

# Leadership and Commitment to Organizational Change of Government Employee in Padang, West Sumatra

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## ABSTRACT

The aim of this research is to examine the influence of two leadership styles (transformational leadership and transactional leadership) on commitment to organizational change of government employee in Padang, West Sumatra. This research object is employee working as government employee in Padang city. This research used questionnaires as primary sources of data to measure the variables. This research used purposive sampling to determine the sample. This research used 176 respondents, from several public sector organizations in Padang city. The data will be analysed using regression analysis, using SPSS. The results found that both transformational leadership style and transactional leadership style had positive and significant impact on commitment to organizational change.

**Keywords:** *Commitment to organizational change, Transformational leadership, Transactional leadership.*

## 1. INTRODUCTION

Organizational change refers to the movement of an organization from one condition to another [1]. Many changes occur in organizations, such as mergers, acquisitions, new policies and the adoption of new technology. During organizational change, organization needs to consider the employee's reaction to change, such as the employee's commitment to change. Commitment to organizational change is important because it is one of the factors that influence employee support for these changes [2]. Employee commitment to change becomes a bridge that connects employees with the goals of organizational change. In addition, commitment to change is also a factor that contributes to the success or failure of a change.

Although commitment to change in an organization is important, there are still few studies that analyse the variables that influence it [1]. Meanwhile, there is little empirical evidence to support the theory made regarding the impact of organizational change on change results. Employee commitment, including commitment to organizational change closely related to leadership. Leadership can help increase employee organizational commitment so that organizations can implement business strategies, achieve goals, create competitive advantages, and optimize human resources.

Employee reactions to change determine by leadership [3]. The effect of leadership is the basis for leaders to influence employees to work beyond their expectations for the benefit of the organization. This leads employees to be identified more strongly with the organization and ultimately creates a greater desire to contribute to the organizational change program.

In the change process, a leader plays a very important role in managing relationships, coordinating change, adapting operational activities to strategies, building structures and developing rewards [1]. This research uses transformational leadership and transactional leadership as antecedents of employee commitment to organizational change. Both types of leadership use an approach that empowers employees to take responsibility for change and motivates them to engage and actualize themselves in the organizational change process. This approach generates optimism and setting expectations for followers to do their best. Therefore, transformational leaders and transactional leaders are expected to get real commitment from employees and have a positive effect on employee attitudes in organizational change. With support from their leaders, employees are more receptive to messages conveyed by change.

There is little research specifically on employee commitment to organizational change, especially with regard to the factors that influence it. This research specifically examines the relationship between employee perception of transformational leadership style and transactional leadership style on commitment to organizational change.

### ***1.1. Employee Commitment to Organizational Change***

Employee commitment to change in organization is the willingness to give the best effort for change that occurs in the organization, a construct that describes a positive and proactive attitude towards change [4]. Commitment to change not only shows a positive attitude towards change, but also an attitude that is in line with change, an intention to support, and a desire to work with the goal is success of organizational change.

The employee commitment when organization held a change reflects the intention of proactive behaviour to support and work towards success which is the goal of organizational change [4]. When organizational change has been internalized, individuals involved in activities to meet the goals of themselves and those in the organization. Optimism, high energy involvement and persistence characterize commitment at the internal level. To understand employee commitment to change can be done through measuring the content of change, the context of change, the change process, and leadership in an organization. The content of organizational change is one of the important issues in the public sector reform research and also received a lot of attention in the change management research. This is related to change initiatives and how the changes that occur in the organization are perceived by employees [5]. Furthermore, the context of organizational change refers to the characteristics of organization and members of the organization that preceded organizational change [2]. Factors related to the changing context focus on the conditions or environment that exists in the internal and external environment of the organization that have been shown to influence the organizational change [6]. Next is the change process, which refers to the interventions and processes that occur in implementing change initiatives. It deals with actions and also strategies taken by organizational change agents during the implementation of the changes [4]. Previous researcher assumed that the process of organizational change has related to employee commitment to change itself. Finally, Gerçeka's research (in 2018) believes that leadership has an influence on changes that occur in organizations [7].

