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Predictors of Commitment to Change: Job Satisfaction, Organizational Trust and Psychological Empowerment.

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Abstract

Every organization need to change in order to survive, exist and compete, and many variables played important role in the success of organizational and amongst them is people. In this regard, without the support from people, organizational change cannot be achieved successfully. The objective of this study is to identify whether change leadership, psychological empowerment, organizational trust, and job satisfaction had positive impact on commitment to change. This study was conducted at two state-owned financial companies in Indonesia, with 537 respondents. This study is a quantitative study, using five (5) scales as data collection tools, namely: change leadership inventory, commitment to change inventory; job satisfaction inventory, organizational trust inventory, and psychological empowerment inventory. Data were analyzed using regression analysis and descriptive analysis. The research showed that different variable had different impacts on commitment to change. There was only 3 (three) variables (job satisfaction, psychological empowerment, change leadership, and organizational trust) that had positive impact on affective commitment to change, change leadership had positive impact on continuance commitment to change; and psychological empowerment and organizational trust had positive impact on normative commitment to change. This study is important for change management specialists who conduct organizational change, in which not to depend on leadership only in order to develop commitment to change, but also had to pay attention with the organizational climate as well as individual characteristics.

Key words: *Commitment to change, organizational trust, psychological empowerment, job satisfaction, organizational change.*

JEL Classification: L00, L20, L29

1. Introduction

In a very tight competitive world like today, organization needs to change according to the demands of the environment. However, not every organizational change program was successful; researches showed that there are even more than 50% organizational change was not succeeded (Etschmaier, 2010). In this regard, change won't be successful if they were not supported by the employees, or it can be said that it should be commitment from the employees. There are many variables that can influence the success of organizational change, namely: the content of change, the process of change, the context of the organization, and the characteristic of the individual (Walker et al., 2007; Galpin, 1996). Organizational context (such as organizational culture, organizational climate, including organizational trust, had stated to have an important contribution to the success of organizational change. Furthermore, as during organizational change, people will feel insecure about the organization, their future and about themselves, as a result, feeling of self-efficacy is needed to overcome the situation during organizational change. Moreover, the conditions of people whether they are satisfied or not with the organization will also play an important factor. The focus of the study is to identify the impact of Psychological Empowerment, Job satisfaction, Organizational Trust and Change Leadership on Commitment to Change.

2. Literature Review

Commitment to Change

Herscovitch & Meyer (2002) define 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).

Psychological Empowerment

Psychological empowerment refers to a set of psychological states that are necessary for individuals to feel a sense of control in relation to their work (Spreitzer, 1995). Consists of four dimensions a) *Meaning* involves a fit between the needs of one's work role and one's beliefs, values, and behaviors (Hackman & Oldham in Spreitzer, 2007); b) *Competence* refers to self-efficacy specific to one's work, or a belief in one's capability to perform work activities with skill (Bandura, 1989 in Spreitzer, 2007); c) *Self-determination* is a sense of choice in initiating and regulating one's actions (Spreitzer, 2007); and d) *Impact* is the degree to which one can influence strategic, administrative, or operating outcomes at work (Ashforth, 1989 in Spreitzer, 2007).

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.

Job Satisfaction

Job satisfaction is the degree to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 2006). In other words, job satisfaction is defined as an emotional response to individual's task similar to the social and physical conditions of the workplace. Job satisfaction consists of: salary, benefits, contingent rewards (recognition), promotion, co-worker, supervisor, communication, nature of work and operating condition.

Organizational Trust, Job Satisfaction, Psychological Empowerment, Change Leadership and Commitment to Change

Previous study conducted by Kaneshiro (2008), Nikandrau (2000), and Searle (2004) supported that trust is important in organizational change, and will develop affective commitment to change Kalyal & Saha (2008), and normative commitment to change (Darrough,2006). Studies done by Mangundjaya (2012) were also supported that trust is crucial during large scale organizational change.

In terms of Job Satisfaction, numerous researches had done between Job Satisfaction and Organizational Commitment but not to Commitment to Change. The results of the previous research (Yousef, 1998; Busch et al., 1998; Azeem, 2010) showed that there was significant positive correlation between job satisfaction and organizational commitment. Based on the concept of commitment to change (Herscovitch & Meyer, 2002) derived from the concept of Organizational Commitment (Meyer & Allen, 1997). It can be predicted that job satisfaction had correlated with Commitment to Change.

Research about direct correlation between Psychological Empowerment and Commitment to Change was very limited, some previous research between psychological empowerment and organizational commitment (Malik et al., 2013; Hashmi & Naqvi, 2012; Ambad, 2012; Dehkordi et al., 2011; Jha, 2008) showed positive and significant correlation. Furthermore, the study conducted by Gunawan & Viyanita (2012) also mentioned that psychological empowerment has positive and significant correlaton with affective organizational commitment. However, those findings based on the study between psychological empowerment and organizational based on various concept of organizational commitment (Meyer & Allen, 1997; Mowday, Steers & Porter, 1979), and not with the concept of

commitment to change. Eventhough, based on the findings from Rashid & Zhao (2010), and Mangundjaya (2013) showed that organizational commitment had positive and significant correlation with commitment to change. It can be assumed that psychological empowerment has positive and significant correlation with commitment to change.

