Change Communication and Organizational Trust on Employee's Commitment to Change

Wustari L. Mangundjaya[1] and Enno R. Farahzehan[2]
Faculty of Psychology, Universitas Indonesia, Fak. Psi. UI, 16424, Depok, Indonesia[1,2]

wustari@gmail.com; wustari@ui.ac.id[1]; ennorizkya@gmail.com[2]

Abstract. Changes occur in every day including in organizations. Previous studies showed that to succeed the change, individual commitment to change has to be developed. The aims of the research are to know the impact of change communication and organizational trust on a commitment to change and to test which of the two factors that have a more significant impact. The study conducted with 238 employees of banking and non-banking (insurance) companies in Jakarta. Data collected using the questionnaires of commitment to change inventory, change communication questionnaire and organizational trust inventory. The results indicate that both change communication and organizational trust have a positive impact on commitment to change. However, the result of change communication is still debatable. Results also show that between the two factors, organizational trust has a higher impact on the commitment to change compares to change communication. The applications of the study are essential for the organization to pay attention and develop organizational trust to establish a commitment to change.

Keywords: Change Communication; Commitment to Change; Organizational trust.

1. Introduction

Organizational change is an alteration of planning from organizational components to improve organizational effectiveness [1]. Based on that statement, organizational change is required for organizations to innovate to compete with other competitors. The importance of organizational change is also expressed by [1] as follows: "where to be competitive, organizations must be able to make constant changes, followed by having appropriate strategies to deal with the changes that occur" so that organizations can live sustainably over time.

Types of organizational change are very much diverse, such as organizational structure, organizational policy, or other policy about technological development. This kind of organizational changes, currently, has also been one of the major types of organizational change in Indonesia, including in banking and insurance companies, (e.g., in banking institutions they develop financial technology called FinTech, in which to be applied on smartphone applications to facilitate customers in conducting business transactions by themselves). Changes that occur due to FinTech or other programs in the banking system, have a good impact on customers, but on the other hand, might give different implications for

employees who work at the company, such as feeling unsure about their future and status in the company as a result of the company launching the FinTech program.

According to previous studies [2]–[4], people or employees are the most crucial part of the implementation of organizational change. If people reluctant to support or carry out the desired changes by the organization, then the organization will not be able to achieve the objectives of the expected change. In this regard, during organizational change, employees are required to accept, follow and run the change program, as well as committed to the change itself. Commitment to change is a mind-set that binds individuals to a behaviour that is deemed necessary for the successful implementation of initiation to change [3]. Previous studies [3], [4] showed that individual commitment to organizational change has a central role, in implementing and in the success of these changes itself. In other words, employees who are committed to change can predict the success of changes that occur in the organization. As a result, commitment to change needs to develop. About this, previous studies [1], [4]–[8] showed that many variables could influence the development of a commitment to change both internally and externally. Some of the essential variables that sources from the organization (external) are communication and trust.

Before and during the process of change, communication is essential, as according to [9], change communication is a process that occurs with various elements through shared realities that were built, which is essential in managing change. From the shared information that communicated, employees, understand the situation, which as a result, is willing to carry out the change program and committed to carrying out the change. Change communication is vital because it can provide information needed by employees as the existence of such information will give a clearer picture of changes to employees [10]. Even [11] stated that one of the roles of change leader is to communicate the organizational change, by socializing it before the implementation; as well as while monitoring the change program. Previous studies [4], [12]–[14], also showed that change communication had a positive impact on commitment to change. Meanwhile, although change communication is vital during organizational change, however, studies related to change communication on a commitment to change are still limited, which encourage the current researchers to conduct further investigation.

