

# *The Effect of Perceived Organizational Support and Employee Engagement on Readiness to Change*

Bekti Wulandari\*, Eka Danta Jaya Ginting, Hasnida

Faculty of Psychology, Universitas Sumatera Utara, Indonesia



**Abstract** – The aim of this research is to find out the effect of perceived organizational support and employee engagement on readiness to change. The study was conducted on 126 employees of a bank in Indonesia chosen by simple random sampling. The data collected by using a likert scale model of five answer choices. The results showed that perceived organizational support and employee engagement together had a positive effect of 55.4% on readiness to change.

**Keywords** – Readiness To Change, Perceived Organizational Support, Employee Engagement.

## I. INTRODUCTION

Organizational changes can cause discomfort in employees (Ivancevich, Konapaske and Matteson, 2007). This concern arises because there are doubts about whether one's abilities are still valued when changes are implemented (Cummings & Worley, 2009). Bernerth (2004) argues that success in organizational change is strongly influenced by employee readiness, because the driving force of the organization is employees (Armenakis, Harris, Mossholder, 1993; Mangundjaya, 2012). Readiness to change is an individual's assessment of their readiness to involve themselves in the change process (Rafferty, Jimmienson, and Armenakis (2013).

The success of organizational change requires organizational support (Krausse, 2008). Employees' perceptions of organizational support and commitment to change are important in shaping employee readiness to change (Armenakis & Harris, 2009). Rhoades & Eisenberger (2002) states that perceptions of organizational support are associated with positive impacts on employees (such as job satisfaction, positive mood) and the organization (such as affective commitment, performance, and negative employee

behavior). Employees with high perceived organizational support will also have a positive view of their organization (Kurtessis, Eisenberger, Ford, Buffardi, Stewart, Adis, 2015). The study of Ming-chu and Meng-hsiu (2015) states that employees who perceive organizational support well, can eliminate resistance to change and are sufficiently able to keep up with changes. Susilowati's (2012) study shows that change readiness is influenced by perceived organizational support factors. Apart from the perceived organizational support factors, there are also other factors that affect employee readiness to change, namely employee engagement. As mentioned by Vidal (2007) in his research, the successful implementation of organizational change is influenced by employee engagement, especially changes that involve all organizational elements. According to Little & Little (2006; in Endres & Mancheno-Smoak, 2008) the concept of employee engagement can be used as a solution to problems related to motivation and performance. Employee engagement is an individual's involvement and satisfaction as well as a sense of enthusiasm for work (Harter et al., 2002 in Endres & Mancheno-Smoak, 2008). Schaufeli, Salanova, Gonzalez-Roma, Bakker (2002) argue that employees who have high engagement are highly dedicated in their work and

have high involvement in their organizations. These characteristics are needed for organizations to make changes. The results of Aon Hewitt Consulting's research in 2011 (Bedarkar & Pandita, 2014) show that employees who are engaged in change have a readiness to change.

Employee engagement and perceived organizational support in relation to having an influence on employees' readiness to change can be explained from the perspective of social exchange theory (Setton *et al.*, 1996; Albrecht, 2010). Social exchange theory describes how the provision of valued external resources (for example, resources from the organization) results in employees feeling an obligation to reciprocate with a prosocial attitude. When an organization treats and rewards it well, it is expected to generate more loyalty and hard work from employees. The law of reciprocity states that someone who is treated well by other parties will feel obliged to reciprocate with kind treatment as well. Thus when organizations initiate change, employees are able to eliminate rejection of change and are sufficiently able to follow changes (Ming-Chu and Meng-Hsiu, 2015). Based on the description described above, it is concluded that perceived organizational support and employee engagement together have an effect positive on employee readiness to change.

### II. OBJECTIVES AND METHODS

The main objective of this study was to examine the effect of perceived organizational support and employee engagement on readiness to change. The study was conducted on 126 employees of a bank in North Sumatra, Indonesia. The research data were obtained through a change readiness scale consisting of 17 items with reference to the concept put forward by Holt (2007), the perceived organizational support scale consists of 20 items using the theory concept of Rhoades and Eisenberger (2002) and the employee engagement scale consisting of 18 items referring to the theoretical concept of Schaufeli and Baker (2004). The scale used is the Likert model with five answer choices.

### III. RESULT AND DISCUSSION

There are three hypotheses used in this study. The first hypothesis (H1), perceived organizational support has a positive influence on readiness to change. Second (H2), employee engagement has a positive effect on readiness to change. Third (H3), perceptions of organizational support and employee engagement together have a positive influence on readiness to change.

