EMPLOYEE RESISTANCE TO ORGANIZATIONAL CHANGE AT PT. BANK MANDIRI (PERSERO) TBK. MANADO

RESISTENSI KARYAWAN TERHADAP PERUBAHAN DALAM ORGANISASI PADA PT. BANK MANDIRI (PERSERO) TBK. MANADO

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Abstract: Dynamic change in terms of technology and business condition insists an organization to be adaptive toward change in order to survive the market. However resistance during the implementation may occur because of certain factor. This research aims to analyze employee resistance to change at PT. Bank Mandiri (Persero) Tbk. Manado in this case using variable such as: Personality Traits, Communication Quality, Participation in Decision Making, and Job Security. This research uses quantitative method with questionnaires to collect the data, and Multiple Linear Regression as the tool of analysis. The samples in this research are 86 employees of PT. Bank Mandiri (Persero) Tbk. The findings revealed that Personality Traits have negative relationship and no significant influence toward the Employee Resistance to Organizational Change, Communication Quality and Participation in Decision Making have positive relationship but no significant influence toward the Employee Resistance to Organizational Change, while Job Security have positive relationship and significant influence toward the Employee Resistance to Organizational Change. From the results, it is recommended for organization to consider in certain factor that cause resistance toward change by increasing social interaction between employee and security in terms of their work, and a means for employees to participate without feeling burdened.

Keywords*: personality traits, communication quality, participation in decision making, job security, employee resistance to organizational change*

Abstrak: *Perubahan dinamis yang terjadi pada teknologi dan kondisi bisnis mengharuskan sebuah organisasi untuk lebih adaptif terhadap perubahan agar dapat bertahan dalam industry. Namun resistensi dalam proses pengimplementasian dapat terjadi oleh karena beberapa faktor. Penelitian ini bertujuan untuk menganalisa resistensi karyawan terhadap perubahan pada PT. Bank Mandiri (Persero) Tbk. Manado, dalam kasus ini menggunakan variable diantaranya sifat kepribadian, kualitas komunikasi, partisipasi dalam pengambilan keputusan, dan keamanan kerja. Penelitian ini menggunakan metode kuantitatif dengan penyebaran kuesioner untuk pengambilan data, dan Regresi Linear Berganda sebagai alat analisa. Sampel dalam penelitian ini adalah 86 karyawan pada PT. Bank Mandiri (Persero) Tbk. Manado. Hasil dari penelitian ini menemukan bahwa sifat kepribadian memiliki hubungan yang negatif dan tidak signifikan terhadap resistensi karyawan pada perubahan dalam organisasi, kualitas komunikasi dan partisipasi dalam pengambilan keputusan memiliki hubungan yang positif namun tidak signifikan terhadap resistensi karyawan pada perubahan dalam organisasi, sedangkan keamanan kerja memiliki hubungan yang positif dan signifikan terhadap resistensi karyawan pada perubahan dalam organisasi. Dari hasil ini, maka direkomendasikan bagi organisasi untuk memperhatikan beberapa faktor yang menjadi penyebab resistensi terhadap perubahan dengan meningkatkan interaksi social antar karyawan dan keamanan dalam hal pekerjaan, dan sarana bagi karyawan untuk berpartisipasi tanpa merasa terbebani.*

Kata kunci*: sifat kepribadian, kualitas komunikasi, partisipasi dalam pengambilan keputusan, keamanan kerja, resistensi karyawan pada perubahan dalam organisasi*

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INTRODUCTION

Research Background

The development of industry at the present time insists an organization to keep evolve in order to meet customer demand and to survive the market. Sousa *et al.,* (2010) imply that to achieve a sustainable competitive advantage, a firm should monitor and respond effectively and quickly to changes in customer needs. By this condition, pressure that exists for an organization to be adaptive toward dynamic business environment is high. Change may occur due to the fact of dynamic change in industry. Change in business characteristics, structure, technology, and many other important lead an organization to create new method in adaptive way.

Change in banking sector also inevitable. The economic crisis that hit Indonesian in 1997 caused the Indonesian economy to experience deterioration as well as the banking industry. This industry had many problems when Indonesia experienced a monetary crisis both capital problems and bad debt problems. Since that change continue to occur in every aspect in banking industry. Bonsu (2014) state that in recent time financial institution all over the world operate in very dynamic market and experience the external pressure related to global economic crisis and advanced technology that requires the ability to catch the opportunity in order to be competitive. Thus, banking industry in Indonesia has the potential to affect by the change and cause cases that have a negative impact on the sustainability of the organization itself. In addition to this, affect the productivity of employee within the banking industry.