Another important and critical factor in change management is trust. As without confidence on the organization and management, people will not accept the organizational change, especially if the types of changes will impact their future status and well being [15], as well as if the changes will affect on their state and future in the organization, such a during merger and acquisition [16]. If there is trust and confidence in the organization, employees will easily follow every rule that has been made by the organization [17]. [17] also stated that employees who have a high level of organizational trust would exert all its efforts to bring benefits for both themselves and the organization. [18], in this regard, stated that organizational trust is hope of another individual or group who will make reasonable efforts to behave by commitment, honest in any form of negotiation based on loyalty, and not taking undue advantage of others despite the opportunity. Based on these arguments, it concludes that employees who trust, believe and have confidence in the organization, willfully think in every action that the company does, including the policy taken about organizational change. In this regard, employees will volunteer to make changes to succeed in the change itself. Previous studies [4], [19]–[21] showed that there is a positive impact on organizational trust on a commitment to change. These previous researches have conducted in different types of organization and mostly in public or state-owned companies [20], [21], based on this limited studies, the researchers conducted the present studies in banking and insurance institutions.

Based on the discussion above, in sum, change communication, and organizational trust is the essential variables in developing a commitment to change. Although equally important, the current researchers are interested to see how significant is the influence of change communication and trust in organizations on a commitment to change, as well as to identify the differences in their impact on commitment to change. Thus, the purpose of this study is to determine the effect of change communication and organizational trust on a commitment to change and finding the differences of influences between the two variables.

2. Literature Review

2.1. Commitment to Change

[3] define commitment to change as a mind-set that binds individuals to present behaviour deemed necessary for the successful implementation of initiation to change. The mentality itself can link individuals to actions that reflect commitment [3]. The dimension of commitment to change consists of three [3], the affective commitment to change which is the desire to provide support for change based on the belief that it is profitable. Employees with affective commitment to change, reacted to change based on positive feelings about the changes that will occur to the company, as they empathize and realize the benefits of the change for the organization. The second dimension is normative commitment to change, which is a sense of responsibility that employees had to provide support for organizational change, due to the feeling that comes from external bonds. In other words, employees had to carry out organizational change because they believe they should do it. The third dimension is continuance commitment to change, in which employees relating costs that incurred when failing to support change; they choose to commit due to the high prices that must be paid when deciding not to run organizational changes. In other words, employees have no choice but to undertake regulatory changes.

2.2. Change Communication

According to [9], change communication is a process that occurs with various elements through shared realities that were built, which is very important in managing change, further, change communication refers to aspects such as communication to explain new perspectives, make employee participation, support training processes, address issues related to change and marketing issues. [9] also reveal that there are three aspects of communication-shaping of change. The first aspect is the individual aspect which is the aspect derived from the individual who can form the communication itself. These aspects are: a) individual differences (personality, age, race, gender, ethnicity, education, and experience), b) selective in perceptions (particular message recipients in what is seen and heard based on need, motivation, experience, and background), c) the level of emotion in the individual (how the messenger feel at that time influences interpretation, and d) action (non-verbal communication will support verbal communication). The second aspect is the organizational aspect, consists of organizational complexity, which deals with organizational structure, hierarchy, control, reward systems, etc. that affect the way of communication. This aspect is also related to filtering information or information manipulation. The third or last aspect is the aspect of the message, consists of the content and quality of the message conveyed. This aspect refers to the actual information transferred between the sender and the recipient of the message, which includes the clarity variable of the message content. In this study, the current researchers use the three aspects of change communication.

2.3. Organizational Trust

Organizational trust is the expectation of another individual or group that will (a) make a good effort or good faith to behave in accordance with commitments - whether explicit or implicit, (b) honest in any form of negotiation based on commitment, and (c) Won't take profits from others despite the opportunity (Cummings and Bromiley, 1996). There are three dimensions of organizational trust, namely: predictability, integrity and benevolence. Predictability or dimension of commitment, a person with this dimension will behave in a way that fully demonstrates commitment. The second dimension is integrity. A person who has integrity, which is the dimension of refusing to take advantage of excess (in this case of the organizational change). The third dimension is good deed (benevolence). A person with good deeds is believed to be unlikely to make the slightest bad action even when there is an opportunity that no one else can see.

