

The Influence of Perceived Organizational Support and Transformational Leadership on Employees' Change Readiness in PT Makmur Bintang Plastindo Medan

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Abstract- The growth of the company as well as the increasingly high business competition requires the organization to change. The success of the change process within the organization cannot be separated from the human resources in the organization. Employee readiness in facing change is one factor that needs to be taken into account in the success of organizational change. The purpose of this study is to determine factors which influence of perceived organizational support and transformational leadership on employees change readiness in PT MBP Medan. The study involved 144 permanent employees. Data were obtained through several measurement instruments which are readiness change scale, perceived organizational support scale and transformational leadership scale. The result of multiple regression analysis shows that perceived organizational support and transformational leadership have a positive influence on employees' change readiness. Perceived organizational support and transformational leadership contributed in change readiness among employees by 53.4%.

Keywords- Change Readiness; Perceived Organizational Support; Transformational Leadership.

I. INTRODUCTION

Changes that occur within the organization are inevitable; this is due to several major factors that influence such as globalization, information technology, and managerial innovation [1]. Madsen, Miller, & John [2] states that there are several internal factors that require the company to change, such as the growth of the company itself, the opportunity to grow the company's business, the new innovations from within the company and the policies undertaken by the management company.

Eisenberger, Huntington, Hutchinson & Sowa [3] states that the main thing in the theory of perception of organizational support is the norm of reciprocity. The theory of reciprocity norms states that when employees are treated fairly by the organization there will be a sense of responsibility for responding positively to attitudes and

behaviors that will benefit the organization. This is in accordance with Beheshtifar & Zare [4] research results which state that it is important for employees to feel supported by the organization because it will produce a positive attitude to help the organization in achieving its goals.

Employees' change readiness is the driving force behind the effectiveness of organizational change. If the employee does not believe that the change is necessary or the employee sees that the company is not capable of making the change, then the change process will fail [5].

Based on literature and research on leadership, it is argued that transformational leadership is very effectively applied in environments characterized by high and challenging uncertainties, such as when change occurs [6]. This opinion is also supported by Herold, Fedor, Caldwell,

& Liu [7] who argue that transformational leadership is a very appropriate leadership for the effectiveness of organizational change.

PT Makmur Bintang Plastindo is a company engaged in manufacturing that is doing some changes related to the rapid development of the company. The company business that used to produce only sack/jute made of plastic material is currently doing the development by opening a new factory to produce yarn and reprocessing products that are damaged /bad stock. This condition requires the company to make changes which start from the system, structure, share value, strategy and other areas within the company. Associated with these changes, organizations are making improvements in traditional management systems to be

more modern one, such as traditional HR management will be developed into a strategic management system. Organizations also make changes in the organizational structure as well as the company's vision and mission (Personal Interview with HR & GA Manager, September 2016). On these grounds, the following research question has been developed:

Do perceived organizational support and transformational leadership influence on employees' change readiness in PT Makmur Bintang Plastindo Medan?

II. METHOD

The operational definition of the variables in this study is:

Table 1. Changed Readiness Dimension

Dimension	Operational Definition
Appropriateness	Employee assurance that change is feasible and the organization will benefit from implementing change.
Change Specific Efficacy	Employee assurance that they have the skills and are able to perform tasks related to change.
Management Support	Employee's assurance or perception that management will support and commit to implement planned changes.
Personal Valance	The personal benefits employees will gain when changes are implemented.

Table 2. Perceive of Organizational Support Dimension

Dimension	Operational Definition
Fairness	Employee perceptions of fair treatment by the organization
Supervisor Support	Employee perceptions that organization will support and care about employee welfare
Organizational Reward & Job Condition	Employee perceptions that the organization provides an opportunity for employees to get an appreciation and pay attention to employee working conditions

Table 3. Aspects of Transformational Leadership

Dimension	Operational Definition
Idealized Influence Charisma	Leaders, who give exemplary, be role models, respected and admired by subordinates.
Inspirational Motivation	Leaders who provide inspiration in working by stimulating subordinates to be more enthusiastic and also trying to increase

	subordinate confidence in carrying out tasks and achieve group goals.
Intellectual Stimulation	Leaders who increase the efforts of their subordinates to be more innovative and creative by encouraging subordinates to rethink how they work so far, and look for new ways of performing their duties and in perceiving their duties.
Individual Consideration	Give special attention to the needs of each subordinate to excel and grow by acting as a friendly, informal coach, always closer to subordinates, and treating all subordinates fairly

In this study, researchers conducted population research. The subject of the research is the total permanent employee of PT MBP with 145 employees.

Data collection method used in Likert scale with several options. The scale used is change readiness, perceived organizational support and transformational leadership.

