

Followership, Ambidextrous Leadership and Change Readiness in Manufacturing Company

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ABSTRACT

According to several previous studies, some of the problem that arise in change activities in an organization are usually a weak of leadership, organizational structure that does not support and employee resistance. This study aims to analyze the influence of ambidextrous leadership and followership on the readiness for change in a company. This study took a sample of 75 employees from 17 foreign investment companies in Indonesia from 7 countries. Testing statistical data used is the Smart PLS application. The conclusion of this study is that ambidexterity leadership is shown to have a direct positive influence on readiness for change. Followership has also been shown to have a direct positive influence on readiness for change. We provide advice to companies in preparing for change, in order to increase the ability of ambidextrous leaders through increasing the ability of exploration and exploitation of leaders. In addition the company must also build an open atmosphere of work, so that employees have an authentic attitude that encourages readiness for change.

Keywords- *ambidextrous leadership, authentic followership, change readiness.*

1. INTRODUCTION

Paton (2012) mentioned that success in exploiting a change requires knowledge of environmental conditions and circumstances, understanding the interactions and potential impacts of the various related variables. In other research, Celik & Ozsoy (2016) in their research concluded that a company must adapt to changes that occur in the industry environment and choose a model of changes that aligned with the company's structure and strategy. Practically, not all changes programs in an organization run smoothly. One of the causes is employee resistance. Meanwhile, negative impacts on employees' behaviour in the facing of changes process happened in continuous large-scale change projects (Viktorsson, 2014). Whereas attitudes of employee resistances are not always shown openly such as complaints, slow work or strikes. Sometimes, the rejection is shown indirectly form (Robbins & Judge, 2013). They noted that the indirect employee rejection upon the changes is the hardest problem in change management, because it is not clear to identify. The resistance is usually in the form of slow response, low of motivation, distrust and avoidance of engagement to the company.

Even though employee knew that change program can improve high company performance (Camisón & Villar-López, 2014) and will have competitiveness in several business operation and obtain the best company performance (Kilic et al., 2015), but there are still many employee

resistance problems in change programs. Shinwon et al., (2015) suggested management to build organization readiness to deal with changes by continuously informing employees about changes. The information can be gained from management innovation activities, gathering their opinions and providing a channel for sharing progress and the result. Management in the company must also recognize the importance of understanding employees about the reasons or pressures that require companies to make changes at various levels in accordance with the correct perspective. The main factor of failure in the change process was organizational unpreparedness because there was no emphasis on the importance of building a sense of urgency through aggressive collaboration among employees (Elizabeth Viktorsson (2014). Meanwhile Del Val & Fuentes (2003) indicated 4 significance issues faced by leaders which become resistance factors during change process, namely: different interests between employees and management, communication problems, organizational and capabilities gap. On the other hand, employees must also have initiatives so that there is no resistance to change (Sofat & Kiran, 2015). The success of the change process is determined by the readiness of management as leaders and employees as followers in facing of organizational changes.

Benzer, Charns, Hamdan & Afaible (2017) concluded that the dimensions of organizational structure in the organizational context of a company have an influence on the readiness of the change process. In other research in IT field companies, Tai, Wang, & Wang, (2017) concluded that in an effort to

improve innovation capability, companies must implement ambidextrous organizations through exploitation and exploration activities in information and technology. The organizational structure in an innovation process also has an important role.

According to the results of the above studies, it can be concluded that the change activities in a company would influence on improving company performance and positive influence to employee. The implementation of organizational change activities are faced with complex problems. From the literature study method and meta-analysis review of scientific articles related to change management during the years 1980 to 2011 by Mosadeghrad & Ansarian (2014), concluded that many companies have found difficulties in implementing organizational change. The failure of a change management is caused by several factors: leadership, organizational culture, human and speed of response (Song, 2009). Meanwhile, Kotter (2007) identified that not emphasize the importance of building a sense of urgency through cooperation among employees aggressively can be main factor of the failure in the change process.