2.4. Commitment to change, organizational trust and change communication

To achieve the success of organizational change, commitment to change is essential and critical, as, without it, organizational change has the potential to be unsuccessful. As a result, commitment to change has to develop. Previous studies [1], [4]–[6], [8], [21]showed that many variables could influence the development of a commitment to change and two of the variables are organizational trust and change communication. [9] stated that change communication is a process that occurs with various elements through shared realities that were built and refers it to all aspects such as communication to explain new perspectives, make employee participation, support training processes, and address issues related to change and marketing issues. With the excellent means of change communication employees will have the information needed, and such information will provide a clearer picture of changes to employees [10]. Previous studies [19], [21], [22] also showed that there is a positive impact on organizational trust on a commitment to change. Based on these arguments, the following hypothesis develop:

H1: Change communication has a positive effect on a commitment to change.

Meanwhile, trust is a must during organizational change. As without trust people will not do whatever the management ask them to do. In other words, when employees have confidence in the organization, they will quickly follow every rule made by the organization and will exert all their efforts in order to bring benefits for both themselves and the organization [15], [17]. Previous studies about change communication, [4], [19], [21] showed that there is a positive impact of organizational trust on a commitment to change. Based on these discussions, the following hypothesis develop:

H2: Organizational trust has positive effects on a commitment to change.

3. Method

3.1. Research Design

The research design is a cross-sectional study (one-shot study) as the research was conducted in a single meeting on the specified respondents, also a retrospective study, due to the fact that this research investigates phenomena, situations, or problems that have occurred in the past, and a non-experimental type of research as there is no manipulation on any variables.

3.2. Sample and Sampling

The sampling method in this study is a nonprobability sampling design, using convenience sampling, which according to the characteristics of a sample. The sample used in

this study are 238 employees who work in banking and insurance companies. This research takes samples in banking and insurance companies in Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) area, in Indonesia. Characteristics of the sample are as follows: permanent employees with have worked for a minimum of two years, educational background is senior high school graduated and had experienced an organizational change in their present companies.

3.3. Data Collection Tools

The researchers measured the commitment to change using the Commitment to Change Inventory developed by [3] which consisted of 18 items. Commitment to Change Inventory is a Likert scale that ranges from a score of 1-6. Available answer options ranging from Strongly Disagree (STS), Disagree (TS), Somewhat Disagree (ATS), Somewhat Agree (AS), Agree (S), and Strongly Agree (SS). Respondents are asked to choose one of the answers from the available options. Each favourable item response translates into score 1 for STS choice, score 2 for TS option, 3 for ATS score, 4 for AS selection, 5 for S and 6 for SS. This questionnaire was translated into Bahasa Indonesia and modified to 6 (six) scales by [6]which tested its reliability and validity, also has been used many times in her researches.

To measure change communication, the researchers used Change Communication Questionnaire developed by [23]. The change communication measurement tool used by the researcher has been modified and has been translated into Bahasa Indonesia which also has been used by [4], [13]. The results of this modification to make the number of items in the gauge reduced to 12 items. Respondents' answers in the Change Communication Questionnaire measurements were measured using a Likert scale ranging from 1 to 6, consisting of Response Strongly Disagree (STS), Disagree (TS), Somewhat Disagree (ATS), Somewhat Agree (AS), Agree (S), and Strongly Agree (SS).

The organizational trust variable was measured using Organizational Trust Inventory developed [18]. It consists of three dimensions, which divided into 12 items consisting of a) Predictability b) Integrity and c) Benevolence. The questionnaire has been developed, modified and translated into Bahasa Indonesia and used by [21]. The items contained in Organizational Trust Inventory are 15 items. The fifteen items are items for organizational trust as a whole. The Organizational Trust Inventory is using a Likert scale of 1-6 ranges, comprising the Response Option Strongly Disagree (STS), Disagree (TS), Somewhat Disagree (ATS), Somewhat Agree (AS), Agree (S), And Strongly Agree (SS). The questionnaire has also been used many times in Mangundjaya's studies.