This regression model has met the assumption test requirements for a good multiple regression model (normality

test, linearity test, autocorrelation test, multicollinearity test, and heteroscedasticity test). Statistical analysis used the stepwise method by showing the results that the first hypothesis (H1) was accepted, the perception of organizational support had a positive and significant effect on change readiness ( $p = .000$ ;  $F = 78.504$ ), the contribution of the perception variable of organizational support to change readiness was 38.8 %. The second hypothesis (H2) is also accepted that employee engagement has a positive and significant effect on change readiness ( $p = .000$ ;  $F = 46.051$ ), the contribution of the employee engagement variable to change readiness is 16.7%. Furthermore, the results of the third hypothesis test (H3) show that perceptions of organizational support and employee engagement together have a positive and significant effect on change readiness ( $p = .000$ ;  $F = 76.539$ ) and have an effect of 55.4%. The regression equation in this research model is  $Y = 17.151 + 0.316X_1 + 0.372X_2$ . A constant of 17.151 indicates that if the variable perceived organizational support and employee engagement is zero, then the employee's readiness to change is 17.151 units. Furthermore, if there is a one-time increase in the perceived organizational support variable, the readiness to change will increase by 0.316. Meanwhile, the employee engagement variable will increase the readiness value to change by 0.372.

The regression equation above implies that perceived organizational support and employee engagement have a positive influence on readiness to change. The highest positive perceived organizational support and employee engagement will be impact for the highest on readiness to change, and conversely.

There are some reasons to explain the influence formation of perceived organizational support and employee engagement on readiness to change in the company where the research takes place. First, the company has a policy that clearly regulates the determination of key performance indicators (KPI) to performance evaluation. Each employee is given the opportunity to carry out a self-assessment of their respective performance achievements based on a dashboard provided by the company. Then through an online-based performance management system application, employees can view any reviews, comments, input, opinions or other changes in performance appraisals, whether carried out by direct superiors. Second, the company provides new competency training programs (reskilling) and competency enhancement (upskilling) programs provided by management both offline and online. For offline training, each employee is openly presented with a choice of training programs throughout the year which are adjusted to their respective

grading. As for online training or courses, the company collaborates with professional course organizers. Third, the company has a work unit that focuses on improving employee relations. Various forms of activities are facilitated according to the personal needs of employees such as hobbies, sports, spirituality, and social empowerment. These activities are often used by line managers to build quality relationships between superiors and subordinates with the hope that the team will be more compact, more confident, communication between members will be better, and team members are more willing to express opinions and form engaged employees.

#### IV. CONCLUSIONS

The results of this study indicate that perceived organizational support has a positive effect on employee readiness to change. More positive a person's perception of his organization, more prepared he is to keep up with change. Employee engagement has a positive effect on employee readiness to change. More engaged a person is, more ready he is to follow changes. Furthermore, perceived organizational support and employee engagement together have a positive influence too. Perceived organizational support and employee engagement can increase a person's readiness to change.

#### REFERENCES

- [1] Al-Ameri, M. (2013). Assessing resistance to technological change for improved job performance in the UAE (Public Sectors). Dissertation. Salford : University of Salford.
- [2] Albrecht, S.L. (2010). Handbook of employee engagement : perspectives, issues, research and practice. UK : Edward Elgar Publishing Limited.
- [3] Armenakis, A.A., Harris, S.G. and Mossholder, K.W. (1993). Creating readiness for organizational change. *Human Relations*, 46(4), 681-703.
- [4] Armenakis, A.A., Harris, S.G. (2002). Crafting a change message to create transformational readiness. *Journal of Organizational Change Management*, 15(2), 169-183.
- [5] Armenakis, A.A., & Harris, S. G. (2009). Reflections: Our journey in organizational change research and practice. *Journal of Change Management*, 9(2), 127-142.
- [6] Bakker, B.A. (2010). Engagement and "job crafting": Engaged employees create their own great place to work. USA. *New Horizons in Management*.
- [7] Bakker, A.B. (2011). An evidence-based model of work engagement. *Current directions in psychological science*, 20(4), 265-269.
- [8] Bedarkar, M. & Pandita, D. (2014). A study on the drivers of employee engagement impacting employee performance. *Procedia : Social and Behavioral Sciences*, 133, 106-115.
- [9] Bernerth, J., (2004). Expanding our understanding of the change message. *Human Resource Development Review*, 3, 36-52.
- [10] Burke, W. W. (2008). *Organization change: theory and practice* (2nd ed.). USA: Sage Publications.
- [11] Cawsey, T. F., Deszca, G., & Ingols, C. (2012). *Organizational change: An action-oriented toolkit*. Los Angeles, USA: Sage.
- [12] Cook, S. (2008). *The essential guide to employee engagement, better business performance through staff satisfaction*, London : Kogan Page.
- [13] Cummings, T.G. and Worley, C.G. (2009). *Organization development & change*. 9<sup>th</sup> Edition, South Western Cengage Learning, Mason.
- [14] Cunningham, et al. (2002). Readiness for organizational change : A longitudinal study of workplace, psychological and behavioral correlates. *Journal of Occupational and Organizational Psychology*, 75, 377-392.
- [15] Eby, L.T., Adams, D.M., Russell, J.E.A., & Gaby S.H., 2000. Perceptions of organizational readiness for change : Factors related to employees' reactions to the implementation of team based selling. *Human Relations*, 53(3), 419-442.
- [16] Endres, Grace, M. & Mancheno-Smoak, L. 2008. The human resource craze: human performance improvement and employee engagement. *Organization Development Journal*; Spring 26 (1). pp. 69-78.
- [17] Gusnanto. (2019). Pengaruh interaktif employee engagement dan perceived organizational support terhadap readiness for change pada karyawan PT. Pos Indonesia di Wilayah Kota Bandung. Skripsi. Fakultas Ilmu Sosial dan Ilmu Politik Universitas Islam Negeri Sunan Gunung Djati Bandung.
- [18] Hakanen, J.J., Ropponen, A., Schaufeli, W.B., De Witte, Hans. (2019). Who is engaged at work ? A large-scale study in 30 European Countries. *JOEM*. 61(5).

