCB have varying impacts on different EVLN behaviours. These results are partially consistent with previous theoretical and empirical research by Rusbult *et al.* (1988), Turnley and Feldman (1999a), Farrell (1983), Thomas and Pekerti (2003), Ping (1993), Hagedoorn *et al.* (1999), Cheung (2005), and Liljegren *et al.* (2008), who found that PCB has a significant influence on employees' EVLN behaviour.

The general results show a significant positive correlation between PCB and the civil servants' EVLN behaviour. The path coefficients from organizational change to the four dimensions of Chinese civil servants' EVLN behaviour are .356, -.930, -.661 and .732 respectively, with significant p-values of .000 (Table 6.5). This means that PCB is significantly associated with an increase in Exit and Neglect behaviour, but a decrease in Voice and Loyalty behaviour.

There are some consistencies with previous empirical results, which show a significant positive correlation between PCB and employees' Exit, Voice and Neglect behaviour, and a negative correlation between organizational change and employees' Loyalty behaviour (Rusbult *et al.*, 1988; Turnley & Feldman, 1999a). As Turnley and Feldman (1999a) argued, there is a positive correlation between PCB and employees' Exit and Neglect behaviour, and a negative correlation between PCB and employees' Voice and Loyalty behaviour. Table 6.5 is a summary table of the correlation between PCB and Chinese civil servants' EVLN behaviour.

**Table 6.5: The Impact of PCB on Chinese Civil Servants' EVLN behaviour (\* the Red Font shows the difference in the Chinese context)**

PCB	EVLN behaviour			
	Exit	Voice	Loyalty	Neglect
<b>PCB</b>	+0.356	<b>-0.930</b>	-0.661	+0.732

The results show that an increase of PCB is associated with a decrease of the civil servants' Voice behaviour, which is opposite to the earlier empirical research. The reasons can be summarized as follows:

First, there is the influence of Confucian thought, especially the factors of abiding by the hierarchical principles (Bond, 1991), Guanxi (Cheung, 2008), Mianzi (Buttery & Leung, 1998) and Harmony (Hoare & Butcher, 2008). In terms of the hierarchical principles of Chinese society, because inequality is permissible between different social status, roles and gender (Tan, 2003), people are generally less likely to express their Voices even if they have perceived that their obligations have not been fulfilled by their organization. Furthermore, based on Confucian thought (Redding, 1990), Chinese people pay great attention to Guanxi (relationship). In most cases, they would rather give up their individual benefits for the sake of wider Guanxi (relationships). In the current study, to avoid breaking Guanxi with government superiors, the Chinese civil servants

preferred to decrease their Voice to the government even if they perceived that the government had not been fulfilling its obligations to them. In addition, Chinese culture emphasizes the importance of Harmony (Hoare & Butcher, 2008) and Mianzi (Buttery & Leung, 1998). When PCB occurs, even if the civil servants did not want to reduce their Voice behaviours, they would rather to do so, to keep the harmony of their natural and social surroundings (Hoare & Butcher, 2008) and protect Mianzi (Hofstede & Bond, 1988).

Second, it is the influence of different cultural dimensions (Hofstede, 2001). In terms of the higher PDI of Chinese culture (Hofstede, 1994), the civil servants have a high tolerance for accepting inequality and understanding the value of obedience, and place a high value on authority and compliance, which become social norms (Hanisch & Han, 2003). Because people in the Chinese government are clear about their place in the social order (Hofstede, 1980), very few of them think it is wise or appropriate to show their Voice to a superior when they perceive their psychological contract is breached.

In terms of the lower IDV of Chinese culture (Hofstede, 1994), the civil servants usually have higher emotional dependence on and high moral involvement with the government (Hofstede, 1997, 2001). In order to avoid a threat to team spirit, civil servants usually tend to reduce their Voice behaviour when responding to a breach of their psychological contract (Wang *et al.*, 2009).

In terms of the lower UAI for Chinese culture (Hofstede, 1994), the civil servants usually tolerate the uncertainty and ambiguity of the government (Lu, 2011). Therefore, when PCB occurs, it would be less likely for Chinese civil servants to show their Voice behaviour.

In terms of the higher LTO in Chinese culture (Hofstede, 1994), the civil servants would tend to give up some of their short-term interests, in return for establishing

a balanced, natural and social surroundings (Hoare & Butcher, 2008). Therefore, in consideration of establishing a harmonious environment within the government, and with a view to long-term interpersonal relationships, the civil servants tended not to show their Voice behaviour in response to a perceived PCB.

In terms of the different dimensions of PCB, empirical studies show different correlations for the PCB dimensions and the behaviour of Chinese civil servants (Table 6.6).

**Table 6.6: The Impact of Different Dimensions of PCB on Chinese Civil Servants' EVLN behaviour (\* the Red Font shows the difference in the Chinese context)**

Dimension of PCB \ EVLN behaviour	Exit	Voice	Loyalty	Neglect
<b>Transactional PCB</b>	No Sig.	No Sig.	+0.169	No Sig.
<b>Relational PCB</b>	+0.218	-0.264	No Sig.	+0.220
<b>Balanced PCB</b>	+0.282	-0.503	-0.637	+0.391

First, the empirical results show that transactional PCB is positively related to the civil servants' Loyalty behaviour. This is different to the general results that relate to the impact of PCB on the civil servants' Loyalty behaviour. This means that transactional PCB is significantly associated with an increase in the Chinese civil servants' Loyalty behaviour. Transactional PCB refers to the PCB related to short-term and specific performance requirements (Rousseau, 1995). In relation to the high score for LTO, Chinese people are more concerned with their future rather than their current rewards (Hofstede, 1994). Even if the long-term benefits take a long time to materialise, the Chinese tend to be patient and accept the loss of their short-term benefits. Furthermore, in terms of the lower UAI score, Chinese people usually have high tolerance and low anxiety regarding uncertainty (Emery & Oertel, 2006; Dodor & Rana, 2007). When the civil

servants' transactional contract is breached, because it does not represent the civil servants' core interests, it would be not strong enough to reduce the degree of civil servants' Loyalty to the government.

In addition, with the long-term influence of collectivism (low IDV), the civil servants tend to exhibit high emotional dependence and high moral involvement with the government (Emery & Oertel, 2006). When the government fails to fulfil its obligations with regard to the transactional psychological contract, as it is not one of the civil servants' core benefits, the civil servants may give examples of where the government has helped employees at a personal level, or where initiatives and Loyalty have boosted the group (Moorman & Blakely, 1995), and they may take it for granted that the government can solve all the problems eventually (Mellahi *et al.*, 2010). When transactional PCB occurs, the civil servants usually become self-critical and self-reflective (Callahan, 2004) because most of them believe that the government will fulfil its obligations related to the transactional psychological contract if they work harder and are more loyal to the government (Fu, 2007). Therefore, Chinese civil servants tend to increase their Loyalty behaviour when a transactional PCB occurs.

Second, the empirical results show that relational PCB is positively related to the civil servants' Exit and Neglect behaviour, but negatively related to their Voice behaviour. This is broadly consistent with the general results relating to the impact of PCB on the civil servants' EVLN behaviour. This means that relational PCB is significantly associated with the increase in Chinese civil servants' Exit and Neglect behaviour, and with the decrease in their Voice behaviour. Relational PCB refers to the PCB related to long-term and unspecific performance requirements such as greater attention to personal status, qualifications and job security, along with the harmony of interpersonal relationships (Rousseau, 1995). As Hofstede (1994) suggested, in Chinese culture, people pay more attention to their long-term psychological contract rather than to the short-term contract

(Hofstede, 1994). Therefore, as one of their long-term contracts, a breach of the relational psychological contract would influence their core benefits. Accordingly, Chinese civil servants would increase their Exit and Neglect behaviour when relational PCB occurs. In addition, with the influence of Confucian thought including Guanxi (Cheung, 2008), Mianzi (Buttery & Leung, 1998) and Harmony (Hoare & Butcher, 2008), even though the relational psychological contract represents one of the core interests of Chinese civil servants, they prefer to respond by limiting their Voice behaviour.

Third, the empirical results show that a balanced PCB is positively related to Chinese civil servants' Exit and Neglect behaviour, whilst being negatively related to their Voice and Loyalty behaviour. This is consistent with the general results related to the impact of PCB on the civil servants' EVLN behaviour, which suggests that a balanced PCB plays an important role in Chinese civil servants' behavioural responses to PCB. A balanced PCB refers to the PCB related to long-term and specific performance requirements (Rousseau, 1995). Similar to the relational psychological contract, the balanced psychological contract is also related to long-term benefits (Rousseau, 1995). The balanced psychological contract, such as personal promotion and career development opportunities, represents the highest pursuit in most civil servants' careers (Si *et al.*, 2008). Therefore, the balanced psychological contract would equally have a strong influence on the civil servants. In addition, because of the particular importance of Mianzi, the civil servants pay considerable attention to their career development and their position level at the government, which belong equally to the balanced psychological contract. Therefore, when the balanced PCB occurs, the civil servants would have the strongest EVLN behaviour, including an increase of Exit and Neglect behaviour, along with a decrease of Voice and Loyalty behaviour.

## 6.5 The Mediating Role of PCB

The current study examined the impact of PCB in relation to organizational change and the Chinese civil servants' EVLN behaviour. The SEM was used to examine the correlation between organizational change, PCB and the civil servants' EVLN behaviour.

In the previous literature, although no research has directly examined the impact of PCB in relation to organizational change and employees' EVLN behaviour, it has provided a clear correlation between organizational change, employees' PCB and their EVLN behaviour. For example, researchers have argued that organizational change is positively related to employees' PCB (Lo & Aryee, 2003; Schalk & Freese, 2000), and that PCB would lead to employees' displaying EVLN behaviour such as Exit, Voice, Loyalty and Neglect behaviour (Rusbult *et al.*, 1988; Turnley & Feldman, 1999a; Farrell, 1983; Thomas & Pekerti, 2003; Ping, 1993; Hagedoorn *et al.*, 1999; Cheung, 2005; Liljegren *et al.*, 2008). Furthermore, a number of researchers have argued that employees' PCB and corresponding behavioural responses usually occur against the background of organizational change (Robinson & Morrison, 2000; Bal *et al.*, 2008; Cantisano *et al.*, 2008; Coyle-Shapiro & Kessler, 2000; Kickul *et al.*, 2004). The empirical results in the current study show that the model fitting index for the SEM is at an appropriate level and the significance of the correlation between organizational change and PCB, and PCB and the Chinese civil servants' EVLN behaviour are both at a high positive level, being .40, -.73, -.63, and .60 respectively. The results confirm that PCB is mediating the correlation between organizational change and the civil servants' EVLN behaviour, which is consistent with previous research on the correlation between organizational change, employees' PCB and their corresponding EVLN behaviour.

Because organizational change aims at enhancing employees' individual

development and improving the organization's performance by altering organizational members' work-related behaviours (Weick & Quinn, 1999), it would inevitably influence the employees' individual perceptions, intentions and behaviour. Therefore, during organizational change, which affects a change of employees' cognition and affection (Suazo *et al.*, 2005), PCB is likely to occur as a series of behavioural responses (Zhao *et al.*, 2007) such as employees leaving their jobs.

As far as the Chinese government is concerned, because of the unique political system and the Chinese people's concepts of traditions, civil servants are often viewed as a 'privileged bureaucratic class' (Wei *et al.*, 2007). However, with the success of Chinese economic reform, there are indications that people are looking for government reforms. On 1<sup>st</sup> January 2006, the 'Civil Servant Law of the People's Republic of China' (Tao & Qiu, 2006; Song, 2007) was formally issued and implemented. Since then, the Chinese government has started to undertake government reforms based on the norms of law in order to enhance its administrative efficiency and capacity (Huang & Liu, 1988; Lo, 2007).

By implementing a series of reforms related to government strategy, structure, process-orientation and people-orientation, the prior organizational mission, structure and workflow have been changed to adapt to and meet the demands of the social transformation (Huang & Liu, 1988; Lo, 2007). Against the background of government reform, the traditional employment relationship between the civil servants and the government is becoming less stable (Huang, 2003). First, with the establishment of a 'service-oriented government' and the implementation of the 'rule by law', many privileges that previously belonged to civil servants were withdrawn. Instead of keeping a permanent job, civil servants now have to pass an annual appraisal on their work performance; otherwise they are forced to resign or are fired. The deprivation of specific privileges inevitably brings to the civil servants a sense of sadness and loss. Second, with the on-going

adjustment and reorganization of the governmental structure, and the introduction of a competitive mechanism, the civil servants are facing greater pressure and uncertainty at work. Accordingly, their job security is greatly reduced.

Under these circumstances, the likelihood of PCB being perceived by the civil servants is increasing. According to Wang and Wu (2008), PCB is a changing and developing process of complicated feelings and experiences, which have a psychological and behavioural orientation. However, the civil servants may have different behavioural responses to the transformational environment, according to how well they perceive their psychological contracts are being fulfilled (Wang & Wu, 2008). Strong negative perceptions would inevitably result in the civil servants displaying a series of behaviours, such as an increase in leaving their jobs (Exit), an increase in giving initiative suggestions to superiors regarding improving the governmental conditions (Voice), decreasing organizational citizenship behaviours (Loyalty), and putting in less effort at work, being absent and late more often, and having a poor focus on work efficiency (Neglect) (Rusbult *et al.*, 1988; Withey & Cooper, 1989; Lo & Aryee, 2003).

Within the employment relationship, the civil servants' EVLN behaviour depends on their changes of attitude, which includes the trilogy of cognition, affection, and conation (Shrighley *et al.*, 1988; Triandis, 1971). As a framework for understanding employees' cognition, affection, and conation in employment, PCB represents the civil servants' perception of their EVLN behaviour in response to government reforms (Kidd, 1998).

Here is an example of Chinese civil servants, as shown in a famous Chinese website (Sina, 2010): Mr Xu Jin, who had been working as a senior manager at the local government in Wuhan since 2002, four years before the government reforms. Certainly, the government reforms in 2006 deprived the individual of

his privileges as a civil servant and yet he supported them, because he felt that they would be helpful for the development and progress of the country. However, although the new promotion and performance appraisal system was improved by providing a great deal of emphasis on the civil servants' 'De' (morality), 'Neng' (ability), 'Qin' (diligence) and 'Ji' (achievement) (Oliver & Anderson, 1995), the specific criteria for each factor was unclear. Thus, a strong sense of inequality and frustration was felt about the government reforms, particular with regard to the lack of criteria surrounding the promotion and performance appraisal system. Finally, Mr Xu left his job, with a sense of inequality and frustration caused by the government reforms. In this case, it is apparent that Mr Xu's perception of organizational change (government reforms) breached his psychological contract, and resulted in EVLN behaviour, more specifically Exit behaviour.

