Individual Readiness for Change as Mediator between Transformational Leadership and Commitment Affective to Change

Kesiapan Individu untuk Berubah sebagai Mediator antara Kepemimpinan Transformasional dan Komitmen Afektif untuk Berubah

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ABSTRACT

Ministry of Public Works and Public Housing (Ministry of PWPH) is currently in change process, due to president’s regulation regarding bureaucratic reform (birokrasi reformasi). This research aims to investigate ministry’s readiness for change and how transformational leadership style affect employee’s commitment to change in ministry of PWPH. Organizational success during change implementation is strongly influenced by employees’ commitment to change, particularly affective commitment to change (AC2C). However, employees’ affective commitment to change is very dependent with individual readiness for change (IRFC), as IRFC indicates employees’ openness and acceptance towards change. Previous studies showed IRFC is influenced by leadership style, particularly transformational leadership (TL). This study aimed to gain insight the relationship between TL, IRFC and AC2C. This research was conducted in ministry of PWPH in Indonesia that is currently under a change process. With 177 respondents, result showed that TL significantly influences IRFC, which then affects AC2C. This finding emphasize role of leadership towards development of IRFC in employees to successfully implement change in organization.

Keywords: Infrastructure asset management, organizational behavior, affective commitment to change, transformational leadership

INTRODUCTION

Infrastructures and Facilities (I&F) are capital for the life of a nation or a region. I&Fs are complicated and onerous. The fail of those will ruin the life and the development. Thus, the I&Fs must be well managed, based on I&F Asset Management principle. The I&F managing organisation is the key factor for the I&F success (Soemitro & Suprayitno 2018; Suprayitno & Soemitro 2018). Life grows from time to time. To cope the new challenge, organisation must be changed. The Ministry of Public Work and Public Housing (PWPH) is main I&F body in Indonesia. Therefore, it need to be well understood and observed.

Ministry of PWPH is currently under process of bureaucratic reformation (reformasi birokrasi) based on PRESIPRES no.81/2010. Bureaucratic reformation aimed to improve service quality and standard of the ministries. It is targeted in 2025, ministry has achieved good governance, with professional and integrated public servant. However, contrary to the improtance of change, 70% of organization in change process are failed to implement change.
(Washington & Hacker, 2005). Most change failed as organization give less attention towards employee, as success to implement change very dependent on employees’ attitude and behaviour to change initiatives.

During change processes, organizations need to consider the effect of change on employee, such as employee’s reaction to change and how change will affect employees (Balogun & Hailey, 2008). One of employee reactions toward change is employees’ commitment to change. Commitment to change is a mindset that affects employees’ behaviour to act according to change requirement to reach successful change implementation in organization (Herscovitch & Meyer, 2002). Employees’ commitment to change is predictor of employees’ favourable behaviors toward change (Herscovitch & Meyer, 2002; Seo, et al., 2012), as favourable behaviors towards change will support the process of change implementation within the organization (Shin, Seo, Shapiro, & Taylor, 2015).

Commitment to change itself consists of three dimensions: affective commitment to change, continuance commitment to change and normative commitment to change (Herscovitch & Meyer, 2002). Previous researches showed that affective commitment to change has the biggest implication towards change success and is a good predictor towards organizational’s change implementation success (Herscovitch & Meyer, 2002; McKay, Kuntz & Naswall, 2013). Individual with higher level of affective commitment to change shows more support towards change initiatives (Herscovitch and Meyer, 2002). Therefore, this research will focus on affective commitment to change in employees.

One of factor that influence employees’ affective commitment to change is individual readiness for change, as employee must be open and accept the change before show commitment to change implementations. Armenakis defined individual readiness for change as individual beliefs, attitude and intention when change is necessary and his perceptions on individual and organizational capability regarding change (Armenakis, 1993). Hanpachern (1997) defined individual readiness for change as the extent which individuals are mentally, psychologically or physically ready, prepared, or primed to participate in organizational development activities. Individuals with high readiness for change will participate, promote and show supportive behaviour towards change (Hanpachern, 1997). They recognize values in change (Herscovitch & Meyer, 2002), and believe that change is necessary (Choi & Ruona, 2011).

Given its important role during change process, it is crucial to understand factors affecting acceptance to change. A study conducted by Oreg & Berson (2011), showed transformational leadership has correlation with individual readiness for change. Leader has crucial role during implementation of change initiatives (Herold, Fador, Caldwell and Liu, 2008), such as developing employees’ readiness towards change (Choi & Ruona, 2011). Bass and Riggio (2006) stated when organization is under a change process, transformational leadership is the most relevant leadership type.

