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## Cognitive Appraisal of Organizational Change and Psychological Well-Being: The Mediating Role of Goal Congruence

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### ABSTRACT

*Most organizational change studies focus on the individual's positive or negative reactions towards organizational change, yet there is a lack of understanding in existing literature as to the specific reasons behind individual's positive or negative response. The purpose of the current study is to empirically examine the impact of individual cognitive appraisal of organizational change on their psychological wellbeing with goal congruence as a mediator between the relationship. The data consisted of a sample (N=191) and were collected from employees who worked for a large distribution firm of multinational products. Our findings suggest that the individuals who appraised their organizational change as a challenge also depicted positive impacts on their psychological wellbeing as mediated by goal congruence. On the other hand, where the individuals appraised organizational change as a hindrance/threat, it negatively impacted their psychological wellbeing. In the end future research directions and implications of the study have been discussed.*

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### 1. Introduction

In current challenging and dynamic business environment, organizations are unable to neglect organizational change if organization want to survive in a competitive surrounding (Agboola and Salawu, 2011; Armenakis and Bedeian, 1999). So, organizational change acts as an agent of stress for individual's because it requires change in roles and skill to tackle the change or adjust in new change environment and then, might affect the individual well-being and performance (De Fátima Nery, Franco and Neiva, 2020, Smollan, 2015; Choi, 2011). However, these organizational changes arouse a sense of insecurity among the individuals regarding their job which lead to several reaction i.e. positive or negative (Oreg, 2018; Bovey and Hede, 2001; Mariana and Violeta, 2011, Vakola, 2016). Most organizational change literature studied organizational change with respect to the response of an individual towards change whether positive or negative (Oreg, Bartunek, Lee and Do, 2018). However,

the literature remains unclear in describing the factors behind these individual responses. The current study explores the cognitive appraisal of these changes by individuals and how it relates to their goal congruence and psychological well-being.

Fugate, Prussia and Kinicki (2012) argue that the employee's responses are basic factor behind the success of organizational change. Response to change is highly dependent upon on how employees perceive the change to be beneficial or harmful. Employees reaction to organizational change depends on the appraisal process (Fugate et al, 2012). Appraisal process is initially rooted in Lazarus's pioneering study on the transactional cognitive approach to stress (Folkman and Lazarus, 1985). Appraisal and emotion (response or cognition) have a shared concept (Folkman and Lazarus, 1985; Lazarus, 1993; Speisman, Lazarus, Davison and Mordkoff, 1964) but surprisingly few researchers separate them in term of regulation roles (Smith and Kirby, 2011). i.e. appraisal account of sentiments generation and a process on the account of emotion regulation (Yih, Uusberg, Qian, and Gross, 2019).

Appraisal Theory basically translate the situation's regarding personal objectives, i.e. classifying the emotional reactions, differentiating each reaction and correlate the different system which cause these emotional reaction (Roseman and Smith, 2001; Ellsworth, 2013). Mostly, appraisal model illustrates individual response to a certain climate. Thus, appraisal is essential for individual as it shows the association among individual desires and situational outcomes effect on appraisal dimensions. Appraisal models generate from the experimental, behavioral and physiological and emotional responses (Yih, Uusberg, Taxer and Gross, 2018).

Any circumstances which result in harm/loss to their current resources might be stressful for people and they try to protect their social and economic resources. So, COR theory was represented as a motivation for a person in stress (Hobfoll, 1989). Current theory assumes that individual try to attain and sustain their individual and social resources. COR theory assume stress as the result of three situations:

- Threat that economic and social resources will be lost
- Loss of actual resources and feelings of stress
- Failure to regain individual's previously invested resources (Hobfoll, Freedy, Lane and Geller, 1990).

Individual's resources can be individual characteristics (e.g. certain skills) or even energies (e.g. money or knowledge); conditions (e.g. job insecurity, satisfaction with current lifestyle); physical objects (e.g. a house, a vehicle).