### ***1.2. Transformational leadership***

Leadership plays an important role in employee management, including when organizational changes occur. An important question arises in leadership

research and practice, namely how leadership can drive successful change in an organization [3]. The transformational and transactional leadership approach developed by Bass and Avolio is one of the approaches that are widely used today in studying leadership.

Bass states that transformational leadership consists of four dimensions. The four dimensions of transformational leadership consist of, first, intellectual stimulation, in which transformational leaders use intellectual drive to manage employees and carry out creative role models by taking new approaches to problem solving, and challenging the status quo, and supporting change [8]. The second dimension of individual consideration, transformational leaders focus on employee development, involves paying attention to the needs of followers, showing empathy, and appreciation and supporting followers' views and initiatives. Next, charisma or ideal influence, transformational leaders are charismatic and have inspirational personalities, employees certainly preferred to follow and learn from these leaders. So it can be viewed in terms of behavioral relationships [9]. The fourth dimension is inspirational motivation; transformational leaders have inspired motivation to encourage their followers to have a vision. Furthermore, transformational leadership can make employees more motivated to engage in organizational change through a clear depiction of the vision.

Hypothesis 1: Transformational leadership has a positive and significant effect on employee commitment to organizational change

### ***1.3. Transactional Leadership***

In contrast to transformational leadership, transactional leadership focuses on the role of performance and little in stimulating new ideas [3]. Transactional leadership is based on exchange relationships where the leader makes clear what is expected of his followers [9]. In simple terms, transactional leadership is defined as the means by which a leader moves his followers by offering rewards or awards for every contribution that employees make to the organization. The main focus in transactional leadership is goal setting, clarifying the relationship between performance and rewards, and providing constructive feedback to keep followers on task [8]. The first characteristic of transactional leadership is a group award in the form of an award from the leader because the task has been carried out, a bonus or an increase in facilities or income. This is intended to give appreciation or praise to subordinates for the efforts they have done. Second, exception management, emphasizing the management function as supervision. The leader sees and evaluates if there is an error to make a correction, the leader intervenes with subordinates if they do not follow the predetermined standards. Therefore, in this study, transactional leadership is

expected to help increase employee commitment to organizational change.

Hypothesis 2: Transactional leadership has a positive and significant effect on employee commitment to organizational change.

## **2. METHOD**

### **2.1. Design**

This research has purpose to determine the relationship between leadership and attitudes towards organizational change in government sector organizations in Padang, a city in West Sumatra Province, Indonesia. This research design is a confirmatory study to test the hypothesis. Organizational change is a social phenomenon that should be better captured and generalized when using survey methods [10]. The sample used is employees in public organizations in West Sumatra.

This research is a survey research. Survey is a measurement process used to collect information [11]. This survey research includes quantitative research where the research data is in the form of numbers and the analysis uses statistics. This research is a quantitative study using cross-sectional data collection method, a study by collecting data at a time to answer questions. Hypothesis testing is done to test the effect of the independent variable on the dependent variable.

### **2.2. Population and Sampling Method**

For an unknown population that does not have a sample frame, the sampling technique that can be used is non-probability sampling [11]. In this study, the sampling technique used was purposive technique, with defined criteria, namely employees who work in public sector organizations that are undergoing changes in West Sumatra. This research was conducted at several public sector organizations. The areas that were the research locations is in Padang, West Sumatra.

This research is a survey research where one of its advantages lies in generalization, so the more respondents used the better [10]. Therefore, this time the researcher tries to get more respondents than the minimum requirements. The total number of respondents targeted in this study was 176 respondents, spread across various government agencies in Padang.

### **2.3. Method of collecting data**

The data collection method in this research is a questionnaire. The questionnaire in this study will be administered privately (self-administrated survey).

### **2.4. Data analysis method**

To test the hypothesis, the data obtained from the research results will be analyzed using regression

analysis. Regression analysis was conducted to test the simultaneous impact of the independent variables on the dependent.