Transformational leadership concept was introduced by Bass (1990). This type of leadership emphasizes on relationship between leaders and follower, and leader’s role to support and facilitate employees’ necessity to reach mutual goals (Bass, 1990). A study conducted by Allen, Smith and Da Silva (2013) showed leaders with transformational types able to create an environment supportive of individual readiness for change. Leader with this type facilitate followers to cope with change and bolsters follower’s self efficacy and empowerment during change (Holten & Brenner, 2015). This research is aimed to provide understanding regarding Ministry of PWPH’s employee readiness for change and how leadership type, particularly transformational leadership supports the change implementation in ministry of PWPH.
LITERATURE REVIEW

Commitment to Change

Commitment to change is defined as a force of mindset that binds an individual to a course of action necessary for the successful implementation of a change initiative (Herscovitch & Meyer, 2002). This concept consists of three dimensions, namely: affective commitment to change, normative commitment to change and continuance commitment to change. Affective commitment to change is individual’s desire to support change based on belief of benefits from change (want to), normative commitment to change is individual’s desire to support change based on sense of obligation (ought to), and continuance commitment to change is individual’s desire to support change because there is cost associated with failure to support change (have to) (Herscovitch and Meyer, 2002).

Affective Commitment to Change

Affective commitment to change is a dimension from commitment to change concept developed by Herscovitch and Meyer (2002). Commitment to change is defined as a force or mindset that binds an individual to a course of action necessary for the successful implementation of a change initiative (Herscovitch & Meyer, 2002). Affective commitment to change defined as desire by individual to support a change based on believe of benefits gained from change (Herscovitch & Meyer, 2002). Affective commitment to change is a good predictor for individual behaviour support toward successful change implementation in organization (McaKay, Kuntz and Naswall, 2013). Affective commitment to change develops when individual is involved during change, realize values and relevance of change, gain identity from changes or change initiatives (Herscovitch and Meyer, 2002).

Transformational Leadership

Transformational leadership was introduced and developed by Bass (1990), emphasizing on leader’s role to support and facilitate employee to reach organization’s objective. This type of leadership emphasizes his followers’ higher-order value and activate their collective identity (Howell & Shamir, 2005). They able to switch follower’s focus to collective focus such as organizational goals (Hernandez, Eberly, Avolio & Jonson, 2011). Leader with transformational type focus on articulating vision, creating conducive environment to reach mutual goals, give support to each follower and influence followers to perform above required standard (Van der Voet, Kuipers & Groeneveld, 2015). Transformational leadership has four distinct characteristics (McCleskey, 2014; Bass, 1990): idealized influence, inspirational motivation, intellectual stimulation and individual consideration. Idealized influence is leader’s personal attribute and behaviour that is admired by his followers, making this type of leaders as role model for his followers. Inspirational motivation is leader’s ability to motivate and empower his followers. Intellectual stimulation is leader’s ability to stimulate his followers’ intelligence, therefore encourage followers to rethink conventional ideas and be innovative. Individual consideration is leader’s ability to give each individual attention and recognized individual needs.

Individual Readiness for Change

Hanpachern (1997) individual readiness for change as the extent which individuals are mentally, psychologically or physically ready, prepared, or primed to participate in organizational development activities. This concept consists of three dimensions: participating, promoting and resisting. Participating dimension described individual’s behaviour to participate in change related activities. Promoting dimension described individual’s behaviour to promote changes to his colleague. Resisting dimension shows individual’s negative affect and resistance towards change.
Relationship between Three Variables

Transformational leadership able to influence employees’ behaviour to reach organizational goals (Bass, 1990), articulating organization’s vision and mission in a way to interest employees (Van der Voet, Kuipers & Groneveld, 2015), enhance employee’s confidence to meet expectations during change process (Shin, Soe, Shapiro & Taylor, 2015), create supportive work environment to promote change implementation, creating positive perception towards change in employee (Ritz, Shantz, Alfes & Arshoff, 2012), facilitate employees to cope during change (Holten & Brenner, 2013 and inspire employees to see difficult situation during change as a challenge (Chou, 2013).