In recent study, we developed a model and then empirically tested the model which describes how individual cognitive appraisal (Challenge or hindrance) of organizational change impacts their psychological wellbeing. We also investigated the role of goal congruence as a mediator between hindrance appraisal of change and psychological wellbeing. The purpose of this study are as follows:

- To study the impact of cognitive appraisal of change (challenge or hindrance) on individual psychological wellbeing,
- To investigate the mediating role of goal congruence on cognitive appraisal of change and psychological wellbeing

## 2. Theory and Hypothesis

### 2.1 Challenge Appraisal and Psychological Wellbeing

Today's world is fast paced and is faced with fierce economic upswing (e.g., Cascio, 1995; Rosa, 2003, 2013). Markets across the world need to adjust themselves to cope with the changing market conditions and remain successful. To be competitive organizations are required to have flourishing and energetic labor who can deal with challenging jobs and is physically and psychologically fit and well. Past research has proposed that challenge appraisal can cushion the adverse effects work related demands on psychological wellbeing of employee (Bakker, Demerouti, & Euwema, 2005; Xanthopoulou, Bakker, Dollard et al., 2007). Challenge appraisals can be viewed as energetic processes that boost employee's motivation, engagement to work, generating positive feelings and enhancing psychological wellbeing thus improving employee's performance. Psychological wellbeing of an employee has a positive relationship with an employee's organizational working (Ashkanasy & Humphrey, 2011; Madrid, Patterson, Birdi, Leiva, and Kausel, 2013).

Different studies showed that challenge appraisals are helpful in promoting the feelings of advancement and accomplishment in employees (Cavanaugh et al., 2000). Such positive feelings of accomplishment in employees have a prosperous effect on employee's psychological well-being (Klug and Maier, 2015; Grebner et al., 2010). Very few studies can be found to directly investigate this relationship directly (Kronenwett and Rigotti, 2019). The purpose of current study is to determine the relationship between the challenge appraisal and psychological well-being of employees. Based on the above arguments following hypothesis is suggested:

**H1:** Challenge appraisal is positively related to psychological well-being

### 2.2 Hindrance Appraisal and Psychological Well-Being

Ongoing years have seen a developing opinion among analysts that different aspects of occupation i.e., "physical, social, or hierarchical parts require supported physical as well as mental exertion", (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Schaufeli & Taris, 2014). These job requirements affect the psychological well-being and behavior of workers. Mainly it depends on the worker's as how they appraise stressful organizational events e.g., organizational change. Either they appraise the demanding work as beneficial for them having some opportunity for them, have some personal gains, or they interpret it as constraining, harmful, threatening or hindering (LePine, Zhang, Crawford, & Rich, 2016).

A vast literature on this topic suggests that most of the times high demanding work, during organizational change, is affiliated with unfavorable outcomes among employees like stress, anxiety, sickness, pressure, and exhaust workers (Schaufeli & Taris, 2014) thus having negative impact on employee's psychological well-being (Demerouti et al., 2001). Some employees appraise such stressful organizational change events as hindrance. Employee's physical and psychological well-being largely depends on employee's appraisal to organizational change event, that if they appraise the stressful situation as positive and challenging or appraise it as negative, harmful and hindrance (Lazarus & Folkman, 1984; Van den Broeck, De Cuyper, De Witte, & Vansteenkiste, 2010). Hindrance appraisals generate negative feelings among employees i.e., feelings of anxiety, anger, tension, exhaustion (Scherer, 1988; Searle & Auton, 2015; Turgut, Michel, & Sonntag, 2017) which will have a negative effect on mental health of employees and their psychological well-being.

Numerous studies highlight the importance of objectives achievement and feelings of fulfillment increase the motivation of employees and have positive impact on employees' psychological well-being (Locke & Latham, 1990; Ryan & Deci, 2000; Sheldon & Elliot, 1999). Stressful organizational change

event when appraised as hindrance by the employee i.e., an obstacle in employee's progress and objectives achievement, it will produce anxiety, stress, anger, and emotional exhaustion among workers thus, negatively impacting their psychological well-being. Based on the above discussion following hypothesis is formulated:

**H2:** Hindrance appraisal is negatively related to employee's psychological well-being.

### **2.3 Goal congruence and psychological well-Being**

Various studies on person-organization fit indicate that employees' personal values attached, and targets achieved are mainly interpretative of their behavior and work attitudes towards their organization and work environment (Edwards & Cable, 2009). Another important contributing factor that's unique but related is goal congruence. It explains employees' interest, willingness, attractiveness, and dedication to their work (De Clercq, Bouckennooghe, Raja, & Matsyborska, 2014; Schaufeli, Salanova, González-Romá, & Bakker, 2002). When a worker appraises the stressful change process as a challenge then the employee will be willing to invest his/her energy and efforts to cope with the challenges and this will lead to goal congruence in an attempt to cope with the challenges of change process the employee will be personally involved in his daily tasks, feels pride and in this way while achieving personal goals, organizational goals will also be fulfilled (De Clercq et al., 2014). A study conducted on higher education also indicated the similar type of findings. The employees who consider change as challenging and beneficial show more positive responses towards the organizational change process leading to the alignment of personal goals with the organizational goals, which will ultimately bring success to the change process (Emil & Cress, 2014). Results from a study on organizational learning, and change, reveal that if the change process of organizational learning is appraised as a challenge, then the employees will tend to improve their work abilities in order to cope with the challenges effectively and align their goals to the organization's to provide a comprehensive and meaningful vision and to have consistent recognition of their work (Austin & Harkins, 2008).

Employees' Individual objectives achieved through work have been viewed as positively connected with work fulfillment and satisfaction and adversely related to stress and emotional exhaustion (Doest, Maes, Gebhardt, & Koelewijn, 2006). In this way goal congruence has a great impact on employees' mental health and psychological well-being. Harris, Daniels, & Briner, (2003) in their diary study on call center employees noted that the employees feel more satisfied and relaxed achieving work-related personal goals at a given time thus having a positive impact on their psychological well-being.

With reference to the impact of goal congruence between an individual and an organization a meta-analytic study come to know a close relationship between goal congruence and job satisfaction, and commitment to the organization (Kristof-Brown, Zimmerman, & Johnson, 2005) which are predictors of employees' psychological well-being. (Supeli & Creed, 2014). Findings from a study on organizational change noted that when the employees of an organization, undergoing a change process, strongly their personal goals with the organizational goals confront less stress and a higher level of satisfaction, contentment, and psychological well-being. In such an organization change initiatives are more successful where employees' concerns about the change are addressed and well-managed (Van Dick, Ciampa, & Liang, 2018).

Whenever undergoing an organizational change event, the change recipients i.e., organizational workers see the consequences of the change event with themselves. This includes the degree to which the change event is aligned with one's personal goals and targets (goal congruence) (Oreg, Bartunek, Lee, & Do, 2018). As much an individual appraises the organizational change event as challenging the

more it will determine the worker's response towards the change (Elfenbein & O'Reilly III, 2007). Lazarus, 1991 associated goal congruence, with an employee's primary change appraisal. i.e., the extent to which a change event can be challenging or harmful or bring about loss. The positive relationship between challenge appraisal and goal congruence is in line with the (Liu & Perrewe, 2005) argument and vice versa. They argued that goal congruence is positively related to change appraised as challenge (a feeling of positivity and excitement), as compared to harm or loss appraisal that brings feeling of fear and negativity (Oreg et al., 2018). Based on the above discussion following hypothesis is suggested:

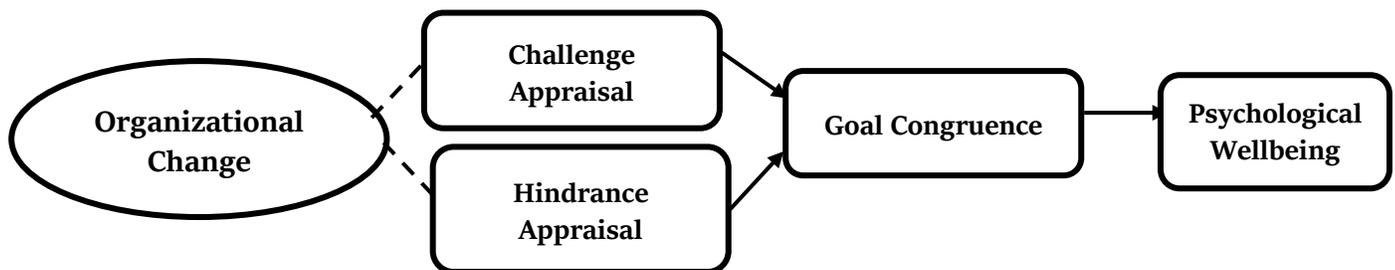
**H3:** Challenge appraisal of organizational change positively relate to goal congruence.