In PT. Bank Mandiri (Persero) Tbk as one of the largest State-Owned Bank in Indonesia specifically, in PT. Bank Mandiri (Persero) Tbk. Manado Dotulolong Lasut there are 86 employees spread in 9 units. While conducting change implementation, the problem that probably arises is related to human resource. Human resources are one of the hardest parts to manage in organization. But also, one of the important part that expected to provide a great benefit to organization in every aspect. However, this occurred because of different in perception, behavior, habit and many more that may lead to resistance towards new things which raises uncertainty among work environment.

Draw attention to this, barriers for an organization to adapt with the change are getting considerable. There are several factors that have a potential to affect resistance of employee toward organizational change. Internal or external factors that arising within the employee itself. For this reason, the major contribution of this study is to explore the effect of Personality Traits, Communication Quality, Participation in Decision Making and Job Security as the independent variable on Employee Resistance to Organizational Change as the dependent variable.

Research Objective

The research objectives are to identify the significant effect of:
1. Personality traits, communication quality, participation in the decision making process, and job security toward employee resistances to change in organization simultaneously.
2. Personality traits toward employee resistances to change in organization partially
3. Communication quality toward employee resistances to change in organization partially.
4. Participation in the decision making process toward employee resistances to change in organization partially.
5. Job security toward employee resistances to change in organization partially.

THEORETICAL REVIEW

Human Resource Management

Ganesan (2014:56) implies Human Resource Management as a system that focuses on human resource development on one hand and effective management of people on the other hand so that people will enjoy human dignity in their employment. Human Resource Management is treated as a process that brings people and organizations together in order that the goals of each are met. This is a part of the management process which involves the management of human resources in an organization.

Organizational Change

Organizational change refers to a relatively enduring alternation of the present state of an organization or its components or interrelationships amongst the components, and their differential and integrated functions totally or partially, in order to attain greater viability in the context of the present and anticipated future

environment (Boohene and Williams, 2012). Thus, an organizational change is the transformation as well as modification in method, strategy, technology, structure, and examines the effect of this change.

Employee Resistance to Change

Boohene and Williams (2012) define resistance to change as the employee action or inaction that is intended to avoid a change and/or interfere with the successful implementation of a change in its current form. When change is introduced in organization, it produces a range of reactions due to the inherent uncertainty or to the incentives that alter human behavioral patterns such as: status quo, anxiety, lack of tolerance, etc.

Personality Traits

According to (Diener and Lucas, 2019:45) Personality traits is the reflection of people's characteristics patterns of thoughts, feeling, and behavior that distinguish them from other people. In a simple words, the way that person behave to certain situation. Amarantou *et al.,* 2018 argue that personality traits include shorter thinking, cognitive rigidity, and relationship during work. Defensive mechanisms, irrational thoughts and personal characteristics of each employee.

Communication Quality

Communication is the process of conveying feelings, thoughts, beliefs, attitudes and behaviours verbally, non-verbally or in writing in order to influence other people's behaviours or to come to a certain conclusion (Akan *et al.,* 2016). Effective communication is a transaction of ideas, directory command or guide into oral or written words, or actions on the path of the communicator in such a way that the receiver gets the same message and reacts in manner envisaged by the communicator (Akam, 2011:78).

Participation in Decision Making

Employee participation in the decision-making is defined as a process in which the control and the decision making are shared between superiors and their subordinates (Amarantou *et al.,* 2018). Participation is an organizational mechanism, giving employees the right to make decisions and the matching amount of responsibility, so that they feel aware of contributing to organizational performance.

Job Security

Employee job security refers to both insecurity and fear of losing power/prestige (Amarantou *et al.,* 2018). Job insecurity defines as an individual's expectations about continuity in a job situation. Thus, the employees with low performance and with no differentiating skills can be replaced by others at any point of time, since many others are available who could do the same job, hence more job insecurity.

Previous Research

Amarantou *et al.,* (2018) in identify the factors affecting employee resistance to change in healthcare organizations in Greek hospitals found that "resistance to change" is (indirectly) influenced by four main factors ("employee-management relationship", "personality traits", "employee participation in the decision making process", and "job security").

