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Ellwardt, L.

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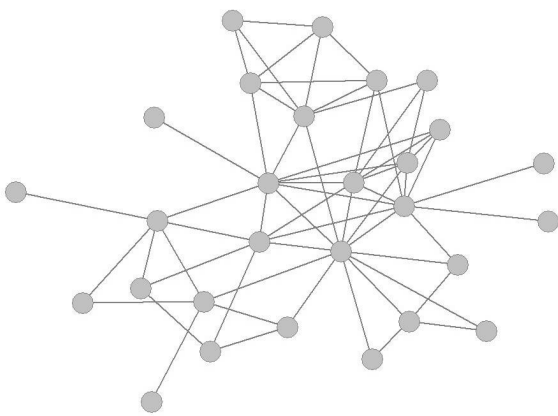
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Chapter 3

Workplace Gossip about Managers as Resistance to Authority, Organizational Change, and Distrust



We develop and test hypotheses on the effect of formal position, cognitive resistance to change and trust in management on employees' tendency to spread negative gossip about managers. An employee survey (n=93) in a medium-sized Dutch non-profit organization supports a moderated mediation model: negative attitudes towards change decrease trust in management; distrust in management increases negative gossip about managers. The effect of distrust on gossip is moderated by formal position: distrust is more likely to result in gossip for subordinates than for supervisory personnel. The role of gossip as a form of resistance to authority and organizational change is discussed.

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3 WORKPLACE GOSSIP ABOUT MANAGERS AS RESISTANCE TO AUTHORITY, ORGANIZATIONAL CHANGE, AND DISTRUST

3.1 Introduction

During the past two decades, researchers on management and organizations have become increasingly interested in the topic of gossip about organizational members high in formal position (i.e., managers; Kurland and Pelled, 2000; McAndrew et al., 2007; Michelson and Mouly, 2000; Noon and Delbridge, 1993), with gossip being defined as “informal and evaluative talk in an organization about another member of that organization who is not present” (Kurland and Pelled, 2000, p. 429). The relevance of gossip as a research topic for organizations is considered far from trivial, because the amount and content of gossip indicate how much trust and goodwill subordinates show toward management and the organization in general. Gossip about managers reflects their reputation and the acceptance of their power position by subordinates.

Although literature on gossip comprises of both negative and positive gossip, previous research mostly addressed workplace gossip in the context of negative behaviors, more specifically antisocial or deviant behavior in organizations. For example, gossip has received considerable attention in relation to concepts of employee resistance (Scott, 1985; Tucker, 1993), indirect workplace aggression (Robinson and Bennett, 1995), social undermining at work (Duffy et al., 2002), and workplace incivility (Pearson et al., 2001). However, when lumped together with other forms of deviant behavior, the concept of gossip appears fuzzy. Demands on establishing an independent research line on gossip (Noon and Delbridge, 1993) have led to a growing body of both theoretical and empirical work on gossip as a central issue (put forward by Burt, 1992; Dunbar, 1996; Fine and Rosnow, 1978). The present study will focus on *negative* gossip about managers, such as complaining to others or criticizing them while they are absent.

Unlike related concepts, gossip is defined by the unique characteristics of indirectness and sociality. First, social undermining and incivility are intentional negative behaviors directed at the target *and* perceived as such by the target (Duffy et al., 2002; Pearson et al., 2001). Targets of gossip, however, by definition are excluded from the actual gossip activity and thus may not find out about the behavior. Gossipers may also not deliberately aim at jeopardizing the relationship with the target but instead are eager to maintain a *positive* relationship, especially when the target is powerful. Indirect behaviors like gossip provide lower risks of repercussions for subordinates, and therefore are more prominent than direct behaviors (Tucker, 1993). Second, gossip is a social phenomenon because it implies a set of actors: At a minimum, two people gossip with each other about a third person. Starting off within small groups, gossip often reaches employees in large parts of the informal organizational network (Noon and Delbridge, 1993). The group of subordinates can utilize gossip for informal social control when

disagreeing with management's actions. Eventually, the social dynamics of gossip potentially affect cooperation between employees, and thereby contribute to the stabilization and disruption of organizational networks (De Pinninck et al., 2008; Sommerfeld et al., 2008).

Managers need to maintain a positive reputation and rely on the cooperation of subordinates, especially during the implementation of organizational changes such as restructuring and reorganizing activities. However, management decisions on organizational changes often upset subordinates causing resistance (Oreg, 2006). We divide resistance into *cognitive resistance*, defined as a negative attitude towards a change, and *behavioral resistance*, defined as actions of employees in response to the change, such as complaining (Oreg, 2006). Subordinates who depend on their managers usually lack the resources to directly resist without risking that their actions backfire. Therefore, subordinates are likely to choose hidden forms of behavioral resistance (i.e., gossip), which managers find difficult to detect and control (Gabriel, 1995; Tucker, 1993). Consequently, some scholars have described gossiping as undermining authority (Noon and Delbridge, 1993), and others even formulated recommendations on managerial practices that limit workplace gossip (Baker and Jones, 1996; Greengard, 2001).

The main contribution of the present study is the focus on antecedences of negative gossip about *managers*. Previous theorizing on gossip in organizations has only made implicit assumptions on the importance of hierarchical relationships (Kurland and Pelled, 2000; McAndrew et al., 2007), and empirical insights rely on scattered evidence from few qualitative studies (Scott, 1985; Tebbutt and Marchington, 1997; Tucker, 1993). We explicate ideas from previous reasoning and systematically test three antecedences of gossip about managers.