**H4:** Hindrance appraisal of organizational change negatively relate to goal congruence.

**H5:** Goal congruence is positively related to psychological wellbeing.

**H6:** Goal congruence mediates the relationship between challenge appraisal and psychological wellbeing.

**H7:** Goal Congruence mediates the relationship between hindrance appraisal and psychological wellbeing.



### 3. Methods

#### 3.1 Sample and Procedure

Our study focused on individuals for examine their perception about organizational change situation and its effect on its outcomes, using convenient sampling from employees of a specific organization which were going through the change process (Oreg et al., 2011). We used self-reported questionnaire to measure employee's psychological processes and coping strategies.

Sample for current study was drawn from a large distribution company dealing in multinational products. We collected data from full-time employees belonging to top and middle-level management who remain the part of organizational change through self-reported questionnaire. These responses reflect the perception of the individuals about organizational change (i.e., how they appraised the organizational change such as challenging or hindrance), whether the organizational change was congruent to their goals and the effect of cognitive appraisal on their psychological wellbeing.

Total 250 questionnaires were distributed initially out of which 196 questionnaires were received filled. Out of 196 questionnaires, 5 questionnaires were rejected due to missing values. Finally, 191 valid questionnaires were used for analysis. Overall useable response rate was 76.4%. Our respondents consist of 71.4% of male and 28.6% of female. Various type of organizational change was included such as leadership change (17.6%), downsizing (5.5%), technological change (27.5%), policy change (11%), job description & policy change (34.1%) and some other changes (4.4%) as major organizational changes. SPSS 23 software was used to analyze the data. Demographic characteristics were explained through descriptive statistics. Cronbach alpha approach was used to judge the dependability of the constructs. Cohen, West and Aiken (2014) suggested Step wise moderation analysis to test the moderation hypothesis. Eventually, a wader strapping method as presented by Preacher and Hayes (2008) to measure the effect and intervention. Process Macro v3.4 model 4 was used to analyzed mediation hypothesis suggested by Hayes (2017).

We assessed age, experience, job nature and income as demographic variables to insure employee's anonymity. Demographic measures were as follows, age: 20-30 = 68%, 31-40 = 28%, 41-50 = 3% and 51-60 = 1%; experience: 1-3 years = 36.3%, 4-6 years = 36.3%, 7-9 years = 5.5%, 10-12 years = 7.7%, and above 12 years = 14.3%; job nature: field work = 12.1%, office work = 50.5%, technical work = 8.8%, staff work = 4.4%, and managerial work = 24.2%; monthly income:  $\geq 25000$  = 28.6%, 26000-40000 = 33%, 41000-60000 = 20.9%, 61000-75000 = 4.4%, and  $< 75000$  = 13.2%. Sufficient representation of the respondents was indicated by the demographic variables.

### 3.2 Measures

5-point Likert-type response scale was used for all item to measure the latent variables except mindfulness which was measured through 6-point Likert-type response scale. The anchors of 5-point Likert-type scales ranging from 1 = strongly disagree to 5 = strongly agree whereas 6-point Likert-type scale, anchors ranging from 1 = Almost agree to 6 = Almost never.

### 3.3 Challenge Appraisal

Challenge Appraisal was measured by the 5-item scale suggested by the LePine, Zahang, Crawford and Rich (2016) at 5-point Likert scale. Anchor 1 represent "strongly disagree" and anchor 5 represent "strongly agree". A sample item consisted of "In general, I feel this change promotes my personal accomplishments" or "Working to fulfill the demands of this change helps to improve my personal growth and wellbeing".