Akan *et al.,* (2016) conducted in banking sector related to influence of organizational communication on resistance to change. This study compares critical communication and goal setting between private bank and state bank. However the result of this study show that Communication quality is necessary and become the priority either in private bank or state bank in Marmara Region (Turkey). Communications related to goal setting also influence the personality of the employee and refer to employee involvement. Based on the several statement according to employee can be conclude that managers have critical approach toward employees' personality.

Gürses and Helvacı (2011) found in their study "The Reasons for Teachers' Resistance to Change in Schools" indicate that elementary school teachers show resistance to change in the middle level and this resistance is the result of poor quality of communication or lack of information regarding change process, and their reluctance to take new charges and responsibilities. It has also been concluded that the resistances resulting from the school's lack of capacity are high, and that the resistances resulting from the fear of getting harmed by the change such as losing jobs are low.
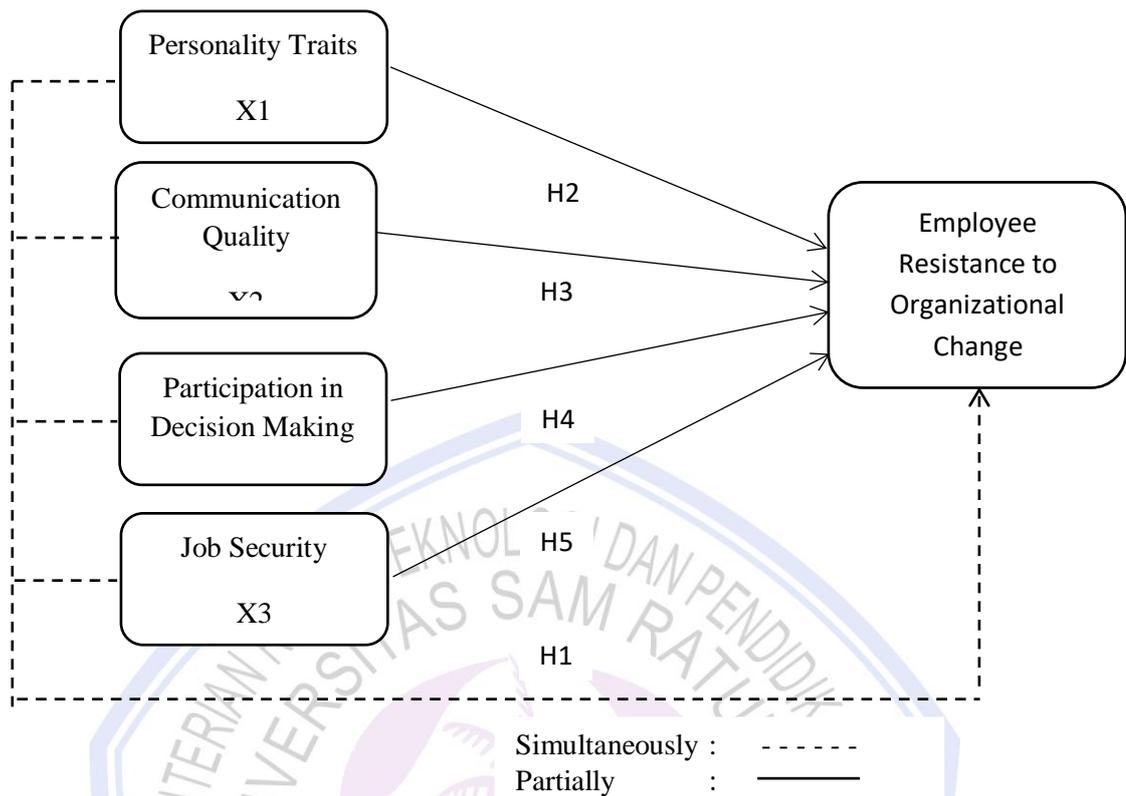
Conceptual Framework

Figure 1. Conceptual Framework
Source: Data Processed, 2019

RESEARCH METHOD

Research Approach

This research is using quantitative approach. Quantitative approach emphasize objective measurements and the statistical, mathematical, or numerical analysis of data collected through polls, questionnaires, and surveys, or by manipulating pre-existing statistical data using computational techniques. Causal analysis is a research conducted to establish cause-and-effect relationship among variables. This is undertaken to find out the influence of Personality traits (X1), Communication Quality (X2), Participation in Decision making (X3), and Job Security (X4) toward Employee resistance to change (Y) in PT. Bank Mandiri Tbk. Manado.

