

CHANGE MANAGEMENT, EMPLOYEES' RESISTANCE, ORGANIZATIONAL COMMUNICATION, AND ORGANIZATIONAL COMMITMENT TOWARD CHANGE IMPLEMENTATION AT PT. BANK SULUTGO

MANAJEMEN PERUBAHAN, RESISTENSI KARYAWAN, KOMUNIKASI DALAM BERORGANISASI, DAN KOMITMEN DALAM BERORGANISASI TERHADAP IMPLEMENTASI PERUBAHAN DI PT. BANK SULUTGO

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Abstract: Change is inevitable. Every individual will go through changes every now and then. Organizations also undergo changes that happen to them. One of the industry in Indonesia that surely affected by changes and the developments that happening is the banking industry. With all the changes and developments that are happening simultaneously, it forces each organization to find solutions specifically for them, can be applied to the whole organization, and is in line with the organization's goals and beliefs/value. This research aims to analyze Change Management, Employees' Resistance, Organizational Communication, and Organizational Commitment toward Change Implementation at PT. Bank SULUTGO. This research uses Quantitative method and the data was collected through questionnaires. Multiple Linear Regression was used as the tool of analysis. The sample in this research are 58 employees of PT. Bank SULUTGO. The results of this research revealed that there is no any significant effect of Change Management toward the Change Implementation, there is no any significant effect of Employees' Resistance toward Change Implementation, there is any significant effect of Organizational Communication toward Change Implementation, and there is any significant effect of Organizational Commitment toward Change Implementation. It is recommended for the organization to improve the systematic approach, tools, and resources to deal with changes..

Keywords: change management, employees' resistance, organizational communication, organizational commitment, change implementation

Abstrak: Perubahan tidak bisa dihindari. Setiap individu akan mengalami perubahan setiap saat. Organisasi juga mengalami perubahan yang terjadi pada mereka. Salah satu industri di Indonesia yang pasti terkena dampak perubahan dan perkembangan yang terjadi adalah industri perbankan. Dengan segala perubahan dan perkembangan yang terjadi secara bersamaan, mengharuskan setiap organisasi untuk mencari solusi menghadapi hal tersebut yang khusus untuk mereka, dapat diterapkan pada seluruh organisasi, dan sejalan dengan tujuan dan keyakinan/nilai organisasi. Penelitian ini bertujuan untuk menganalisis Manajemen Perubahan, Resistensi Karyawan, Komunikasi Organisasi, dan Komitmen Organisasi Terhadap Implementasi Perubahan di PT. Bank SULUTGO. Penelitian ini menggunakan metode Kuantitatif dan data dikumpulkan melalui kuesioner. Regresi Linier Berganda digunakan sebagai alat analisis. Sampel dalam penelitian ini adalah 58 karyawan PT. Bank SULUTGO. Hasil penelitian ini mengungkapkan bahwa tidak ada pengaruh yang signifikan Manajemen Perubahan terhadap Implementasi Perubahan, tidak ada pengaruh yang signifikan dari Perlawanan Karyawan terhadap Implementasi Perubahan, ada pengaruh yang signifikan Komunikasi Organisasi terhadap Implementasi Perubahan, dan ada pengaruh signifikan Komitmen Organisasi terhadap Implementasi Perubahan. Disarankan bagi organisasi untuk meningkatkan pendekatan sistematis, alat, dan sumber daya untuk menghadapi perubahan.