## **6.6 Biographic feature differences of PCB and Chinese civil servants' EVLN behaviour**

The current study has investigated the difference in Chinese civil servants' PCB and EVLN behaviours, in terms of the different biographic features. The SPSS software package was implemented following the methodology of Zhang (2010). In the following sections, the Chinese civil servants' individual differences in PCB and EVLN behaviour respectively are discussed.

### **6.6.1 Biographic feature differences of Chinese civil servants' PCB**

In general, the results showed significant differences for the civil servants' PCB, with regard to their gender, tenure in the government, and the governmental level at which they are working. However, in terms of their age, educational

qualification, position level at government, political status, and location, there were no significant differences in respondents' PCB. The details for the biographic feature differences of Chinese civil servants' PCB are shown in Table 6.7.

**Table 6.7: The Biographic Feature Differences of Chinese Civil Servants' PCB (\* the Red Font marks the significant difference)**

PCB Biographic feature	Transactional PCB	Relational PCB	Balanced PCB
Age	No Sig.	No Sig.	No Sig.
Gender	No Sig.	<b>Sig.</b>	No Sig.
Educational qualification	No Sig.	No Sig.	No Sig.
Tenure	No Sig.	No Sig.	<b>Sig.</b>
Position level	No Sig.	No Sig.	No Sig.
Government level	No Sig.	<b>Sig.</b>	<b>Sig.</b>
Political status	No Sig.	No Sig.	No Sig.
Location	No Sig.	No Sig.	No Sig.

In terms of gender difference, the survey findings show that male civil servants are more likely to experience relational PCB than female civil servants. The reasons include:

First, according to Hofstede (1991)'s five cultural dimensions theory, MAS is taken as the distribution of the role between males and females in a society, whereby males are considered more assertive and ambitious whilst females are assumed to be more moderate and nurturing (Dodor & Rana, 2007).

Accordingly, in any society, males are always viewed as more ambitious and considering all their personal achievement as importance, whereas females are viewed as traditionally more concerned with the creation of a pleasant and less

frustrating work environment, and the quality of work life (Hofstede, 1991). Therefore, males are more likely than females to perceive a breach of their psychological contract.

Second, according to Rousseau (1995), the relational psychological contract is related to employees' long-term and non-specific performance requirements, in which people pay great attention to issues such as social status, recognition by the organization, and job security. As Emery and Oertel (2006) suggest, men usually have higher levels of aggression and aspiration regarding their career development. In order to gain a high social status, recognition by the organization and job security, they put much of their effort into work (Hofstede, 1984). Conversely, women usually have lower aggression and lower aspirations in their career development. In consideration of work-life balance, women tend to work to live rather than the more masculine focus of living to work (Frone *et al.*, 1997). Therefore, male civil servants would care more about their relational psychological contract than would female civil servants. Accordingly, male civil servants would be more likely to experience relational PCB when compared with female civil servants.

In terms of the tenure difference, the findings showed that civil servants who had more than five years' governmental working experience were more likely to experience balanced PCB than those whose governmental working experience was five years or less. The reasons include:

First, as an important psychological contract for the Chinese civil servants, the balanced contract would have the greatest influence on Chinese civil servants (Hui *et al.*, 2004; Allen, 2009). However, many civil servants who have been working in the Chinese government for less than five years were born after 1980, and are termed the 'Post-80s generation' (Elegant, 2007; Moore, 2005; Cao, 2009). With the implementation of the 'One-Child Policy', the 'Post-80s

generation' became the first generation whose members do not have siblings in their families. Although regarded as a generation of self-centred, egotistical and individualistic people (Sabet, 2010), the 'Post-80s generation' is more open-minded and optimistic in comparison with other generations (Wolburg & Pokrywczynski, 2001). Thus, it would be less likely for the 'Post-80s generation' to experience PCB than other generations. Furthermore, as the first generation were born after the 'Reform and Open Policy' was implemented in 1979, the 'Post 80s generation' are more often influenced more by Western cultural values than traditional Confucian thought such as Mianzi (Buttery & Leung, 1998) and long-term orientation (Hofstede, 1994). Thus, they are less concerned with the psychological contract in relation to their long-term and specified benefits such as their promotion and career development opportunities (Si *et al.*, 2008). Therefore, civil servants who have more than five years' governmental work experience are more likely to experience balanced PCB than those whose governmental working experience is five years or less.

Second, since the implementation of 'the Law of Civil Service' in 2006, Chinese government reform has been underway for five years (Chan & Ma, 2011). Therefore, those civil servants who have been working in the government for more than five years have experienced the whole process before and after the reform. In comparison with civil servants who have been working in the government for less than five years, those who have been working in the government for more than five years usually have more realistic expectations regarding the reform and series of change at the government (Rowlands *et al.*, 2006), particular regarding the reforms related to their balanced psychological contract. Therefore, in the implementation of government reform, if the government fails to fulfil its obligations and promises to the civil servants or the fulfilments are far from the civil servants' expectations, the balanced PCB for those civil servants who have been working in the government for more than five years would inevitably stronger than for those who have been working in the

government for less than five years.

In terms of the government level difference, the survey findings show that there are significant differences in relational PCB between county-level government and provincial-level & township-level government. The civil servants who work at provincial-level and township-level government are more likely to experience relational PCB than those who work at county-level government. Likewise, the survey findings also show that there are significant difference on balanced PCB between prefectural-level & county-level government and provincial-level government. The civil servants who work at provincial-level government are more likely to experience balanced PCB than those who work at prefectural-level and county-level government.

Based on the survey findings related to the government level difference, it was found that the civil servants who work at provincial-level government are most likely to experience PCB, in comparison with those who work at other level governments; whereas the civil servants who work at county-level government have the least possibility of experiencing PCB, in comparison with those who work at other government levels. This is because, as the provincial-level government is the intermediate-level that connects upper-level and lower-level government, its employees experience serious pressures at work (Martinez-Vazquez *et al.*, 2007). The civil servants who work at provincial-level government not only have to put the policies and requirements from the central-level government into effect, but also have to supervise the implementation of the policies and requirements of the lower-level governments (Martin, 2010). Therefore it is without doubt that the civil servants who work at provincial-level government have the greatest likelihood of experiencing PCB. In addition, as one of the lowest-level governments, county-level governments are more responsible for implementation of the policies and requirements from the upper-level governments (Shen, 2008). Relatively speaking, as the lowest-level

government, the civil servants in county-level government do not have to face lots of challenges and pressures at work when compared with the civil servants working at provincial-level government. Therefore it is undoubtedly that the civil servants who work at county-level government have the lowest likelihood of experiencing PCB.

The results indicate that they are more likely they are to show such

## 6.6.2 Biographic feature differences of Chinese civil servants'

### EVLN behaviour

In general, empirical results show that there are significant differences in Chinese civil servants' EVLN behaviour, with regard to their position level at the government and the governmental level at which they are working. However, in terms of their age, gender, educational qualification, tenure, political status and location, this research found that there are no significant differences in respondents' EVLN behaviour. The details for the biographic feature differences of Chinese civil servants' EVLN behaviour are shown in Table 6.8.

Table 6.8: The Biographic Feature Differences of Chinese Civil Servants'

**Table 6.8: The Biographic Feature Differences of Chinese Civil Servants' EVLN behaviour (\* the Red Font marks the significant difference)**

Biographic feature	EVLN behaviour			
	Exit	Voice	Loyalty	Neglect
Age	No Sig	No Sig	No Sig.	No Sig.
Gender	No Sig.	No Sig.	No Sig.	No Sig.
Educational qualification	No Sig.	No Sig.	No Sig.	No Sig.
Tenure	No Sig.	No Sig.	No Sig.	No Sig.
Position level	No Sig.	<b>Sig.</b>	No Sig.	<b>Sig.</b>
Government level	No Sig.	<b>Sig.</b>	<b>Sig.</b>	<b>Sig.</b>
Political status	No Sig.	No Sig.	No Sig.	No Sig.
Location	No Sig.	No Sig.	No Sig.	No Sig.

The significant differences

In terms of the position level difference, the survey findings show that higher senior level civil servants are less likely to show their Voice behaviour than lower junior level civil servants are; whereas lower junior level civil servants are less likely to show their Neglect behaviour than higher senior level civil servants are. The results indicate that the higher position level the civil servants hold, the less likely they are to show their Voice behaviour. Conversely, the lower position level the civil servants hold, the less likely they are to show their Neglect behaviour.

According to Hofstede (1994), China is a country with a high PDI score, in which there is an unequal relationship between employees and their superiors: the employees always take arbitrary decisions made by their superiors as granted and have a high tolerance of inequality (Hanisch & Han, 2003). Thus, even if the government fails to fulfil its obligations, the lower position civil servants would be less likely to show their Neglect behaviour in comparison with those who are in higher positions. However, in the Chinese government context, the higher the position a civil servant holds, the greater the extent to which they represent the interests and benefits of the government (Burns, 2007). As the agent of the government, civil servants in higher positions have more opportunities to show their voices in participating in the formulation and implementation of governmental policy; thus, the governmental policies are usually in accordance with their wills and ideas. However, those civil servants at lower positions are only responsible for the enforcement of governmental policy rather than the policy making itself. They thus have less opportunity to show their voices in the governmental policy making. Correspondingly, the governmental policies may not be consistent with their thoughts and ideas. Therefore, it is no doubt that the lower position civil servants would be more likely to show their Voice in comparison with higher position level civil servants. In addition, with the implementation of government reform, the government starts to empower the

lower position civil servants, giving them more opportunities to participate in the governmental decisions (Burns, 2007), which also gives them more opportunities to show their Voices at work.

In terms of the government level difference, the survey findings show that central-level and township-level government civil servants are less likely to show their Voice behaviour in comparison with those county-level government civil servants; prefectural-level government civil servants are less likely to have Loyalty behaviour than central-level, county-level and provincial-level government civil servants; and county-level government civil servants are less likely to have Neglect behaviour than provincial-level, township-level and central-level government civil servants. The survey findings indicate that, in terms of the government level difference, the civil servants' EVLN behaviours are complicated. This may be because China is experiencing fundamental changes and reforms in different levels of government (Burns, 2007). However, the characteristics and actuality of different level governments are not taken into consideration when undertaking the changes and reforms. This inevitably leads to various behavioural responses from the civil servants.

## **Summary**

This chapter focused on a discussion of the structural dimension of organizational change and how this can impact on Chinese government workers. In discussing the research objectives with the findings and literature, the areas of organizational change, breaches of the psychological contract and the civil servants' EVLN behaviour particular were focused on. Within the Chinese context, attention was paid to the influence that the cultural dimensions (Hofstede, 1980) and Confucian principles (Redding, 1990) exerted during the process of the recent Chinese government reforms. Consideration was also given to how the Chinese context differed from the situation and research that has been

completed in Western cultures.

In drawing together the chapter, which addressed the research objectives of the current study, it is possible to highlight and summarize the key points.

First, with respect to organizational change, this is negatively related to the civil servants' Voice behaviour, which is different than the more positive correlation found in many Western studies (Turnley & Feldman, 1999a; Thomas *et al.*, 2003). In addition, there were differing impacts for the different sub-dimensions, with the Chinese civil servants' behaviour varying between these. For example, strategic and people-oriented changes are positively related to Chinese civil servants' Neglect behaviour, whereas structural and process-oriented change are negatively related to the civil servants' Neglect behaviour. One possible explanation is the impact of the cultural dimension and also the recent reforms that were introduced by the Chinese government.

Second, with regard to the impact of organizational change on the Chinese civil servants' PCB, this was found to be positive. This is in accordance with previous research, which was mainly undertaken in the Western world (e.g. Rousseau, 2000; Lo & Aryee, 2003; Bellow, 2007). Variation, however, existed in terms of the different sub-dimension, with one example being process-oriented change, which has a negative impact on the civil servants' transactional behaviour. This may have been attributed to the cultural context of Chinese traditions and the recent introduction of the Chinese government reforms.

Third, previous research on the correlation between organizational change, PCB and employees' behavioural responses has identified that organizational change is the antecedent of PCB and can lead to a series of negative behaviours by employees (e.g. Lo & Aryee, 2003; Brooks & Harfield, 2000; Fortuin, 2007). Within the specific framework of Chinese government reforms, the current study

found that PCB played a mediating role on the correlation between organizational change and the civil servants' behavioural responses.

Fourth, with respect to biographical data, key differences emerged on how PCB related to the civil servants' gender, tenure and level of government in which they were working. For example, key biographic differences were found regarding civil servants' tenure, in which civil servants with more than five years' governmental working experience were more likely to experience balanced PCB than those with less than five years' governmental working experience. Similarly, key biographic differences were also found regarding how the civil servants' EVLN behaviour related to their position level and the level of government at which they were working. For example, key biographic differences were found in the civil servants' position level, in which junior level civil servants were less likely to show their Neglect behaviour than were senior level civil servants. The main reason is of the organizational structure of the Chinese governmental system and the specific content of Chinese government reforms.

Having discussed the key outcomes of the research, it is now possible to move to the bigger picture and, in the next chapter, return to the purpose of the research that is the research question, which was first introduced in Chapter 1.

# Chapter 7: Conclusion

In the introductory chapter, the research question for this study was presented: “What is the role of PCB in determining Chinese civil servants’ behavioural responses to organizational change?” In line with the research question, the literature review chapter concluded that a number of studies have identified the importance of PCB in relation to organizational change and in determining employees’ EVLN behaviour (e.g. Morrison & Robinson, 1997; Rousseau, 1995; McLean Parks & Kidder, 1994; Hind *et al.*, 1996; Lo & Aryee, 2003; Allen, 2009). However, few studies had focused on the role of PCB in determining the link between organizational change and employees’ EVLN behaviour, particularly within the public sector context and in a Chinese setting (Hiltrop, 1996; Millward & Brewerton, 1999).

According to Rousseau’s (1995) definition of the psychological contract, the civil servants’ psychological contract refers to civil servants’ beliefs regarding the terms and conditions of a reciprocal exchange agreement between the government and themselves. Although it is implicit and subjective, it is an important determinant that can influence civil servants’ behavioural responses to organizational change. In today’s China, unprecedented reforms and changes have been undertaken both by and within the government. By carrying out the questionnaire survey among Chinese civil servants, it became apparent that organizational changes are fundamentally changing the governmental work environment, which has led to the civil servants’ PCB and their corresponding behaviours. In line with the survey findings and the discussion chapter, this chapter presents the conclusions, highlights the contribution to knowledge, puts forward recommendations, identifies limitations, and offers future areas for

research.