3.4. Data Analysis

Researchers have performed statistical processing using SPSS Statistics 20. Analytical processing conducted include Pearson product-moment correlation coefficient to determine the correlation between communication changes and organizational trust of commitment to change, linear regression techniques to find out how much influence the two independent variables to the dependent variable, hierarchical regression techniques to see which effect is more significant than the two independent variables to the dependent variable.

4. Result and Discussion

4.1. Demographic profiles

Respondents of this research are employees, who are permanent employees and worked at banking and insurance companies who have been experiencing organizational change.

There are 238 respondents as shown in Table 1 with the characteristics of the respondents, the percentage as well as the percentages of gender, age, length of works, and educational background. Table 1 shows that the majority of respondents are male (N=171 or 71.8%), and according to the categorization of Gloud (1979, the majority of respondents are under 30 years old (N=150 or 63%). Furthermore, the majority of respondents are the ones that graduated from university (N=162, or 68.1%), and have been working in the companies for about 2 to 5 years (N=136 or 57.1%).

Table 1. Profile of Respondents

Characteristics		Frequency (N)	Percentage (%)
Gender	Man	171	71.8
	Woman	67	28.2
Age	<30 years old	150	63.0
	31 – 44 years old	76	31.9
	45 years old	12	5.0
Length of works	2 – 5 years	136	57.1
	>5-10 years	73	30.7
	>10 years	29	12.2
Educational level	Senior High School	29	12.2
	Diploma	31	13.0
	Undergraduate	162	68.1
	Master degree	16	6.7

4.2. Demographic profiles

Table 2. Descriptive Analyses (N = 238)

Variables	Mean	Standard Deviation	Min.	Max.
Commitment to change	4.20	.43	3.11	5.72
Affective Commitment to Change	4.42	.73	2.67	6.00
Continuance Commitment to change	3.96	.78	1.83	6.00
Normative commitment to change	4.21	.51	2.50	6.00
Change communication	4.38	.63	2.42	6.00
Organizational trust	4.46	.66	2.07	6.00

Table 2 shows that the score of continuance commitment to change is the lowest compares to other variables, and organizational trust has the highest score amongst them.

4.3. Regression Analysis

The result of the correlation coefficient (r) between change communication with a commitment to change is .236, which significant in the level of $p< 0.01$ ($r = .236$, $p <0.01$, one-tailed). This result showed that there is a positive and significant relationship between change communication and commitment to change. Also, the researchers also obtained $R^2 = .056$, which means 5.6% of the variability of commitment to change can be explained through communication change scores, whereas for the remaining 94.4% can be explained by other variables.

Furthermore, the researcher uses linear regression analysis to identify how far change communication influences commitment to change. The researcher obtains the β value for the change communication variable of .236 which means that anyone with standard deviation increase in the change communication variable followed by a rise of .236 on the commitment variable to change and vice versa. The value of β is a true value of a variable, the higher β in a variable, the greater the value of the contribution of that variable to another variable. Based on the above table, it interpreted that change communication has a positive and significant influence on a commitment to change.

The result of the correlation between organizational trust variable with a commitment to change shows a positive and significant effect with r = .366, p<0.01. The value of linear regression analysis R2 = .134, which means 13.4% of the variability of commitment to change can be explained through trust scores on the organization, while other variables explain the rest. Through the calculation of linear regression analysis, the β value of .366, which means that each increase of 1 standard deviation on the confidence variable in the organization followed by a rise of .366 on a commitment to change. To sum, trust in an organization has a positive and significant effect to a commitment to change.