Based on those previous studies, it can be concluded that a followership and leadership in various styles will effect on the readiness of changes. In accordance with the studies, our research aim to analysis the influences of authentic followership and ambidextrous leadership on change readiness in manufacturing company by distributing questionnaires to 75 employees who working in 17 difference foreign companies located in the industrial area of Bekasi, Indonesia. The purpose of this research is to examine:

1. The influence of authentic followership on change readiness;
2. The influence of ambidextrous leadership on change readiness.

2. THEORETICAL BACKGROUND

Followership

Followers and followership are important to leadership, therefore some leadership study begin to discuss a lot about followership (Baker, 2007; Bligh, 2011; Carsten, Uhl-Bien, West, Patera, & McGregor, 2010; Sy, 2010). Leadership can be seen as a context of a dynamic relationship between leaders (or leading) and followers (or following) Shamir, 2012; Uhl-Bien & Ospina, 2012). According to Mohamdzadeh (2015), followership is a developing paradigm in organizational behaviour which focuses mainly on followers. He divided followership in 2 (two) perspectives, firstly as "subordination" perspective in organizational and secondly as someone who knows himself as a follower of a leader, regardless of his position in the organizational hierarchy. Effective followership according Baker & Mathis (2011) has dimensions as follows: doing the job, working with others and embracing change. In this study, we define followership

as the capacity or willingness to follow leaders with special characteristics, behaviours and processes in paradigm of organizational behaviour.

Ambidextrous Leadership

In his literature study, O'Reilly & Tushman (2013) found that Robert Duncan (1976) was the first researcher to use the term ambidexterity in a management literature. Several discussions on organizational studies try to discuss the concept of organization ambidexterity, including (Tushman & O'Reilly, 1996) which proposes the concept of organization ambidexterity by defining it as the ability of an organization to carry out incremental and interrupted innovations simultaneously, starting from providing various structures, processes, and culture within the company. This capability is needed for the company's long-term survival.

Ambidexterity, in fact, defines the co-existing business abilities of running the current processes as well as being able to acclimatize constantly the organization to a mutable environment. In a nutshell, an ambidextrous organization shows, at the same time, both exploitative and explorative strengths (Junni et al., 2013). Rosing et al. (2011) define ambidextrous leadership as the ability to foster both explorative and exploitative behaviors in followers by increasing or reducing variance in their behavior and flexibly switching between those behaviors. Ambidexterity leadership defined as the leader's ability of a complex and adaptive system to manage and meet conflicting demands by engaging in fundamentally different activities (Bledow, 2009). In this study, we used the dimensions of ambidextrous leadership by opening behaviour, closing behaviour, flexibility and adaptability in adapting changes.

Change Readiness

Change has become one of the big issue in organizational behaviour theory (Wetzel and Van Gorp, 2014). It is interesting to explore and study organizational change. Previous studies in change management have focused on the content and trends of changes (Sashkin and Burke, 1987), explore change introduction (Pasmore and Fagans, 1992), summarize and categorize change developments (Woodman, 1989), and assess change themes (Armenakis and Bedeian, 1999). Recently the study in organizational change realized the importance of recipients' perspective is gently increasing and researchers acknowledging the role of employees in the success of organizational change (Mdletye et al., 2013; Rafferty and Restubog, 2010).

Change readiness has been emphasized as a positive and proactive response to change over time as a function of affective and cognitive evaluations of the conditions of the immediate change environment; more distal influences from individual, collective, and contextual sources; and prior and/or anticipated evaluations or responses (Stevens, 2013). The greatest challenge of change lies in the similarity of assumptions within the organization altering the literature

that employees need to be "prepared ready" for the imminent changes in the organization (Aremenakis & Harris, 2002). According to Vakola (2013) readiness to changes is affected by the extent to which employees trust their organization's ability to change, trust those who lead the way and set the example, and receive all the necessary information regarding change. In this study, we define change readiness as the organizational climate in adapting changes, awareness of changes, commitment to changes and competencies (skill and knowledge).