## **7.1 Main Conclusions of this Study**

In order to answer the research question of this study, six research objectives were put forward at the end of the literature review chapter. Accordingly, seven hypotheses were identified in the methodology chapter, following which were the survey findings and discussion chapter; thus, the major conclusions are now presented as follows:

### **7.1.1 The Structural Dimension of Organizational Change in the Chinese Government**

Prior research categorized organizational change under different classifications, such as strategic and non-strategic (Pettigrew, 1987), planned and emergent change (Wilson, 1992), incremental and transformational change (Swanson & Holton, 2001), and first-order and second-order change (Weick & Quinn, 1999). According to the relevant research on organizational change (Beer, 1980; Senior, 2002), integrating the current condition of Chinese governmental organizational change and preliminary interviews with some Chinese civil servants, a four-dimensional structure of organizational change was developed that included strategic, structural, process-oriented and people-oriented change. By undertaking an empirical analysis, the results confirmed the hypothesis regarding the four-dimensional structure of organizational change in a Chinese government context.

Within the conceptual design, and in terms of the differences surrounding the organizational-individual level and relation-task level, a four-dimensional

structure of organizational change can be divided into a 2×2 model. On the one hand, both strategic change and structural change are at the organizational level, whilst process-oriented change and people-oriented change exist at the individual level. On the other hand, both strategic change and process-oriented change are related to the civil servants' work task, whilst the structural and people-oriented changes being related to the civil servants' relations.

The empirical results clearly show that, in a Chinese government context, first, all the strategic changes embrace the mission, which is to establish a service-oriented government (Colin & Zhang, 2007), and which is linked to the improvement of the organization's efficiency and performance. Therefore, strategic change is related to change at the organization- task level. Second, the structural changes focus on the adjustment of the internal structure of the government such as changes in the relative size of governmental sectors (Ciobanu *et al.*, 2001), which inevitably alter the government's organizational structure. With the reorganization of government sectors such as M & As and downsizing, the previous relations and structure that existed between the government sectors have shifted. Therefore, structural changes are related to a change in organizational and relation level. Third, in terms of the process-oriented changes, these aim to alter the civil servants' individual workflow in order to improve their work task and performance (Carter, & Bélanger, 2005). Therefore, process-oriented changes are associated to changes on an individual- task level. Fourth, in terms of people-oriented changes, these are closely related to the civil servants' individual vital interests such as a shift in their promotion system and performance appraisal. Under the government reform background, civil servants have to compete with their colleagues to gain their personal interests, and this is bound to break the balance of the interpersonal relationship in the government (Bertrand, 2005). Therefore, people-oriented changes are associated with the change on an individual-relation level.

Therefore, it can be concluded that the four-dimensional structure of organizational change in the Chinese government is convincing and persuasive.

### **7.1.2 The impact of Organizational Change on Chinese civil servants' EVLN behaviour**

In terms of the context of the Chinese government, this study examined the impact of organizational change on the civil servants' EVLN behaviour, which is concluded as follows:

First, on the one hand, in accordance with the results of Western empirical studies (e.g. Turnley & Feldman, 1999a), Chinese civil servants are more likely to respond to organizational change by increasing their Exit and Neglect behaviour, and reducing their Loyalty to the government. Based on the discussion it can be concluded that, regardless of either a Western or a Chinese setting, or a private or public sector context, organizational change has a strong impact on employees' behaviours. On the other hand, different to Western empirical studies, Chinese civil servants are more likely to respond to organizational change by reducing their Voice behaviour to the government rather than increasing their Voices. Based on the discussion, it is clear that cultural factors have a strong influence in determining Chinese civil servants' behavioural responses to organizational change (Thomas *et al.*, 2003). In terms of Chinese civil servants' high PDI and LTO, and low IDV and UAI (Hofstede, 1994), along with the influence of Confucian thought - including hierarchical principles (Bond, 1991), Guanxi (Cheung, 2008), Mianzi (Buttery & Leung, 1998) and Harmony (Hoare & Butcher, 2008) - Chinese civil servants are usually reluctant to show their Voices when they are experiencing organizational change.

Second, in accordance with the overall impact of organizational change on the

Chinese civil servants' EVLN behaviour, the survey findings showed that different dimensions of organizational change have an impact on the Chinese civil servants' EVLN behaviour, although it is not consistent – as outlined below.

- (1) Both strategic change and people-oriented change are related to the civil servants' vital interests, therefore, they have an impact on each single dimension of the EVLN model.
- (2) The findings show that structural change is more likely to lead to the constructive behaviour of Chinese civil servants. Therefore, it is concluded that structural change in the Chinese government is relatively successful and accepted.
- (3) In terms of the influence of high PDI and the characteristics of Chinese society such as low levels of employment (Xue & Zhong, 2003; Giles *et al.*, 2005) and the popularity of the profession of civil servant, Chinese civil servants' Exit behaviour is relatively less strong in comparison with other behaviours during organizational change.
- (4) In the implementation of process-oriented changes, with the provision of specific working criteria and regulations, civil servants' Neglect behaviour is to a great extent restrained. Although feeling reluctant, the civil servants have to conduct themselves properly by following new working criteria requirements and regulations. Therefore, it can be concluded that process-oriented changes reduce the civil servants' Neglect behaviour.

### **7.1.3 The impact of Organizational Change on Chinese civil servants' PCB**

In terms of the Chinese government, this study examined the impact of organizational change on the civil servants' PCB, with the observations:

First, by implementing a series of reforms and changes within the Chinese government, the employment relationship between the government and the civil servants became uncertain (Zhu & Warner, 2005). This uncertainty leads to the Chinese civil servants' PCB (Lo & Aryee, 2003), and this finding is in accordance with the results of Western empirical studies (e.g. Vakola & Nikolaou, 2005; Sharkie, 2005; Atkinson, 2007).

Second, in accordance with the overall impact of organizational change on the Chinese civil servants' PCB, the findings showed that different dimensions of organizational change would also have an impact on their PCB. However, the impact of different dimensions of organizational changes varied, as outlined below.

- (1) Because strategic change refers to a governmental change in mission and objectives, its impacts on Chinese civil servants is more related to their concept and sense of job security, rather than their immediate and specific interests. As Rousseau (2000) indicated, employees' sense of job security belongs to the relational psychological contract; therefore, it is concluded that strategic change is more likely to increase the civil servants' relational PCB.
- (2) The implementation of structural change such as merging the government sections and reducing the number of civil servants who are working in the same position (Özkanlı & Bumin, 2006) would inevitably increase the work intensity of those who are left behind. Because work intensity is considered

to be short-term, along with specific performance requirements (Rousseau, 2000), it can be concluded that structural change is likely to increase the civil servants' transactional PCB.

- (3) The implementation of process-oriented changes can decrease the civil servants' work intensity by adopting new technology and simplifying the workflow (Anderson, 2006). Because work intensity belongs to the transactional psychological contract (Rousseau, 2000), it is concluded that process-oriented change decreases Chinese civil servants' transactional PCB.
- (4) In terms of the high correlation with the civil servants' vital interests, people-oriented change not only influences each dimension of the civil servants' PCB, but also has the greatest impact on the different dimensions of their PCB when compared with the other organizational changes.

#### **7.1.4 The impact of PCB on Chinese civil servants' EVLN behaviour**

Having empirically examined the impact of PCB on the civil servants' EVLN behaviour, the following conclusions are offered:

First, it can be concluded that, overall, PCB is related to the civil servants' EVLN behaviour. On the one hand, PCB is positively related to the civil servants' Exit and Neglect behaviour but negatively related to their Loyalty behaviour. This is in accordance with Western studies (e.g. Turnley & Feldman, 1999a). However, on the other hand, PCB is negatively related to the civil servants' Voice behaviour, which is opposite to the findings of Western studies. According to the arguments put forward in the discussion, it is concluded that cultural factors are the main reason for a decrease of the civil servants' Voice behaviour.

These cultural factors include the high PDI and LTO, and low IDV and UAI of Chinese culture (Hofstede, 1994), and the influence of Confucian thoughts including hierarchical principles (Bond, 1991), Guanxi (Cheung, 2008), Mianzi (Buttery & Leung, 1998) and Harmony (Hoare & Butcher, 2008).

Second, in terms of the different dimensions, PCB has an impact on the civil servants' EVLN behaviour, which is in accordance with the results for the overall impact of PCB on the civil servants' EVLN behaviour, although in different ways, as can be seen below.

- (1) With the influence of cultural factors including a high LTO, low IDV and low UAI, Chinese civil servants prefer to respond to transactional PCB in an increase Loyalty behaviour.
- (2) Because the relational psychological contract represents one of the core interests for Chinese civil servants, it would lead to increase the increased Exit and Neglect behaviour of Chinese civil servants. In addition, with the influence of Confucian thought such as Guanxi, Mianzi and Harmony, Chinese civil servants prefer to reduce their Voice behaviour in response to PCB, even though the relational psychological contract represents one of their core interests. These findings are consistent with the general results relating to the impact of PCB on the civil servants' Exit, Voice and Neglect behaviour.
- (3) Chinese civil servants pay greater attention to elements of the psychological contract that are related to a long-term time frame and specific performance requirements (Rousseau, 1995). Therefore, when they perceive their balanced psychological contract is breached, they increase their Exit and Neglect behaviour, but decrease their Voice and Loyalty behaviour, which is again consistent with the general results related to the impact of PCB on Chinese

civil servants' Exit, Voice and Neglect behaviour. The findings imply that, although cultural issues are the main determinant that influences the civil servants behavioural responses to PCB, the extent of the impact would become less strong when the civil servants' most important core interests were influenced.

### **7.1.5 The Mediating Role of PCB between Organizational Change and Chinese civil servants' EVLN behaviour**

In examining the role of PCB on the correlation between organizational change and the civil servants' EVLN behaviour in government, the following conclusions are reached:

First, although organizational change aims to enhance organizational performance and efficiency by altering civil servants' behaviour (Weick & Quinn, 1999), it primarily needs to identify the change in their perceptions when they experience organizational change, which includes a trilogy of cognition, affection, and conation (Shrighley *et al.*, 1988; Triandis, 1971). Because Psychological Contract Theory provides a framework for understanding employees' cognition, affection, and conation in employment (Kidd, 1998), it can be concluded that PCB plays a mediating role in determining the civil servants' EVLN behaviour during organizational change.

Second, although this study did not examine the mediating role of PCB on the correlation between organizational change and Chinese civil servants' EVLN behaviour in terms of the sub-dimensions, based on the findings relating to the inter-correlations between organizational change, PCB and Chinese civil servants' EVLN behaviour, there is an indication of the mediating role of PCB. For example, the people-oriented change, which is most related to the civil servants'

individual benefits, is significantly related to the civil servants' balanced PCB and their EVLN behaviour. Also, as an important element of the psychological contract for the civil servants, balanced PCB is significantly related to their EVLN behaviour. These results tend to support the mediating role of PCB on the correlation between organizational change and civil servants' EVLN behaviour.

### **7.1.6 The biographic feature of Chinese civil servants' PCB and EVLN behaviour**

Having also undertaken different variance analyses on the civil servants' PCB and EVLN behaviour, through their biographic features, the following conclusions are presented:

First, in relation to all the biographic features, no significant differences were found for the civil servants' transactional PCB. In terms of the differences of gender, significant differences related to relational PCB. That is, men are more likely to experience relational PCB than women. In terms of the differences of tenure, significant differences exist for the civil servants' balanced PCB. That is, civil servants who have more than five years' governmental working experience are more likely to experience balanced PCB, when compared with colleagues with work experience of five years or less. In terms of the differences of government level, significant differences related to both relational and balanced PCB. Relatively speaking, middle-level government civil servants level and lowest-level government civil servants have the most and least possibility of experiencing PCB, respectively.

Second, in terms of main biographic differences, Chinese civil servants only showed differences for the psychological contract that relate to their long-term interests, rather than elements of the psychological contract that are concerned

with short-term interests. It is therefore concluded that Chinese civil servants are more concerned with their relational and balanced psychological contract than with the transactional psychological contract.

Third, there are no any significant differences for the civil servants' PCB in terms of their age, educational qualification, position level at government, political status, and the location at which they are currently working.

Fourth, regardless of the biographic features, there are no significant differences for the civil servants' Exit behaviour. However, in terms of the difference of position level, significant differences exist for the Chinese civil servants' Voice and Neglect behaviour. As such, the higher the position level a civil servant holds, the lower the possibility of their Voice behaviour being strong. Conversely, the lower the position level a civil servant holds, the less likely it is that they would show their Neglect behaviour. In terms of the difference of government level, there are significant differences for the civil servants' Voice, Loyalty and Neglect behaviour. However, because the characteristics and reality of different level governments is not always very well considered when undertaking changes and reforms, the behavioural responses of the civil servants from different level of government are not clear.

Fifth, no significant difference existed for the civil servants' EVLN behaviour in terms of their age, gender, educational qualification, tenure at government, political status, and the location in which they were currently working.

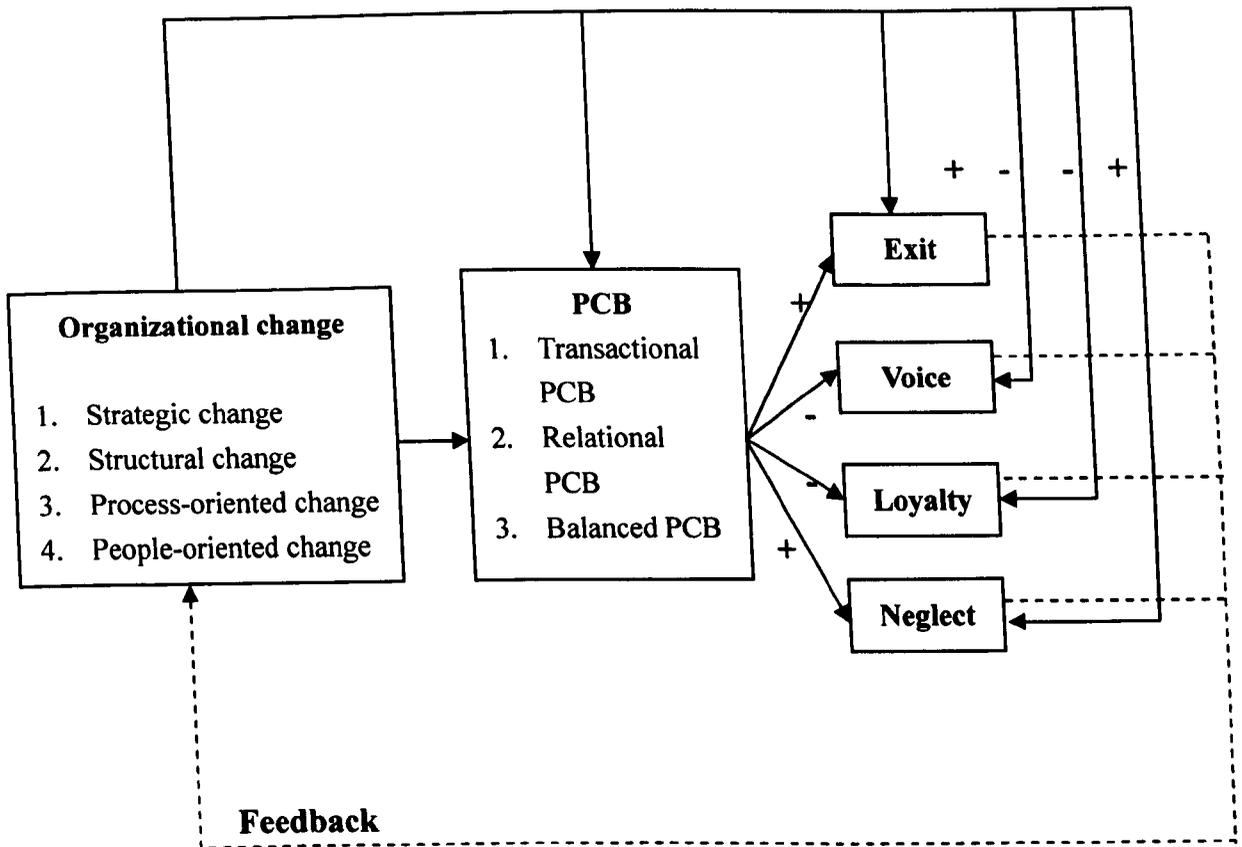
Sixth, in terms of governmental level difference, significant differences existed for both of the civil servants' PCB and EVLN behaviour. However, in term of the difference of age, educational qualification, political status and location, no any significant difference existed for both the civil servants' PCB and EVLN behaviour.