Population, Sample, and Sampling Technique

The population of this research is 86 employees of PT. Bank Mandiri (Persero) Tbk. Manado that spread in 9 units. Sample refers to a part of number and characteristic possessed by population (Sugiyono, 2012;67). The type of sampling used in this study is simple random sampling. In this research all the population will be used as the samples which are 86 Employees in PT. Bank Mandiri (Persero) Tbk Manado.

Data Collection Method

Primary and Secondary data are used as the main source of this study. The primary data of this study were taken from the questionnaires. The questionnaires were distributed to respondents so they can respond directly on the questionnaires. The secondary data of this study were taken from textbook, journal, internet searches, and organizational website.

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Operational Definition of Research Variables
Table 1. Variable Definition

Variable	Definition	Indicators
Personality Traits (X1)	Person's character, action, attitude in responding the change that distinguishes them from others.	- Self-Efficacy - Optimism - Self-Esteem
Communication Quality (X2)	Standard in exchange communication toward change process between people in organization.	- Adequate Knowledge Exchange - Feedback
Participation in Decision Making (X3)	The way of expressing ideas by the employee toward short-term or long-term planning regarding the change	- Emotional Involvement - Equal Opportunity - Motivation
Job Security (X4)	Job guarantee provide for employee	- Job Loss - Loss of Power and Prestige - Fear of Uncertainty
Employee Resistance to Change (Y)	Rejection of the employee toward change implementation in the organization.	- Internal Sources - External Sources

Source: Author's Note, 2019

Validity and Reliability
Validity test use to measure the obtaining data are in line with the research concept. In other words, the instrument items used to obtain the data is correct and related with the concept of the research that will be conducted. Reliability test use to measure the consistency of instrument items. Reliability test defined as an index that showed how far instrument items can be trusted or dependable.

Multiple Linear Regression
Multiple linear regression (MLR) is the suitable method of analysis when research problem consist of a single metric dependent variable estimated to be related to two or more metric independent variables. Multiple linear regression (MLR) are used to express the effect of independent variables and the dependent variable. The formula of linear regression (multiple linear regressions) in general as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + B_3 X_3 + \beta_4 X_4 + \varepsilon$$

Description:
Y = Dependent Variable (Employee Resistance to Organizational Change)
X1 = Personality Traits
X2 = Communication Quality
X3 = Participation in Decision Making
X4 = Job Security
A = Constant
$\beta_1, \beta_2, \beta_3, \beta_4, \& \beta_5$ = the regression coefficient of each variable
ε = Error

RESULT AND DISCUSSION

Result
Validity and Reliability
The validity test of personality traits (X1), communication quality (X2), participation in decision making (X3), job security (X4), and employee resistance to organizational change (Y) are greater than r_{table} 0,3 which means all the indicators are valid. The variable is reliable because the value of Cronbach's Alpha is 0,794 bigger than 0,3.

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Result of Multiple Linear Regression Analysis
Table 2. Multiple Linear Regression Result

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.886	1.663		2.337	.022
	Personality Traits	-.009	.083	-.012	-.104	.917
	Communication Quality	.128	.086	.154	1.495	.139
	Decision Making	.066	.074	.086	.891	.375
	Job Security	.598	.079	.629	7.607	.000

Coefficients[a]

a. Dependent Variable: Employee Resistance

Source: SPSS Output, 2019

Multiple regression analysis is used to determine the effect of the independent variables on dependent variable. The multiple linear regression equation can be interpreted as follows:

1. Constant value of 3.886 means that in a condition of ceteris paribus, if all independent variables equal to zero, then Employee Resistance to Organizational Change (Y) as dependent variable will be 3.886.
2. X1 coefficient value of -0.009 means that if there is one unit increase in Personality Traits (X1) then the Employee Resistance to Organizational Change (Y) will decrease by 0.009.
3. X2 coefficient value of 0.128 means that if there is one unit increase in Communication Quality (X2) then the Employee Resistance to Organizational Change (Y) will imrpove and increase by 0.128
4. X3 coefficient value of 0.066 means that if there is one unit increase in Participation in Decision Making (X3) then the Employee Resistance to Organizational Change (Y) will improve and increase by 0.066.
5. X4 coefficient value of 0.598 means that if there is one unit increase in Job Security (X4) then the Employee Resistance to Organizational Change (Y) will decrease by 0.598