One argument is that the hierarchical nature of organizations as such triggers resistance against authority, and hence gossip (Hafen, 2004; Kurland and Pelled, 2000; McAndrew et al., 2007; Scott, 1985). According to this view, there is a general tendency of the powerless to gossip negatively about organizational members in powerful positions. The second argument states organizational change increases gossip among employees. Employees often feel uncertain about the consequences of a change in relation to their future in the organization, which causes negative reactions and the need to seek information through the grapevine (Tebbutt and Marchington, 1997). The third antecedent of negative gossip is argued to be distrust. Subordinates who distrust their managers can socially control the managers' actions by means of spreading gossip, and harm management's reputation (Burt, 2005; Coleman, 1990; De Pinninck et al., 2008).

While these antecedences of gossip are mostly treated separately in the literature, some scholars suggest a more complex mechanism. Negative attitudes about change as such, may not be sufficient to trigger negative gossip about management, but will do so only if the change is accompanied by distrust towards management. In their qualitative study, Tebbutt and Marchington (1997) showed that resistance to organizational change led to an increase in negative gossip about managers because employees perceived the

changes as stressful, demoralizing and as a violation of their psychological contract with the organization. Negative consequences include lowered citizenship behavior and feelings of insecurity at the workplace. According to this perspective, distrust should mediate the impact of negative attitudes about organizational changes on gossip about management. Finally, we argue that there are fewer effects of low trust on gossip behavior *among* managers, because managers are likely to show solidarity toward management.

We feel that the three suggested antecedences of negative gossip about managers are closely related, and interact with one another. The present study aims at testing and combining all three antecedences in one model. In what follows, we first briefly sketch the different theoretical rationales, and develop testable hypotheses. Section three describes the research design, data and operationalizations. Section four presents the results, and section five concludes..

3.2 Theoretical Background

In this section, we will first elaborate on each of the three suggested antecedences of gossip about managers, and after that discuss how they are interrelated. The first mentioned antecedence is hierarchical positions of employees. We roughly divide employees into subordinates and managers.

3.2.1 *Gossip as Resistance to Power*

It has been suggested that gossip about management is a form of resistance to authority and people in powerful positions in general (i.e., managers; Hafen, 2004; Scott, 1985). Resistance has been conceptualized as actions challenging an opposition, mostly by the group of oppressed individuals (Hollander and Einwohner, 2004). However, the powerless rarely have the resources to openly confront their managers, meaning direct confrontations can backfire. Therefore, the powerless need to rely on ordinary strategies that are hidden from the powerful (Scott, 1985). Ordinary covert types of behavioral resistance include private acts, such as gossip, quiet complaining, or bad-mouthing. In their typology of resistance, Hollander and Einwohner refer to *covert resistance* as “acts that are intentional yet go unnoticed (and, therefore, unpunished) by their targets, although they are recognized as resistance by other [...] observers. Examples of this type of resistance include gossip, “bitching”, and subtle subversion in the workplace” (2004, p. 545).

The use of gossip as a strategy to resist managers was described in a study of 277 students who were in an employment relationship (Tucker, 1993). Fifty percent of the subordinates, who at some point during their employment had felt wrongly treated by supervisors or managers, reported that they did share their grief with fellow-subordinates. Only 29% of the subordinates directly confronted their supervisors. Tucker suggests that gossip functions as an informal court of justice, where absent managers are blamed by the complaining subordinates and their supporters (Tucker, 1993). We reason that

sharing negative attitudes with fellow-subordinates helps subordinates to find support in their peer group. The act of agreeing on a negative opinion about a manager ‘glues’ subordinates of a group together (Bosson et al., 2006), and as a result strengthens the position of these subordinates in informal networks (Dunbar, 2004). In some cases, subordinates even strategically coordinate collective resistance through the grapevine (Scott, 1985). Gossip about managers is therefore seen as a form of resistance of the relatively powerless subordinates against management, with the purpose to build coalitions and foster oppositional solidarity among subordinates, which undermines managerial authority (Hollander and Einwohner, 2004; Michelson and Mouly, 2002; Noon and Delbridge, 1993; Scott, 1985; Tucker, 1993). We follow Scott’s (1985) argument that gossip is “a weapon of the weak”, and expect that employees low in formal status (i.e., subordinates) are generally more likely to gossip about managers than high-status employees.

Hypothesis 1: Employees of subordinate status gossip more negatively about managers than employees of management or supervisory status.

3.2.2 Gossip as a Reaction to Negative Attitudes Toward Organizational Change

Another antecedent of negative gossip about managers that has been suggested in the literature is organizational changes. Many of these changes, such as restructuring, reorganizations, and downsizing activities, seriously affect employees’ working conditions, tasks, autonomy, job security, and rewards. Given their far reaching impact, it has been argued that organizational changes are likely to lead to an increase in cognitive resistance and workplace gossip (Tebbutt and Marchington, 1997).

From research in psychology we know that changes in employment environment often cause negative emotions and feelings of cognitive resistance and distress in employees, because these changes create uncertainty about the future and require effortful adjustment to the new situation (e.g., Fugate et al., 2008). Cognitive resistance to a change, however, is not necessarily caused by a negative attitude toward the change itself, but rather by the employees’ subjective fear of negative consequences (Oreg, 2006). Employees often find it difficult to anticipate their future role in the organization, making the new situation ambiguous for them. A case study by Tebbutt and Marchington (1997) illustrated how an organizational change (introducing a new head manager) created ambiguity and insecurity among subordinates. As a result, subordinates in the researched organization increasingly sought information by means of informal communication (i.e., gossip). There was a particular interest in negative gossip about the new manager, because this provided information on possible negative consequences of the change for the subordinates. In line with this finding, other researchers have suggested that employees particularly value information concerning the reputation of people that they depend on for their well-being or security, such as higher-status people and managers (De Backer and Gurven, 2006; McAndrew et al., 2007; Sommerfeld et al., 2007).