## **3. RESULTS AND DISCUSSION**

### **3.1. Results**

The highest number of respondents based on gender were women, namely 107 people, while men were 69 people. So, it can be concluded that the characteristics of respondents based on gender are dominated by women. Then characteristics of respondents based on age dominated > 51 years as many as 51 respondent and respondents based on the tenure of service were dominated by < 5 years as many as 42 people.

From the reliability test results in the table above, the Cronbach's Alpha value for transformational leadership is 0.860 which is said to be reliable and the transactional leadership variable is 0.815 which is said to be reliable. While the commitment to change is 0.859 which is also said to be reliable.

Based on the results of the regression analysis output for the independent variable transformational leadership to the dependent variable commitment to change has a positive regression coefficient of 0.435 with a significant value of 0.000 < 0.05, this indicates that each one unit increase in transformational leadership will increase the commitment to change is 0.435. The calculation results show that transformational leadership style has a positive and significant impact on the commitment of employee towards change.

Furthermore, the results of the regression analysis output for the independent variable transactional leadership on the dependent variable of commitment to change have a positive regression coefficient of 0.582 with a significant value of 0.000 < 0.05, this indicates that each one unit increase in transactional leadership will increase the commitment to change by 0.582. The calculation results show that transactional leadership has a positive and significant effect on commitment to change.

### **3.2. Discussion**

Based on the results of research data analysis using SPSS, it was found that hypothesis 1, which states that transformational leadership has a positive and significant effect on employee commitment to organizational change is supported. These results indicate that the tendency of transformational leadership that offers goals beyond the short-term targets that have been set and is more focused on higher intrinsic needs has an effect on employee commitment during organizational change [12]. The four dimensions of transformational leadership, namely ideal influence, inspiring motivation, intellectual stimulation, and individual consideration.

Ideal influence or often known as charisma, is the extent to which a leader behaves admirably, which makes his followers identify with the leader. When organizational change occurs, a charismatic leader can help increase employee commitment to organizational change by demonstrating beliefs, attitudes, and attracting followers emotionally. Inspirational motivation shows the extent to which a leader is able to explain the vision in a way that is attractive and able to inspire followers. Commitment to organizational change requires leaders with inspirational motivation who are able to challenge followers to high standards, communicate optimism about future goal achievement, and give meaning to the work done. Intellectual stimulus is the extent to which the leader is able to break down assumptions, take risks, and collect ideas from followers. With intellectual stimulation, leaders can increase employee commitment to organizational change by encouraging employee creativity. Creative employees are more likely to like organizational change, and will be committed to making that change a success. Individual consideration shows the leader's ability to meet the needs of each of his followers, act as a mentor, or coach for followers, and listen to the concerns and needs of his followers. Commitment to organizational change can be created when employees feel cared for individually.

Organizational change is a strategic process and is often associated with leadership. This is because leadership acts as a strategic decision maker. Therefore, leadership can affect employee commitment to organizational change [1].

Furthermore, hypothesis 2 which states that transactional leadership style has a positive and significant effect on employee commitment to change, is supported. Transactional leadership has three dimensions, namely: contingent reward, passive and active management by exception. Contingent reward is the extent to which the leader makes constructive transactions or exchanges with their employees. When changes occur, leaders who are able to explain expectations and set rewards for meeting expectations can help increase employee commitment to change. In general, management by exception is the extent to which the leader takes corrective action on the basis of the outcome of leader-follower transactions. Organizational change requires leaders who are able to take action quickly. The difference between management by exception - active and management by exception: passive lies in the timing of the leader intervention. The leader actively monitors the behaviour of followers, anticipates problems, and takes corrective action before the behaviour causes serious difficulties. Passive leaders wait until the behaviour causes problems before taking action [1].

## 4. CONCLUSION

Based on the research results, it can be concluded that: (1) Transformational leadership style has a positive and significant impact on employee commitment to organizational change. These results indicate that the tendency of transformational leadership that offers goals beyond short-term targets that have been set and is more focused on intrinsic needs has a higher effect on employee commitment in times of organizational change; (2) Transactional leadership style has a positive and significant effect on employee commitment to change. Transactional leadership has three dimensions, namely: contingent reward, management by exception - passive and active.

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