### 7.1.7 The proposed model of this Study

Based on the discussion and main conclusion of this study, the conceptual model is proposed, which is shown in Figure 7.1.

As seen in Figure 7.1, in the Chinese government context, PCB is mediating on the correlation between organizational change and Chinese civil servants' EVLN behaviour. Specifically, organizational change is positively related to Chinese civil servants' PCB, with an increased Exit and Neglect behaviour, and a decreased Voice and Loyalty behaviour.

**Figure 7.1: The Overall Conceptual Framework of this Study**

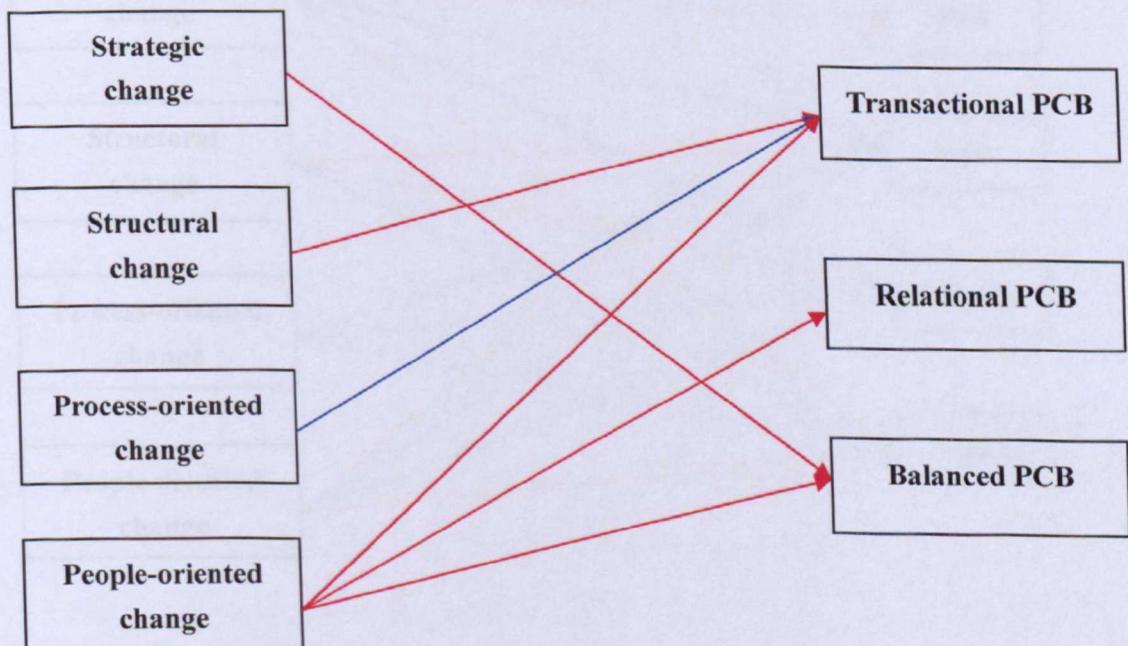


In accordance with the research objectives, the discussion and main conclusion of the current study, with regards to the different dimensions of organizational

change and PCB, the relevant relational models between organizational change, PCB and Chinese civil servants' EVLN behaviours are also proposed, which is shown in Figure 7.2-7.4.

As seen in Figure 7.2-7.4, in the Chinese government context, in terms of different dimensions, the correlation between organizational change, PCB and Chinese civil servants' EVLN behaviour is different. Some of the correlations are in accordance with the overall model, but some of them are not. Specifically, opposite to the overall model of the current study, structural change is positively related to Chinese civil servants Voice and Loyalty behaviour, but negatively related to their Neglect behaviour; Process-oriented change is negatively related to Chinese civil servants' transactional PCB and their Neglect behaviour; Transactional PCB is positively related to Chinese civil servants' Loyalty behaviour.

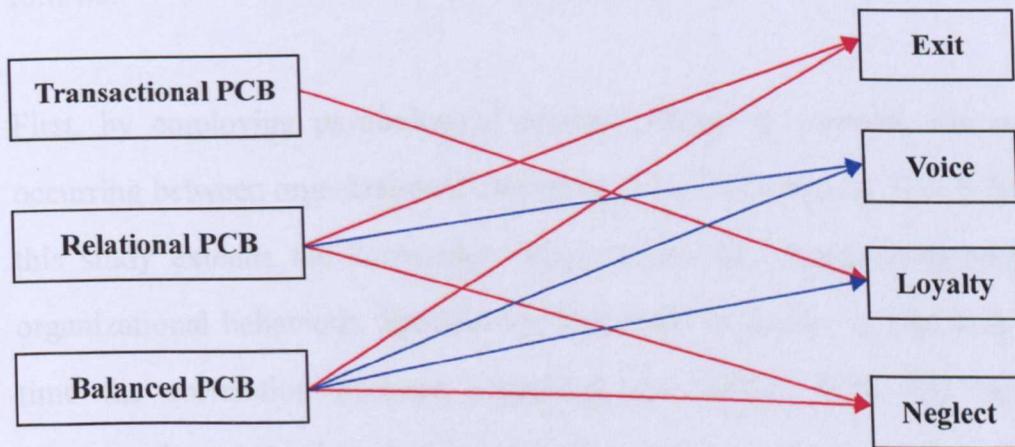
**Figure 7.2: The Relational Model between Organizational Change and Civil Servants' PCB (Sub-dimensional level)**  
 (Note: RED line represents a positive correlation, whereas BLUE line represents a negative correlation)



## 7.2 Contribution to Knowledge

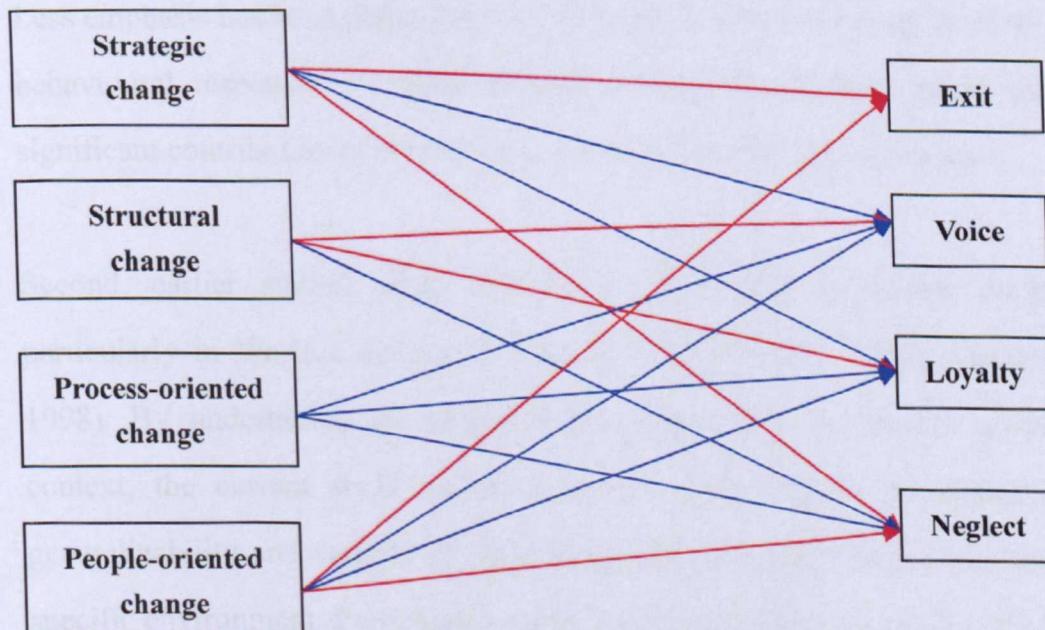
**Figure 7.3: The Relational Model between PCB and Civil Servants' EVLN behaviour (Sub-dimensional level)**

(Note: RED line represents a positive correlation, whereas BLUE line represents a negative correlation)



**Figure 7.4: The Relational Model between Organizational Change and Civil Servants' EVLN behaviour (Sub-dimensional level)**

(Note: RED line represents a positive correlation, whereas BLUE line represents a negative correlation)



## 7.2 Contribution to Knowledge

In building on the previous research, there are three key contributions that the current study makes towards theoretical knowledge, which are summarized as follows:

First, by employing psychological contract theory to examine the processes occurring between organizational change and the civil servants' EVLN behaviour, this study extends the knowledge base surrounding change management and organizational behaviour. Specifically, this study is unique in that it is the first time the correlation between organizational change, PCB and employees' corresponding behavioural responses has been examined in terms of their sub-dimensional levels.

Earlier studies focused primarily on viewing the consequences of PCB through a background of organizational change (Lo & Aryee, 2003), or as a conceptual framework to explain employment relationships (Coyle-Shapiro & Shore, 2007). Less emphasis has been placed on the role of PCB in determining the employees' behavioural responses to organizational change. The current study makes a significant contribution in enhancing the level of knowledge in this area.

Second, earlier studies often focused on PCB in the private sector and particularly in Western settings (Millward & Brewerton, 1999; Herriot *et al.*, 1998). By undertaking an empirical investigation in a Chinese government context, the current study makes a valuable contribution by enhancing the generalizability and validity of the psychological contract theory in a culturally specific environment. Particularly, when compared with the empirical findings of Western studies, the current study suggests that cultural factors (Thomas & Au, 2002), particularly Confucian thought, such as Guanxi, Mianzi and Harmony (Wang *et al.*, 2010; Earley, 1997), have an impact on the employees'

psychological contract and their corresponding behaviours.

In addition, by undertaking the empirical research within both a non-Western setting and in a public sector context, this study makes a contribution to the related areas of public sector management and international human resource management. Specifically, in investigating the civil servants' perceptions, with respect to the fulfilment of the government's obligations to civil servants during government reforms, a contribution has been made to further understanding the dynamic employment relationship and the employees' corresponding behavioural responses (Cullinane & Dundon, 2006). Based on its Chinese context, the current study not only identifies the unique characteristics of public sector employees for PCB, along with their corresponding behavioural responses, but it also identifies the differences of Chinese employees' PCB and corresponding behavioural responses with regard to their biographic features.

Third, by proposing a 2×2 model of organizational change, this study makes a contribution to establishing a new categorization for organizational change. The model not only enriches the classification surrounding the type of organization change, but it provides a measureable scale that relates to organizational change. In particular, the proposed model categorizes the type of organizational change by classifying the content of organizational change.

In addition, in line with previous empirical studies (Rousseau, 2000; McDonald & Makin, 2000; Hui *et al.*, 2004), measurements of PCB were developed, which are applicable to the Chinese public sector. In terms of different sectors and cultural background, the employees' PCB is expected to have variations (Willems *et al.*, 2010; Fu, 2007). However, the measurements of PCB presented in the current study not only provide a measureable scale for research and empirical studies relating to the PCB within a Chinese context, they provide a valuable reference for future PCB research within the public sectors of other

countries.

### **7.3 Implications and Recommendations**

By focusing on the civil servants' psychological contract during a changing environment of government reform, the current study can contribute to the Chinese policy makers and practitioners' practice in the area of reforms, establishing a better understanding of the civil servants' behavioural responses, and finding effective ways to improve their work performance.

First, the four dimensions of organizational change suggest that the changes and reforms in the Chinese government since 2006 have been well-rounded, not only with regard to organizational and individual level change, but also in changes relating to relations and efficiency. The content of the organizational change implies that the changes and reforms of the Chinese government are revolutionary changes, which fundamentally alter the old administrative system, organizational structure, working method and personal-related regulations of the Chinese government context.

Second, based on the conclusions from the correlation between organizational change and civil servants' EVLN behaviour, and PCB and Chinese civil servants' EVLN behaviour, there is a strong influence from cultural factors and Chinese traditions. Here, Chinese civil servants seldom show their Voice in response to organizational change and PCB. This implies that it is difficult for the government to fully understand what the civil servants' thoughts are with regard to government reforms, and what their perceptions are when the government fails to fulfil its obligations to them. Although the civil servants' low likelihood of expressing Voice could reduce a lot of clashes regarding the government reform to some extent, this does not mean that the civil servants support the government

reforms unconditionally (Pinder & Harlos, 2001). In the long run, the civil servants' low likelihood of expressing Voice might make it difficult for the government to identify any problems being caused by the reforms, which would be harmful for their implementation. Therefore, it is necessary for the government to encourage the civil servants to express their Voice and thoughts. This can be achieved by expanding the communication channel between the government and the civil servants, and creating more opportunities for the civil servants to be involved in governmental decisions (Griffin *et al.*, 2010).

Third, in terms of the impact of different dimensions of organizational change on the civil servants' EVLN behaviour, structural change is positively related to the civil servants' Voice and Loyalty but negatively related to their Neglect behaviour. This implies that the implementation of structural change in the Chinese government is feasible, and that the implementation of detailed measures of structural change can motivate the civil servants to a great extent. Therefore, it is suggested that the government considers continuing with the structural reforms. In addition, process-oriented change is negatively related to Chinese civil servants' Neglect behaviour, which is opposite to the results of overall impact of organizational change on Chinese civil servants' Neglect behaviour. Although the implementation of process-oriented change such as the implementation of new regulation for improving efficiency could restrict the civil servants' Neglect behaviour to some extent, it does not mean that the civil servants are really willing to reduce their Neglect behaviour when they are unhappy with the changes. Therefore, the government should take more time to understand what the civil servants are thinking.