Based on explanation, it can be assumed that transformational leadership influence affective commitment to change by preparing and supporting employee through the change process. Thus, can be concluded that transformational leadership affects employees’ readiness and openness toward change. Readiness and openness toward change portrays individual readiness for change and marks the beginning of change (Mangundjaya, 2016). In this study, researched assumed that transformational leadership implication towards affective commitment to change is mediated through individual readiness for change.

![Research Conceptual Framework](image)

**Figure 1. Research Conceptual Framework**

**RESEARCH METHODS**

**Data Collection**

Affective commitment to change

Affective commitment to change was measured by questionnaire by Herscovitch and Meyer (2002), using Indonesia version which was adapted by Mangundjaya and Gandakusuma (2013). This questionnaire consists of 6 items. This questionnaire is using Likert scale from 1 – 6. Item examples are: ‘I believe in the value of this change’ and ‘this change serves an important purpose’.

Transformational leadership

Transformational leadership was measured by questionnaire by Avolio and Bass (2004), using Indonesian version which was adapted by Mangundjaya (2002). This questionnaire consists of 5 components (idealized influence - behaviour, indealized influence – attribute, inspirational motivation, intellectual stimulation and individual consideration). Each component has 4 questions. This questionnaire is using Likert scale from 1 – 6. Item examples are: ‘Treats me as an individual rather than just a member of the group’, ‘expresses confidence
that goals will be achieved’, ‘articulates a compelling vision of the future’ and ‘goes beyond self-interest for the good of the group’.

Individual Readiness for Change

Individual readiness for change was measured by questionnaire by Hanpacherns (1997), using Indonesian version which was adapted by Mangundjaya (2012). This questionnaire consists of 3 dimensions: participating, promoting and resisting. Each dimension has 5 questions. This questionnaire is using Likert scale from 1-6. Items examples are: ‘I am willing to socialize the benefit of change to my colleagues’ and ‘I am willing to promote change to my colleagues’

Sampling and Methods

Data was collected from employees in Ministry of PWPH in Jakarta, Indonesia. The Ministry of PWPH is currently in change process, namely bureaucratic reformation (reformasi birokrasi) due to PRESPRES no. 81/2010. Sample was taken using accidental sampling. From 200 questionnaires, only 177 questionnaires were able to be analysed quantitatively.

Data Analysis

Data was analysed using descriptive statistic, t-test, Anova and Hayes Mediation Process V.3.0.

Research Hypothesis

H1: Relationship between transformational leadership and affective commitment to change is significantly mediated by individual readiness for change.

RESULTS

Based on obtained data, 55.4% respondents were female and 44.5% were male. There were 14.7% respondents between 21-26 years old, 67.8% respondents between 26-40 years old, 16.9% respondents between 40-60 years old and 0.6% respondents more that 60 years old. Based on educational level, there were 6.8% respondents with high school level, 9.6% respondents with diploma degree, 60.5% respondents with bachelor’s degree, 23.2% respondents with master’s degree. Based on job level, 85.3% respondents were staff, 9.6% respondents were 9.6% junior management, 0.6% respondents were middle management, 1.1% respondents were senior management, and 3.4% respondents were in other positions such as functionals. Based on work tenure, 79.1% respondents have worked between 2 – 10 years, 11.9% respondents have worked between 10 – 20 years, 5.6% respondents have worked between 21 – 30 years and 3.4% respondents have worked more than 10 years.