Managers are usually the initiators of an organizational change and the driving force behind its implementation, which makes them a likely target of workplace gossip for subordinates who do not agree with the change. Gossip is a way of resisting an introduced change without the subordinates immediately jeopardizing their relationship with management. Through the informal activity of gossip, subordinates can coordinate actions unpunished outside the formal agenda and, more importantly, deviate from organizational task requirements (Hafen, 2004; Robinson and Bennett, 1995). This deviance sometimes hinders the accomplishment of managerial goals, thereby severely affecting organizational outcomes. In line with this, qualitative research by Hafen (2004) illustrated how ‘resistance gossip’ by subordinates was deliberately aimed at empowering managers during organizational change. Shared negative attitudes (spread by gossip) among subordinates about a manager, leads to greater subordinate resistance towards in-role behavior, making it more difficult for the manager to successfully implement the change. Therefore, we expect an increase in negative gossip about managers from subordinates who disagree with – or cognitively resist – an introduced organizational change.

Hypothesis 2: The stronger an employee’s cognitive resistance to organizational change, the more likely negative gossip about managers becomes.

3.2.3 Gossip as a Reaction to a Breach of Trust

The third antecedence of gossip that has been suggested in the literature is the absence of trust, or the presence of distrust in the object of gossip (i.e., manager). The concept of trust refers to the extent to which an employee ascribes good intentions to managers and has confidence in their words and actions (Cook and Wall, 1980). This form of trust is sometimes described as the employee’s belief in benevolence or ‘trustworthiness’ of management (Dietz and Den Hartog, 2006; Schoorman et al., 2007). Absence of trust usually originates in the lack of contact with a person, and consequently the lack of information on the person’s trustworthiness (for example, in newly formed business relations). By talking to third parties who know this person, the gossiper is able to retrieve additional information on the person’s reputation (Burt and Knez, 1996), and reduce uncertainty about the future behavior of this person. Such information is especially valuable when the gossiper depends on this person for his or her well-being, and when the information has negative contents (De Backer and Gurven, 2006). Hence, in contexts of uncertainty and anxiety, employees actively *seek* information through the grapevine on the trustworthiness of those whom they depend on (Burt and Knez, 1996; De Backer and Gurven, 2006; Sommerfeld et al., 2008; Tebbutt and Marchington, 1997). The gathered information provides subordinates with the advantage that they can both anticipate, and react to future actions by their managers more easily.

However, a breach of trust and the presence of distrust will lead to gossip that is negative in its contents. We argue that employees who distrust management (e.g., as a consequence of disagreeing with organizational changes) are likely to gossip negatively about managers for several reasons. One reason to gossip is that frustrated employees

want to *share* their grief with colleagues and seek solidarity from fellow employees in the organizational network (Dunbar, 2004; Tucker, 1993). An employee, for example, who missed out on an expected promotion may complain to colleagues and *warn* them not to work too hard, since managers cannot be trusted in terms of rewards. This gossip behavior is often purely cathartic because it serves the relief of distress (Foster, 2004; e.g., Noon and Delbridge, 1993; Rosnow, 1977). But, it can also function as a means of social control or even retaliation against the person who is believed to have caused the frustration (i.e., the manager). If gossip is strategically aimed at promoting collective pessimism, it may harm the manager's reputation and thereby weaken management's authority (Scott, 1985). Similarly, Noon and Delbridge argue (1993) that gossip can be an 'informal path to empowerment' of subordinates who resist managerial control. Listeners may support the gossipers' view and decide about their own contributions to the organization in the future carefully. Malicious gossip can seriously affect the reputation of a manager, even if spread by only a small number of subordinates. A study by Burt (2005) showed that negative gossip about managers spread particularly fast in the organizational network and caused quite stable negative reputations.

While we expect distrust to facilitate gossip about managers, we reason that trust impedes gossip. Subordinates who trust their managers are likely to cooperate and show solidarity toward them (McAllister, 1995; Robinson, 1996). According to previous studies, employees tend to focus more on work-related tasks and organizational citizenship behaviors when they perceive authority figures as trustworthy (Frazier et al., 2010). In sum, we reason that the likelihood of negative gossip depends on an employee's trust in management.

Hypothesis 3: The lower an employee's trust in management, the more likely negative gossip about managers becomes.

3.2.4 Organizational Change, the Breach of the Psychological Contract, and the Role of Formal Positions

After having discussed the three possible antecedences of negative gossip as a form of behavioral resistance we will now turn to a model that combines the three. We argue that the relationship between resistance to organizational change and gossip about managers may be more complex than suggested in the literature. We expect that only one out of the three antecedences will have a direct effect on the incidence of gossip. The other two, will play a mediating or moderating role at most. More specifically, we reason that the trust or distrust an employee has in management can explain the relationship hypothesized in Hypothesis 2. Furthermore, we expect the hypothesized relationship in Hypothesis 3 to depend on the formal status of an employee.