### 3.4 Hindrance Appraisal

Hindrance Appraisal was measured by the 8-item scale suggested by LePine, Zahang, Crawford and Rich (2016) at 5-point Likert scale. Anchor 1 referred to "strongly disagree" and anchor 5 referred to "strongly agree". A sample item consisted of "Working to fulfill the demands of this change thrawts my personal growth and wellbeing" or "In general I feel that this change hinders my personal accomplishment"

### 3.5 Goal Congruence

Goal Congruence was measured by the 6-item scale suggested by Supeli and Creed (2014) at 5-point Likert scale. Anchor 1 represented "strongly disagree" and anchor 5 represented "strongly agree". A sample item consisted of "My individual goals match the objectives of this organization" or "This organization's objectives give me opening to achieve my personal aims".

### 3.5 Psychological Wellbeing

Psychological Wellbeing was measured by the 12-item scale introduced by Ryff's (1995) at 5-point Likert scale. Anchor 1 referred to "strongly disagree" and Anchor 5 referred to "strongly agree". A sample item consisted of "I have been able to focus on what I am doing" or "I have been feeling reasonably happy, all things measured".

### 3.6 Control Variables

According to some research scholars, employee age, gender and experience should be considered as controlled variables in employee's behavioral studies (Schaufeli and Enzmann, 1998; Wagner and Rush, 2000; Turnipseed, 1994), so we were taking employee's age, gender and experience as control variables. Most employee's age (68%, S.D = 0.608) were ranging from 20 to 30 years. 71.4% respondents were male and 28.6% were female. Average employee's experience within the same organizations were ranging from 4 to 6 years (S.D = 1.399).

4. Results

4.1 Preliminary Analysis

Table 1 represent the scale reliabilities, correlation and descriptive statistics among different variables. Cross sectional data was collected regarding different latent variables (i.e., challenge appraisal, hindrance appraisal, goal congruence and psychological wellbeing). From table 1, results depicted that challenge appraisal were positively and significantly related to goal congruence ( $r = .485$ ,  $p < 0.01$ ) and psychological wellbeing ( $r = .586$ ,  $p < 0.01$ ), however challenge appraisal were negative but not significantly related to hindrance appraisal ( $r = -0.163$ , n.s). From table 1, result represented that hindrance appraisal were negatively and significantly related with goal congruence ( $r = -0.222$ ,  $p < 0.05$ ), however, hindrance appraisal was negatively but not significantly related to psychological wellbeing ( $r = -0.172$ , n.s). Results also depicted that goal congruence was positively and significantly related to psychological wellbeing ( $r = .487$ ,  $p < .01$ ), Reliabilities values were represented in parenthesis. The Cronbach’s alpha value for challenge appraisal were 0.721, hindrance appraisal was 0.718, goal congruence was 0.810, and psychological wellbeing were 0.754.

Table 1: Correlations, Reliabilities and Descriptive Statistics

|                         | 1      | 2      | 3     | 4      | 5      | 6      | 7      | 8      | M     | S. D  |
|-------------------------|--------|--------|-------|--------|--------|--------|--------|--------|-------|-------|
| Age                     |        |        |       |        |        |        |        |        | 1.374 | 0.608 |
| Gender                  | -.230* |        |       |        |        |        |        |        | 1.29  | 0.454 |
| Experience              | .609** | 0.067  |       |        |        |        |        |        | 2.27  | 1.399 |
| Challenge Appraisal     | 0.083  | 0.045  | 0.064 | -0.721 |        |        |        |        | 3.615 | 0.768 |
| Hindrance Appraisal     | -0.117 | -0.134 | -0.02 | -0.163 | -0.718 |        |        |        | 2.826 | 0.588 |
| Goal Congruence         | 0.017  | 0.116  | 0.066 | .485** | -.222* | .290** | -0.81  |        | 3.474 | 0.741 |
| Psychological Wellbeing | 0.024  | 0.116  | 0.149 | .586** | -0.172 | .322** | .487** | -0.754 | 3.1   | 0.437 |

Note. N = 191; Values of reliability are represented in parenthesis; For Age level 1 = “20-30,” 2 = “31-40,” 3 = “41-50,” 4 = 51-60 and 5 = “60 above”; For Gender 1 = “Male” 2 = “Female”; For Experience 1 = “1-3”, 2 = “4-6”, 3 = “7-9”, 4 = “10-12”, and 5 = “12 above”. \*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$