Followership, Ambidexterity Leadership and Change Readiness

According to Oreg et al. (2011) employees' participation, communication and information are termed as the process of change, and it is the antecedents of employees' reactions towards organizational change. For a successful organizational change the recognition of the followership concept on individual, group, and organizational levels and methods for producing good effective followers are very important (Bennis, 2010). Nazir et al. (2011) concludes that corporate ambiguity in terms of exploration and exploitation has a positive influence on the ability of radical change and the ability of gradual change. Another study by Franco & Cerimele, (2019) concluded that companies need to utilize the known and unknown variables of a complex condition with exploration and exploitation activities in order to find the right way to respond to changes that occur. Based on the results of study Y. I. Zhang et al. (2018) concluded that the preceding factors of the ability of ambidexterity have a positive influence on the ability and performance of employees in the process of change. Diab (2014) identified that leadership was positively related to all area of organizational change (technological change, change in organizational structure and change in human resources). Leadership behavior is instrumental in nature and does not allow followers to engage beyond their expectations and think critically about organizational goals and processes. Additionally, followership has effected the relationship between transactional leadership style and frequency of change (Khan, Busari, Abdullah & Mughal, 2018).

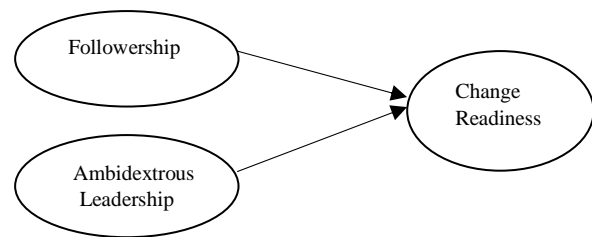
3. RESEARCH METHODOLOGY AND FRAMEWORK

The research was conducted in 17 companies located in Bekasi Industrial Estate, Indonesia with a purposive sampling technique from 75 Indonesian employees with manager positions to directors. The respondents works in 17 foreign investment companies from 7 countries The instrument test was conducted using SPSS 2.5 to test the validity where r (table) = 0.361 (N = 30) and the reliability test with the Cronbach Alpha value > 0.60.

Smart PLS was performed to examine our proposal of hypotheses. Firstly, we performed validity and reliability test by SPSS application. Validity test can be done by looking at convergent validity and discriminant validity of the indicator. To find out the test of discriminant validity, it is done by comparing the square root of average variance extracted (SR of AVE) with cross loading from the indicator. If the AVE construct is greater than the cross loading factor, it can be concluded to have good discriminant validity. In this research, loading factor is 0,5 value. If a loading factor value < 0.50, it must be eliminated in order to obtain a specific model (Mattjik & Sumertajaya, 2011 & Chin, 2010). Based on previous literature researches, our study structured theoretical frameworks with the hypothesis constructed as follows:

- H1: Followership significantly influence on the change readiness;
- H2: Ambidextrous leadership significantly influence on the change readiness;

The research framework of this study can describe in figure 1.



4. RESULT AND DISCUSSION

Perception of respondent upon the questionnaires which represent of each variable (strongly agree=5, agree=4, neutral=3, not agree=2 and strongly not agree=1) can be summarized as the table below:

Table 1: Respondents' Perception

Var	Calc.	Respondent's Perception					AVG
		Strongly agree	Agree	Neutral	Not Agree	Strongly Not Agree	
AF	Freq.	33	104	33	3	2	3,93
	%	18,9%	59,4%	18,9%	1,7%	1,1%	
AL	Freq.	63	87	20	5	0	4,32
	%	46,7%	41,4%	9,5%	2,4%	0,0%	
RC	Freq.	46	96	32	1	0	4,07
	%	26,3%	54,9%	18,3%	0,6%	0,0%	

From above table, we can conclude that the perception of respondent mostly agreed with all variables used in this research.

Validity and Reliability Test

Based on the instrument validity test by Pearson's correlation with cut-off correlation coefficient (r table) > 0.3338, it concluded that all questionnaire instruments of followership, ambidextrous leadership and change readiness have correlation coefficient > 0,3338. Thus we can conclude

that all indicators applied are valid. Meanwhile, the results of the instrument reliability test by using Cronbach alpha with value of 0.6, it concluded that all variables (followership, ambidextrous leadership and change readiness) have Cronchbach alpha > 0,6. Thus we can conclude that the instruments used as variables have been reliable.