Fourth, as the findings indicate, there are differences in the impact of different sub-dimensions of organizational change on Chinese civil servants' PCB. However, in general, the changes and reforms at the Chinese government would definitely lead to Chinese civil servants' PCB (Huang, 2003). Therefore, the

government needs to control the process in order to avoid excessive PCB on the part of the civil servants.

Fifth, in terms of the impact of different dimensions of organizational change on Chinese civil servants' PCB, the implications and suggestions can be illustrated as follows:

- (1) Strategic change can influence the civil servants' psychological contract in relation to their non-specific performance requirements, rather than to their specific performance. This implies that strategic change is essentially a kind of change in people's concepts and perceptions, rather than a change that is related to tangible benefits. In the Chinese government context, strategic change has reduced the privileges the civil servants previously held (Wei *et al.*, 2007), which is related to their non-specific performance requirements. Therefore, it is suggested that the government should strengthen the civil servants' awareness of the public service and law, so that the implementation of strategic change can be more effective.
  
- (2) Process-oriented change can reduce the extent of the civil servants' transactional PCB, implying that the implementation of process-oriented change can solve problems that are caused by structural change. In particular, the implementation of new technology and the simplification of workflow can increase work efficiency and decrease intensity (Nganga *et al.*, 2011), which would help strengthen the government's fulfilment of the civil servants' transactional psychological contract. Therefore, it is necessary for the government to strengthen the implementation of process-oriented change, by encouraging the civil servants' to suggest innovative measures regarding workflow simplification and work efficiency. Additionally, the government should strengthen the civil servants' training, to help them adapt to new

technology and work systems.

- (3) People-oriented change can lead to different dimensions of PCB, which implies that people pay most attention to individual benefits. Therefore, it is suggested that the government be cautious in implementing people-oriented change. An effective way to address this is to undertake trial reforms in a small sector and get feedback, to test out the appropriateness and feasibility of the change.

Sixth, based on the conclusions about the mediating role of PCB on the correlation between organizational change and civil servants' EVLN behaviour, it is found that organizational change can lead to a change of civil servants' psychology and behaviour (e.g. Rousseau, 1989; Zhao *et al.*, 2007; Fu, 2007). In order to interpret, control and forecast the civil servants' behavioural responses to organizational change, it is necessary to focus on the change in their psychological contract. Therefore, it is suggested that the government should take action to influence the civil servants' psychological contract, in order to encourage them to make constructive behavioural responses to organizational change.

Finally, in terms of the biographic feature in relation to change, the following suggestions are made:

- (1) The psychological contracts relating to Chinese civil servants' long-term interests are likely to lead to their individual differences regarding PCB. Therefore it is suggested that the government should pay greater attention to Chinese civil servants' relational psychological contract and balanced psychological contract, particular in focusing on the differences of gender, tenure and government level.

(2) In terms of age, educational qualification, political status and location difference, there are few significant differences for the civil servants' PCB and their EVLN behaviour. This implies that, in the implementation of government reforms, the government does not have to overemphasize the impact of the above biographic feature differences on Chinese civil servants' PCB and their EVLN behaviour. This confirms that the samples of this study are valid and that the survey findings can be generalized to other contexts without the need to take into consideration the differences of age, educational qualification, political status and location.

## **7.4 Limitations and Areas for Further Research**

As with any research design, limitations exist, and these can be identified as follows within the current research.

First, in terms of the limitation over the research period and scope: this study did not examine the mediating role of PCB on the correlation between organizational change and the civil servants' EVLN behaviour in terms of their different dimensions, and did not examine the impact of the civil servants' EVLN behaviour on organizational change. Future research should pay more attention to the relevant aspects.

In addition, in accordance with current thinking about the psychological contract, the study focused on the civil servants' (employees') perspective, rather than the government's (organization's) perspective. Therefore, it is important for future studies to focus more on the organization's perspective.

Second, psychological contract is a highly dynamic process that happens in organizations, particularly under the background of organizational change within

the Chinese government. Thus, it is accepted that this research can only report the findings as they currently stand, with the implementation of a cross-section data analysis technique. According to Saunders *et al.* (2003), the cross-section technique allows the researcher to investigate a particular phenomenon at a particular time. However, it is not able to show the impact of change or the development of variables over time (Saunders *et al.*, 2003). As far as this study is concerned, in consideration of the dynamic nature of psychological contract and the uncertainty of organizational change, it is suggested that a longitudinal study should be undertaken in order to increase the long-term viability of the survey findings (Elkelish, 2007).

Third, in terms of the nature of quantitative study and in testing-out theory, this study used a questionnaire survey as the main data gathering instrument (Saunders *et al.*, 2003), for which informal interviews were conducted to help establish the format and content. In order to explore the wider reasons behind the variables, it is suggested that future studies could adopt a more qualitative approach, and the use of in-depth interviews and focus groups.

Fourth, in this study an interviewer-administered questionnaire was used in the survey, which was instead of a self-administered questionnaire. Through face-to-face contact between the interviewer and the interviewee (Maylor & Blackmon, 2005), an interviewer-administered questionnaire helps the respondent to avoid confusion or ambiguities. Nevertheless, it is inevitable that, together with the unavoidable impact of social desirability on their responses, some respondents may mistrust or fear the questionnaire survey (Paulhus, 1991). In this situation, the respondents may seek to establish an impression that is favourable for themselves and their organization (Zhang, 2010). All of these reasons would have an impact on the accuracy of the survey findings. It is suggested that future studies should pay great attention to these issues. For example, in order to better control the impact of social desirability, future

researchers should pay more attention to the ethical issues in order to reduce the respondents' worries regarding confidentiality (Paulhus, 1991).

## **Summary**

This chapter clearly answered the research question of this study. Accordingly, the main conclusions have been drawn. The correlation between organizational change, PCB and employees' EVLN behaviour has been identified, within a Chinese setting and public sector context. Most importantly, the mediating role of PCB on the correlation between organizational change and Chinese civil servants' EVLN behaviour has been identified. Additionally, in terms of the main biographic feature differences, Chinese civil servants' individual differences in PCB and EVLN behaviour was also examined. The influencing factors of cultural factors, Chinese traditions, on the correlations are also discussed. Based on the conclusions of this study, the contribution to knowledge, implications and recommendations were also presented. Additionally, limitations and recommendations for future research were also outlined in this chapter.

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# **Appendix**

**Appendix I: Participant Information Sheet & Consent Form**

**Appendix II: Preliminary Interview Questions & Outcomes**

**Appendix III: Survey Questionnaire**

**Appendix IV: Biographic Statistical Information**

**Appendix V: Variance Analysis in terms of Biographic  
Features**

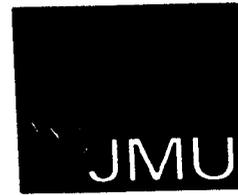
**Appendix VI: Reliability Analysis of the Factors in the  
Questionnaire**

## Appendix I:

# Participant Information Sheet & Consent Form

**LIVERPOOL JOHN MOORES UNIVERSITY**

**PARTICIPANT INFORMATION SHEET**



Name of Researcher: Bin Shan  
Name of Academy: Business School, Faculty of Business & Law, LJMU

**Title of Project: The Role Psychological Contract Breach In Determining Chinese Civil Servants' Behavioural Responses to Organizational Change**

**Purpose of Project:**

This is a survey among civil servants at the government of China in order to find out what influence Chinese civil servants' EVLN behavioural responses to organizational change

**Procedures and Participants Role:**

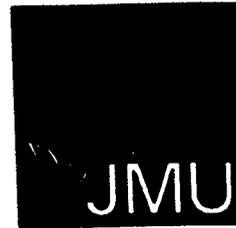
I would be grateful if you could complete the attached questionnaire which will be very valuable for my research. The questionnaire usually takes you about 20 minutes and the findings of the survey will only be used for academic purpose.

Your participation in the study is completely voluntary. It is up to you to decide whether or not to take part. All participants have the right to withdraw at any time without providing any reason. I hereby declare there is no any risk in this survey. Your name will never be mentioned and the questionnaire will be treated with strictest confidence.

**Please Note:**

If you would like to participate, please ask me for a consent form. If there is anything you are not clear or if you would like more information, please contact me as follows:

**LIVERPOOL JOHN MOORES UNIVERSITY**  
**CONSENT FORM**



Name of Researcher: Bin Shan

Name of Academy: Business School, Faculty of Business & Law, LJMU

**Title of Project: The Role Psychological Contract Breach In Determining Chinese Civil Servants' Behavioural Responses to Organizational Change**

1. I confirm that I have read and understand the information provided for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily
2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and that this will not affect my legal rights.
3. I understand that any personal information collected during the study will be anonymised and remain confidential
4. I agree to take part in the survey of the above project

Name of Participant .....Bin Shan..... 01/05/2011.....

Name of Researcher..... Bin Shan..... 01/05/2011.....

**Researcher's contact details**

## **Appendix II:**

### **Preliminary Interview Questions & Outcomes**

1. How do you think the organizational changes you are experiencing at the government?
2. Do you think what organizational changes you are experiencing at the government are related to the objectives or mission of the government?
3. Do you think what organizational changes you are experiencing at the government are related to the internal structure of the government?
4. Do you think what organizational changes you are experiencing at the government are related to governmental reengineer processes and tasks for achieving optimum workflow and productivity?
5. Do you think what organizational changes you are experiencing at the government are directed towards civil servants' personal interests?
6. In terms of the fulfilment of government's obligation and commitment to you, do you think what is related to short-term and specific performance requirement? What is long-term and specific performance requirement? What is long-term and nonspecific performance requirement? Please specify.
7. When the government fails to fulfil its obligation and commitment to you, what kind of behavioural responses will you have? Active or passive? Constructive or destructive? Please specify.

# 访谈问题

1. 你如何看待目前政府里发生的组织变革？
2. 你认为目前政府里发生的组织变革中，有哪些是关于政府的目标及使命方面的变革？
3. 你认为目前政府里发生的组织变革中，有哪些是关于政府的内部组织结构方面的变革？
4. 你认为目前政府里发生的组织变革中，政府为提高效率、优化工作流程和任务等方面进行了哪些变革？
5. 你认为目前政府里发生的组织变革中，有哪些变革是与公务员个人利益直接相关的？
6. 关于政府对你的责任和承诺的履行情况，你认为与短期、具体的工作绩效相关的有哪些？与长期、具体的工作绩效相关的有哪些？与长期、非具体的工作绩效相关的有哪些？请具体说明。
7. 当政府未能履行对你的责任和承诺时，你会首先做出何种行为反应，请具体说明。

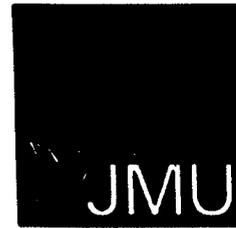
## Outcomes of the interview

Question	Summarized feedback from the interviewees
<p><b>Q1:</b> How do you think the organizational changes you are experiencing at the government?</p>	<ol style="list-style-type: none"> <li>1. The purpose of organizational changes is to improve the government and employees' performance and adapt to the dynamic environment;</li> <li>2. The actions for organizational changes haven't been implemented very well;</li> <li>3. Government's obligations and commitments to the civil servants haven't been fulfilled very well due to the organizational changes;</li> <li>4. Even if organizational changes may lead to the failure of government's fulfilment on its obligations and commitments to the civil servants, most interviewees have no intention to quit their jobs and complain to the government; most interviewees would be more likely to reduce their efforts at work and be more loyal to the government.</li> </ol>
<p><b>Q2:</b> Do you think what organizational changes you are experiencing at the government are related to the objectives or mission of the government?</p>	<ol style="list-style-type: none"> <li>1. Government mission changing from merely dealing with public affairs to emphasizing governments' service-orientation to the citizens;</li> <li>2. Government objective changing from merely pursuing financial income to paying more attention to people's living standard and quality;</li> <li>3. Government administrative strategy changing from "rule by man" to "rule by law".</li> </ol>
<p><b>Q3:</b> Do you think what organizational changes you are experiencing at the government are related to the internal structure of the government?</p>	<ol style="list-style-type: none"> <li>1. Integrating two or more independent governmental sections into one;</li> <li>2. Merging the governmental sections that are overlapped in public administrative responsibilities into one;</li> <li>3. Deactivating the governmental sections that are not belonging to public affairs.</li> </ol>
<p><b>Q4:</b> Do you think what organizational changes you are experiencing at the government are related to governmental reengineer</p>	<ol style="list-style-type: none"> <li>1. Deactivating the governmental sections that are not belonging to public affairs;</li> <li>2. Task process changing from functional-oriented to divisional-oriented;</li> <li>3. From restricting government information to</li> </ol>

<p>processes and tasks for achieving optimum workflow and productivity?</p>	<p>opening government information to public.</p>
<p><b>Q5:</b> Do you think what organizational changes you are experiencing at the government are directed towards civil servants' personal interests?</p>	<ol style="list-style-type: none"> <li>1. Civil servants' promotion system changing from appointed directly by the government to fairly competition;</li> <li>2. Civil servants' performance appraisal changing from merely depending on superior's subjective judgments to combine the feedback from colleagues, service objects and etc.;</li> <li>3. The criteria for civil servants' reward changing from position level-oriented to position level and tenure-oriented.</li> </ol>
<p><b>Q6:</b> In terms of the fulfilment of government's obligation and commitment to you, do you think what is related to short-term and specific performance requirement? What is long-term and specific performance requirement? What is long-term and nonspecific performance requirement? Please specify.</p>	<ol style="list-style-type: none"> <li>1. Most interviewees think the government's obligation and commitment to the civil servants that is related to short-term and specific performance requirement include "provide necessary materials and equipment needed to perform the job", "provide a job limited to specific, well-defined responsibilities" etc.;</li> <li>2. Most interviewees think government's obligation and commitment to the civil servants that is related to long-term and specific performance requirement include "job stability", "job security" etc.;</li> <li>3. Most interviewees think government's obligation and commitment to the civil servants that is related to long-term and nonspecific performance requirement include "provide opportunities for promotion", "provide developmental opportunities with the government" etc.</li> </ol>
<p><b>Q7:</b> When the government fails to fulfil its obligation and commitment to you, what kind of behavioural responses will you take first? Please specify.</p>	<p>Most interviewees think the most possibility for them to take first is to reducing their Voices to their superiors rather than increasing their Voices. Most of them prefer to keep silence when they feel the government fails to fulfil its obligation and commitment to them. Furthermore, more than half of the interviewees said they are likely to reduce their effort at work because the government disappointed them.</p>

## **Appendix III:**

### **Survey Questionnaire**



Dear Sir or Madam,

I would like to invite you to participate in a survey of Chinese civil servants' behavioural responses to organizational change. The purpose of this study is to examine civil servants' perceptions and their corresponding behaviours to organizational change when the government fails to fulfil its obligations and promises to the civil servants. By understanding the relevant issues related to civil servants' psyche and their corresponding behaviours at Chinese government context, the researcher is seeking to find an effective way contribute towards to the civil service reform and improve the civil servants' work performance. This survey is only for research purpose and all the questionnaire will be done as anonymous. The researcher promises to keep individual responses private and confidentiality, with the data being grouped into batches. Please complete the enclosed questionnaire carefully. Thank you for your contribution, it is much appreciated.