Kata Kunci: manajemen perubahan, resistensi karyawan, komunikasi organisasi, komitment organisasi, implementasi perubahan

Each organization varies one from the other. There are many factors; both internal and external factors that affect an organization and everything that is related to it. With all the developments that are happening simultaneously, it forces each organization to find solutions specifically for them, can be applied to the whole organization, and is in line with the organization's goals and beliefs/value. The solutions exist in order to help them to adapt with the on-going changes or else they will no longer be able to stay in the competition. However, not all organization are flexible and can adapt to change when they needed to. Some might face challenges that are caused by their own employees because their resistance toward change. But in order to survive within the market, each organization is being pressured to change because change is inevitable. The inevitability of change has made most organizations need to adapt and consider it as part of the company's existence (Jalagat, 2016). It is one thing that will always stays true. Change is a part of life and will surely happen in all aspects of life. Change is defined by Armstrong (2009) as any change in structure, management, employees, processes, and other related activities. It is a process where the subject undergoes a transformation from the current state to a better future state. Change can also be defined as a transformation observable in time, which affects temporarily or briefly the structure and functionality of the social organization of a certain community, and which shifts the course of its history or development (Abraham, 2000).

When a change is happening within the industry, the organization must find a way to change accordingly. In order to make the implementation successful, there is Change Management that might be able to makes it easier and controllable for the organization. Change management is a systematic approach in dealing with the transition or transformation of an organization's goals, processes or technologies. The purpose of change management is to implement strategies for effecting change, controlling change, and helping people to adapt to change. Also, it considers the applications of change mechanism (e.g. training, process re-designing, communication, etc.) in the creation of value for the organization. The process of change is driven by strategic considerations that include the need for improving business processes and integrating ways of working. Which is why change management becomes something crucial and must be considered important. As it's been known, the thing about organization is that it must change whenever the industry is changing too. Organizational Change focused both at the process in which a company or any organization changes its operational methods, technologies, organizational structure, whole structure, or strategies. It also focuses as well on what effects these changes have on it. Organizational change usually happens as a response to internal and external pressures or as a result of the pressure. According to Davis and Gardner (2004), organizational change generates difficult situations and contexts for the employees, which may result in their facing dismissing, demotion or cancellation of financial incentives. This also implies changes in the organizational culture, work colleagues, superiors, situations which generate a high level of discomfort for the employee (Davis and Gardner, 2004).

Which is why change becomes one of the things that is avoided by some employees. Of course, this is a disadvantage for the organization who needs to have good management that consists of employees that are flexible enough to adapt and have willingness to change whenever it's required. Because employees hold an active role in creating and supplying an answer to change (Rafferty and Griffin, 2008). The key to achieve seamless transition during change lays in the person who is in charge in preparing the organization to deal with change. This is a very tough decisions for Human Resource Manager because the forever changing state of the business environment; in this case is the banking industry. *Bank Pembangunan Daerah (BPD)* as one of the banks in the national banking system has a significant role in the context of regional economic development because BPD provides a service network in areas where it is not needed by private banks. As of now, there are 26 Bank Pembangunan Daerah all over Indonesia. Usually, each province has one BPD. But there is also a BPD that has to serve two provinces at the same time. As 2020, there are two BPD that operate in North Sulawesi. The first is PT. Bank SULUTGO, which is the BPD of North Sulawesi and the second one is Bank Banten. This research is focusing on PT. Bank SULUTGO which was founded in 1961 but with different name. Throughout this research, it will be referred as BSG. BSG has 25 branch offices and another 25 supporting branch offices spread throughout Indonesia. Just like any other company there is, resistance from employees is one of the most common challenges faced by the Human Resource Department for change management. With time, most employees get comfortable about the business processes and are unwilling to make changes to their regular schedule.

Human Resource Management

Ahammad (2017) defined Human Resource Management as the process of recruitment, selection of employees, providing proper orientation and induction, providing proper training and developing skills, assessment of employee (performance appraisal), providing proper compensation and benefits, motivating, maintaining proper relations with labor and with trade unions, maintaining employees' safety, welfare and healthy by complying with labor laws of concern state or country.

Organizational Change

Organizational change is the movement of an organization away from its present state and towards some desired future state to increase its effectiveness (Lunenburg, 2010). Lozano (2015) implies that Change in organizations is complex, continuous, iterative, and uncertain. Management of an organization should be adaptive with change. This is accordance with definition by Kreitner and Kinicki (2010). Even though organizational change generally can be initiated by managers or imposed by specific changes in policy and procedures or arose through external pressures; organizational change is management's attempt to have organization members to think, behave and perform differently.