Descriptive Analysis

Based on data analysis using t-test and ANOVA, demographic variables do not have implications toward affective commitment to change and transformational score. Individual readiness for change score also does not differ on gender, age, educational level and tenure. The only difference was found between individual readiness for change and job level (F(3, 172)=2.954, P=0.022). Thus, it can be said that higher job level means higher individual readiness for change. This result is consistent with research conducted by Cunningham et al. (2002) and Hanpachern (1997) that individual readiness level is affected by job level. Descriptive results of the study are listed in table 1 below.
Table 1. Demographic Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Affective Commitment to Change</th>
<th>Transformational Leadership</th>
<th>Individual Readiness for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>M</td>
<td>SD</td>
<td>Sig.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>M</td>
<td>SD</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>177</td>
<td>4.70</td>
<td>0.65</td>
<td>0.18</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>98</td>
<td>4.81</td>
<td>0.57</td>
<td>0.18</td>
</tr>
<tr>
<td>Male</td>
<td>78</td>
<td>4.68</td>
<td>0.72</td>
<td>0.44</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 – 40</td>
<td>147</td>
<td>4.74</td>
<td>0.65</td>
<td>0.66</td>
</tr>
<tr>
<td>41 – 65</td>
<td>30</td>
<td>4.80</td>
<td>0.59</td>
<td>0.38</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>12</td>
<td>4.50</td>
<td>0.62</td>
<td>0.54</td>
</tr>
<tr>
<td>Diploma</td>
<td>17</td>
<td>4.71</td>
<td>0.67</td>
<td>0.54</td>
</tr>
<tr>
<td>Bachelor</td>
<td>107</td>
<td>4.78</td>
<td>0.64</td>
<td>0.54</td>
</tr>
<tr>
<td>Master</td>
<td>41</td>
<td>4.78</td>
<td>0.63</td>
<td>0.54</td>
</tr>
<tr>
<td>Job level</td>
<td></td>
<td></td>
<td></td>
<td>0.21</td>
</tr>
<tr>
<td>Staff</td>
<td>151</td>
<td>4.70</td>
<td>0.65</td>
<td></td>
</tr>
<tr>
<td>Junior Management</td>
<td>17</td>
<td>5.00</td>
<td>0.57</td>
<td></td>
</tr>
<tr>
<td>Middle Management</td>
<td>1</td>
<td>5.0</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Senior Management</td>
<td>2</td>
<td>5.25</td>
<td>0.12</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>5.02</td>
<td>0.27</td>
<td>0.09</td>
</tr>
<tr>
<td>Tenure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-10 years</td>
<td>140</td>
<td>4.73</td>
<td>0.64</td>
<td>0.09</td>
</tr>
<tr>
<td>11-20 years</td>
<td>21</td>
<td>5.00</td>
<td>0.61</td>
<td></td>
</tr>
<tr>
<td>21-30 years</td>
<td>10</td>
<td>4.73</td>
<td>0.50</td>
<td></td>
</tr>
<tr>
<td>&gt;30 years</td>
<td>6</td>
<td>4.30</td>
<td>0.68</td>
<td></td>
</tr>
</tbody>
</table>

*.significant with p<0.05

Correlation Analysis

Based on correlation analysis, there was a positive and significant relationship between affective commitment to change and transformational leadership (r=0.166, p=0.028), affective commitment to change and individual readiness for change (r=0.489, p=0.00). Result also showed a positive and significant relationship between transformational leadership and individual readiness for change (r=0.353, p=0.00). Correlation analysis of the study are listed in table 2 below.
### Table 2. Correlation between Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>Affective Commitment to Change</th>
<th>Transformational Leadership</th>
<th>Individual Readiness for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment to Change</td>
<td>4.75</td>
<td>0.64</td>
<td>-</td>
<td>0.166*</td>
<td>0.489**</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>3.84</td>
<td>0.70</td>
<td>0.166*</td>
<td>-</td>
<td>0.353**</td>
</tr>
<tr>
<td>Individual Readiness for Change</td>
<td>4.53</td>
<td>0.41</td>
<td>0.489**</td>
<td>0.353**</td>
<td>-</td>
</tr>
</tbody>
</table>

*.significant with p<0.05; **.significant with p<0.01

### Mediation Analysis

Mediation Analysis

Process Hayes V.03 was used to create mediation model. To know significance level, bootstrapping with 5000 sample was used. Based on table 3 below, transformational leadership showed a significant and positive impact towards individual readiness for change (a = 0.205, SE = 0.041, 95% CI [0.124, 0.289]). Individual readiness for change showed a significant and positive impact towards affective commitment to change (b – 0.722, SE = 0.11, 95% CI [0.5531, 0.9908].

Data analysis in table 3 also showed that transformational leadership was not significantly impact affective commitment to change [c’ = -.007, SE = 0.064, 95% CI [-0.1343, 0.1199]. Based on data analysis, it can be summarized that individual readiness for change can be mediator variabel between transformational leadership and affective commitment to change.

To understand whether individual readiness for change a good mediator is, direct effect coefficient must be lower than total effect coefficient. Based on table 3 below, direct effect has coefficient of -0.007 and total effect coefficient has coefficient of 0.151. The result can be interpreted as individual readiness is a good mediator between transformational leadership and affective commitment to change.