Table 3. Linear Regression

Variable	r	R^2	Adjusted R^2	B	Sig.
Change Communication with Commitment to Change	.236**	.056	.052	.236	.000**
Organizational Trust with Commitment to Change	.366**	.134	.131	.366	.000**

** significant at l.o.s. p<0.01 (*one-tailed*)

The correlation coefficient obtained by change communication and organizational trust showed: r = .367, n = 238, p<0.01. It concludes changes communication and organizational trust have a positive and significant relationship to a commitment to change. However, when viewed partially (respectively), change communication become insignificant to the commitment to change where p>0.01. Whereas, the impact of organizational trust is significant towards a commitment to change with p<0.01. Organizational trust has a value of β of .354 whereas change communication has a value of β of .021. The value of β is a true value of a variable, the greater β in a variable, the greater the value of the contribution of that variable to another variable.

The differences in the effect of change communication and organizational trust on a commitment to change are seen through the value of ΔR2. The higher the value of ΔR2, the higher the impact on other variables. In the above table, the amount of ΔR2 of the change communication is 0.00, while the value of ΔR2 of organizational trust is .079. Thus, the value of ΔR2 organizational trust against a commitment to change is higher than the amount of ΔR2 of communication changes, or even the score of communication to change has an insignificant impact on commitment to change.

Table 4. Hierarchical Regression

	β	R	R^2	Sig
	Commitment to Change			
Change Communication and Organizational Trust		.367**	.134	.000**
Change Communication	.021		ΔR^2 = .000	.786
Organizational Trust	.354		ΔR^2 = .079	.000**

4.4. Discussion

The study indicates that change communication has a positive impact on commitment to change. This study supports the previous research (Chawla & Kelloway, 2004). Pitts, 2006; Mangundjaya, 2014a; Foks, 2015; Mutidianti, 2015; Marchalina and Ahmad, 2017) which showed that there is a positive relationship between change communication and commitment to change. Therefore, it concludes that communication of change is a predictor of commitment to change. However, the beta coefficient value obtained from the linear regression between change communication and commitment to change is not too high, and even insignificant. This is assumed that there are other variables which also affect the relationship between change communication with commitment to change, such as psychological empowerment (Mangundjaya, 2015), readiness for change (Mangundjaya and Gondokusumo, 2013), organizational commitment (Mangundjaya, 2013), employee engagement (Mangundjaya, 2014b) and job satisfaction (Wulandari et al., 2015; Mangundjaya et al., 2015).

This study also showed that there is a positive impact on organizational trust on a commitment to change. This study is in line with previous researches (Kalyal & Saha, 2008, Mangundjaya, 2014b; Freund, 2014; and Mangundjaya, 2015). This result also affirms the last argument about the importance of trust during organizational change. Further analysis conducted by the researchers is to identify where there are differences between the score of organizational trust and change communication of the impact on commitment to change. The results showed that organizational trust has a higher effect compare to change communication process. These findings support Mangundjaya study (2014a), which showed the same results. It concludes that although change communication is critical. However, without organizational trust change will not be success effectively.

There are some limitations of this study, namely a) this study used questionnaires to collect the data, which is prone to common method biases (Podsakoff et al., 2003), further research with different types of data collection is needed. Another limitation is due to the kinds of organization, in this study data was collected from banking and insurance institutions, which cannot be generalized to other types of organization. Further study with different kinds of an organization should be conducted to get the consistent result.

5. Conclusion

This study showed that both organizational trust and change communication have a significant impact on commitment to change, in which organizational trust has higher score compared to communication changes in both banking and insurance companies. However, the influence of change communication on a commitment to change is still debatable. Which concludes trust is more important than change communication, or even clear communication

that can establish trust. It assumes, change communication itself is not enough to develop a commitment to change, it should be trust between employee to the organization, as, without trust, it is hard to get employee's commitment to change. As a result, to gain trust from employees, change agent and management should develop an open communication, before, during and after the change program. Moreover, conducting fair policies and treatment to all employees, is also needed to gain trust from the employees.

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