Testing the Goodness of fit: Coefficient of Multiple Correlation (R) and Coefficient of Determination (R^2)
Table 3. Result of R and R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.730[a]	.533	.510	2.194

Model Summary

a. Predictors: (Constant), Job Security, Decision Making, Communication Quality, Personality Traits
Source: Data Processed, 2019

The value of R is 0.730 indicating a strong relationship between independent and dependent variable. The value of R2 is 0.533 or 53.3%. It means that Personality Traits, Communication Quality, Participation in Decision Making, and Job Security explain 53.3% of variation in the Employee Resistance to Organizational Change (Y), while the remaining 46.7% is explained by other factors outside the model or not discussed in this research.

Multicollinearity
Table 4. Multicollinearity Statistics

		Coefficients^a						
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	3.886	1.663		2.337	.022		
	Personality Traits	-.009	.083	-.012	-.104	.917	.471	2.124
	Communication Quality	.128	.086	.154	1.495	.139	.540	1.851
	Decision Making	.066	.074	.086	.891	.375	.617	1.620
	Job Security	.598	.079	.629	7.607	.000	.843	1.186
a. Dependent Variable: Employee Resistance								

Source: Data Processed, 2019

Based on the result in table 4, the VIF value of Personality Traits is 2.124, Communication Quality is 1.851, Participation in Decision Making is 1.620 and Job Security is 1.186 meaning that the VIF value of each variable is less than 10. Since VIF value of each independent variable is less than 10, this research is free from multicollinearity.
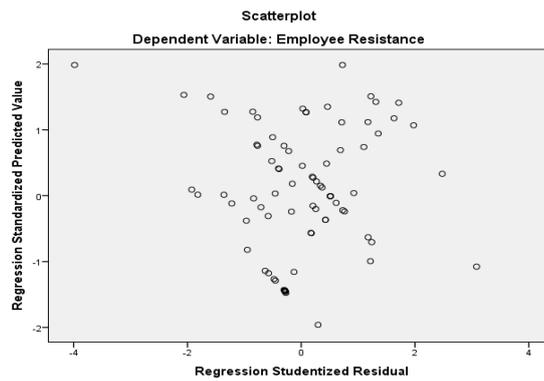
Heteroscedasticity

Figure 2. Heteroscedasticity Test
Source: Data Processed, 2019

Figure 2 show that the dots are spreading above and below the number zero (0) in the Y axis. This proves that there is no heteroscedasticity in this regression.
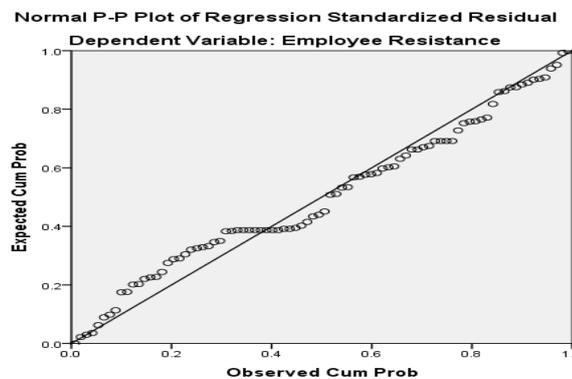
Normality

Figure 3. Normality Test
Source: Data Processed, 2019

Figure 3 shows that the dots are spreading near to the diagonal line and follow the direction of the diagonal line. Therefore, the normality test is accepted which means the data of this research is normally distributed.

