

Readiness For Organizational Change: Workplace and Individual Factors at PT TBK (JV Company)

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KEYWORDS

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ABSTRACT

The merger & acquisition (M&A) process with foreign companies can cause changes in the company, ranging from changes in structure to processes and ways of working in the company. This study aims to determine the influence of workplace factors in the form of organizational commitment, organizational culture, organizational support and individual factors in the form of job satisfaction, work attachment and affective commitment to employee readiness to face change. Data collection in this study used the probability sampling method. The number of participants obtained in this study was 156 employees at the head office of PT Tbk Organization culture, organizational commitment, job satisfaction, work attachment and individual commitment (affective commitment) had a significant influence on readiness for organizational change ($p = 0.00$). Organizational support had no significant effect on readiness for organizational change ($p = 0.053$). Organizational culture factors are the most influential factors on readiness for organizational a change.

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Introduction

In today's era of global competition, the pace of change affecting business is increasing. The process of globalization also seems to occur in many countries in the world (Widiatmodjo, 2016). Many new changes have been developed to improve organizational performance and achieve sustainable competitive advantage (Fuentes-Henrriquez & Del Sol, 2012). There are various forms of organizational change, and one form of organizational change that has a very large impact on organizational life is large-scale organization change, namely when the organization conducts Mergers and / or Acquisitions (M&A) (Etschmaier, 2010). One of the companies undergoing the acquisition process is PT Tbk by one of the Korean companies in 2022 (Financial.bisnis.com, 2022). Changes that occur due to acquisition policies are one of the challenges that must be faced by organizations in managing expectations, uncertainty and pressure that can be experienced by employees (Fadila, 2020). Employees in the organization must be ready to face various possibilities in order to stay afloat to achieve success over the targets that have been set.

Employee readiness for change is a mindset that exists among employees during the process of implementing changes in the organization. It consists of beliefs, and attitudes towards change that are in accordance with the needs and ability to implement organizational change (Vakola, 2013). In addition, trust in management, perceived organizational support, participation in decision making, communicating the need for change can affect the level of employee support for change (Caliskan & Isik, 2016). Readiness for change is considered to be an attitude that is influenced by organizational structure, strategic orientation, performance systems, actions in the external environment or individual level during implementing change, as well as the impact of workplace factors and individual factors (Shah et al., 2017).

Workplace factors include organizational commitment, organizational culture, and support from the organization Drzensky et al., 2012; Elias, 2009; Fuchs & Edwards, 2012; Lehman et al., 2002; Holt et al., 2007, in (Shah et al., 2017). While some individual factors that influence employee readiness to change are employee satisfaction at work, employee commitment in carrying out their duties of responsibility (affective commitment) and employee attachment to the company / work ((Shah et al., 2017). Previous research has significantly shown these factors to have a significant influence and/or relationship on employee readiness for organizational change. However, the results of research from these factors, both workplace factors such as organizational commitment, organizational culture, and organizational support, as well as individual factors such as job satisfaction, job attachment, and affective commitment to readiness to face organizational change provide different research results. This can be influenced by differences in culture, location / place of research, differences in demographic conditions of participants and forms of change that are / may be faced (Holt et al., 2007).

So this study will focus on empirical data testing to analyze the influence of workplace factors such as organizational commitment, organizational culture, and organizational support, as well as individual factors such as job satisfaction, work engagement, and affective commitment on employee readiness to face organizational change (Readiness for organizational change) at PT Tbk which has become a Joint Venture (JV) Company.

Literature & Hypothesis

Organizational changes can have a significant impact on work processes that are already running. When the organization changes, employees will also be required to be able to adapt to change, so that not only the organization needs to be ready for changes that may occur but employees must also be ready to face changes that exist in the organization. The theory of Organizational Readiness to Change (ORC) proposed by (Weiner, 2009), states that organizational readiness to make changes needs to be encouraged by organizational members who have a commitment to implement organizational change.

