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## LEADERSHIP, READINESS TO CHANGE, AND COMMITMENT TO CHANGE

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### ABSTRACT

*Organization has to change, and needs employee commit to the change. The purpose of this paper is to identify the role and contribution of Change Leadership (CL), Organizational Readiness for change (ORFC), and Individual Readiness for change (IRFC) to Commitment to Change (C2C). This paper based on the empirical research about commitment to change in a Construction Company in Indonesia, using 4 scales namely: C2C, IRFC, ORFC, and CL. discussion will be based on the concept and findings. The results (N=186) showed that there was positive and significant correlation between Change Leadership and Readiness for Change together with Commitment to Change. However, the study also showed that change leadership solely is paper had not correlated significantly with Commitment to Change. The findings will enrich the study about the contributions of Change Leadership, Individual and Organizational Readiness for change to Commitment to Change. Results will contribute to the implications of organizational change, as the management will understand what kind of variable that has the strongest impact to the Commitment to Change. This paper contributes knowledge about the role of leadership during the organizational change. In this regard, many essays discussed about the importance of leader's contribution during organizational change, however in this study it shows that there is no significant contribution of change leadership to commitment to change. This paper challenged the previous findings about the contribution between Leadership and Commitment to Change.*

### KEY WORDS

*Change Leadership, Commitment to Change, Individual Readiness for Change, Organizational Readiness for Change.*

### JEL CLASSIFICATION L20

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## 1. INTRODUCTION

In order to survive and compete, every organization has to change, and the success of this change lies in the employee, specifically in the employee's commitment to change. As a result, understanding how to achieve the commitment to change is very important. The role of organizational and employee/individual commitment in the organizational change process can therefore be argued to be a central one, both from the perspective of consolidating change and from the likely future success of an ongoing change program. In this regard, identifying factors that can contribute to commitment to change is very important. Research shows some of the factors such as organizational readiness for change followed with individual readiness for change were some of the factors that should be considered. Moreover, leader as a change agent is also important to lead, direct and managing the change process. The question arises which factors of Organizational Readiness For Change, Individual readiness For Change and Change Leadership is the one that give the most contribution to the commitment to change? And are there any variable that also contributes to commitment to change?

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## 2. LITERATURE REVIEW

### Commitment to Change

Herscovitch & Meyer (2002 p. 302), defines Commitment to change as a force (mind-set) that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative. This mind-set can be reflected to varying degree in three dimensions: a) desire to provide support for the change based on a belief in its inherent benefits to change (affective commitment); b). a recognition that there are costs associated with failure to provide support for the change (continuance commitment to change); and c) sense of obligation to provide support for the change (normative commitment to change. In other words, individuals can feel bound to support a change initiative because they want to, have to, and/or ought to. (Herscovitch & Meyer, 2002 p.302). Furthermore, Herscovitch & Meyer (2002) have mentioned that there are three dimensions of Commitment to Change as follows:

1. Affective commitment to change (AC2C) refers to a desire to support a specific change being introduced in the workplace. (Based on positive feelings, forwards the change being implemented in the organization). In the present study, this variable can be explained by stating that employees will stay with the company because they are emotionally attached to the company, and they feel it is best option for them to continue employment with the particular organization and this feeling is based on emotional choice, or employees stay with the organization because they want to.
2. Continuance commitment to change (CC2C) refers to the employees understanding that resistance to change is associated with specific costs to the company and to themselves; they remain committed due to the high cost of leaving. In the present study, this variable can be explained by stating that the employees will stay with the company because they need to, because it would have too many consequences for them if they decided to break their commitment to the organization and leave. In other words, the employees stay with the company because they need to and because it would be too costly (financially or otherwise) to leave.
3. Normative commitment to change (NC2C) reflects a sense of obligation to be supportive (Herscovitch & Meyer, 2002). (The employees have internalized the values and goals of the organization). In the present study, this variable can be explained by stating that the employees will stay with the company because they feel they must do so, this is the feeling of external obligation, in other words, the employees stay with the company because they believe they have to.

### Change Leadership.

Herold (2008) and Liu (2010) stated that change leadership behaviors target at the specific change consist of visioning, enlisting, empowering, monitoring, and helping with individual adaptation. (Herold, 2008; Liu, 2010). Moreover, Liu (2010) mentioned that there are two factors in Change Leadership namely, a) Leaders' Change Selling Behavior, action that attempts to promote the change during the unfreezing stage, make it clear why the change was necessary, b) Leaders Change Implementing Behavior, action to push a change forward and consolidate success throughout the implementation.