Yours sincerely,

Bin Shan

**Researcher's contact details**

## Section 1:

**Question: In the past 1 year, to what extent are you experiencing the following organizational changes of the government?**

**The following items are based on a scale from 1 (Not at all) to 5 (To a great extent). Please read each item carefully, and then circle the number which best matches your personal view.**

	The items	The extent				
		Not at all ----- To a great extent				
		1	2	3	4	5
A1	The government's mission is changing from merely dealing with public affairs to emphasizing the government's service-orientation to the citizens					
A2	The government's objective is changing from merely pursuing financial income to paying more attention to people's living standard and quality					
A3	The government's administrative strategy is changing from "rule by man" to "rule by law"					
A4	The government is taking actions to integrate two or more independent governmental sections into one					
A5	The government is taking actions to merge governmental sections that overlap in public administrative responsibilities into one					
A6	The government is taking actions to deactivate the governmental sections that do not belong to public affairs					
A7	The government is changing from traditional governmental workflow to establishing e-government					
A8	The government is changing in task process from being functional-oriented to					

	divisional-oriented					
<b>A9</b>	The government is changing from restricting government information to opening-up government information to the public					
<b>A10</b>	Civil servants' promotion is changing from being directly appointed by the government to fair competition					
<b>A11</b>	Civil servants' performance appraisal is changing from depending solely on the superior's subjective judgments to combining feedback from other sources e.g. colleagues & service objects					
<b>A12</b>	The criteria for civil servants' salary is changing from position level orientation to being position level & tenure orientated					

## Section 2:

**Question: To what extent do you think the government has fulfilled its obligations to you?**

The following items are based on a scale from 1 (Not at all fulfilled) to 5 (Completely fulfilled). Please read each item carefully, and then circle the number which best matches your personal view.

	The items	The extent				
		Not at all fulfilled ----- Completely fulfilled				
		1	2	3	4	5
<b>B2</b>	Materials and equipment needed to perform the job					
<b>B3</b>	The resources necessary to do my job					

<b>B4</b>	A job limited to specific, well-defined responsibilities					
<b>B5</b>	Require me to perform only a limited set of duties					
<b>B6</b>	Recognition of my contributions to the government					
<b>B7</b>	Secure employment					
<b>B8</b>	Steady employment					
<b>B9</b>	Concern my long-term well-being					
<b>B10</b>	Concern my personal welfare					
<b>B11</b>	Support me in meeting increasingly higher goals					
<b>B12</b>	Opportunities for promotion					
<b>B13</b>	Developmental opportunities with the government					
<b>B14</b>	Support me to attain the highest possible level of performance					
<b>B15</b>	Skill development that increases my value to the government					

### **Section 3:**

**Question: To what extent do you think you would have the following behavioural responses when the government fails to fulfil its obligations to you?**

**The following items are based on a scale from 1 (definitely not) to 5**

(definitely yes). Please read each item carefully, and then circle the number which best matches your personal view.

		The extent		Definitely not ---- Definitely yes				
				1	2	3	4	5
The items								
<b>C1</b>	Actively look for a job outside the government							
<b>C2</b>	Consider possibilities to change jobs within the government							
<b>C3</b>	Actively look for a job elsewhere within the same field							
<b>C4</b>	Intend to change the field of work							
<b>C5</b>	Try to come to an understanding with the supervisor							
<b>C6</b>	In collaboration with the supervisor, try to find a solution that is satisfactory to everybody							
<b>C7</b>	Talk with the supervisor about the problem until reaching total agreement							
<b>C8</b>	Suggest solutions to the supervisor							
<b>C9</b>	Immediately try to find a solution							
<b>C10</b>	Try to think of different solutions to the problem							
<b>C11</b>	Trust the government to solve the problem without my help							
<b>C12</b>	Have faith that something like this will be taken care of by the government without I contributing to the problem-solving process							
<b>C13</b>	Assume that in the end everything will work out							
<b>C14</b>	Optimistically wait for better times							

<b>C15</b>	Report sick because I do not feel like working					
<b>C16</b>	Come in late because I do not feel like working					
<b>C17</b>	Put less effort into the work than may be expected of me					
<b>C18</b>	Now and then, do not put enough effort into the work					
<b>C19</b>	Missing out on meetings because I do not feel like attending them					

## Section 4:

Now there are the questions about your personal background. This background information will be used to compare the responses between different people during statistical analysis. As throughout the whole questionnaire, the information given here will be treated in strictest confidence. Please circle the item which best matches your personal background.

### 1. Your age

A.35 and below

B.36-45

C.46-55

D. Over 55

### 2. Your gender

A. Female

B. Male

### 3. Your educational qualification

A. Master degree and above

B. Bachelor Degree

C. University certificate

D. High school Diploma and below

**4. Your length of service at the government**

A. 5 years and below

B. More than 5 years

**5. Your position level at the government**

A. Banshiyuan (lower junior level)

B. Keyuan (higher junior level)

C. Keji (lower senior level)

D. Xianji and above (higher senior level)

**6. You are working at**

A. Central-level government

B. Provincial-level governments

C. Prefectural-level governments

D. County-level governments

D. Township-level governments

**7. Your political status**

A. Chinese Communist Party member  
member

B. Non-Chinese Communist Party

**8. Your location in China**

A. North China

B. South China

C. West China

D. East China

E. Middle China



**尊敬的公务员朋友：**

您好！感谢您在百忙之中抽出时间参与此次问卷调查。本次调查的目的是了解《公务员法》颁布实施以来，政府一系列改革的实施对公务员行为的影响，尤其是当政府未能履行对公务员的承诺和责任时公务员所产生的行为反应。本问卷通过了解中国公务员政府改革对公务员心态及行为的影响，致力于从中发现一些行之有效的方法以帮助政府在改革的过程中更好地应对公务员的行为变化以及从根本上改善政府绩效。本次调查仅用于学术研究，相关问卷均采用匿名填写方式，对于您所填写的内容将绝对保密，希望您能够认真如实填写，感谢您的积极支持和参与！

此致！

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## 问卷 1:

问题: 在过去的一年中, 你认为自己在多大程度上感受到政府里发生的组织变革? 请依照下表左边所列条目, 在右边您认为合适的标度上打“√”。

本问卷是关于政府内部发生的一系列组织变革的描述。在其所对应的方格里有 1-5 五个数字, 代表你所感受到的政府内部发生的组织变革, 1 代表“根本没有”, 5 代表“非常大”。

	项目	程度				
		很小 ----- 非常大				
		1	2	3	4	5
A1	从功能性政府向服务型政府的转变					
A2	从片面追求财政收入向以民生为导向的转变					
A3	从“人治管理”到“法治管理”的转变					
A4	大部制改革 (如: 人事部和劳动社会保障部的合并)					
A5	合并那些职能重叠的政府部门					
A6	裁撤不在政府公共管理职能范围内的部门					
A7	无纸化办公与电子政务的实施					
A8	待办事项从“繁琐复杂的多部门审批”到“行政审批一条龙服务制度的建立”					
A9	政务信息公开化					
A10	晋升体制从“单纯的组织任命”到实现“竞争上岗”					
A11	公务员考核机制从“单位领导主观评定为主”到“结合领导、同事、服务对象等的综合评定”					

<b>A12</b>	公务员薪酬体系从“以职务定工资”到“结合职务、职级和工龄定工资”					
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## 问卷 2:

问题: 你认为政府在多大程度上履行了其对你的责任和承诺? 请依照下表左边所列条目, 在右边您认为合适的标度上打“√”。

本问卷是关于政府对公务员的责任和承诺的履行情况。在其所对应的方格里有 1-5 五个数字, 代表你所认为的对公务员责任和承诺的履行程度, 1 代表“根本没有履行”, 5 代表“完全履行”。

	项目	程度				
		根本没有履行----- 完全履行				
		1	2	3	4	5
<b>B2</b>	必备的办公用品及办公设施					
<b>B3</b>	必要的工作资源					
<b>B4</b>	工作具体明确, 权责分明					
<b>B5</b>	只要求我做好职责范围内的工作					
<b>B6</b>	认可我对组织的贡献					
<b>B7</b>	一份有安全感的工作					
<b>B8</b>	一份稳定的工作					
<b>B9</b>	关心我的长期利益					
<b>B10</b>	关心我的个人幸福					

<b>B11</b>	支持我追求更高的目标					
<b>B12</b>	提供晋升机会					
<b>B13</b>	提供政府内部发展机会					
<b>B14</b>	支持我在工作中施展自己的才干					
<b>B15</b>	发展我的技能，以增加对政府的贡献					

### 问卷 3:

问题：当政府未能履行其对你的责任和承诺时，你会有何种行为反应？请依照下表左边所列条目，在右边您认为合适的标度上打“√”。

本问卷是关于公务员对政府未能履行其对公务员的责任和承诺时可能做出的行为反应。在其所对应的方格里有“1-5”五个数字，代表你是否会做出此行为反应，1代表“肯定不会”，5代表“肯定会”。

项目	程度	肯定不会 ----- 肯定会				
		1	2	3	4	5
<b>C1</b>	积极寻求政府以外的工作					
<b>C2</b>	考虑在政府内部换工作的可能性					
<b>C3</b>	积极寻求在异地谋职					
<b>C4</b>	积极寻求改行					
<b>C5</b>	尽可能对上级表示理解					
<b>C6</b>	积极和上级合作，寻求让大家都满意的解决问题的办法					

C7	和上级共同探讨问题，直到达成共识					
C8	向上级提出解决问题的建议					
C9	立即着手考虑解决问题的办法					
C10	尽可能的考虑不同的解决问题的办法					
C11	相信没有我的协助，政府能够处理好各种问题					
C12	我相信，在没有我参与解决问题的情况下，政府也能处理好类似问题					
C13	理所当然地认为所有问题终将解决					
C14	对各种矛盾和问题的解决感到乐观，相信解决问题的好时机终将到来					
C15	因为不想工作，所以总是借故请病假					
C16	因为不想工作，所以总是迟到					
C17	不像政府对我期望的那样去努力工作					
C18	在工作中经常偷懒或消极怠工					
C19	因为不想参加，所以就缺席各种会议					

## 问卷 4:

下列是关于您个人背景的几个问题，请根据您的个人基本情况，在下列你认为合适的选项上打“√”。关于您个人的基本信息，仅用于研究统计使用，我们将对您的个人信息严格保密。

### 1. 您的年龄

A. 35 岁及以下

B. 36-45

C. 46-55

D. 55 岁以上

## 2. 您的性别

A. 女

B. 男

## 3. 您的文化程度

A. 硕士及以上

B. 大学本科

C. 大专

D. 高中及以下

## 4. 您已经在政府工作了

A. 5 年以内（包括 5 年）

B. 5 年以上

## 5. 您在政府里的行政级别

A. 办事员

B. 科员

C. 乡科级

D. 县处级及以上

## 6. 您在哪级政府工作

A. 中央政府

B. 省、自治区及直辖市级

政府

C. 地市级政府

D. 县级（含县级市）政府

E. 乡镇级政

府

## 7. 您的政治面貌

A. 中共党员

B. 非中共党员

## 8. 您的所在地

A. 华北及东北地区

B. 华南地区

C. 西北及西南地区

D. 华东地区

E. 华中地区

## Appendix IV: Biographic Statistical Information

**age group of respondent (n=486)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid less than 35	211	43.4	43.4	43.4
36-45	155	31.9	31.9	75.3
46-55	96	19.8	19.8	95.1
over 55	24	4.9	4.9	100.0
Total	486	100.0	100.0	

**gender of respondent (n=486)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid female	191	39.3	39.3	39.3
male	295	60.7	60.7	100.0
Total	486	100.0	100.0	

**qualification of respondent (n=486)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Master degree and above	160	32.9	32.9	32.9
Bachelor Degree	196	40.3	40.3	73.3
university diploma	90	18.5	18.5	91.8
high school and below	40	8.2	8.2	100.0
Total	486	100.0	100.0	

**tenure of respondent (n=486)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 5 years and below	207	42.6	42.6	42.6
more than 5 years	279	57.4	57.4	100.0
Total	486	100.0	100.0	

**position level of respondent (n=486)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid lower junior level	113	23.3	23.3	23.3
higher junior level	185	38.1	38.1	61.3
lower senior level	148	30.5	30.5	91.8
higher senior level	40	8.2	8.2	100.0
Total	486	100.0	100.0	

**level of working government of respondent (n=486)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid central-level government	48	9.9	9.9	9.9
provincial-level government	51	10.5	10.5	20.4
Prefectural-level government	120	24.7	24.7	45.1
county-level government	179	36.8	36.8	81.9
township-level government	88	18.1	18.1	100.0
Total	486	100.0	100.0	

**political status of respondent (n=486)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid CCP member	431	88.7	88.7	88.7
non-CCP member	55	11.3	11.3	100.0
Total	486	100.0	100.0	

**location of respondent (n=486)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid north China	103	21.2	21.2	21.2
south China	101	20.8	20.8	42.0
west China	77	15.8	15.8	57.8
east China	98	20.2	20.2	78.0
middle China	107	22.0	22.0	100.0
Total	486	100.0	100.0	

## Appendix V:

### Variance Analysis in terms of Biographic Features

Age difference test on PCB and Chinese civil servants' EVLN behaviour  
(ANOVA)

		Sum of Squares	df	Mean Square	F	Sig.
Transactional PCB	Between Groups	1.091	3	.364	.882	.450
	Within Groups	198.789	482	.412		
	Total	199.881	485			
Relational PCB	Between Groups	1.267	3	.422	.672	.569
	Within Groups	302.906	482	.628		
	Total	304.173	485			
Balanced PCB	Between Groups	5.098	3	1.699	2.350	.072
	Within Groups	348.525	482	.723		
	Total	353.623	485			
Exit behaviour	Between Groups	4.059	3	1.353	2.312	.075
	Within Groups	282.032	482	.585		
	Total	286.091	485			
Voice behaviour	Between Groups	1.293	3	.431	1.012	.387
	Within Groups	205.269	482	.426		
	Total	206.562	485			
Loyalty behaviour	Between Groups	1.709	3	.570	1.102	.348
	Within Groups	249.147	482	.517		
	Total	250.856	485			
Neglect behaviour	Between Groups	.875	3	.292	.327	.806
	Within Groups	429.750	482	.892		
	Total	430.625	485			

**Post Hoc Tests for age difference: Transactional PCB**

Tukey B

age group of respondent	N	Subset for alpha = 0.05
		1
46-55	96	2.4661
less than 35	211	2.4799
over 55	24	2.5312
36-45	155	2.5774

Means for groups in homogeneous subsets are displayed.