Above we hypothesized the direct effect of organizational changes on the incidence of gossip. However, organizational changes trigger many different reactions, and not all of them result in behavioral resistance per se. Fear of negative consequences is more likely to occur than a negative attitude toward the actual change (Oreg, 2006). However, this fear potentially damages the trust relationship between management and

employees. Research has shown that changes – in particular structural reorganization – have significant negative effects on trust in management (Morgan and Zeffane, 2003). Similarly, in previous literature it has been stated that the massive organizational changes of the past decade led to an increase in the likelihood of psychological contract breach (Robinson, 1996). The psychological contract between employees and the organization refers to what employees think they owe to the organization and what the organization owes to them in return (Robinson, 1996). If the employees perceive that the organization is not fulfilling its promises toward them, they lose trust in the organization and become less willing to fulfill their own obligations. Organizations under pressure to make rapid changes often have to alter employment relationships, and thereby also change the psychological contracts that underlie them. Employees who disagree with these organizational changes are likely to perceive a breach in the psychological contract, causing them subjective feelings of anger and frustration. Research has shown that a (perceived) breach in the psychological contract is strongly related to lowered trust of employees in management and that the employees' reactions often involve increased levels of behavioral, affective, and cognitive resistance (Oreg, 2006). Such reactions include reduced commitment and cooperation (McAllister, 1995), as well as increased violation of organizational norms (Robinson and Rousseau, 1994), like bad-mouthing managers and supervisors. More specifically, research has indicated that the relationship between attitude to organizational change and organizational citizenship behavior is mediated by trust in supervisors (Neves and Caetano, 2009).

Hence, trust in management is an important factor for investigating effects of organizational change on workplace gossip. We argue that employees who disagree with an introduced change will – as a result of a perceived breach of the psychological contract – have less confidence in future actions of management and thus trust managers less, than employees who agree with the change. A consequence of the damaged trust is the increased likelihood of behavioral resistance, and thus negative gossip about managers. Based on the presented arguments, we expect the previously stated relationship in Hypothesis 2 to be explained by a decrease in trust in managers.

Hypothesis 4a: The relationship between resistance to change and negative gossip is mediated by a decrease in trust in managers.

Others might suggest an alternative chain of arguments: A downside of low trust in management is the employee's hesitance to support managerial decisions, and consequently an increased likelihood of resistance to change. According to this reasoning, instead of trust, resistance to change would be a mediator. However, we argue that distrust in management causes gossip *regardless* of attitudes toward change, because the gossip is about the managers and not about the change itself (literature refers to talking about events or changes as 'rumor'; Rosnow, 2001). In contrast, resistance to change only triggers gossip about managers under certain conditions (i.e., when trust is affected by the change). We therefore hypothesize a direct effect of low trust on gossip and an indirect effect of organizational change on gossip. Our empirical test will shed more light on this issue.

So far, we discussed the possibility that subordinates gossip about management, but neglected the possibility that employees higher in formal status (i.e., managers in middle management) are themselves participating in gossiping activities. In the following, we outline why managers tend to gossip less than subordinates about management but rather show solidarity toward management, even when they perceive a breach of trust by the organization. Due to their direct involvement in and influence on organizational activities, managers are generally more likely than subordinates to be pro-change and support management decisions. Moreover, high-status employees might manage dissonance between change and trust better than subordinates, making it possible that they disagree with a change without feeling betrayed. This makes resistance to change and a breach of trust less probable for managers (Fugate et al., 2008; Robinson, 1996). Should a breach of trust occur, however, we expect that managers will not choose to gossip negatively about management mainly for two reasons.

First, even if a manager is only indirectly involved in the actual introduction of an organizational change, he or she is often better informed about the change than subordinates. Having more direct access to first-hand information and formally being part of the management unit, reduces feelings of insecurity and the need to retrieve gossip information informally during organizational changes (Tebbutt and Marchington, 1997). Hence, managers do not have to rely on additional information from the grapevine as much as subordinates.

Second, by gossiping negatively about management, managers would risk damaging the management's reputation, which can also affect their own reputation. Subordinates often perceive strong formal boundaries that separate them from the group of managers (Cole and Bruch, 2006). Therefore, managers are seen as representatives of the management unit. If the reputation of the management unit is negative, this is likely to be reflected in the reputation of individual managers. Managers who bad-mouth other managers not only harm these other managers, but also their own reputation, since they are seen as members of the same (management) group. Both theoretical arguments and empirical research suggests that harmful gossip does not tend to be about members from the gossipers' group, but is rather aimed at members outside the gossipers' group with the intention to strengthen and support the in-group (Dunbar, 2004; Kniffin and Wilson, 2005; Kurland and Pelled, 2000; McAndrew et al., 2007; Suls, 1977). Managers need to support management, especially during times of organizational change, in order to preserve the authority of the management unit and consequently their own individual status. When these arguments are taken together, we can hypothesize that the relationship between low trust in managers and negative gossip is moderated by the formal status of an employee.

Hypothesis 4b: The relationship between low trust in managers and negative gossip is stronger for employees of subordinate status than for employees of manager status.

The logic behind this moderation argument also implies that subordinates do not gossip negatively about managers solely based on their formal status, as suggested in Hypothesis 1, but only if subordinates distrust management.

3.3 Research Design and Setting

3.3.1 *Sample*

Data was collected in one medium-sized Dutch non-profit organization in Spring 2008. The organization is a major independent, subsidized, regional institution in the field of child protection, and has several sites spread across one region of the Netherlands. Its clients are children with problems in their social, psychological, and/or physical functioning. Within the organization, there is a rich variety of professions, such as therapists, social workers, pedagogues, and medical doctors. Most employees are female part-time workers.