4.2 Hypothesis Testing

Regression analysis was used to check hypothesized effects. In hypothesis 1, the relationship between challenge appraisal of organizational change and psychological wellbeing was supposed to be positive. As shown in Table 2, Challenge appraisal of organizational change was significantly positively related to psychological wellbeing ( $\beta = .41$ ,  $p < .001$ ), hence hypothesis 1 was supported. Hypothesis 2 proposed that the relationship between hindrance appraisal of organizational change and psychological wellbeing were negative. As table 2 depicted that hindrance appraisal of organizational change were negatively but not significantly related with psychological wellbeing ( $\beta = -0.03$ , n.s), hence hypothesis 2 was supported. Hypothesis 3 supposed that challenge appraisal of organizational change and goal congruence were related positively. From table 2, challenge appraisal of organizational change was significantly positively related to goal congruence ( $\beta = .47$ ,  $p < .001$ ), hence hypothesis 3 was supported. Hypothesis 4 proposed negative relationship between hindrance appraisal of organizational change and goal congruence. As table 2 illustrate, hindrance appraisal of organizational change was

significantly negatively related to goal congruence ( $\beta = -0.19, p < .05$ ), hence hypothesis 4 was supported. A positive relationship between goal congruence and psychological wellbeing was proposed in Hypothesis 5. Table 2 described that goal congruence was significantly positively related to psychological wellbeing ( $\beta = .24, p < .01$ ), hence hypothesis 5 was supported.

Baron and Kenny (1986) sequential method were used by most researchers for analyzing the mediating hypothesis. According to Mackinnon and his colleagues (2000), if relationship among dependent and independent variable is significant than Baron and Kenny (1986) test for mediation suggested is no longer a condition. Recently, Preacher and Hayes (2004) bootstrapping method were used to conduct mediation analysis. Bootstrapping method had numerous benefits; Firstly, nullify the assumption about the normal distribution of sample. Secondly, every bootstrapping, 5000 unplanned samples are drawn for the test which developed to check confidence of interval or provide support of facilitation if confidence interval does not include zero for indirect effects (Hayes and Preacher, 2010). Therefore, bootstrapping is like to be preferable technique of mediation analysis over other mediation tests (Mackinnon et. al., 2004; Chen and Nadkarni, 2017).

Table 2 also depicted the indirect impact of challenge appraisal of organizational change on psychological wellbeing was significant through goal congruence as the bootstrapped confidence interval incorporated a non-zero value, .12 CI [.03, .23]. According to these results, hypothesis 6 was accepted. In table 2, indirect impact of hindrance appraisal of organizational change on psychological wellbeing was significant through goal congruence as the bootstrapped confidence interval integrated a non-zero value, -.09 CI [-.18, .008]. According to this result, hypothesis 7 were accepted.

**Table 2: Bootstrapping Analysis of main direct and indirect effect of cognitive appraisal on psychological wellbeing**

| Direct & Total Effects   |        |     |                    |           |       |     |
|--|--------|-----|--------------------|-----------|-------|-----|
|  |        |     | $\beta$            | S.E       | T     | P   |
| Goal Congruence Regressed on challenge Appraisal<br>MED on IV <sup>a</sup>           |        |     | .47 <sup>***</sup> | .09       | 5.40  | .00 |
| Goal Congruence Regressed on hindrance Appraisal<br>MED on IV <sup>b</sup>           |        |     | -0.19 <sup>*</sup> | .96       | -1.98 | .05 |
| Psychological wellbeing Regressed on Goal Congruence<br>DV on MED                    |        |     | .24 <sup>**</sup>  | .09       | 2.80  | .01 |
| Psychological wellbeing Regressed on challenge Appraisal<br>DV on IV <sup>a</sup>    |        |     | .41 <sup>***</sup> | .09       | 4.83  | .00 |
| Psychological wellbeing Regressed on hindrance<br>Appraisal<br>DV on IV <sup>b</sup> |        |     | -0.03              | .08       | -.40  | .69 |
| Bootstrap outcome of Indirect Effect of IV on DV through MV                          |        |     |                    |           |       |     |
|  | Effect | S.E | LL 90% CI          | UL 90% CI |       |     |
| Effect <sup>a</sup>  | .12    | .05 | .03                | .23       |       |     |
| Effect <sup>b</sup>  | -.09   | .05 | -.18               | -.008     |       |     |