Hypothesis Testing
f-test
Table 5. Simultaneous Test (f-test Output)

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	444.698	4	111.174	23.106	.000^b
	Residual	389.732	81	4.812		
	Total	834.430	85			
a. Dependent Variable: Employee Resistance						
b. Predictors: (Constant), Job Security, Decision Making, Communication Quality, Personality Traits						

Source: Data Processed, 2019

Table 5 shows the value is 23.106. By determining the degree of freedom 1 (numerator) is 4 and degree of freedom 2 (denumerator) is 81 with level of significance is 0.05 ($\alpha = 0.05$) and the level of confidence is 95% then F_{table} is 2.49. The result is F_{count} (23.106) > F_{table} (2.49). Therefore, since F_{count} is greater than F_{table}, Hypothesis 1 is accepted which means the independent variables simultaneously influence the dependent variable significantly.

t-test
Table 6. Partial Test (t-test Output)

Variable	t_{count}	t_{table}	Description
Personality Traits (x1)	-0.104	1.667	Rejected
Communication Quality (x2)	1.495	1.667	Rejected
Participation in Decision Making (x3)	0.891	1.667	Rejected
Job Security (x4)	7.607	1.667	Accepted

Source: Data Processed, 2019

The interpretations are:
1. The value of t-count of X_1 is -0.104 with the level significant of 0.917. Since the value of t_{count} = -0.104 < t_{table} = 1.667 meaning that H_2 is rejected.
2. The value of t-count of X_2 is 1.495 with the level significant of 0.139. Since the value of t_{count} = 1.495 < t_{table} = 1.667 meaning that H_3 is rejected.
3. The value of t-count of X_3 is 0.891 with the level significant of 0.375. Since the value of t_{count} = 0.891 < t_{table} = 1.667 meaning that H_4 is rejected.
4. The value of t-count of X_4 is 7.607 with the level significant of 0.000. Since the value of t_{count} = 7.607 > t_{table} = 1.667 meaning that H_5 is accepted.

Discussion

The independent variables are Personality Traits, Communication Quality, Participation in Decision Making Process, and Job Security have significant effect toward Employee Resistance to Organizational Change as the dependent variable simultaneously. This is support with previous research done by Amarantou *et al.,* (2018) and Boohene and Williams (2012). However, Personality Traits degree of importance is much lower compare to other factors; therefore it has have a negative and not significant influence to Employee Resistance to Organizational Change. However, this result comes up because of the difference in the type of industry. Personality Traits have its full effect within the Healthcare industry rather than Banking industry. Communication Quality and Participation in Decision Making have positive relationship to Employee Resistance to Organizational Change, however it is not that significant because there is any other factor that has a big significant influence to resistance to change and due to the fact of different perception of employee in organization that have a tendency to rely on manager regarding the change. Job Security have positive and significant effect to Employee Resistance to Organizational Change. This result is reasonable because Job Security directly influences the job position and related to financial matters of the employee. It will make the employee find difficulty to maintain the position or

even get the salary deduction and cause a loss of power and prestige. So, Job Security act as one of the major aspect that need to be consider; meanings that improvement toward this will eventually give a great impact toward the resistance to change of the employee.

CONCLUSION AND RECOMMENDATION

Conclusion

After examining the findings and discussing the result, the conclusions based on this research can be formulated as follows:

1. There are any significant effect of Personality Traits, Communication Quality, Participation in Decision Making Process, and Job Security toward Employee Resistance to Organizational Change simultaneously.
2. There is no any significant effect of Personality Traits with indicator such as Self-efficacy, Optimism, and Self-esteem toward Employee Resistance to Organizational Change.
3. There is any significant effect of Communication Quality with indicator such as adequate knowledge exchange and feedback toward Employee Resistance to Organizational Change.
4. There is any significant effect of Participation in Decision Making with indicator such as emotional involvement, equal opportunity, and motivation toward Employee Resistance to Organizational Change
5. There is any significant effect of Job Security with indicator such as job loss, loss of power and prestige, and fear of uncertainty toward Employee Resistance to Organizational Change

Recommendation

Actions that can be taken by the organization related to resistance to change are; adding moral training regarding work team. Work team support the expansion of mindset of the employee itself related to personality traits. Creating friendly work environment in order to provide the comfortable working condition that makes the employee feel free and to remove bad vibes inside the organization that affect Communication Quality between manager and employee or even employee with employee. In addition, manager can create new regulation that will not burden the employee itself. Such as: having a regular day out between employees and manager in special occasion. It can be the best ways to improve the communication and to increase social interaction between employees. Providing suggestion box is the best way to overcome problem related to participation in decision making, because it can facilitate the employee to give suggestion and recommendation or even criticism regarding the change process. By creating comprehensive job contract, Job security problem can be overcome. And employee eventually will feel secure and satisfy of their job.

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