About one year prior to data collection the organization appointed a new head manager. He initiated many changes in the organization, mainly because the organization was expanding rapidly, and had to make several adaptations to this development. Adaptations included recruiting staff, buying new office complexes, and building houses for clients. Previously, the organization was managed centrally from head office. A major adaptation to the new geographical developments concerned the decentralization of the organizational structure; more specifically splitting up the organization into three regions that were previously managed on a central level. The main motivation for this change was the desire to serve children nearer to their homes (reducing not only geographical but also cultural distances). For a number of employees the decentralization meant for instance moving offices, more traveling, different colleagues, and different communication networks (e.g., different supervisors). We recognize that in management literature decentralization is depicted in largely positive terms. However, as argued earlier individuals may have negative feelings about changes, even if they are positive for the organization (Fugate et al., 2008). Generally, the acceptance of the decentralization was moderate, and only few very critical voices were raised (e.g., the concern of some employees that small locations would be cut-off from communication with head office). Hence, on average employees did not perceive the decentralization as a big burden.

The organization agreed to a survey of 200 employees, and provided socio-demographic data on all its employees, containing information on gender, age, contracted hours per week, tenure, and region of the country. A comparison of the sample data with the data on all employees resulted in no significant differences. The study was preceded by a phase of in-depth interviews, pretests, and pilots. Paper-and-pencil questionnaires were sent to all 34 managers and a random sample of 165 employees. 72,8% of the employees completed the questionnaire after a second reminder was sent. Respondents who indicated that they had not experienced the decentralization (e.g., because they joined the organization at a later time point) were excluded from the analysis, so that 93 respondents could be included in the analyses. 76% of these respondents were female.

16% of the respondents were managers of which two thirds were male. Mean age was 42,87 ($SD = 10,29$). On average employees had been working in the organization for 11,40 years ($SD = 7,86$).

3.3.2 Measures and Methods

Negative gossip about managers. We used a modified version of Wittek and Wielers' (1998) gossip scale to measure an employee's tendency to gossip negatively about managers at work. The measure consisted of four items: "At work I sometimes complain about managers while they are absent."; "I sometimes criticize managers for a negative characteristic while they are absent."; "If I feel treated badly by a manager I talk about this to my colleagues." "I sometimes make a negative comment on the behavior of a manager while he/she is absent." Possible answers ranged from "does not apply to me at all" (1) to "does apply to me" (7). To check whether the measure was one-dimensional, we conducted an exploratory factor analysis with principal axis factoring (using the direct oblimin rotation method, which relaxed the assumption that factors are orthogonal). All items loaded on one factor, which had an eigenvalue of 3.18 and explained 80% of the variance. Scale reliability for negative gossip about managers was high with a Cronbach's alpha of 0.91.

Formal status. The organization provided information on the formal status of every employee, that is whether an employee was (1) a manager or supervisor, or (0) a subordinate.

Cognitive resistance to organizational change. Disagreement with the change regarding the decentralization in the organization was measured with the cognitive resistance sub-scale by Oreg (2006), which is part of the author's change attitude scale. Respondents, for instance, indicated on four items whether they thought that the implemented decentralization was negative or harmful for the organization, e.g. "I believe that the change would harm the way things are done in the organization". Possible answers ranged from "strongly disagree" (1) to "strongly agree" (7). A high scale score represents a negative attitude toward the implemented change. Cronbach's alpha for cognitive resistance to change was 0.76.

Trust in management. A sub-scale from the interpersonal trust at work scale by Cook and Wall (1980) assessed whether respondents trusted in the organization's management as a whole. For example, respondents said whether "the organization will always try to treat me fairly" and whether "management can be trusted to make sensible decisions". Again, answer categories ranged from "strongly disagree" (1) to "strongly agree" (7). Scale reliability for trust in management was 0.83.

Controls. Gender (1 = female, 0 = male), age, and tenure were included as control variables. We included tenure because it differed rather largely across organizational members and might have affected levels of trust in management.

To test our hypotheses we applied hierarchical ordinary least square (OLS) regression with workplace gossip about managers being the dependent variable.⁴ We first computed three separate models to test for main effects of formal status, cognitive resistance to change, and trust in management on workplace gossip (Hypothesis 1, 2, and 3). In the next step, resistance to change and trust in management were included together in one model to test for mediation (Hypothesis 4a). We would find mediation, if the main effect of resistance to change on workplace gossip was initially significant, but became insignificant in the model together with trust in management (Baron and Kenny, 1986; Frazier et al., 2004). However, in addition to that, a necessary part of mediation is a statistically and practically significant indirect effect, which can be tested using Sobel's test and bootstrapping (Preacher and Hayes, 2004). This way we could be certain that the proposed mediation really did exist. Finally, to test whether the relationship between trust in management and workplace gossip differed for subordinates and managers we added an interaction variable (Hypothesis 4b), which we computed by simply multiplying the values for trust in management with the values for formal status. We would find moderation, if the interaction effect was significant in the final model (Baron and Kenny, 1986; Frazier et al., 2004).

3.4 Results

Table 3.1 presents the descriptive statistics and the correlations of the independent and dependent variables.

Table 3.1 Means, Standard Deviations and Correlations

Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6
1 Gender (1 = female)	73%	-	-					
2 Status (1 = manager)	16%	-	-0.46**	-				
3 Age	42.87	10.29	-0.39***	0.30**	-			
4 Tenure	11.40	7.86	-0.08	0.19 [†]	0.49**	-		
5 Cognitive resistance to change	3.42	1.14	0.20 [†]	-0.28**	-0.08	-0.04	-	
6 Trust in management	4.79	1.11	-0.12	0.46***	0.15	0.03	-0.43***	-
7 Negative gossip about managers	3.87	1.66	0.16	-0.31**	-0.23*	-0.04	0.28**	-0.52***

Note. [†] $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table 3.2 summarizes the results of the hierarchical regression. In Hypothesis 1 we predicted that employees of subordinate status would spread more negative gossip than managers. The first model contained the control variables and formal status. As

⁴ To avoid losing cases of the already small sample the pairwise deletion method was applied.

hypothesized, subordinates gossiped significantly more negatively about managers, than managers gossiped negatively about one another ($b = -0.28, p < 0.05$).

