

## The Effect of Strategic Leadership, Organizational Identification, Perceived Organizational Support, Communication on Readiness of Changes and the Impact on Commitment to Change



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**ABSTRACT:** The purpose of this study is to analyze how the influence of leadership, organizational identification, perceived organizational support and communication adequacy on readiness for change and commitment to change and also examine how the influence of readiness for change on commitment to change. This research uses a quantitative approach. The sample of this study are employees of commercial banks who have digitized their services. The sample of this study consisted of 345 respondents. The data itself is collected online and offline directly to the respondents in this study. Data analysis was carried out using SEM with the Lisrel . program the results show that leadership, perceived organizational support and communication adequacy are factors that can affect readiness for change, while organizational identification cannot affect readiness for change. The results also show that readiness for change, leadership and communication adequacy are factors that can affect commitment to change, while organizational identification and perceived organizational support have no effect on commitment to change.

**KEYWORDS:** Bank, leadership, organizational identification, perceived organizational support communication adequacy, readiness for change, commitment to change

### INTRODUCTION

Strategic change in an organization involves various transformation efforts to ensure its survival and sustainable growth. One of the organizational changes is influenced by readiness for changes. Change itself requires good competence and readiness to succeed, where it can be seen that there are still many change efforts that have not been successful, as according to Danisman (2010), only about 40 percent of organizational change projects are successful and achieve their goals (Anjani, 2010). 2013). Readiness for change is important because it is one of the factors that can support the success of organizational change and can increase commitment to change (Adil, 2016). Several previous studies have involved that there has been no integrated research that examines the relationship between leadership variables, organizational identification, perceived organizational support, communication adequacy, readiness for change and commitment to change in a research model. This study is different from previous studies, where the findings of this study will identify the interrelationships of the variables of leadership, organizational identification, perceived organizational support, communication adequacy, readiness for change and commitment to change in a model to broaden researchers' understanding of unresolved problems in the study.

### LITERATURE REFERENCES

Change readiness is an important factor in organizational change. By assessing readiness for change Assessment of organizational readiness for change can serve as a guide when strategies for implementing organizational change are developed (Abdel –Ghany, 2014). Good change readiness will increase commitment to change (Adil, 2014). Therefore, it is necessary to know the factors that affect change readiness of a company. Lyons et al. (2009) found that leadership behavior was significantly and positively related to readiness to change. The findings from Nordin (2013) show that leadership behavior is an important factor for organizational change readiness. High organizational identity is associated with less negative feelings about the upcoming restructuring. In addition, negative feelings toward change (measured before the change) predict team performance after the change. The results of Drezensky's (2012) research also show a positive influence of organizational on readiness for changes. Another factor is perceived organizational support where Armenakis (2009) found that POS was associated with positive feelings toward change direction, suggesting it may also foster readiness which means greater psychological security when individuals are faced with uncertainty, such as during organizational change ( Neves & Eisenberger, 2014). Another factor is communication where effective

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communication will make employees know where employees really are, how employees are influenced and what employees are expected to do, can help during the change process so the change will be even more successful (Hasanaj and Maxhari, 2017).

### **METHODOLOGY**

The research design of this research is a survey whose data will be used for hypothesis testing. According to Sekaran and Bougie (2013), the hypothesis testing research design is used to test the relationship between constructs in research. Through this study, the researcher wanted to test the influence between the variables so that the hypothesis testing research design was used. Data is collected in one period only so that the type of data collection is cross sectional (Sekaran and Bougie, 2013). The leadership variable was measured using 11 indicators from 3 dimensions consisting of internal pride, loyalty and common value which were developed by Miller et al (2000) and Drzensky et al (2012), and Hui et al (2020). Perceived Organizational support variable is measured using 8 items developed by Eisenberger et al (2002) and McBey et al (2017), and Suifan et al (2018). The communication adequacy variable was measured by 10 items developed by Wanberg and Banas (2000) and Miller et al (1994), and Jacobsen and Salomonsen (2020). The change readiness variable was measured by 13 indicators developed by Armenakis and Harris (2007), Drzensky et al (2012), Katsaros et al (2019), and Olafsen et al (2020). Commitment to change is measured using 18 indicators developed by Herscovitch and Meyer (2002), Lee and Welliver (2018). Furthermore, all of these indicators were measured using a 6-point Likert scale. Data was collected by distributing questionnaires to respondents who are employees of state-owned banks. The data were then analyzed using Structural equation modeling. The hypotheses tested are:

#### **H1: Leadership has a positive influence on Readiness for Changes**

Lyons et al. (2009) found that leadership behavior was significantly and positively related to readiness to change. Research findings indicate that leadership behavior is an important factor for organizational change readiness. The results of research from Al-Husami et al (2017) also show the influence of leadership on readiness for change. Based on this, it can be hypothesized that:

#### **H2: Organizational Identity has a positive influence on Readiness for Changes**

According to Hameed et al (2017) strong identification will encourage employee readiness for change. Employee identification with a good organization will make the employee maintain his connection with the organization and direct employee behavior to help the company, especially in critical times such as the change process (Elstak et al, 2015). The results of Drzensky's (2012) research also show a positive influence of organizational on readiness for changes. Based on this, it can be hypothesized that:

#### **H3: Perceived Organizational Support has a positive influence on Readiness for Changes**

Perceived organizational support has also been associated with greater comfort with risk taking (Neves & Eisenberger, 2014), which means greater psychological security when individuals are faced with uncertainty, such as during organizational change. Based on this, it can be hypothesized that

#### **H4: Communication has a positive influence on Readiness for Change**

If employees know where they really are, how employees are influenced and what employees are expected to do, can help during the change process then change will be even more successful (Hasanaj and Maxhari, 2017). The results of research from Mckey et al (2013) indicate the influence of communication on readiness for change and therefore it can be hypothesized that:

#### **H5: Readiness for Changes has a positive effect on Commitment to Change**

According to Portoghese et al. (2012) that employees' expectations about change initiatives greatly affect their commitment to change which may stem from high-quality leadership styles and effective communication with all stakeholders of the change program. Research conducted by Adil (2016) shows that high change readiness will increase commitment to change. Based on what can be hypothesized that:

#### **H6: There is a positive effect of Change Leadership on Commitment To Change**

Employees are more likely to rely on guidance from superiors in unusual and turbulent circumstances due to the employee's lack of knowledge and experience with uncertain and new situations. Thus, it can be argued that the behavior of work unit leaders may play an important role in shaping the attitudes of work unit members towards change and thereby influencing their sustained level of commitment to change over time (Shin et al, 2015).

#### **H7: There is a positive effect of Organizational Identification on Commitment to Change**

According to Hameed et al (2017) strong identification will encourage employee readiness for change. Employees' strong identification with the organization will make the employee maintain a connection with the organization and direct employee behavior to commit to change. Based on this, it can be hypothesized that (Elstak et al, 2015).

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### H8: There is a positive effect of Perceived organizational support on commitment to change

Perceived organizational support is especially important in periods of change, as it can reduce perceived uncertainty and identify employees who need help adapting to changes in the workplace (Cullen, Edwards, Casper, & Gue, 2014).

### H9: Communication has a positive effect on commitment to change

Good communication reduces uncertainty and increases perceived control and job satisfaction (Bordia, Hunt, Paulsen, Tourist, & DiFonzo, 2004), whereas lack of communication causes more uncertainty). Luo et al. (2016) found that a leader's communication style affects the affective commitment of subordinates to certain changes. Therefore, we posit that communication can also affect employees' affective commitment to the organization in general

## RESULT AND DISCUSSION

The results of hypothesis testing are as follows:

Hip	Description	Estimate	t-value	Conclusion
H1	Leadership → Readiness for Changes	0.40	4.32 > 1.96	Accepted
H2	Organizational Identifaction → Readiness for Changes	0.014	0.21 < 1.96	Rejected
H3	Perceived Organizational Support → Readiness for Changes	0.39	2.74 > 1.96	Accepted
H4	Communication Adequacy → Readiness for Changes	0.29	2.25 > 1.96	Accepted
H5	Readiness for Changes → Commitment to Change	0.74	12.05 > 1.96	Accepted
H6	Leadership → Commitment to Change	0.21	2.49 > 1.96	Accepted
H7	Organizational Identifaction → Commitment to Change	-0.11	-1.89 < 1.96	Rejected
H8	Perceived Organizational Support → Commitment to Change	0.008	0.066 < 1.96	Rejected
H9	Communication Adequacy → Commitment to Change	0.23	2.08 > 1.96	Accepted

## SUMMARY

The conclusion of this study in general is that there is a positive and significant effect of Leadership, Perceived Organizational Support and Communication adequacy have a positive and significant influence on Readiness for Change. This shows that the readiness for change of employees at the bank can be increased by the existence of strong leadership, good perceived organizational support and also communication adquacy, especially regarding good and comprehensive changes. The findings of the study also show that leadership and communication adequacy are found to be factors that can directly increase commitment to change. The findings also show that organizational identification does not have a good effect on readiness for change and commitment to change, meanwhile perceived organizational support has only been shown to have an effect on readiness for change but does not have a direct impact on commitment to change. The results of the study also show that a good readiness for change from employees will be able to form a commitment to change from employees who are important in the organizational change process.

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