

THE ROLE OF LEADERSHIP & READINESS FOR CHANGE TO COMMITMENT TO CHANGE

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ABSTRACT

Organization has to change and it needs commitment of the employee. 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. The research used 4 scales as mentioned above, those are: 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 Readiness for Change with Commitment to Change. However, the study also showed that Change Leadership solely 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. This paper contributes to the knowledge and implications of organizational change, as the management will understand the variable that has the strongest impact to the Commitment to Change.

KEY WORDS

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

1. Introduction

In order to survive and compete, every organization has to change and the success of this change lies in the employee, specifically the commitment to change of the employee. However, understanding about 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 ongoing change program. In this regard, identifying factors that which contribute to commitment to change is very important.

Research shows 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 one of the variables (Organizational Readiness For Change, Individual readiness for Change and Change Leadership) is the most contributor to the commitment to change, and are there any variable that also contributes to commitment to change?

2. Literature Review

2.1. 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, AC2C); b) a recognition that there are costs associated with failure to provide support for the change (continuance commitment to change, CC2C); and c) sense of obligation to provide support for the change (normative commitment to change, NC2C) In other words, individuals can feel bound to support a change initiative because they want to, have to, and/or ought to.

2.2. Change Leadership (CL)

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; and b) Leaders Change Implementing Behavior, action to push a change forward and consolidate success throughout the implementation.

2.3. Organizational Readiness for Change (ORFC)

Ramnarayan & Rao (2011) mentioned that Organizational readiness can be said as organizational adaptation in terms of seeking to realign the organization with a changed environment. Furthermore they 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).

2.4. 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

3.1. Sampling

Sample was collected from a construction company that had undergone some organizational change, such as restructuring organizational system and procedural changes. Using convenience sampling, the numbers of 186 employee were the respondents. Characteristics of the respondents are 74.73% were men, 79.57 % were in the range of age 25 to 45 years old, 36.02% have been working between 5 to 10 years, educational background were bachelor degree 49.46%, and the job position 68.28% were staff.

3.2.Data Collection

Data was collected through 4 types of questionnaires, namely: 1) Commitment to Change Inventory, which was developed and modified to Indonesian language from Herscovitch and Meyer (2002). Consists of three dimensions: affective commitment to change, continuance commitment to change and normative commitment to change, consists of 18 item, α Cronbach = 0.742, and the range of validity index is 2.0 to 3.5, with $p < 0.01$; 2) Organizational Readiness for Change, was developed from Ramnarayan and Rao (2011), consists of 6 dimensions and 42 items, namely: a) commitment to plan; b) attention to innovation, c) attention to lateral integration; d) attention to vertical integration, e) environmental scanning; and f) building of capabilities of individual and groups, with α Cronbach = 0.9.59, The range of validity is 0.30 to 0.35, with $p < 0.01$; 3) Individual Readiness for Change, was using scale from Hanpachern and modified to Indonesian language (Mangundjaya (2013) .Consists of three dimensions and 15 items: promoting, participating and resisting, with Cronbach α = 0.912, validity index is 0.4 to 0.5, with $p < 0.01$; and 4) Change Leadership, used the scale of Change Leadership developed by Liu (2010). Consists of two dimensions, and 18 items, namely Change Selling Behavior and Change Implementing Behavior. Reliability has been tested with Cronbach α = 0.964, and the range of validity is 0.581 to 0.869, with $p < 0.01$.

3.3.Data Analysis

Data were analyzed using Multiple Regression.

4.Results

Results will be discussed based on descriptive statistics, correlation of each variables, each dimensions and by characteristics of respondents.

Table 1. Score Descriptive Statistics

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 1 it can be said that the score of Change Leadership is the highest compares of the other 3 variables. However, Change Leadership is the one that has not correlated significantly with commitment to change. The Table 2 below will show the regression analysis.

Table 2. Analysis of regression Organizational Readiness to Change, Change Leadership, Individual Readiness to Change with Commitment to Change, and the dimensions

Variables	R ²	($r_{yx1.x2}$) ²	Sig.
C2C	0.381	-	0.000*
IRFC		0.271	0.000*

ORFC		0.054	0.001*
<i>Change Leadership</i>		0.001	0.614
Affective C2C	0.440	-	0.000*
IRFC		0.354	0.000*
ORFC		0.028	0.024*
<i>Change Leadership</i>		0.003	0.479
Continuance C2C	0.142	-	0.000*
IRFC		0.063	0.001*
ORFC		0.037	0.009*
<i>Change Leadership</i>		0.007	0.252
Normative C2C	0.157	-	0.000*
IRFC		0.092	0.000*
ORFC		0.024	0.034*
<i>Change Leadership</i>		0.003	0.493

*Significant at $p < 0.05$

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.

Table 3. Correlation of IRFC, ORFC, CL to C2C, AC2C, CC2C, and NC2C

Variables	C2C	AC2C	CC2C	NC2C
	r	r	r	r
IRFC	0.586**	0.651**	0.318**	0.365**
1. Participating	0.471**	0.458**	0.317**	0.316**
2. Promoting	0.553**	0.540**	0.361**	0.378**
3. Resisting	0.312**	0.451**	0.078	0.151*
ORFC	0.386**	0.348**	0.287**	0.268**
1. Commitment	0.393**	0.363**	0.319**	0.239**
2. Innovation	0.293**	0.327**	0.152*	0.186*
3. Lateral Integration	0.256**	0.132	0.265**	0.227**
4. Vertical Integration	0.278**	0.222**	0.218**	0.215**
5. Learning	0.340**	0.332**	0.262**	0.198**
6. Capability	0.334**	0.315**	0.205**	0.251**
Change Leadership	0.036	0.115	-0.046	-0.007
1. Change Selling	0.039	0.115	-0.033	-0.013
2. Change Implementing	0.032	0.111	-0.054	-0.004

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

In order to identify the contribution of each variable, the Table 3 above showed the correlation of each variable with each dimensions of commitment to change. It showed

that IRFC and ORFC were positively correlated with Commitment to Change, but Change Leadership were not positively correlated with each dimensions of C2C. It also shows that there are 2 dimensions from IRFC (participating and promoting) that have positively significant correlated with commitment to change, affective, normative and continuance commitment to change, and resisting has not correlated significantly with continuance commitment to change. Furthermore, from ORFC variables, it shows that commitment; innovation, vertical integration. Learning and capability, were the dimensions that have positively correlated with commitment to change, affective commitment to change, normative commitment to change and continuance commitment to change.

Profiles of commitment to change

Below is Table 4 consist of Commitment to Change's score according to the characteristics of respondents, based on gender/sex, educational background, age, position, and tenure of work.

Table 4. Profile of Commitment to Change Scores by Demographic

Demographical Data	Total	Commitment to Change		
		Mean	Standard Deviation	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	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 l.o.s. = $p < 0.05$

From the above table, it showed that only age and tenure of works that have significantly different. The result also showed that the older and the longer the people stay and work in the organization then the higher of the commitment to change.

5. Discussion & Conclusion

Organizational Readiness for Change (ORFC) and Individual Readiness for Change (IRFC) have positively contributed to Commitment to Change. However, Change Leadership was not significantly correlated with Commitment to Change. In addition, it can be said that Individual Readiness for Change is the most contributed variable to Commitment to Change. Moreover, it 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 of a person and the longer he/she works in the organization then the higher of the Commitment to Change. 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.

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. Moreover, the results also show that Individual Readiness for Change is the most contributor to Commitment to Change; as a result organization should pay more attention to individual/employees in order to gain their Commitment to Change.

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