### Organizational Readiness for Change (ORFC).

Organizational readiness can be said as organizational adaptation in terms of seeking to realign the organization with a changed environment (Ramnarayan, 2011). Furthermore Ramnarayan mentioned that the organizational readiness for change has 6 dimensions namely: 1) Commitment to plans, priorities, programs and purposes; 2) Attention to innovations/changes; 3) Attention to lateral integration; 4) Attention to vertical integration; 5) Environmental scanning, networking and learning from others; and 6) Building capabilities of individuals and groups (Ramnarayan & Rao, 2011).

Individual Readiness for Change (IRFC).

Hanpachern (1997) defines Individual readiness for change is the extent to which individuals are mentally, psychologically, or physically ready, prepared, or primed, to participate in organization development activities. On the other hand, Armenakis et al. (1993) defines individual readiness for change as people's beliefs, attitudes, and intentions regarding the extent to which changes are needed and their perception of individual and organizational capacity to successfully make those changes.

### 3.METHODS & MEASURES

#### *Data Collection*

Data was collected through 4 types of questionnaire namely 1) Commitment to Change Inventory which was developed and modified to Indonesian language from Herscovitch and Meyer (2002); 2) Organizational Readiness for Change, which was developed from Ramnarayan and Rao (2011); 3) Individual Readiness for Change, was using scale from Hanpachern and modified to Indonesian language by Mangundjaya (2013); and 4) Change Leadership, used the scale of Change Leadership developed by Liu (2010). The profile of these questionnaires are shown in Table 1.

**Table 1. Profile of the instruments**

Nr.	Variables (Number of Items)	Reliability and validity	Notes
1	Commitment to Change (18 items)	$\alpha = 0.742$ Validity index = 2.0 – 3.5 $p < 0.01$	Constructed and Modified by Herscovitch and Meyer (2002). Consists of three dimensions: 1) Affective commitment to change; 2) Continuance commitment to change; and 3) Normative commitment to change.
2	Change Leadership (18 items)	$\alpha = 0.964$ Validity index = 0.581 – 0.869 $p < 0.01$	Constructed by Liu (2010). Consists of two dimensions: 1) Change selling behavior; and 2) Change implementing behavior.
3	Organizational readiness for Change (42 items)	$\alpha = 0.959$ Validity index = 0.30 – 0.35 $p < 0.01$	Constructed and Modified by Ramnarayan & Rao (2011). Consists of six dimensions: 1) Commitment to plan; 2) Attention to innovation; 3) Attention to lateral integration; 4) Attention to vertical integration; 5) Environmental scanning; and 6) Building of capabilities of individual and groups.
4	Individual Readiness for Change (15 items)	$\alpha = 0.912$ Validity index = 0.4 – 0.5 $p < 0.01$	Constructed and modified by Hanpachern (1997). Consists of three dimensions: 1) Promoting; 2) Participating; and 3) Resisting.

#### *Sampling*

Sample was collected from a construction company that had undergone some organizational change such as restructuring organization, system, and procedural changes. The respondents were chosen using convenience sampling, with the characteristics of respondents as follows: permanent employee, have been working with the company at least 2 years, have graduated at least from Senior High School, and within the range of age 21-56 years old. The numbers of respondents

collected is 186, in which 74.73% were men, 79.57% were in the range of age 25 – 45 years old, 36.02% have been working between 5 – 10 years, 49.46% were educational background of bachelor degree, and 68.28% of their positions were staff.

### Data Analysis

Data were analyzed using Descriptive Statistics, Partial Correlation, and Multiple Regression. The statistical results are in Table 2-7 below.

**Table 2. Descriptive statistics scores**

Nr.	Variables	Mean	Standard Deviation
1	Commitment to Change	4.25	0.510
2	Organizational Readiness to Change	4.44	0.515
3	Change Leadership	4.55	0.505
4	Individual Readiness to Change	3.63	0.950

From the Table 2 it can be said that the score of Change Leadership is the highest compares of the other 3 variables. The table shows that the employees perceive their leaders have change leadership characteristics, and they are not too ready with the organizational change. In order to have the clear picture about the relation between the 4 variables, the table below shows the results of regression analysis.