**Post Hoc Tests for age difference: Relational PCB**

Tukey B

age group of respondent	N	Subset for alpha = 0.05
		1
46-55	96	2.4042
less than 35	211	2.4682
36-45	155	2.4748
over 55	24	2.6583

Means for groups in homogeneous subsets are displayed.

**Post Hoc Tests for age difference: Balanced PCB**

Tukey B

age group of respondent	N	Subset for alpha = 0.05
		1
less than 35	211	2.6227
36-45	155	2.7419
46-55	96	2.8708
over 55	24	2.9083

Means for groups in homogeneous subsets are displayed.

### Post Hoc Tests for age difference: Exit behaviour

Tukey B

age group of respondent	N	Subset for alpha = 0.05
		1
less than 35	211	2.5604
36-45	155	2.5855
46-55	96	2.7656
over 55	24	2.8333

Means for groups in homogeneous subsets are displayed.

### Post Hoc Tests for age difference: Voice behaviour

Tukey B

age group of respondent	N	Subset for alpha = 0.05
		1
over 55	24	3.3819
46-55	96	3.5087
36-45	155	3.5634
less than 35	211	3.5964

Means for groups in homogeneous subsets are displayed.

### Post Hoc Tests for age difference: Loyalty behaviour

Tukey B

age group of respondent	N	Subset for alpha = 0.05
		1
over 55	24	3.4271
46-55	96	3.5052
less than 35	211	3.6209
36-45	155	3.6242

Means for groups in homogeneous subsets are displayed.

**Post Hoc Tests for age difference: Neglect behaviour**

Tukey B

age group of respondent	N	Subset for alpha = 0.05
		1
46-55	96	1.9896
less than 35	211	2.0834
36-45	155	2.0839
over 55	24	2.1583

Means for groups in homogeneous subsets are displayed.

**Gender difference test on PCB and Chinese civil servants' EVLN behaviour  
(Group Statistics)**

	gender of respondent	N	Mean	Std. Deviation	Std. Error Mean
Transactional PCB	female	191	2.5366	.66389	.04804
	male	295	2.4941	.62794	.03656
Relational PCB	female	191	2.2639	.75247	.05445
	male	295	2.5986	.79025	.04601
Balanced PCB	female	191	2.6890	.95445	.06906
	male	295	2.7464	.78279	.04558
Exit behaviour	female	191	2.5353	.87981	.06366
	male	295	2.6788	.68171	.03969
Voice behaviour	female	191	3.6117	.69419	.05023
	male	295	3.5232	.62295	.03627
Loyalty behaviour	female	191	3.6427	.70496	.05101
	male	295	3.5551	.72736	.04235
Neglect behaviour	female	191	2.0639	1.04866	.07588
	male	295	2.0719	.86833	.05056

### Independent Samples Test on gender difference

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Transactional PCB	Equal variances assumed	2.338	.127	.714	484	.476	.04258	.05965	-.07463	.15979
	Equal variances not assumed			.705	389.419	.481	.04258	.06037	-.07611	.16127
Relational PCB	Equal variances assumed	3.798	.052	-4.647	484	.000	-.33477	.07204	-.47631	-.19323
	Equal variances not assumed			-4.696	419.874	.000	-.33477	.07128	-.47489	-.19465
Balanced PCB	Equal variances assumed	9.187	.003	-.724	484	.469	-.05744	.07934	-.21333	.09846
	Equal variances not assumed			-.694	348.779	.488	-.05744	.08274	-.22018	.10531
Exit behaviour	Equal variances assumed	13.356	.000	-2.018	484	.044	-.14347	.07111	-.28319	-.00376
	Equal variances not assumed			-1.912	333.822	.057	-.14347	.07502	-.29105	.00410

Voice behaviour	Equal variances assumed	6.089	.014	1.462	484	.144	.08853	.06054	-.03042	.20748
	Equal variances not assumed			1.429	374.061	.154	.08853	.06196	-.03330	.21035
Loyalty behaviour	Equal variances assumed	.906	.342	1.312	484	.190	.08759	.06674	-.04356	.21873
	Equal variances not assumed			1.321	414.822	.187	.08759	.06630	-.04274	.21791
Neglect behaviour	Equal variances assumed	6.306	.012	-.091	484	.927	-.00799	.08760	-.18012	.16414
	Equal variances not assumed			-.088	351.385	.930	-.00799	.09118	-.18731	.17133

**Qualification difference test on PCB and Chinese civil servants EVLN behaviour (ANOVA)**

		Sum of Squares	df	Mean Square	F	Sig.
Transactional PCB	Between Groups	.291	3	.097	.235	.872
	Within Groups	199.589	482	.414		
	Total	199.881	485			
Relational PCB	Between Groups	.359	3	.120	.190	.903
	Within Groups	303.814	482	.630		
	Total	304.173	485			
Balanced PCB	Between Groups	.481	3	.160	.219	.883
	Within Groups	353.142	482	.733		
	Total	353.623	485			

Exit behaviour	Between Groups	1.255	3	.418	.708	.548
	Within Groups	284.836	482	.591		
	Total	286.091	485			
Voice behaviour	Between Groups	2.110	3	.703	1.658	.175
	Within Groups	204.452	482	.424		
	Total	206.562	485			
Loyalty behaviour	Between Groups	.195	3	.065	.125	.945
	Within Groups	250.661	482	.520		
	Total	250.856	485			
Neglect behaviour	Between Groups	.616	3	.205	.230	.876
	Within Groups	430.009	482	.892		
	Total	430.625	485			

### Post Hoc Tests on qualification difference: Transactional PCB

Tukey B

qualification of respondent	N	Subset for alpha = 0.05
		1
Bachelor Degree	196	2.4885
Master degree and above	160	2.5078
university diploma	90	2.5417
high school and below	40	2.5625

Means for groups in homogeneous subsets are displayed.

**Post Hoc Tests on qualification difference: Relational PCB**

Tukey B

qualification of respondent	N	Subset for alpha = 0.05
		1
Master degree and above	160	2.4375
Bachelor Degree	196	2.4643
university diploma	90	2.5044
high school and below	40	2.5150

Means for groups in homogeneous subsets are displayed.

**Post Hoc Tests on qualification difference: Balanced PCB**

Tukey B

qualification of respondent	N	Subset for alpha = 0.05
		1
Master degree and above	160	2.6863
high school and below	40	2.6950
university diploma	90	2.7311
Bachelor Degree	196	2.7571

Means for groups in homogeneous subsets are displayed.

**Post Hoc Tests on qualification difference: Exit behaviour**

Tukey B

qualification of respondent	N	Subset for alpha = 0.05
		1
high school and below	40	2.5062
Master degree and above	160	2.6047
Bachelor Degree	196	2.6212
university diploma	90	2.7083

Means for groups in homogeneous subsets are displayed.

**Post Hoc Tests on qualification difference: Voice behaviour**

Tukey B

qualification of respondent	N	Subset for alpha = 0.05
		1
university diploma	90	3.4241
high school and below	40	3.5583
Bachelor Degree	196	3.5774
Master degree and above	160	3.6094

Means for groups in homogeneous subsets are displayed.

**Post Hoc Tests on qualification difference: Loyalty behaviour**

Tukey B

qualification of respondent	N	Subset for alpha = 0.05
		1
high school and below	40	3.5500
Master degree and above	160	3.5734
Bachelor Degree	196	3.5969
university diploma	90	3.6194

Means for groups in homogeneous subsets are displayed.

**Post Hoc Tests on qualification difference: Neglect behaviour**

Tukey B

qualification of respondent	N	Subset for alpha = 0.05
		1
Master degree and above	160	2.0288
high school and below	40	2.0600
Bachelor Degree	196	2.0745
university diploma	90	2.1311

Means for groups in homogeneous subsets are displayed.

**Tenure difference test on PCB and Chinese civil servants EVLN behaviour  
(Group Statistics)**

tenure as a civil servant		N	Mean	Std. Deviation	Std. Error Mean
Transactional PCB	5 years and below	207	2.4626	.59487	.04135
	more than 5 years	279	2.5466	.67361	.04033
Relational PCB	5 years and below	207	2.4512	.82054	.05703
	more than 5 years	279	2.4789	.77130	.04618
Balanced PCB	5 years and below	207	2.6222	.79127	.05500
	more than 5 years	279	2.7993	.89145	.05337
Exit behaviour	5 years and below	207	2.5797	.78149	.05432
	more than 5 years	279	2.6541	.75775	.04537
Voice behaviour	5 years and below	207	3.5974	.61053	.04243
	more than 5 years	279	3.5287	.68176	.04082
Loyalty behaviour	5 years and below	207	3.5797	.67122	.04665
	more than 5 years	279	3.5968	.75392	.04514
Neglect behaviour	5 years and below	207	2.0531	.91422	.06354
	more than 5 years	279	2.0803	.96403	.05772

### Independent Samples Test on tenure difference

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Transactional PCB	Equal variances assumed	3.612	.058	-1.428	484	.154	-.08403	.05883	-.19962	.03155
	Equal variances not assumed			-1.455	469.515	.146	-.08403	.05776	-.19753	.02946
Relational PCB	Equal variances assumed	1.249	.264	-.380	484	.704	-.02765	.07271	-.17051	.11522
	Equal variances not assumed			-.377	428.246	.707	-.02765	.07338	-.17188	.11659
Balanced PCB	Equal variances assumed	4.192	.041	-2.270	484	.024	-.17706	.07800	-.33032	-.02381
	Equal variances not assumed			-2.310	468.679	.021	-.17706	.07664	-.32765	-.02647
Exit behaviour	Equal variances assumed	.038	.846	-1.056	484	.291	-.07441	.07045	-.21283	.06401
	Equal variances not assumed			-1.051	436.309	.294	-.07441	.07077	-.21350	.06468

Voice behaviour	Equal variances assumed	4.345	.038	1.149	484	.251	.06875	.05985	-.04884	.18634
	Equal variances not assumed			1.168	467.181	.244	.06875	.05888	-.04695	.18445
Loyalty behaviour	Equal variances assumed	4.217	.041	-.258	484	.796	-.01706	.06604	-.14682	.11269
	Equal variances not assumed			-.263	468.175	.793	-.01706	.06491	-.14462	.11049
Neglect behaviour	Equal variances assumed	.127	.721	-.314	484	.754	-.02715	.08652	-.19715	.14285
	Equal variances not assumed			-.316	456.082	.752	-.02715	.08584	-.19584	.14155

**Position-level difference test on PCB and Chinese civil servants EVLN behaviour  
(ANOVA)**

		Sum of Squares	df	Mean Square	F	Sig.
Transactional PCB	Between Groups	.157	3	.052	.127	.944
	Within Groups	199.723	482	.414		
	Total	199.881	485			
Relational PCB	Between Groups	1.652	3	.551	.877	.453
	Within Groups	302.521	482	.628		
	Total	304.173	485			
Balanced PCB	Between Groups	4.903	3	1.634	2.259	.081
	Within Groups	348.720	482	.723		
	Total	353.623	485			
Exit behaviour	Between Groups	4.210	3	1.403	2.400	.067
	Within Groups	281.880	482	.585		
	Total	286.091	485			
Voice behaviour	Between Groups	3.382	3	1.127	2.675	.047
	Within Groups	203.180	482	.422		
	Total	206.562	485			
Loyalty behaviour	Between Groups	2.832	3	.944	1.834	.140
	Within Groups	248.025	482	.515		
	Total	250.856	485			
Neglect behaviour	Between Groups	7.612	3	2.537	2.891	.035
	Within Groups	423.013	482	.878		
	Total	430.625	485			

**Post Hoc Tests on position-level difference**

**Post Hoc Tests on position-level difference: Transactional PCB**

	position level at the government	N	Subset for alpha = 0.05
			1
Tukey B <sup>a</sup>	higher senior level	40	2.4625
	lower senior level	148	2.5051
	lower junior level	113	2.5066
	higher junior level	185	2.5284
Duncan <sup>a</sup>	higher senior level	40	2.4625
	lower senior level	148	2.5051
	lower junior level	113	2.5066
	higher junior level	185	2.5284
	Sig.		.546

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 86.934.

**Post Hoc Tests on position-level difference: Relational PCB**

	position level at the government	N	Subset for alpha = 0.05
			1
Tukey B <sup>a</sup>	lower junior level	113	2.4071
	higher junior level	185	2.4303
	lower senior level	148	2.5351
	higher senior level	40	2.5550
Duncan <sup>a</sup>	lower junior level	113	2.4071
	higher junior level	185	2.4303
	lower senior level	148	2.5351
	higher senior level	40	2.5550
	Sig.		.268

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 86.934.

**Post Hoc Tests on position-level difference: Balanced PCB**

	position level at the government	N	Subset for alpha = 0.05	
			1	
Tukey B <sup>a</sup>	lower senior level	148	2.5784	
	higher senior level	40	2.7100	
	lower junior level	113	2.7717	
	higher junior level	185	2.8141	
Duncan <sup>a</sup>	lower senior level	148	2.5784	
	higher senior level	40	2.7100	
	lower junior level	113	2.7717	
	higher junior level	185	2.8141	
	Sig.		.096	

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 86.934.

**Post Hoc Tests on position-level difference: Exit behaviour**

	position level at the government	N	Subset for alpha = 0.05	
			1	2
Tukey B <sup>a</sup>	lower junior level	113	2.5000	
	higher junior level	185	2.5932	2.5932
	lower senior level	148	2.7010	2.7010
	higher senior level	40		2.8125
Duncan <sup>a</sup>	lower junior level	113	2.5000	
	higher junior level	185	2.5932	2.5932
	lower senior level	148	2.7010	2.7010
	higher senior level	40		2.8125
	Sig.		.102	.074

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 86.934.

**Post Hoc Tests on position-level difference: Voice behaviour**

position level at the government		N	Subset for alpha = 0.05	
			1	2
Tukey B <sup>a</sup>	higher senior level	40	3.4167	
	lower senior level	148	3.4899	3.4899
	higher junior level	185	3.5640	3.5640
	lower junior level	113		3.6873
Duncan <sup>a</sup>	higher senior level	40	3.4167	
	lower senior level	148	3.4899	3.4899
	higher junior level	185	3.5640	3.5640
	lower junior level	113		3.6873
	Sig.		.160	.058

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 86.934.

**Post Hoc Tests on position-level difference: Loyalty behaviour**

position level at the government		N	Subset for alpha = 0.05	
			1	
Tukey B <sup>a</sup>	higher senior level	40		3.4875
	lower senior level	148		3.4983
	higher junior level	185		3.6311
	lower junior level	113		3.6770
Duncan <sup>a</sup>	higher senior level	40		3.4875
	lower senior level	148		3.4983
	higher junior level	185		3.6311
	lower junior level	113		3.6770
	Sig.			.113

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 86.934.