In validity of measuring instruments in this study, the authors use the content validity, because content validity is the main thing in a test through professional judgment. The researcher asks for professional consideration, which in this case is the supervisor and other competent in giving consideration, starting from the beginning of blueprint formation until the formation of measuring instrument used in this research.

Reliability test in this research use internal consistency reliability approach with single trial administration. That is, the scale is given only once to a group of individuals as subjects [8]. Reliability testing is done by using Alpha Cronbach coefficient.

The item analysis in this study conducted by using Pearson Product Moment coefficient with 95% confidence interval using computer application SPSS version 20 for windows.

III. FINDINGS

The Influence of Perceived Organizational Support and Transformational Leadership on Employees' Change Readiness

Tabel 4. Perceived Organizational Support and Transformational Leadership influence on Employees' Change Readiness Regression Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3994.521	2	1997.260	80.923	.000 ^a
	Residual	3480.035	141	24.681		
	Total	7474.556	143			

Df = Degree of freedom; F= F statistic; Sig = Significance

Based on table 4 it can be seen that the value of $F_{\text{statistic}} = 80.923$ with the significance value $p = 0,000$ ($p < 0.05$), while the value of F_{table} for $N = 144$ and significance $p = 0.05$ obtained F_{table} of 3.06 ($F_{\text{statistic}} > F_{\text{table}}$: $80.923 > 3.06$). The results of this analysis meet the requirements of hypothesis testing where if $F_{\text{statistic}} > F_{\text{table}}$ and significance $p < 0.05$, then H_a accepted and H_0 rejected which means hypothesis 1 in this study is acceptable. So it can be

concluded that perceived of organizational support and perception of transformational leadership together positively influence change readiness.

The calculation of correlation coefficient is also done to see how much contribution of perceived organizational support and transformational leadership perception on change readiness as seen in Table 5, as following.

Table 5. Perceived of Organizational Support and Transformational Leadership on employees' Readiness Changed Regression Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.731 ^a	.534	.528	4.968

R= linear coefficients between X and Y; R² = coefficient of determination

Based on Table 5 above, it can be seen that the variable of perceived organizational support and transformational leadership perception has a role of 53.4% towards employees change readiness in PT MBP Medan, the remaining 46.6% influenced by other factors not examined

in this study such as gender, age, education, socio-economic, cultural, and others. Furthermore the regression coefficient will be described in table 6 below.

Table 6 Perceived Organizational Support and Transformational Leadership on employees' Change Readiness Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	17.466	3.945		4.427	.000
	Dukungan Organisasi	.529	.070	.586	7.556	.000
	Kepemimpinan Transformatif	.126	.050	.195	2.516	.013

Description: B = regression coefficient; t = t statistic Sig = Significance

Based on Table 6 above, the multiple linear regression equation in this study is $Y = 17.466 + .529X_1 + .126X_2$. Constanta 17.466 in the equation shows that if the perceived organizational support and transformational leadership variable is 0, then employees change readiness in PT MBP has a value of 17,466. The value of the regression coefficient of perceived organizational support variable is .529 and transformational leadership perception variable is .126. This means that any increase in perceived organizational support by 1 point, will increase employees' change readiness .529 points and any increase transformational leadership perceptions by 1 point, then change readiness will increase by .126 points.

The results show that perceived organizational support and transformational leadership have influence on employees change readiness in PT MBP Medan. This showed from the results of multiple regression analysis through regression equation $Y = 17.466 + 0.529$ (organizational support) $+ 0.126$ (transformational leadership). In this case each increase in perceived

organizational support by 1 point will increase employee change readiness of 0.529 points and each increase in perceptions of transformational leadership by 1 point, and then change readiness will increase by 0.126 points. Thus perceived organizational support and transformational leadership influence on readiness change.

According to Armenakis & Bedeian [9] which states that the initial concept of change readiness greatly emphasizes the importance of management support, the extent to which organizational leaders support the change, is a major contributor to employee readiness in the face of change. Management support helps employees overcome the demands of their roles [10] so that supportive relationships generate more positive employee attitudes toward change [11], which in turn helps employees work effectively [12]. Organizational support and transformational leadership play an important role in change readiness because the company's preparation is related to changes, such as ongoing training for both employees and leaders and the availability of new positions for the promotion process for

employees, so that employees have the opportunity to develop a career.

IV. CONCLUSIONS

Based on the results of data analysis and discussion in the previous chapter, the following concluded the research results:

Perceived organizational support and transformational leadership have a significant role simultaneously to employees change readiness in PT MBP Medan as 53.4%. This means that change readiness is influenced by perceived organizational support and transformational leadership where the effective contribution given is 53.4% while the other 46.6% is influenced by other factors.

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