In Hypothesis 2 we predicted that cognitive resistance to organizational change would increase the frequency of negative gossip about managers. The results in the second model underpinned this assumption ($b = 0.22, p < 0.05$).

In Hypothesis 3 we stated that lower levels of trust in management would be related to an increase in negative gossip about managers. The significant negative effect in the third model supports our assumption ($b = -0.40, p < 0.001$). Interestingly, the effect of formal status became insignificant after adding trust of management. This suggested that low trust in management was a stronger predictor of negative gossip than subordinate status.

In Hypothesis 4a, we argued that the resistance-gossip relationship (previously stated in Hypothesis 2) was not direct, but mediated by an employee's trust in management. To test for mediation we followed a three-step procedure as recommended by Baron and Kenny (1986). First, both the independent variable and the proposed mediator variable had to be significantly related to the dependent variable when included separately in the model. This was the case in our analyses: Both cognitive resistance to change ($b = 0.22, p < 0.05$; second model) and trust in management ($b = -0.40, p < 0.001$; third model) had a significant effect on negative gossip about managers. Second, the independent variable had to be significantly related to the proposed mediator variable. As shown by the correlation in table 1, cognitive resistance to change was negatively related to trust in management ($r = -0.43, p < 0.001$). Finally, the effect of the independent variable on the dependent variable had to become weaker or insignificant after including the proposed mediator variable in the regression model. Model 4 shows that this was the case in our analyses: The formerly significant effect of cognitive resistance to organizational changes disappeared when we added trust in management to the model, while low trust in management remained a strong predictor of negative gossip about managers ($b = -0.45, p < 0.001$). Sobel's test (Sobel $z = 2.99, p < 0.01$) and the bootstrapping method (0.26; 95% CI between 0.10 and 0.47) showed that this reduction of the direct effect of cognitive resistance to change on negative gossip was significant. The results in the fourth model also exclude (theoretically sensible) alternative sequences of mediation: cognitive resistance to change had no mediating role in the relationship between trust and gossip. This supported the proposed mediation in Hypothesis 4a.⁵

In Hypothesis 4b, we proposed that the relationship between trust in managers and negative gossip behavior (formerly stated in Hypothesis 3) was moderated by the formal status of an employee. Moderation would be observed when a third variable (i.e., formal status) significantly affected the relationship strength between two variables (i.e., the effect of trust on gossip). This means that according to our hypothesis the relationship

⁵ Theoretically, moderation instead of mediation is also plausible, so we additionally tested for moderation. The regression analysis, however, provided no support for a moderator relationship between cognitive resistance and trust in management ($b = -0.12, p = 0.24$).

Table 3.2 Hierarchical Regression on Negative Gossip about Managers ($N = 93$)

Variable	Model 1			Model 2			Model 3			Model 4			Model 5		
	<i>B</i>	<i>SE</i>	<i>b</i>	<i>B</i>	<i>SE</i>	<i>b</i>	<i>B</i>	<i>SE</i>	<i>b</i>	<i>B</i>	<i>SE</i>	<i>b</i>	<i>B</i>	<i>SE</i>	<i>b</i>
Intercept	4.94	0.83		3.99	0.92		8.09	1.02		6.91	1.19		7.31	1.19	
Age	-0.03	0.02	-0.21	-0.03	0.02	-0.23 [†]	-0.03	0.02	-0.16	-0.02	0.02	-0.15	-0.02	0.02	-0.14
Gender (1 = female)	-0.05	0.43	-0.01	-0.16	0.43	-0.04	-0.24	0.41	-0.06	-0.06	0.40	-0.02	0.05	0.40	0.01
Tenure	0.03	0.03	0.15	0.04	0.03	0.17	0.01	0.02	0.05	0.02	0.02	0.08	0.02	0.02	0.09
Status (1 = manager)	-1.41	0.54	-0.28*	-1.11	0.54	-0.22*	-0.76	0.51	-0.17	-0.56	0.53	-0.11	-1.36	0.68	-0.27*
Cognitive resistance to change				0.32	0.15	0.22*				0.14	0.15	0.10	0.13	0.14	0.09
Trust in management							-0.61	0.15	-0.40***	-0.57	0.16	-0.38***	-0.68	0.17	-0.45***
Status × trust in management													1.26	0.68	0.26 [†]
R^2_{adj}	0.11			0.14			0.24			0.24			0.27		
ΔR^2	0.15**			0.05*			0.13***			0.10**			0.03 [†]		
Model summary	$F_{4,89} = 3.76^{**}$			$F_{5,88} = 4.11^{**}$			$F_{5,89} = 6.90^{***}$			$F_{6,87} = 6.00^{***}$			$F_{7,86} = 5.78^{***}$		

Note. [†] $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

between low trust and gossip should have been significantly weaker for managers than for subordinates. When adding the interaction variable for trust in management and manager status, a moderation effect was observed ($b = 0.26$, $p = 0.07$; fifth model). Although the moderation effect was only marginally significant, we reasoned that this result supported Hypothesis 4b, because of the small sample size in our study and the formulation of one-sided hypotheses. The relationship between low trust and negative gossip was significantly negative for both groups of subordinates ($b = -0.45$, $p < 0.001$) and managers ($b = -0.45 + 0.26 = -0.19$; $p = 0.07$). However, being a manager made it less likely that low trust led to an increase in negative gossip behavior. Our final regression model explained 27% of the variance ($R^2_{adj} = 0.27$).⁶ Figure 3.1 illustrates the findings.

