Factors Influencing Employee Attitudes Toward Organizational Change: Literature Review

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Abstract: *In the industrial era 4.0, change is inevitable. Therefore, companies must be able to adapt in order to survive and continue to exist. Employee attitudes towards organizational change are a psychological tendency of employees based on evaluative assessments of changes, both positive and negative assessments. The purpose of this analysis is to conduct a review of the factors that can influence employee attitudes towards organizational change. This analysis was conducted on 9 research journals published in the last 7 years. The analysis shows that the factors that influence the growth of work attachment consist of intrinsic and extrinsic factors.*

Keyword: employee attitudes toward organizational change

Introduction

Change is inevitable and will continue to occur, including in companies or organizations (Singh & Gupta, 2016). Change is an adaptation to adjust to environmental conditions and improve organizational performance. Companies or organizations that refuse to make changes or cannot adjust to the situation will not survive (Rebeka & Indradevi, 2015). At this time, change is necessary to maintain the success and existence of the organization (Al-Haddad & Kotnour, 2015).

Organizations need integrated approaches to encourage systematic, constructive change, minimize resistance to change, and overcome the consequences of the changes made (Al-Haddad & Kotnour, 2015). Singh & Gupta (2016) states that the main factors for organizational change are the organizational factors (external factors) and individual factors (internal factors). Making changes in the organization is not easy because it involves many parties and considerations. One of the things that needs to be considered in organizational change is employee attitudes toward organizational change (Amit, 2018; Rebeka & Indradevi, 2015; Singh & Gupta, 2016).

Employee attitudes toward organizational change is a psychological tendency of employees based on evaluative assessments of changes, both positive and negative assessments (Lines, 2005). Positive employee attitudes toward change can be shown from readiness and openness of the employees to accept change, while negative attitudes toward change can be seen from their resistance and cynicism about change (Bouckenooghe, 2009). Employees who have a positive attitude towards change are employees who can be relied on, while employees with a negative attitude towards change will hinder the development of the organization (Singh & Gupta, 2016).

A good strategy is needed by the organization to make changes in order to survive (Georgalis, Samaratunge, Kimberley, & Lu, 2014). However, about 70% of the changes made by organizations end up disappointing, even though they are costly (Pieterse, Caniëls, & Homan, 2012). Many factors can cause failure of changes made by an organization, and one of the main causes of failure of organizational changes is the negative attitude (resistance) of employees (Georgalis et al., 2014; Pieterse et al., 2012). The attitude of employees is very important in the changes made by organizations because they are the actors who implement the new policies made by the organization (Fugate, Prussia, & Kinicki, 2012). Resistance to organizational change can greatly hinder the process of change and produce negative results, such as decreased employee satisfaction, productivity, and welfare (Georgalis et al., 2014).

Method

To find out the factors that can influence employee attitudes towards organizational change, an analysis and assessment of 9 journals related to employee attitudes towards organizational change published in 2012-2016 was conducted. From 9 journals, 3,595 subjects with various characters were obtained.

Result

Based on the analysis of 9 journals, it was found that in general, employee attitudes towards organizational change are influenced by internal factors and external factors. The external factors affecting employee attitudes towards organizational change can be divided into two, namely organizational factors (policies) and work environment (leaders and co-workers).

Research conducted by Giauque (2014) shows that internal factors (self) and external factors in the form of organizational policies and work environment (leaders and colleagues) have an influence on employee attitudes in the organizational change. Giauque (2014) also examined the relationship of *perceived social support, perceived organizational support,* and *stress perception* on employee attitudes in the organizational change. The results of Giauque's research (2014)

concluded that *perceived social support* and *perceived organizational support* foster positive attitudes of the employees in facing change, whereas *stress perception* experienced by employees creates negative attitudes towards organizational change.

Internal Factors

The first internal factor is work-related values. Based on research conducted by Alas et al. (2013) on 1,267 employees of hotels in Turkey, it was shown that work-related values fostered positive employee attitudes towards organizational change. Alas et al. (2013) states that the best predictors of employee attitudes toward organizational change are cultural values and ideological values of leadership, followed by values related to specialization and personal values. Personal values can increase employee job satisfaction if employees have confidence that managers are able to solve the company problems.

The second internal factor is self-efficacy and threat appraisal (assessment of threats). A study conducted by El-Farra & Badawi (2012) on 88 Coastal Municipalities Water Utility employees who were all male with 43.2 percent having 15 years or more experience, while 12.5 percent had less than five years experience revealed that self-efficacy and threat appraisal have an influence on employee attitudes in facing organizational change. It was also found that self-efficacy is the most significant predictor of positive employee attitudes in facing organizational change.

Giauque (2014) found that the internal factors causing negative employee attitudes toward organizational change are stress perception. Giauque (2014) conducted a study on 720 middle managers in Swiss public hospitals. The study involved variable organizational commitment as a partial mediator that also increases employee positive attitudes towards organizational change. Another study by Yousef (2016) showed that job satisfaction affect employee positive attitudes towards organizational change, both directly and indirectly. Indirect job satisfaction can increase employee positive attitudes towards organizational change by providing organizational commitment. The subjects of the study were 295 Employees of King Faisal Hospital, Al-Taif, Kingdom of Saudi Arabia.