Employee Resistance to Change

Resistance to change has been defined as "an individual's tendency to resist and avoid making changes to devalue change generally and to find change aversive across diverse context and types of change (Jaramillo et al., 2012). According to Cornescu (2016), resistance to change is the employees' natural reaction to the change process.

Organizational Communication

Communication is the process of conveying feelings, thoughts, beliefs, attitudes, and behaviors through verbal, non-verbal and/or writing in order to influence other people's behaviors or to come to a certain conclusion. The interaction among people, organizations and institutions occurs by means of communication (Demirtaş 2010). Within organizational context, communication is defined as exchange of information and opinions between the components of the organization (internal environment) and the external environment of the organization for implementing organizational goals and for carrying out daily activities within the organization (Tinaztepe, 2012).

Organizational Commitment

Visagie and Steyn (2011) revealed that organizational commitment can influence readiness to change. Organizational commitment is a desire to remain a member of the organization, trust and acceptance of the values and goals of the organization, and a willingness to do their best for the interests of the organization (Mowday, Porter, and Steers, 1982).

Change Implementation

Some simple changes result in strong resistance and could cause additional problems for the organization. While other changes could be accepted as a worthwhile improvements. When implementing changes in an organization, by definition it means the organization is being helped to become different in some way.

Previous Research

Fernando Jaramillo, Jay Prakash Mulki, Vincent Onyemah, and Martha Rivera Pesquera (2012) investigate why salespeople resist change and the impact of resistance to change on customer responsiveness and performance outcomes. Survey responses derived from 233 salespeople from three large financial institutions in Mexico are used to test relationships involving salespersons' resistance to change. Salespeople are more likely to resist change if they believe that change increases their workload. They are less likely to resist change when they have higher levels of job autonomy and self-efficacy. Resistance to change has a negative impact on customer responsiveness and salesperson's performance.

Cameron Visagie and Carly Steyn (2011) attempted to address the gap by exploring whether levels of organisational commitment are related to employee attitudes towards change, and whether these attitudes are

related to the manner in which employees perceive the change process. Data were collected from 113 employees through an electronic survey. The findings indicate that affective and normative commitment are positively associated with change readiness, personal and organisational valence. Change readiness, personal and organisational valence are, in turn, positively associated with employee perceptions of change communication and training.

Viorel Cornescu and Roxana Adam (2016) presented a theoretical perspective concerning the management of change and innovation and correlates it with aspects of employees' reactions to change. The central proposal is that resistance to change is a basic human characteristic and it strongly depends on every individual's nature. Each organizational change induces a certain level of resistance in employee behavior which may in turn affect its implementation and the smooth running of things. The review showed that change is uncomfortable and managers need to find new ways of thinking and doing it, ways that should lead the organization to solve its problems in the most efficient manner.

Conceptual Framework

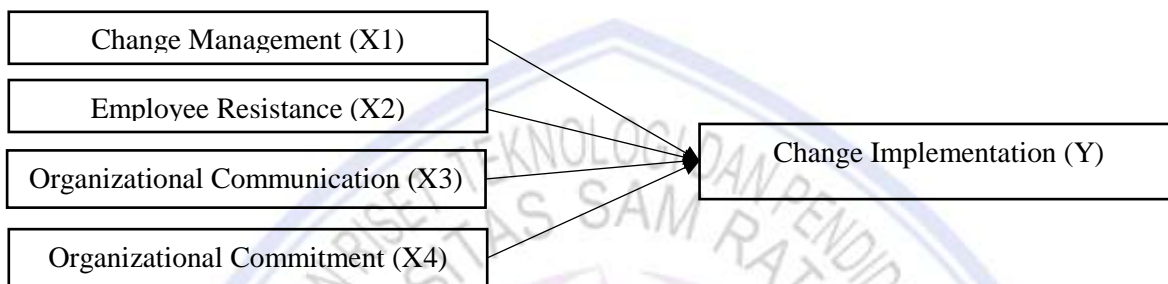


Figure 1. Conceptual Framework
(Source: Data Analysis, 2020)

RESEARCH METHOD

Research Approach

This research is using quantitative approach. Quantitative approach emphasizes 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.