Construct Validity Test

Construct validity has been tested by calculate convergent validity and discriminant validity. Convergent validity test using loading factor > 0,7 and discriminant validity test of each variable that must be > cross loading other variables. Based on convergent validity test of each variable in this study shown that item indicators of F4 and F5 are not valid due to it has loading factor 0,493 and 0,461 respectively. After those 2 (two) indicators are eliminated, the result of construct validity test using AVE indicator as shown in the table below:

Table 2: Construct Validity Test

Variabel	AVE
Followership	0.588
Ambidextrous Leadership	0.572
Change Readiness	0.565

Based on the table above it can be seen that all variables, namely followership, ambidextrous leadership and change readiness yield the value of Average Variance Extracted (AVE) greater than 0.5. Thus the indicator is declared valid to measure the variable.

Meanwhile, based on the cross loading test, it resulted that the overall indicators of authentic followership, ambidextrous leadership, readiness to changes, and innovative performance indicators generate greater cross loading value compared to cross loading on other variables. Thus it can be stated that each indicator is able to measure the latent variables that correspond to the indicator.

Construct Reliability Test

Table 3: Construct Reliability Test

Variabel	Cronbachs Alpha	Composite Reliability
Followership	0.765	0.844
Ambidextrous Leadership	0.824	0.873
Change Readiness	0.781	0.834

Calculations that can be used to test construct reliability are cronbach alpha and composite reliability. The test criteria states that if the reliability composite is worth greater than 0.7 and the cronbach alpha is greater than 0.6, the construct is concluded reliable. The calculation results of composite

reliability and cronbach alpha can be seen through the summary presented in the table 3.

Based on the table 3 it can be seen that the value of Cronbachs Alpha is greater than 0.6 and the composite reliability value is greater than 0.7. Therefore, based on the calculation resulted from all indicators above, it expressed reliable in measuring the latent variables.

Hypothesis Test

Significance testing is used to test whether there is an influence of exogenous variables on endogenous variables. The test criteria state that if the T-statistics value \geq T-table (1.96) then there is a significant effect of exogenous variables on endogenous variables. The results of significance testing can be known through the following table.

Table 4. Significance Test

Eksogen	Endogen	Orig. Sample (O)	T Statistics (O/STERR)	P-Values
Followership	Change readiness	0.471	3.113	0.001
Ambidextrous Leadership	Change readiness	0.436	2.885	0.004

The test criteria state that if the T-calc value \geq T-table (1.96), then there is significance influence of exogenous variables on endogenous variables. The result of hypothesis test for each hypothesis is in the following table:

Table 5. Hypothesis Test

	Hypothesis Test Result		
	Hypothesis	t-calc	Result
H1	Followership significantly influence on the change readiness	3.322	Ha accepted
H2	Ambidextrous leadership significantly influence on change readiness	2.913	Ha accepted

From table I above, from 2 hypotheses proposed in this study, all of hypotheses are accepted, with the following explanation:

The degree of confidence $\alpha = 0.05$ and the number of samples > 100, the t-table is 1.96. If t-count is smaller than t-table (1.96), then Ho is rejected and H1 is accepted. The complete t-test for the five hypotheses is as follows:

1. The t-value of hypothesis 1 is 3.322. This t-value > t-table 1.96, so it is in the area of rejection of Ho, therefore Ha is accepted. It concluded that ambidexterity significantly influence on the change readiness.
2. The t-value of hypothesis 1 is 2.913. This t-value > t-table 1.96, so it is in the area of rejection of Ho, therefore Ha is accepted. It concluded that ambidexterity significantly influence on the change readiness.

5. CONCLUSION

This research concludes that followership has directly influence on change readiness and the ambidextrous leadership has also directly influences on change readiness. Based on the result of this research, we recommend the management to enhance organizational change readiness by:

- Improving employee awareness and competency to carry out change programs in their respective duties and work.
- Improving the ambidexterity ability of the leaders to lead the change programs which will have an impact on the ability to control the business processes in order to improve the company's change readiness.
- Considering the strategy in enhancing organizational change readiness by improving the ambidexterity capability of the leaders in exploit current business process and explore a new business.

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