(Weiner, 2009) tries to develop a conceptual framework of individual and organizational readiness to make changes by proposing a conceptual framework in defining organizational readiness for Change (ORFC) where one of the influential contextual factors is organizational culture. However, this theory is not enough to base this research, so the author determines readiness for organizational change theory in this study based on the general theoretical concept of the term organizational change nomenclature which describes the form of employee readiness and the form of employee resistance. Where employee readiness is related to commitment, effective communication, organizational culture, attitude, principal support, social relations etc.

While forms of resistance to organizational change include dissatisfaction, emotions, ineffective communication, and so on. The antecedent form was obtained from previous research, which was then classified into workplace factors and individual factors (Shah et al., 2017).

Organizational commitment is one of the factors that play a role in preparing employees to face organizational changes (Shah et al., 2017). If the company wants to achieve high employee readiness for the organization, the company must develop the organizational commitment of employees (Pranatha & Majorsy, 2019). According to (Zulkarnain & Hadiyani, 2014), organizational commitment has a significant influence in supporting employee readiness in facing organizational change. So from this statement it can be seen that organizational commitment has a relationship with organizational change.

H1: Organizational Commitment have significant impact to Employees' Readiness for Organizational Change

Employee readiness in facing organizational changes is also influenced by how the culture of the company. This statement is supported by (Samal et al., 2021) who states that organizational culture has an influence on employee readiness for organizational change. In addition, (Mohankumar, 2015) found the role of organizational culture in shaping employee readiness to face changes that will occur in the organization. Thus, we can know that employee culture and readiness for organizational change are interrelated.

H2: Organizational Culture have significant impact to Employees' Readiness for Organizational Change

Organizational support is one of the factors that influence a success in a change in the company (Shah et al., 2017). The existence of good organizational support can encourage employees to be better prepared to deal with organizational change (Aini et al., 2020). According to (Ganni, 2017), organizational support has a significant impact on employee readiness to face organizational change. This illustrates the relationship between organizational support and employee readiness for organizational change.

H3: Organizational Support have significant impact Employees' Readiness for Organizational Change

Job satisfaction is a benchmark for development carried out by the company because it has many impacts on the sustainability of the company. One of them is the impact on employee readiness for organizational change (Susyanto, 2019). According to (Shah et al., 2017) job satisfaction has a high relationship with employee readiness for organizational companies, where when employees are satisfied with their work, the employee will be better prepared to face change.

H4: Job Satisfaction have significant impact Employees' Readiness for Organizational Change

Work engagement has a significant influence on employee readiness to face organizational change (Zulkarnain & Hadiyani, 2014). How employees feel they enjoy their work emotionally and show employee enthusiasm at work can encourage employees to be better prepared to face organizational problems (Simbolon, 2017). In addition, according to (Soeharso & Nurika, 2020), employee attachment to their work is the main antecedent that affects the success of an organizational change (Zulkarnain & Hadiyani, 2014). This shows that work engagement is related to employee readiness in facing organizational companies.

H5: Work Engagement have significant impact Employees' Readiness for Organizational Change

Affective commitment is one of the antecedents of employee readiness for organizational change (McKay et al., 2013). The existence of personal employee commitment to the organization, encourages employee confidence in their abilities, so that when the organization experiences a company, employees will be ready to face it (Desvina & Siregar, 2022). In addition, according to Pranata and Majorsy (2019), affective commitment has a strong relationship with employee readiness in facing organizational change. Thus, we can know that affective commitment is related to employee readiness for organizational change.

H6: Affective Commitment have significant impact Employees' Readiness for Organizational Change

Research Methods

Sampling Technique This study employs probability sampling, a technique where each member of the population has an equal chance of being selected. The specific probability sampling technique used is simple random sampling, randomly selecting participants from the predetermined population of employees in the Tbk company. The study involves 156 participants.