Population, Sample, and Sampling Technique

The population of this research is 386 employees of BSG. Sample refers to a part of number and characteristic possessed by population (Sugiyono, 2012). For this research, the writer applied the Slovin Formula and with population size of 386, confidence level of 90%, and margin of error of 10%, the sample of this research is 58 employees of BSG. This research is using non-probability sampling method specifically through Purposive Sampling.

Data Collection Method

The data used in this research consist of two types between primary data and secondary data. Primary data obtained from questionnaires that's administered personally to the company and the respondents. Secondary data obtained from books, journals, and relevant literature from library and internet to understand of theoretical support on this research.

Table 1. Operational Definition of Research Variables

No	Variable	Operational Definition	Indicators
1.	Change Management (X1)	Change management relies within understanding the change, planning the change, implement the change, and communicate the change for any feedback.	1. Method 2. Strategy 3. Technology 4. Structure 5. Effect of Change

2.	Employees' Resistance (X2)	The action towards any change that is caused by the feeling of losing control towards anything new.	1. Affective 2. Behavioral 3. Cognitive 4. Intervention 5. Security
3.	Organizational Communication (X3)	It is defined as sending and receiving information among employees of an organization in order to achieve individual goals and organizational goals.	1. Feeling 2. Belief 3. Behavior 4. Verbal 5. Non-verbal
4.	Organizational Commitment (X4)	The desire and the feeling of attachment to be a part of the organization.	1. Identification 2. Involvement 3. Loyalty 4. Acceptance 5. Attitude
5.	Change Implementation (Y)	Helping the organization to deal with transition that occurred in order to become different as in evolving or thriving to be better.	1. External Factor 2. Internal Factor

(Source: Empirical Review,2020)

Data Analysis Method

Data analysis is the process of evaluating data using analytical and logical reasoning to examine each component of the data provided.

Validity and Reliability

Validity is a test of how well an instrument that is developed measures the particular concept it is intended to measure. A question categorized as valid question if the value of Person correlation is positive and the significant value below 0.05 to the total question of variable. Reliability test is established by testing for both consistency and stability of the answer of questions.

RESULT AND DISCUSSION

Result

The respondents of this research are employees of BSG. The sample of this research are 58 respondents from the total of 386 employees of the BSG Headquarter. The characteristics of 58 respondents are classified based on gender, age, and employment status. The data was analyzed using IBM SPSS program.

		Change Management	Employees' Resistance	Organizational Communication	Organizational Commitment	Change Implementation	Total
Change Management	Pearson	1	.290*	.359**	.015	.196	.567**
	Correlation						
	Sig. (2-tailed)		.027	.006	.912	.140	.000
	N	58	58	58	58	58	58
Employees' Resistance	Pearson	.290*	1	.496**	.519**	.362**	.760**
	Correlation						
	Sig. (2-tailed)	.027		.000	.000	.005	.000
	N	58	58	58	58	58	58
Organizational Communication	Pearson	.359**	.496**	1	.455**	.583**	.806**
	Correlation						
	Sig. (2-tailed)	.006	.000		.000	.000	.000
	N	58	58	58	58	58	58
Organizational Commitment	Pearson	.015	.519**	.455**	1	.543**	.694**
	Correlation						