**Post Hoc Tests on position-level difference: Neglect behaviour**

position level at the government	N	Subset for alpha = 0.05	
		1	2
Tukey B <sup>a</sup>			
lower junior level	113	1.9168	
higher junior level	185	2.0130	2.0130
lower senior level	148	2.1905	2.1905
higher senior level	40		2.3050
Duncan <sup>a</sup>			
lower junior level	113	1.9168	
higher junior level	185	2.0130	2.0130
lower senior level	148	2.1905	2.1905
higher senior level	40		2.3050
Sig.		.069	.052

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 86.934.

**Government-level difference test on PCB and Chinese civil servants EVLN behaviour (ANOVA)**

		Sum of Squares	df	Mean Square	F	Sig.
Transactional PCB	Between Groups	1.869	4	.467	1.135	.339
	Within Groups	198.012	481	.412		
	Total	199.881	485			
Relational PCB	Between Groups	13.256	4	3.314	5.479	.000
	Within Groups	290.917	481	.605		
	Total	304.173	485			
Balanced PCB	Between Groups	10.273	4	2.568	3.598	.007
	Within Groups	343.350	481	.714		
	Total	353.623	485			
Exit behaviour	Between Groups	5.366	4	1.342	2.299	.058
	Within Groups	280.724	481	.584		
	Total	286.091	485			
Voice behaviour	Between Groups	5.276	4	1.319	3.152	.014
	Within Groups	201.286	481	.418		
	Total	206.562	485			
Loyalty behaviour	Between Groups	13.609	4	3.402	6.898	.000
	Within Groups	237.247	481	.493		
	Total	250.856	485			
Neglect behaviour	Between Groups	17.420	4	4.355	5.069	.001
	Within Groups	413.205	481	.859		
	Total	430.625	485			

**Post Hoc Tests on government-level difference: Transactional PCB**

the government level the civil servants are working		N	Subset for alpha = 0.05
			1
Tukey B <sup>a</sup>	Prefectural-level government	120	2.4521
	county-level government	179	2.4777
	township-level government	88	2.5341
	central-level government	48	2.6146
	provincial-level government	51	2.6275
Duncan <sup>a</sup>	Prefectural-level government	120	2.4521
	county-level government	179	2.4777
	township-level government	88	2.5341
	central-level government	48	2.6146
	provincial-level government	51	2.6275
	Sig.		.136

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 76.075.

**Post Hoc Tests on government-level difference: Relational PCB**

the government level the civil servants are working		N	Subset for alpha = 0.05		
			1	2	3
Tukey B <sup>a</sup>	county-level government	179	2.2726		
	central-level government	48	2.3833	2.3833	
	Prefectural-level government	120	2.5800	2.5800	
	provincial-level government	51		2.6314	
	township-level government	88		2.6591	
Duncan <sup>a</sup>	county-level government	179	2.2726		
	central-level government	48	2.3833	2.3833	
	Prefectural-level government	120		2.5800	2.5800
	provincial-level government	51		2.6314	2.6314
	township-level government	88			2.6591
	Sig.		.380	.063	.559

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 76.075.

**Post Hoc Tests on government-level difference: Balanced PCB**

the government level the civil servants are working		N	Subset for alpha = 0.05	
			1	2
Tukey B <sup>a</sup>	Prefectural-level government	120	2.6133	
	county-level government	179	2.6279	
	township-level government	88	2.7864	2.7864
	central-level government	48	2.9000	2.9000
	provincial-level government	51		3.0471
Duncan <sup>a</sup>	Prefectural-level government	120	2.6133	
	county-level government	179	2.6279	
	township-level government	88	2.7864	2.7864
	central-level government	48	2.9000	2.9000
	provincial-level government	51		3.0471
	Sig.			.055

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 76.075.

**Post Hoc Tests on government-level difference: Exit behaviour**

the government level the civil servants are working		N	Subset for alpha = 0.05	
			1	2
Tukey B <sup>a</sup>	central-level government	48	2.4531	
	county-level government	179	2.5307	
	township-level government	88	2.6847	
	Prefectural-level government	120	2.7271	
	provincial-level government	51	2.7500	
Duncan <sup>a</sup>	central-level government	48	2.4531	
	county-level government	179	2.5307	2.5307
	township-level government	88	2.6847	2.6847
	Prefectural-level government	120		2.7271
	provincial-level government	51		2.7500
	Sig.			.077

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 76.075.

**Post Hoc Tests on government-level difference: Voice behaviour**

the government level the civil servants are working		N	Subset for alpha = 0.05	
			1	2
Tukey B <sup>a</sup>	central-level government	48	3.4271	
	township-level government	88	3.4394	
	provincial-level government	51	3.4967	
	Prefectural-level government	120	3.5319	
	county-level government	179	3.6862	
Duncan <sup>a</sup>	central-level government	48	3.4271	
	township-level government	88	3.4394	
	provincial-level government	51	3.4967	3.4967
	Prefectural-level government	120	3.5319	3.5319
	county-level government	179		3.6862
Sig.			.370	.088

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 76.075.

**Post Hoc Tests on government-level difference: Loyalty behaviour**

the government level the civil servants are working		N	Subset for alpha = 0.05		
			1	2	3
Tukey B <sup>a</sup>	Prefectural-level government	120	3.3333		
	township-level government	88	3.5170	3.5170	
	central-level government	48		3.7031	
	county-level government	179		3.7081	
	provincial-level government	51		3.7941	
Duncan <sup>a</sup>	Prefectural-level government	120	3.3333		
	township-level government	88	3.5170	3.5170	
	central-level government	48		3.7031	3.7031
	county-level government	179		3.7081	3.7081
	provincial-level government	51			3.7941
Sig.			.107	.114	.456

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 76.075.

**Post Hoc Tests on government-level difference: Neglect behaviour**

the government level the civil servants are working		N	Subset for alpha = 0.05	
			1	2
Tukey B <sup>a</sup>	county-level government	179	1.8302	
	Prefectural-level government	120	2.1283	2.1283
	provincial-level government	51		2.2392
	township-level government	88		2.2568
	central-level government	48		2.2833
Duncan <sup>a</sup>	county-level government	179	1.8302	
	Prefectural-level government	120		2.1283
	provincial-level government	51		2.2392
	township-level government	88		2.2568
	central-level government	48		2.2833
	Sig.			1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 76.075.

**Political status difference test on PCB and civil servants EVLN behaviour  
(Group Statistics)**

	political status of respondent	N	Mean	Std. Deviation	Std. Error Mean
Transactional PCB	CCP member	431	2.5261	.65839	.03171
	non-CCP member	55	2.3909	.48296	.06512
Relational PCB	CCP member	431	2.4780	.78820	.03797
	non-CCP member	55	2.3818	.82307	.11098
Balanced PCB	CCP member	431	2.7248	.87546	.04217
	non-CCP member	55	2.7164	.66743	.09000
Exit behaviour	CCP member	431	2.6276	.78036	.03759
	non-CCP member	55	2.5818	.66849	.09014
Voice behaviour	CCP member	431	3.5522	.66931	.03224
	non-CCP member	55	3.6030	.50562	.06818
Loyalty behaviour	CCP member	431	3.5864	.73488	.03540
	non-CCP member	55	3.6136	.58693	.07914
Neglect behaviour	CCP member	431	2.0742	.94444	.04549
	non-CCP member	55	2.0255	.93258	.12575

### Independent Samples Test on political status difference

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Transactional PCB	Equal variances assumed	10.087	.002	1.473	484	.142	.13519	.09181	-.04520	.31559
	Equal variances not assumed			1.866	82.070	.066	.13519	.07243	-.00890	.27928
Relational PCB	Equal variances assumed	.191	.662	.848	484	.397	.09614	.11343	-.12673	.31901
	Equal variances not assumed			.820	67.263	.415	.09614	.11730	-.13797	.33025
Balanced PCB	Equal variances assumed	3.919	.048	.069	484	.945	.00846	.12239	-.23202	.24894
	Equal variances not assumed			.085	79.832	.932	.00846	.09939	-.18933	.20625
Exit behaviour	Equal variances assumed	2.107	.147	.416	484	.678	.04579	.11007	-.17047	.26206
	Equal variances not assumed			.469	74.132	.641	.04579	.09766	-.14880	.24038
Voice behaviour	Equal variances assumed	4.946	.027	-.544	484	.587	-.05083	.09351	-.23457	.13291

	Equal variances not assumed			-0.674	80.346	.502	-0.05083	.07542	-0.20090	.09925
Loyalty behaviour	Equal variances assumed	4.702	.031	-0.264	484	.792	-0.02721	.10308	-0.22974	.17532
	Equal variances not assumed			-0.314	77.378	.754	-0.02721	.08670	-0.19983	.14541
Neglect behaviour	Equal variances assumed	.249	.618	.361	484	.718	.04879	.13504	-0.21655	.31413
	Equal variances not assumed			.365	68.911	.716	.04879	.13373	-0.21799	.31557

**Location difference test on PCB and Chinese civil servants EVLN behaviour  
(ANOVA)**

		Sum of Squares	df	Mean Square	F	Sig.
Transactional PCB	Between Groups	1.264	4	.316	.765	.548
	Within Groups	198.616	481	.413		
	Total	199.881	485			
Relational PCB	Between Groups	1.101	4	.275	.437	.782
	Within Groups	303.072	481	.630		
	Total	304.173	485			
Balanced PCB	Between Groups	1.132	4	.283	.386	.819
	Within Groups	352.491	481	.733		
	Total	353.623	485			
Exit behaviour	Between Groups	3.926	4	.981	1.673	.155
	Within Groups	282.165	481	.587		
	Total	286.091	485			
Voice behaviour	Between Groups	1.234	4	.309	.723	.577
	Within Groups	205.328	481	.427		
	Total	206.562	485			
Loyalty behaviour	Between Groups	2.862	4	.716	1.388	.237
	Within Groups	247.994	481	.516		
	Total	250.856	485			
Neglect behaviour	Between Groups	1.779	4	.445	.499	.737
	Within Groups	428.845	481	.892		
	Total	430.625	485			

**Post Hoc Tests on location difference: Transactional PCB**

	location of respondent	N	Subset for alpha = 0.05
			1
Tukey B <sup>a</sup>	middle China	107	2.4439
	south China	101	2.5000
	north China	103	2.5073
	east China	98	2.5204
	west China	77	2.6104
Duncan <sup>a</sup>	middle China	107	2.4439
	south China	101	2.5000
	north China	103	2.5073
	east China	98	2.5204
	west China	77	2.6104
	Sig.		.112

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 95.883.

**Post Hoc Tests on location difference: Relational PCB**

	location of respondent	N	Subset for alpha = 0.05
			1
Tukey B <sup>a</sup>	south China	101	2.3881
	middle China	107	2.4430
	north China	103	2.5010
	east China	98	2.5020
	west China	77	2.5143
Duncan <sup>a</sup>	south China	101	2.3881
	middle China	107	2.4430
	north China	103	2.5010
	east China	98	2.5020
	west China	77	2.5143
	Sig.		.337

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 95.883.

**Post Hoc Tests on location difference: Balanced PCB**

		N	Subset for alpha = 0.05	
			1	
Tukey B <sup>a</sup>	east China	98	2.6306	
	middle China	107	2.7327	
	north China	103	2.7417	
	south China	101	2.7525	
	west China	77	2.7688	
Duncan <sup>a</sup>	east China	98	2.6306	
	middle China	107	2.7327	
	north China	103	2.7417	
	south China	101	2.7525	
	west China	77	2.7688	
	Sig.		.329	

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 95.883.

**Post Hoc Tests on location difference: Exit behaviour**

		N	Subset for alpha = 0.05	
			1	2
Tukey B <sup>a</sup>	west China	77	2.4286	
	south China	101	2.6089	
	east China	98	2.6429	
	middle China	107	2.6893	
	north China	103	2.6917	
Duncan <sup>a</sup>	west China	77	2.4286	
	south China	101	2.6089	2.6089
	east China	98	2.6429	2.6429
	middle China	107		2.6893
	north China	103		2.6917
	Sig.		.067	.503

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 95.883.

**Post Hoc Tests on location difference: Voice behaviour**

	location of respondent	N	Subset for alpha = 0.05
			1
Tukey B <sup>a</sup>	north China	103	3.4709
	east China	98	3.5527
	west China	77	3.5584
	middle China	107	3.5935
	south China	101	3.6139
Duncan <sup>a</sup>	north China	103	3.4709
	east China	98	3.5527
	west China	77	3.5584
	middle China	107	3.5935
	south China	101	3.6139
	Sig.		.182

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 95.883.

**Post Hoc Tests on location difference: Loyalty behaviour**

	location of respondent	N	Subset for alpha = 0.05
			1
Tukey B <sup>a</sup>	west China	77	3.4448
	north China	103	3.5388
	south China	101	3.6163
	middle China	107	3.6519
	east China	98	3.6607
Duncan <sup>a</sup>	west China	77	3.4448
	north China	103	3.5388
	south China	101	3.6163
	middle China	107	3.6519
	east China	98	3.6607
	Sig.		.063

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 95.883.

**Post Hoc Tests on location difference: Neglect behaviour**

		N	Subset for alpha = 0.05
location of respondent			1
Tukey B <sup>a</sup>	west China	77	1.9532
	east China	98	2.0469
	middle China	107	2.0692
	north China	103	2.0990
	south China	101	2.1465
Duncan <sup>a</sup>	west China	77	1.9532
	east China	98	2.0469
	middle China	107	2.0692
	north China	103	2.0990
	south China	101	2.1465
	Sig.		.213

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 95.883.

## Appendix VI:

### Reliability Analysis of the Factors in the Questionnaire

#### Reliability Statistics for strategic change

Cronbach's Alpha	N of Items
.698	3

#### Reliability Statistics for structural change

Cronbach's Alpha	N of Items
.688	3

#### Reliability Statistics for process-oriented change

Cronbach's Alpha	N of Items
.743	3

#### Reliability Statistics for people-oriented change

Cronbach's Alpha	N of Items
.865	3

#### Reliability Statistics for transactional PCB

Cronbach's Alpha	N of Items
.771	4

#### Reliability Statistics for relational PCB

Cronbach's Alpha	N of Items
.911	5

**Reliability Statistics for balanced PCB**

Cronbach's Alpha	N of Items
.902	5

**Reliability Statistics for Exit behaviour**

Cronbach's Alpha	N of Items
.752	4

**Reliability Statistics for Voice behaviour**

Cronbach's Alpha	N of Items
.834	6

**Reliability Statistics for Loyalty behaviour**

Cronbach's Alpha	N of Items
.835	4

**Reliability Statistics for Neglect behaviour**

Cronbach's Alpha	N of Items
.954	5