Measurement Instruments The measurement instruments used in this research for both dependent and independent variables are: (a) readiness for organizational change, measured using a tool developed by (Holt et al., 2007) and adapted by (Ganni, 2017); (b) Organizational commitment using the Organizational Commitment Questionnaire (OCQ) created by (Allen & Meyer, 1990); (c) Organizational culture measured using the Organizational Culture Profile (OCP) by (Sarros et al., 2005); (d) Organizational support measured using the Survey of Perceived Organizational Support (SPOS) developed by (Eisenberger et al., 2020); (e) Job satisfaction measured using tools created by Spector (1997) and further developed into various aspects by (Watson et al., 2007) (f) Work engagement measured using the Utrecht Work Engagement Scale (UWES-9) developed by Schaufeli and Bakker, adapted by (Talumepa, 2022).

Results and Discussions

From the results of the hypothesis test conducted, organizational culture has a significant influence on readiness for organizational change (H2 accepted). Organizational culture is also the workplace factor that has the most influence when compared to other factors. Organizational culture is very important for companies, especially in encouraging employee readiness in organizational change. The theory proposed by (Weiner, 2009) shows that one of the contextual factors that influence employee readiness to face change is organizational culture. The results of this study also support the results of previous research where organizational culture can play a role in encouraging employee readiness (Samal et al., 2021). By having a positive organizational culture, employees will be better prepared to face changes that occur in the company (Mohankumar, 2015). So it is important for companies to evaluate how the culture is formed in the company today and create development programs that can support employees to be better prepared to face organizational changes that may occur.

Workplace factors that also have a significant influence on employee readiness to face change are organizational commitment factors (H1 accepted). Organizational

commitment tends to describe how employees' loyalty and desire to remain part of the organization is. The results of this study are supported by previous research which states that organizational commitment can influence employees to be better prepared to face organizational change (Zulkarnain & Hadiyani, 2014). Thus, if the company wants to achieve high employee readiness for the organizational company, the company must develop the organizational commitment of employees (Pranatha & Majorsy, 2019).

Another workplace factor examined in this study is organizational support. The results of the hypothesis test showed that organizational support did not have a significant effect on readiness for H3 organizational change. This result means that organizational support does not support employees to be ready to face change, especially for employees at PT Tbk. There have been no previous research results that support this, but the author suspects that organizational support no longer affects employee readiness because employees at PT Tbk will be better prepared with the habits created from a positive work culture, and have a commitment to the company, have a sense of satisfaction and a sense of attachment to the company.

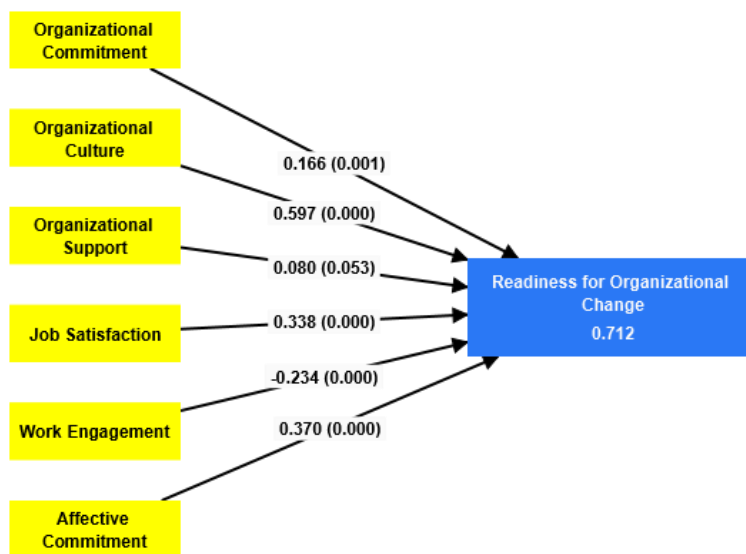
Another workplace factor examined in this study is organizational support. The results of the hypothesis test showed that organizational support did not have a significant effect on readiness for organizational change (H3 rejected). This result means that organizational support does not support employees to be ready to face change, especially for employees at PT Tbk. Where employees at PT Tbk will be better prepared if they have a supportive culture, have a commitment to the company, have a sense of satisfaction and attachment to the company.