	Sig. (2-tailed)	.912	.000	.000	.000	.000	.000
	N	58	58	58	58	58	58
Change Implementation	Pearson Correlation	.196	.362**	.583**	.543**	1	.722**
	Sig. (2-tailed)	.140	.005	.000	.000		.000
	N	58	58	58	58	58	58
Total	Pearson Correlation	.567**	.760**	.806**	.694**	.722**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	58	58	58	58	58	58

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

Table 2. Validity Test Result

(Source : SPSS Output, 2020)

From the result of the table above, it can be seen that the value of correlations index for relationship between the independents variables (Change Management, Employees' Resistance, Organizational Communication, and Organizational Commitment) with the Dependent Variable (Change Implementation) are greater than 0.3 and below the significant level of 5% (0.05). The Change Management (0.567), Employees' Resistance (0.760), Organizational Communication (0.806), and Organizational Commitment (0.694) with Change Implementation (0.722) show a positive relationship. Therefore, the data is valid.

Table 3. Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
.778	6

(Source : SPSS Output, 2020)

The output of SPSS shows that the value of Cronbach's Alpha of 6 items used in this research is 0.778. The data is considered as reliable since the value of Cronbach's Alpha is above the minimum value which is 0.6.

Table 4. Multiple Linear Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.990	2.461		2.841	.006
	Change Management	.042	.082	.059	.510	.612
	Employees' Resistance	-.050	.106	-.062	-.475	.637
	Organizational Communication	.363	.112	.418	3.229	.002
	Organizational Commitment	.323	.108	.385	2.989	.004

(Source : SPSS Output, 2020)

Multiple Regression Analysis is used to determine the effect of the independent variable on dependent variable. The multiple linear regression equation can be interpreted as follow :

1. Constant value of 6.990 means that in a condition of ceteris paribus, if all independent variables equal to zero, then Change Implementation (Y) as dependent variable will be 6.990.
2. X_1 coefficient value of 0.042 means that if there is one unit increase in Change Management (X_1), then the Change Implementation will increase by 0.042.
3. X_2 coefficient value of -0.050 means that if there is one unit increase in Employees' Resistance (X_2) then the Change Implementation (Y) will decrease by 0.050
4. X_3 coefficient value of 0.363 means that if there is one unit increase in Organizational Communication (X_3) then the Change Implementation (Y) will improve and increase by 0.363.
5. X_4 coefficient value of 0.323 means that if there is one unit increase in Organizational Commitment (X_4) then the Change Implementation (Y) will increase by 0.323.

CONCLUSION AND RECOMMENDATIONS**Conclusions**

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 Change Management, Employees' Resistance, Organizational Communication, and Organizational Commitment towards Change Implementation.
2. There is no any significant effect of Change Management with indicators of method, strategy, technology, structure, and effect of change toward Change Implementation.
3. There is no any significant effect of Employees' Resistance with indicators of affective, behavioral, cognitive, intervention, and security toward Change Implementation.
4. There is any significant effect of Organizational Communication with indicators of feeling, belief, behavior, verbal, and non-verbal toward Change Implementation.
5. There is any significant effect of Organizational Commitment with indicators of identification, involvement, loyalty, acceptance, and attitude toward Change Implementation.

Recommendation

Below are some recommendations based on the results that was found:

1. Improvement towards change management is very much needed in order to make sure the change implementation will be applied by the employees of BSG. It involves defining and adopting corporate strategies, structures, procedures and technologies to handle changes in external conditions and the business environment.
2. In order to minimize the resistance, the organization should prepare the employees beforehand to face the upcoming change. For example, by making sure all the employees are capable to handle and to do the upcoming change. If it turns out that not all the employees are ready, the organization should have spare time to prepare the employees before finalizing the changes.
3. Positively encouraging employees' share of voice which can help to reduce the chance of misunderstandings, improving cross-departmental communication and collaboration, improving trust within the workplace which directly impact in building better relationship between employees.
4. The employees at BSG have positive and significant effect of organizational commitment and change implementation. Which means, what's left is how BSG will try to keep it this way or improve it even more.

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