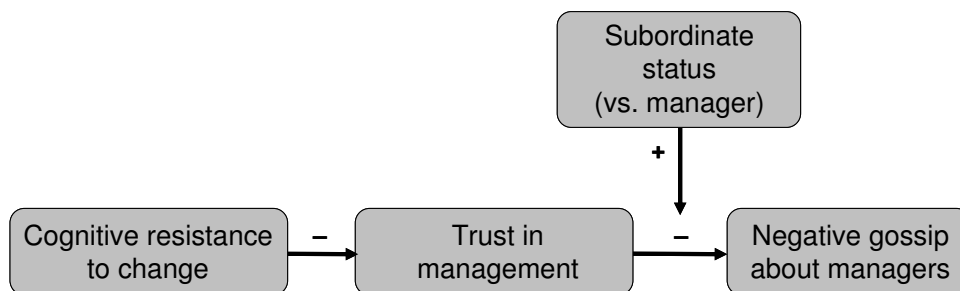


Figure 3.1 Overview of the Findings: Moderated Mediation.

3.4.1 Testing Moderated Mediation

So far, we conducted separate tests for both mediation (fourth model) and moderation effects (fifth model). It was interesting, however, to do a post-hoc analysis and test both effects simultaneously to check for so-called ‘moderated mediation’. A moderated mediation, which has also been described as a conditional indirect effect (Preacher et al., 2007), would occur if the observed *mediation* process depended on a specific value of the moderation variable. In the present study, this meant that we tested whether the indirect effect of cognitive resistance to change on negative gossip about managers via the process of low trust in management (see fourth model) was observed for both groups of subordinates and managers, or for only one of these groups (conditions). To do so, we followed the procedure recommended by Preacher et al. (2007), and conducted their analyses of *conditional indirect effects*, again using bootstrapping. The results revealed indeed a moderated mediation, more specifically the mediation was only observed for the group of subordinates ($\bar{z} = 2.51$, $p < 0.01$; bootstrap: 0.26, 95% CI between 0.08 and 0.50), but not for the group of managers ($\bar{z} = 0.03$, $p = 0.89$; bootstrap:

⁶ One might argue that there were potential differences between the three regions regarding the extent of the change, and hence differences in employees’ reactions. Indeed, an ANOVA revealed that employees expressed significantly less trust in management in one region than in the other two regions ($F(2,89) = 5.39$, $p < 0.01$). In order to control for these regional differences, we re-ran the regression including a dummy variable for the region with the lowest trust. Working in the low-trust region, however, showed no additional significant effect on negative gossip behavior ($b = 0.01$, $p = 0.96$), suggesting that our findings were robust across regions.

0.03, 95% CI between -0.28 and 0.59). This again underpinned our argument from Hypothesis 4b that the relationship between cognitive resistance to change and gossip behavior depends on the formal status of an employee.

3.4.2 *Ruling out Potential Measurement Problems*

Before we turn to the discussion of the results, we would like to briefly address some potential problems in research on organizational behavior, also referred to as ‘common method bias’ (Podsakoff et al., 2003). Common method bias occurs when results are produced by the measurement method rather than by the construct of interest. In our study, two potential biases seemed particularly relevant. First, social desirability has been related to under-reporting of gossip behavior in previous gossip studies (Nevo et al., 1994). To check for this problem, we included four items from the Crowne and Marlowe scale of social desirability (1960) in our questionnaire.⁷ There was no significant correlation between negative gossip about managers and social desirability ($r = -0.02$, $p = 0.85$), providing us with some certainty that respondents did not answer the gossip questions in a socially desirable way. A second potential problem was that independent and dependent variables were measured at the same time point and in the same questionnaire. This could have produced artificial covariance between the variables. To check for this problem, we computed the Harman’s one-factor test with an exploratory factor analysis that included all items of both independent and dependent variables. The analysis resulted in three separate factors according to the theoretical constructs: cognitive resistance to organizational change (eigenvalue = 5.57); trust in management (eigenvalue = 1.93); and negative gossip about managers (eigenvalue = 1.38). This provided some certainty that the covariance between those constructs was not an artifact but indeed existed. We now turn to the discussion of the results.

3.5 Discussion and Conclusion

Literature on organizations has classified gossip as deviant behavior that negatively affects organizational aims. More recently, researchers have increasingly acknowledged the meaning of gossip about organizational members high in formal status for the investigation of power, reputation, and cooperation in organizations (Kurland and Pelled, 2000; McAndrew et al., 2007; Noon and Delbridge, 1993; Scott, 1985; Tebbutt and Marchington, 1997). Managers, as representatives of the authority body, need to rely on the cooperation of their subordinates if they want to successfully realize actions. Subordinates, however, do not always agree with the actions of management, such as the implementation of organizational changes. If upset by management, subordinates will search for forms of behavioral resistance that are likely to remain undetected, and hence unpunished. In the present study, we argued that subordinates use covert resistance, such

⁷ The items were: “I sometimes feel resentful when I don’t get my way”, “I am always willing to admit it when I make a mistake”, “I have never deliberately said something that hurt someone’s feelings”, “I always say what I think”.

as complaining to others about their managers. This way subordinates can collectively boycott management without jeopardizing their jobs (Tucker, 1993). Therefore, most managers are eager to restrain gossip activities at the workplace.