$N = 191$ . Unstandardized regression coefficients have been reported. Bootstrap sample size = 10,000. UL = Upper limit; CI = confidence interval; LL = Lower limit; a = mediating effect on the relationship of challenge appraisal of organizational change and psychological wellbeing; b = mediating effect on the relationship of hindrance appraisal of organizational change and psychological wellbeing; gender, age and experience were controlled in all analysis.

## 5. Discussion

The perception as an attribute in the formation of individual's perception toward change is important (Nery et al. 2020) and organization's readiness help its employees to create capacity to implement the initiatives of change. Notably, the findings of this study indicated that every individual appraised the organizational change differently with respect to their perception which ultimately created differential impact on their psychological wellbeing. As hypothesis 1 was supported it means that those individuals who perceived organizational change as challenge, they might predict that their personal growth and development will be enhanced with the organizational change, so they showed a positive appraisal towards change which create a positive impact on their psychology wellbeing. When individuals appraised organization change as challenging, they also related their personal goal with change organizational goals whether change organizational goals helps them to achieve their personal goals or not, if the goals are congruent then they feel secure which enhanced their psychological wellbeing. Thus, goal congruence better explained the relationship of psychological wellbeing and challenge appraisal in organizational change. The results of hypotheses 3, 5 and 6 also support these arguments.

According to hypothesis 2, when individuals perceive or appraised organizational change as hindrance it means its personal growth and development, or goals were under threat or might not be fulfill. Due to this perception, individual remains in a condition of stress and feel negative emotion about the change which might affect its psychological wellbeing. It was also happening because individuals feeling difficulty in relating its personal goals with change organizational goals or feel difficulty in creating congruence between their personal goals and changed organizational goals then individual shows negative appraisal which decreased their psychological wellbeing. Thus, goals congruence tried to explain the negative relationship of psychological wellbeing and hindrance appraisal in organizational change. The result of hypothesis 4 and 6 also supported these arguments.

Contribution of current study towards literature are first, investigation of the role of individual cognitive appraisal of organizational change as challenging or hindrance. Second, this study contributes to extending the dimension of appraisal theory in organizational change perspective. Likewise, current results suggest, expectation about individual cognitive appraisals to change will influence well-being; though, this perception may arise in some circumstances. This study also tested for the mediating role of goal congruence which explained the process of change appraisal on psychological wellbeing of individuals.

Understanding how cognitive appraisal of organizational change will influence individual well-being is of utmost importance for organizations. As a suggestion, organizations can promote internal events to propagate the stages of the process of change and improve communication and transparency of the processes of change, which promotes positive attitudes and engagement with the proposed change. The negative attitudes could be minimized by introducing different programs about quality of life and well-being during the implementation of the changes, which would reduce the negative impacts on the individual well-being. The negative aspects of organizational change assessment can be minimized if individuals are informed, and coping strategies are triggered. Thus, individual well-being

will not suffer harmful effects. According to the literature and our results, when individual's response is well-managed, it tends to facilitate the process of change; when individual's response is not well-managed, it could lead to unbearable anguish and discomfort (Bordia et al., 2011).

## 6. Limitation and Future Research

The results of the current study may not be generalized to a much larger setting since it dealt with employees working in a large distribution company where employees worked in an apparently stable environment and, thus, hardly embrace the threats of changes applied in the organization though they are impacted by the various types of changes which were investigated in the survey. According to current findings, we suggest investigating proposed relationship in this article in more dynamic organizations for generalization of our results. Another limitation is regarding common method variance, as data is collected from a single source so might have a common method bias, so we recommended MacKenzie and Podsakoff, (2012) time lagged method to tackle the common method bias. Another recommendation is to test this model pre and post organizational change to better understand the perception of the individuals. Some organizational factor might influence the individual appraisal process in organizational change such as participation in policy making etc.

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