The results of the research hypothesis test show that work engagement has an influence on employee readiness to face change (H5 Accepted). Work engagement in this study describes how employees have enthusiasm and energy in doing their work, feel happy and proud of the work done to feel dissolved and carried away into work. Work attachment has a very positive impact on individuals and organizations (Zamralita, 2017). However, the results of research on respondents at PT Tbk showed negative results where employees who engage with their work are not ready to face change. This is contrary to research conducted by (Simbolon, 2017), employees who feel they enjoy their work emotionally and show employee enthusiasm at work can encourage employees to be better prepared to face organizational problems. The author suspects that the unpreparedness is caused by the comfort (comfort zone) of employees towards their work so that when faced with challenges, companies that experience changes will tend to be more unprepared to face them. This is quite supported by the statement stated by (Talumepe, 2022) that high work engagement can be caused by comfort and likes and qualified skills in doing their work.

In addition to work engagement, other individual factors, namely job satisfaction and affective commitment, also have a significant influence on employee readiness to face company changes (H4 and H6 accepted). This shows that, if employees are satisfied with several aspects of the company such as salary, superiors, co-workers, and especially work, it can support employees to be better prepared to face possible changes that occur. This is because employees who are satisfied with work and the company will be more likely to show positive behavior and thoughts towards the company, so that if changes occur, employees will be more likely to accept in a positive way (Susyanto, 2019). This statement is also supported by statements in previous studies that assess that organizations that have low levels of satisfaction will tend to have employees who show negative

behavior when experiencing changes (Vakola, 2013). So even though it does not have a big influence, job satisfaction still needs to be maintained and improved.

In addition, how someone decides to stay and has a personal desire to stay in the company, is also predicted to have an influence on employee readiness to face changes in the future. This is supported by the results of research by (Desvina & Siregar, 2022) which assess that affective commitment can be continuously felt to encourage the development of better employee readiness. (McKay et al., 2013) also stated that affective commitment is one of the antecedents of employee readiness for organizational change. So that employee growth in the company also needs to pay attention so that in addition to supporting employee satisfaction but also to increase employee loyalty and desire to remain part of the organization.



The effect of independent variable measurement results on dependent variables has an influence of 71.2%. Seeing how the results of the influence of the independent variable to the dependent variable did not reach 100%, it means that there are other factors outside of the independent variable in this study that can be a predictor of employee readiness to face changes in the company. In addition, researchers also conducted different tests on demographic data on the readiness of karaywan to face organizational changes. The results of data processing showed no significant difference from demographic data on employee readiness for organizational change. It can be seen that the characteristics of employees in the company do not affect or determine certain groups (such as generation groups or certain positions) will be better prepared to face organizational changes.

There are several other variables that may be a predictor of employee readiness to face change, one of which is job demands. This is obtained from the analysis of indicators where employees who tend to have high work demands will feel higher pressure when there are changes in the company that result in the addition of new jobs, changing work processes and so on. In addition, the knowledge and ability of employees to work if predicted can affect employee readiness to accept organizational change. This possibility is also supported by previous research showing that job demands and employee knowledge and skills for their work are factors that can make employees better prepared to face changes in the company (Cunningham et al., 2002; Hanpachern et al., 1998; Miller et al., 2006, in shah et al., 2016).

From the process and results of research conducted in this study, the author realizes that research certainly has limitations. One of the limitations of this study is the limitation of population which only covers one company, so the results of this study can be examined again for a wider population coverage with different industries such as the retail industry, manufacturing and creative industries. In addition, the role of writers in PT Tbk as personnel (human resource development) triggers respondents' prejudice that the data or answers provided can affect performance appraisals and other matters related to staffing. So respondents will tend to choose a safe answer (close to neutral). In this case, the author cannot control whether the answers given by respondents really describe the real situation. So the author will provide advice in future research to minimize or eliminate these limitations.

Conclusion

From the results of this study it can be concluded that the independent variables namely organizational culture, organizational commitment, job satisfaction, work attachment and individual commitment (affective commitment) have a significant influence on the dependent variable. While the organizational support variable does not have a significant influence on the variable of employee readiness for organizational change. Where the independent variable in workplace factors shows that organizational culture factors have the highest influence. While the results on individual factors show the most influential factor on employee readiness to face organizational change, namely affective commitment

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