We contributed to the literature with testing and, more importantly, combining three antecedences of ‘resistance gossip’ (Hafen, 2004). We found low formal status (i.e., being a subordinate), disagreeing with an organizational change, and low trust in management led to an increase in gossip about managers. These antecedences, however, were related to one another, with only trust having a direct effect on gossip. The increase in gossip about managers for employees who did not agree with an implemented change was mediated by a decrease in trust in management. This relationship was stronger for subordinates than for managers, suggesting a moderated mediation. Hence, low-trust subordinates gossiped more than high-trust subordinates *and* low-trust managers, meaning that gossip was most likely for the group of subordinates who trusted management least. The results suggest that neither formal positions, nor negative attitudes about an organizational change alone are sufficient to trigger gossip. This underpins our argumentation for a more complex perspective on the antecedences of gossip. In contrast to previous perspectives, two out of the three suggested predictors were only indirectly related to gossip and largely depended on the third and strongest predictor: trust in management. Finally, our results lacked support for alternative mediation sequences, e.g. that employees who trust management are more receptive to organizational change and thus engage less in gossip. Uncovering mediation and moderation relationships is probably the largest contribution of the present study.

Whereas previous studies looked at the direct relationship between gossip and resistance against authority or organizational change (Hafen, 2004; Tebbutt and Marchington, 1997; Tucker, 1993), we investigated this relationship in more detail and took a quantitative approach. Our findings underpin previous arguments in the literature that workplace gossip is a form of resistance to organizational change and the organization’s management, which is seen as responsible for the change (Tebbutt and Marchington, 1997; Tucker, 1993). Gossip about managers as a covert type of behavioral resistance (Hollander and Einwohner, 2004; Robinson and Bennett, 1995) enables subordinates, who are relatively powerless and cannot influence on-going changes, to collectively share negative attitudes about management (Scott, 1985). The act of sharing negative attitudes with colleagues strengthens the subordinates’ feelings of solidarity against management and can seriously affect its reputation and power. Disagreeing with a change can result in disappointment of employees because managers do not fulfill their obligations (i.e., psychological contract) toward the employees, and thereby diminishes the employees’ positive beliefs about future actions from management (Morgan and Zeffane, 2003; Neves and Caetano, 2009; Robinson, 1996). As shown by our results, sharing negative attitudes and seeking information through the grapevine is a likely response to a damaged trust relation. Similarly, previous research indicated negative relationships of trust with gossip about third-parties and resistance (Burt and Knez, 1996; Oreg, 2006).

We also argued and showed that managers gossiped less about management than subordinates. The moderated effect of low trust on gossip, however, was negative for managers, suggesting that managers low in trust still tended to gossip about other managers. This is a very interesting finding, since managers are crucial inter-mediators ('brokers') between the changing organization and its employees. Although there are arguments that managers do not damage the reputation of their allies (McAndrew et al., 2007), one could also argue that in difficult times managers deliberately distance themselves from management decisions to gain a power advantage over the weakened authority. Managers from middle-management may openly criticize the introduced change and blame other managers in the presence of subordinates. This way they show solidarity toward the subordinates and preserve their own authority ("I did not want the change either, *they* did it."). Although gossip is less prevalent among managers than among subordinates, its consequences may be farther reaching. Organizations that cannot rely on the support of their managers will struggle to gain support from a larger number of subordinates.

Besides the findings of our study, we would like to address some limitations. A major limitation of the study is its cross-sectional design. The organizational change had already been implemented at the time point of data collection, so that it was impossible to obtain data on gossip and trust prior to the change. For tests of mediation a longitudinal design is preferable. It would have been interesting to compare attitudes and behavior before and after the change. We do know from our data, however, that the group of respondents who experienced the organizational change trusted management less than the group of respondents who did not experience the change.⁸ Future research could focus more specifically on the dynamics of gossip behavior over time, and on the role that gossip plays in the emergence of cognitive resistance over time. Researchers could address the reverse causality by investigating whether gossip in the organizational network triggers disagreeing with a change among employees. Another limitation is the small sample size, especially for the group of managers. This reduced the statistical power for detecting small effects. However, power was sufficient for detecting medium and large effects (>0.84). Results should therefore be interpreted with caution. Future research should aim at cross-validation in a different organizational setting (e.g., profit versus non-profit sector) with a different type of change (e.g., downsizing).

In times of organizational changes, supportive behavior by subordinates is especially important for managers. From our results, we conclude that organizational changes are a sensitive issue that may potentially trigger negative reactions from employees. Managers wanting to eliminate behavioral resistance and stimulate employee support need to maintain a trustful relationship with subordinates *and* managers (Frazier et al., 2010; Oreg, 2006). A breach of the psychological contract could be avoided, for example, by articulating a clear vision and/or more direct involvement and participation of subordinates in the change process. This way, subordinates are able to anticipate their

⁸ A t-test revealed a marginally significant difference in trust in management ($\Delta M = -0.37, p < 0.072$).

role in the changed environment, and perceive empowerment and control over their futures (Fugate et al., 2008; Morgan and Zeffane, 2003). This is important because employees often resist the change not because they necessarily disagree with the change itself, but rather because they fear negative consequences of the change for themselves. Managers who acknowledge the primary role of trust and prove trustworthy to employees during organizational changes can expect their support, reflected by low levels of negative gossip, little resistance to newly introduced rules, and high acceptance of authority.