Direct effect coefficient and indirect effect coefficient was compared to determine whether the mediation model is full mediation or partial mediation. Based on table 3 below, direct effect coefficient is not significant while indirect effect was significant. This can be interpreted that relationahip between transformational leadership and affective commitment to change is fully mediated by individual readiness for change.
Table 3. Mediation Analysis

<table>
<thead>
<tr>
<th>Antecedent</th>
<th>Coeff</th>
<th>SE</th>
<th>P</th>
<th>Consequent</th>
<th>Coeff</th>
<th>SE</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>X (TL)</td>
<td>a</td>
<td>0.205</td>
<td>0.041</td>
<td>.000</td>
<td>c</td>
<td>0.151</td>
<td>0.068</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c'</td>
<td>-0.007</td>
<td>0.064</td>
<td>.911</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M (IRFC)</td>
<td>i_1</td>
<td>3.744</td>
<td>0.160</td>
<td>.000</td>
<td>b</td>
<td>0.772</td>
<td>0.110</td>
</tr>
<tr>
<td>Constant</td>
<td>i_2</td>
<td>1.282</td>
<td>0.477</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Effect**

X (TL) \( \rightarrow \) Y (TOI)

\[ R^2 = 0.124 \]

\[ R^2 = 0.234 \]

\[ F (1, 175) = 24.884, p < .00 \]

\[ F (2, 174) = 27.3, p < .001 \]

\[ F (1, 175) = 4.940, p = 0.027 \]

\[ R^2 = 0.275 \]

CONCLUSION

Objective of this research was to gain insight of relationship between transformational leadership, individual readiness for change and affective commitment to change. Researcher proposed individual readiness for change can act as mediator between the relationships. The result showed that individual readiness for change was significant as mediator and fully mediated the relationship between transformational leadership and affective commitment to change. The result supports researcher’s hypothesis. Hence, when individual readiness for change was put into the model, transformational leadership has no significant effect towards affective commitment to change. This showed that transformational leadership itself does not directly influence employees’ affective commitment to change.

This finding is contrary with previous study conducted by Herold, Fedor Caldwell & Liu (2008), Holten & Brenner (2012), Shin, Seo, Shapiro and Taylor (2015) that showed a significant implication from leadership towards affective commitment to change. However, the result consistent with study by Abrell-Vogel & Rowold (2014) and Mangundjaya & Gandakusma (2015), which showed there is no significant implications from transformational leadership towards affective commitment to change.

This finding showed leaders’ role during change process in organization, which is consistent with Bass & Riggio (2006). During change, leader with transformational type able to influence positive affective reactions towards change and shape employees’ affective experience (Seo et al., 2012), help employee to overcome scepticism towards change (Shin, Seo, Shapiro & Taylor, 2015), influence followers’ self efficacy and empowerment during change, developing sense of trust and credibility during change (Holten & Brenner, 2013), stimulate and challenge employees’ intellectual to challenge status quo (Oreg & berson, 2011). Other research by Carter, Armenakis, Field & Mossholder (2012) showed transformational leaders facilitate change process by share related information and give personal support to employees during change.

Furthermore, based on demographic analysis, only job level affecting individual readiness for change. This found was also consistent with research conducted by Cunningham et al. (2002) and Hanpachern (1997). Job level may affect individual readiness for change because as the job level is higher, employees oftenly responsible to take a decision, including high-risk decision making. Employee also faced with challenging assignments. Thus, might affect employees’ confidence regarding their ability to manage change and create readiness to participate in an organizational development process (Cunningham et al., 2002).
LIMITATIONS AND FURTHER STUDY

Research was conducted in one organization, particularly public service organization. The result from this study can be applied in similar situation but further research is required to generalize the result. Respondents for this study was also dominated by employees on staff level, which might not represent overall condition from organization.

Suggested future research is to replicate the research but with larger scope of organization. Researcher also suggest replicating the research with control over employees’ job level. It is also encouraged to conduct research related to four characteristic of transformational leaders and its correlation or impact toward affective commitment to change and individual readiness for change. Research aims to have better understanding on which characteristics of transformational leadership has significant correlation or impact towards individual readiness for change.

RESEARCH IMPLICATIONS

The result from this study is to enrich understanding of relationship between transformational leadership, affective commitment to change and individual readiness for change. For practical implication, result showed that organization can be benefitted from leader with transformational style, as this leadership style will help employees to develop readiness towards change. Other implication from this research is based on analysis on demographic data. For organization to choose an agent of change, it is recommended choosing employee with higher job level than staff, as employees with higher job level show higher openness and readiness toward change.

REFERENCES