**Table 3. Analysis of regression Organizational Readiness to Change, Change Leadership, Individual Readiness to Change with Commitment to Change, and the dimensions**

Variables	R <sup>2</sup>	( $r_{yx1.x2}$ ) <sup>2</sup>	Sig.
<b>C2C</b>	0.381	-	0.000**
IRFC		0.271	0.000**
ORFC		0.054	0.001**
<i>Change Leadership</i>		0.001	0.614
<b>Affective C2C</b>	0.440	-	0.000**
IRFC		0.354	0.000**
ORFC		0.028	0.024*
<i>Change Leadership</i>		0.003	0.479
<b>Continuance C2C</b>	0.142	-	0.000**
IRFC		0.063	0.001**
ORFC		0.037	0.009**
Change Leadership		0.007	0.252
<b>Normative C2C</b>	0.157	-	0.000**
IRFC		0.092	0.000**
ORFC		0.024	0.034*
Change Leadership		0.003	0.493

\*Significant at p<0.05, \*\* p<0.01

From the result above, it showed that Organizational Readiness for Change and Individual Readiness for change have contributed significantly to the Commitment to Change, however change leadership had not significantly correlated with Commitment to Change.

#### 4. THE COMPARASION OF COMMITMENT TO CHANGE SCORES OF RESPONDENTS' CHARACTERISTICS

Table 4 below shows the Commitment to Change's scores according to the characteristics of respondents, based on sex, educational background, age, position, and tenure of work.

**Table 4. Commitment to Change Scores of Respondents' characteristics**

Demographical Data	Total	Commitment to Change		
		Mean	SD	Sig.
Sex				
1. Male	139	4.27	0.50	0.535
2. Female	47	4.22	0.52	
Age				
1. <25 years old	24	4.10	0.53	0.024*
2. 25–44 years old	148	4.25	0.50	
3. 45–56 years old	15	4.56	0.41	
Work Experience				
1. 2 – 10 years	27	4.16	0.49	0.021*
2. 2 – 5 years	67	4.16	0.49	
3. 5 – 10 years	48	4.21	0.51	
4. >10 years	44	4.46	0.49	
Education				
1. High School	60	4.35	0.47	0.207
2. Diploma	34	4.22	0.42	
3. Bachelor graduate	92	4.21	0.55	
Position				
1. Senior Management	6	4.33	0.45	0.259
2. Middle Management	14	4.31	0.51	
3. Junior Management	19	4.46	0.48	
4. Staff	127	4.20	0.51	
5. Non-Staff	20	4.34	0.52	

\*Significant at  $p < 0.05$

From Table 4 it can be seen that only age and tenure of works that have significantly different. The result also showed that the older and the longer the people work in the organization then the higher the commitment to change.

#### 5. DISCUSSION & CONCLUSION

Organizational readiness for change and individual readiness for change have positively contributed to commitment to change. This study has supported the previous study done by Mangundjaya (2012). From this study, it can be said that individual readiness for change is the most important variable to commitment to change. This findings is in line with the concept of relationship between Individual Readiness for change and Commitment to Change, which stated that there are three stages of commitment, as follows: preparation (how employees are exposed to change and their level of awareness), acceptance (the employee understanding and perception of change) and commitment (internalization of change). In this regard, it can be said that individual readiness for

change is the lower level before commitment to change (Conner, 1992). Moreover, from this study it also can be concluded that age and tenure have significantly positive correlation with commitment to change. In other words, it can be said that the older a person is and the longer he/she works in the organization the higher his/hers Commitment to Change.

However, the results of this study showed that change leadership was not significantly correlated with commitment to change. This result has not supported the previous study done by Mangundjaya et al. (2013) in her research in service and state owned organization in Indonesia, that showed change leadership has positively correlated with Commitment to Change, and also not supported the previous study done by Liu (2010). In this regard, organizational culture, organizational climate and/or type or business/industries can become one of the predictors.

## 6. LIMITATIONS AND FURTHER STUDY

This study was conducted used self-report study which has potential bias of social desirability and common method bias. Based on that further study can be conducted with different types of approach in data collecting, such as time series approach or with the supports of focus group discussion. Moreover, this study was conducted at a state owned organization so it cannot be generalized. Based on the above conditions further studies should be conducted in many types of organizations with larger samples.

## 7. RESEARCH IMPLICATIONS

The results of the study can be used for management in implementing change management in their organization, and using the older and more senior employees to act as change agent. However, as this study conducted at organization that conducts change, but not in a large scale of organizational change (radical change) that have a huge impact to the employee, the study cannot be generalized to all kind of types organizational change. Moreover, the results also show that individual readiness for change is the most contributors for commitment to change; as a result organization should pay more attention to individuals/employees in order to gain their commitment to change.

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