The next internal factor that can increase employee positive attitudes towards organizational change is organizational commitment. Using the social exchange theory, Nafei (2014) examines organizational commitment as a predictor of employee positive attitudes. An interesting point in the research revealed that there are differences between employees regarding their evaluative attitude towards organizational commitment, and lack of job opportunities elsewhere is the reason why employees stay there. Nafei (2014) also concluded that employees with high organizational commitment were more willing to put more effort into the change project. Therefore, it is more likely that they

develop a positive attitude towards organizational change.

Employees' negative attitudes towards changes in the organization can change with employee awareness of the need for these changes (Katsaros et al., 2014). A study by Katsaros et al. (2014) on employees working in a hospital, including doctors, nurses, and administrative officers consisting of 389 people found that job-related attitude including job satisfaction, organizational commitment, and job involvement can lead to positive employee attitudes towards change. In addition, the research also proved that job-related characteristics which included skill variability, task identity, task significant feedback, autonomy, and goal clarity, also influenced the emergence of positive employee attitudes towards organizational change.

Other internal factors that can foster positive or negative attitudes of employees towards organizational change are skill development, employee trust, fear on change consequences, and career enhancement (Rebeka & Indradevi, 2015). The study conducted on 60 employees from the manufacturing industry showed that the first factor that can foster employee positive attitudes towards change is skill development. Employees who have good skills are more confident about changes, so they have a positive attitude towards these changes. The second factor is trust. Employees who have confidence in management or organization tend to accept change more than cynical employees. The third factor is fear of the consequences of change. Employees who have negative perceptions about the consequences of change tend to feel negatively about organizational change. The other factor is career enhancement. Employees who feel they will benefit from a change in their organization will accept the change.

External Factors

The first external factor that can influence employee attitudes towards organizational change is co-workers. In Giauque's (2014) study on 720 middle managers in public hospitals, Switzerland, it was revealed that perceived social support influence employees in responding to organizational change. Employees who support and strengthen each other to deal with organizational change create a positive attitude. In addition to co-workers, other external factors that can influence employee perceptions of organizational change are the leadership attitudes and policies of the organization to prepare for change (Amit, 2018; Singh & Gupta, 2016).

External factors that can affect employee attitudes toward organizational include leadership style (transformational or transactional), engagement manager, and leader-member exchange (Georgalis et al., 2014; Holten & Brenner, 2015). Research conducted by Georgalis et al. (2014) on 100 employees in an Australian company consisting of 59 men and 41 women showed the importance of leader-member relations and managing perceptions of fairness through

the dissemination of quality information. Georgalis et al. (2014) suggest that a good relationship between leaders and employees influence the attitude of the employees towards the policies made by the leaders. The study confirmed that leader-member exchange has a significant negative relationship on employee resistance to organizational change.

External factors related to leadership attitudes in the form of leadership style also influence employee attitudes towards organizational change. Research conducted by Holten & Brenner (2015) of 351 members from two organizations in Denmark shows that different attitudes of employees are influenced by leadership style. Based on this research, it is evident that the leadership style has a significant direct impact on employee attitudes in facing organizational change. Transformational leadership style has a positive long-term effect on employee attitudes towards organizational change, whereas transactional leadership has a negative long-term effect on employee attitudes towards organizational change.

The third external factor that can influence employee attitudes towards organizational change is the policy or treatment of the organization, such as involvement in change, perceived organizational support, quality of information, and organizational justice (El-Farra & Badawi, 2012; Georgalis et al., 2014; Giauque, 2014; Rebeka & Indradevi, 2015). Based on the research conducted by El-Farra & Badawi (2012) and Giauque (2014), it was revealed that support from an organization (perceived organizational support) could increase employees' positive attitudes towards organizational change. Employees who feel they have the support of the company tend to feel positively about organizational change.

Another factor is organizational justice, which also has a positive influence on employee attitudes towards organizational change. Research on employees in an Australian company consisting of 59 men and 41 women by Georgalis et al. (2014) showed that employees who felt treated fairly, especially in information fairness, had a significantly positive attitude in facing organizational change. Research conducted by El-Farra & Badawi (2012) also showed similar result, in that the clarity of information about the process of organizational change determined the attitude of employees in dealing with organizational change.

Besides, involvement in change of the process of organizational change has a significant positive effect. Research conducted by Rebeka & Indradevi (2015) on 60 employees from the manufacturing industry consisting of 41 men and 19 women found that employees involved in the process of organizational change and asked for opinions on policies felt more enthusiastic in responding to changes in the organization.

Conclusion

Based on the results of an analysis of 9 research journals about employee attitudes toward organizational change, it can be concluded that employee attitudes toward organizational change are influenced by several factors. The factors influencing employee attitudes towards organizational change can be categorized into two major groups, namely intrinsic and extrinsic factors.

The internal factors that can affect employee attitudes toward organizational change are work-related values, self-efficacy, threat appraisal, stress perception, job-related attitudes (organizational commitment, job satisfaction, and job invoices), job-related characteristics (skill variants, tasks identity, task significant feedback, autonomy, and goal clarity), skill development, employee trust, fear on change consequences, and career enhancement. The external factors include perceived social support, perceived organizational support, leadership style (transformational and transactional), leader member exchange, manager engagement, involvement in change, perceived organizational support, quality of information, and organizational justice.

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