- [19] Holt, D.T., Armenakis, A.A., Field, H.S., Harris, S.G., (2007). Readiness for organizational change: the systematic development of a scale. *Journal of Applied Behavioral Science*, 43, 232.
- [20] Hussey, D.E. (2000). *How to manage organization change*. London. Kagan Page.
- [21] Ivancevich, J. M., Konopaske, R., & T.Matteson, M. (2007). *Perilaku dan manajemen organisasi*, edisi ketujuh jilid 2. Jakarta: Erlangga.
- [22] Jick, T. D. & Peiperl, M. A. (2011). *Managing change, cases and concepts*, (3rd ed.). Boston: McGraw-Hill/Irwin.
- [23] Krause, T, R. (2008). Assessing readiness for change : why do some organizations respond to change more readily than others?, *Occupational Hazards* 70(3),24.
- [24] Kurtessis, J. N., Eisenberger, R., Ford, M. T., Buffardi, L. C., Stewart, K. A., & Adis, C. S. (2015). Perceived organizational support: A Meta-analytic evaluation of organizational support theory. *Journal of Management* XX(X), 1-31.
- [25] Mangundjaya, W.L.H. (2012). Are organizational commitment and employee engagement important in achieving individual readiness for change ? Faculty of Psychology University of Indonesia, *Humanitas*, IX(2).
- [26] Ming-chu, Y., & Meng-hsiu, L. (2015). Unlocking the black box: Exploring the link between perceive organizational support and resistance to change. *Asia Pacific Management Review*, 20(3), 177–183.
- [27] Rafferty, A. E., Jimmieson, N. L., & Armenakis, A. A., (2013). Change readiness: A multilevel review. *Journal of Management*, 29(1), 110-135.
- [28] Rhoades, L., & Eisenberger, R. (2002). Perceived organizational support: A review of the literature. *Journal of Applied Psychology*, 87, 698-714.
- [29] Schaufeli, W. B., Salanova, M., Gonzalez-Romá, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A confirmative analytic approach. *Journal of Happiness Studies*. Vol. 3, Issue 1: hal. 71-92.
- [30] Schaufeli, W.B & Bakker, A.B. (2004). Job demands, job resources and their relationship with burnout and engagement : A Multi-Sample Study. *Journal of Organizational Behavior*. 25. 293.
- [31] Setton, R.P., Bennett, N. & Liden, R.C. (1996). Social exchange in organizations: perceived organizational support, leader-member exchange, and employee reciprocity. *Journal of Applied Psychology*, 81, (3), 219-227.
- [32] Susilowati, A., (2012). *Intervensi pelatihan dan pendampingan feedback untuk meningkatkan persepsi karyawan terhadap dukungan atasan dan kesiapan untuk berubah pada karyawan di PT.A*. Tesis. Program Pascasarjana Fakultas Psikologi Universitas Indonesia Depok.
- [33] Vidal, M. (2007). Lean production, worker empowerment and job satisfaction: A qualitative analysis and critique. *Critical Sociology*, 33, 247-278.