On the other hand Change Leadership had controversial results in terms of its direct relationship with Commitment to Change (Herold et al, 2008, Liu, 2010, Mangundjaya 2013). In this regard, Herold et al., (2008) found that Change Leadership had postive impact on commitment to change and Liu (2010) found that only one dimension that had significant correlation with commitment to change, but Mangundjaya (2013) found that change leadership had no significant correlation with commitment to change.

Based on the above discussion, it is assumed that each of the variables (Organizational trust, Job Satisfaction, Psychological Empowerment, and Change Leadership) had different impact on commitment to change.

3. Methodology

3.1 Research Questions

Do Job Satisfaction, Psychological Empowerment, Organizational Trust and Change Leadership have significant and positive impact on each dimensions of Commitment to Change (Affective, Normative and Continuance Commitment to Change)?

3.2 Sample and sampling

Sample was collected from two financial public state-owned companies in Indonesia, which had undergone some organizational changes, such as restructuring the organizational, development of strategic marketing, and changes on general system and procedures. Respondents were chosen by non-probability and convenience sampling. The numbers of participants were 539 respondents. Profile of respondents consists of permanent employees, minimum working in the company is 2 years, minimum education is senior high school, and the age is between 21–56 years old. The profile of the respondents are as follows: male (61.97%), range of age between 25–44 years old (78.29%), bachelor's degree (74.77%), staff (43.42%), length of works more than 10 years (51.95%).

3.3 Data Collection

Data was collected through 5 types of questionnaires, namely: 1) Commitment to Change Inventory (Herscovitch and Meyer, 2002); 2) Psychological Empowerment (Spreitzer, 1995); 3) Organizational Trust (Cummings and Bromiley in Darrough, 2006); 4) Change Leadership; and 5) Job Satisfaction (Spector, 2006). All the instruments were translated and modified into Bahasa Indonesia with 6 scale. The validity and reliability was already tested its significance using Cronbach Alpha.

3.4. Data Analysis

Data was analyzed using Regression analysis.

4. Results and Discussion

The results are the followings: a) Job Satisfaction, Psychological Empowerment, and Organizational Trust had significant and positive impact on Affective Commitment to Change. These results supported the previous study conducted by Kalyal & Saha (2008), showed that organizational trust had positive impact on affective commitment to change. Change Leadership had significant and negative impact on Affective Commitment to Change. b) Psychological Empowerment and Organizational Trust that had positive impact on normative commitment to change. Change Leadership and Job satisfaction had no significant impact on normative commitment to change. This study supported Darrouh, (2006) who found that organizational trust had positive impact on normative commitment to change and Mangundjaya (2014) who found that organizational trust had positive and significant impact on commitment to change c) Change Leadership had positive and significant impact on continuance commitment to change, Job satisfaction had significant and negative impact on continuance commitment to change, Psychological Empowerment and Organizational Trust had no significant impact on continuance commitment to change. The results can be implied that leader who conducts organizational change can directly impact commitment to change, only through the recognition of employees that there are costs associated with failure to provide support for the change but not with the reasons of benefits of the change as well as obligations to the organization. Details can be seen in Table 1.

Table 1: Regression Analysis

Independent Variable	AC2C		NC2C		CC2C	
	Beta	t	Beta	t	Beta	t
JS	.372**	6.873	.068	1.182	-.198**	-3.203
PE	.235**	5.584	.215*	4.813	.041	.844
CL	-.234**	-4.621	.028	.515	.159**	2.741
OT	.170**	3.116	.194**	3.358	.089	1.422

** significant at p<0.01; * significant at p<0.05

JS = Job Satisfaction

PE = Psychological Empowerment

CL = Change Leadership

OT = Organizational Trust

AC2C = Affective Commitment to Change

NC2C = Normative Commitment to Change

CC2C = Continuance Commitment to Change

5. Conclusions and Recommendations

Based on the above results, it can be concluded that organizational trust and psychological empowerment can develop affective and normative commitment to change, and no significant correlation between Psychological Empowerment and Organizational Trust with Continuance Commitment to Change. These findings in line with the nature of the concept

commitment to change, as according to Herscovitzh & Meyer (2002), affective commitment to change and normative commitment to change can create discretionary behavior, while continuance commitment to change will only create obedience behavior. In this regard, both Organizational Trust and Psychological Empowerment have positive and significant contribution to the affective and normative commitment to change, in which feelings of trust with the organization as well as having self-confidence will create a sense of commitment in terms of awareness that change is beneficial to the organization as well as due to their obligation with the organization but not due to the calculation of cost and benefits attached to the change itself.

Furthermore, results showed that Job Satisfaction had positive and significant impact to affective commitment to change, but had negative and significant impact on continuance commitment to change and no significant impact to normative commitment to change. With these findings it can be said that if people satisfied with their jobs they will be committed to the change as they perceive that change is important for the organization, but not because of the sense of obligation nor the calculation of cost and benefits of the change itself. Findings also showed that Job satisfaction had the greatest impact on affective commitment to change compares to the other two variables (Psychological Empowerment and Organizational Trust).

Results also showed that Change leadership had positive and significant impact on the way people perceive the cost and benefits of the organizational change for them (continuance commitment to change) but not in a sense of want to change due to their perception of the benefits of change (affective commitment to change) nor the need to change due to a sense of obligation (normative commitment to change).

The implications of the study can be used for the management and agent of change during the implementation of organizational change, as they should pay attention to Job Satisfaction, confidence of the employee (Psychological Empowerment) and trust of the employee to the organization (organizational trust), and not only paying attention on how the leader practiced their leadership style during organizational change.

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