# Journal of Economics, Business, and Government Challenges



Volume 7 Nomor 1 April 2024 ISSN (Cetak): 1979-7117 DOI:doi.org/10.33005/ebgc.v7i01 ISSN (Online): 2614-4115

Page: 22-29

# The Role of Leadership, Communication and Commitment in Effective Organizational Change

# <sup>⊠</sup>Budiono¹

Universitas Negeri Surabaya, Indonesia.

ec.budiono@unesa.ac.id

#### ARTICLE INFORMATION **ABSTRACT** Received: April 2024 The impact of economic integration, shifting consumer preferences, technological development, and changing societal needs have made Revised: April 2024 organizations face new threats and opportunities. Organizational changes need Accepted: April 2024 to be made so that an organization can continue to have a competitive advantage and survive. Organizations really need to be able to find the right changes and manage those changes effectively. Change models that provide an overview of the important stages in an effective organizational change process have been developed by many researchers. Organizational change can occur whether planned or unplanned. Organizations can make changes to existing products, structures, strategies or people. Whatever type of change occurs in Keywords: an organization, organizational change will fail if there is no good communication, change communication, superior leadership, commitment of organizational members, management, employee and the ability to make changes. Organizational leaders recognize that renewal commitment, leadership. needs to be managed effectively in order to achieve desired results. The elements that can cause effectiveness of organizational change. This research focuses on the influence of leadership, communication and employee commitment on organizational change. Members of an organization who will make changes within an institution. If organizational members do not know information regarding the importance of organizational change and how to plan the change, it is very likely that they will reject the change. In addition, One thing that is very crucial in organizational change is the role of a leader. Organization members need to receive security guarantees from a leader, so that they believe that change will bring good to the organization and the benefits will be felt by everyone. Organization members really need knowledge about the organization's ability to make these changes.

### INTRODUCTION

Compared to previous eras, today's organizations face change more frequently. Change has become a common business practice. Therefore, organizations must make changes in order to maintain their position in the competition. Rapid changes in technological developments, shifts in consumer needs and lifestyles, and increasingly fierce competition are complex business problems faced by organizations these days. In order to overcome these challenges, organizations must make changes (William, 2016).

However, the facts show that many change initiatives fail (Amit, 2018; Burnes, 2011).

Many change models have been developed by researchers, which provide an overview of the important stages in an effective organizational change process. These stages help increase employee acceptance and readiness in facing organizational change.

One of the most strategic assets owned by an organization is employees. They must be treated as human beings with feelings, needs and hopes. Employees who will carry out changes in an institution are also affected by these changes. Therefore, if they are not given adequate information about the importance of organizational change and how it will impact them, they are very likely to resist it. In this regard, leadership has a very important role in change management (De Cremer & Tyler, 2007). Leaders must provide a sense of security to their employees, that change will provide improvements for the organization, as well as provide benefits for all members of the organization. Employees really need to understand whether the institution has the ability to carry out the desired changes. (Furxhi & Dollija, 2021).

Organizational changes can affect part or all of the organization. Whatever changes occurs in an organization, there is an opinion that organizationalchange will fail if there is no good communication, effective leadership, commitment of organizational members, and willingness to make changes (Furxhi & Dollija, 2021). Based on this, the problem formulation in this research is what is the role of leadership, communication and commitment to effective organizational change? Meanwhile, the aim of this research is to conduct a literature analysis on the role of leadership, communication and commitment to effective organizational change.

### LITERATURE REVIEW

# **Organizational Change**

Organizational change is a planned or unplanned transformation in terms of structure, technology and/or people in an organization. In general, adaptation to the environment and/or improving performance is the goal of organizational change (Beck &Wilson, 2000).

## Models in change management.

The sequence in effective change management has been widely discussed in various change models, but this research emphasizes only a few models. Some of these models were chosen to provide a more specific picture, this is because there are many models of change. The theoretical basis of change management can be traced to Lewin's writings in 1947. He suggested that successful change can occur through three phases: unfreezing, moving to a new state, and refreezing. After Kurt Lewin, there are several organizational change models that explain the important sequences that must be followed in effective change management. Several models are shown in Table 1 (William, 2016).

Critical success factor Kotter (1996) Pendlebury et al. (1998) Paton and McCalman (2000) Compelling need for change Establishing sense of urgency Mobilising Problem description Visible, aligned and committed Visible and tangible senior Creating guiding coalition Handling power is sues leadership management Developing a vision and Formulating objectives and success Clarity and direction of targets Defining vision strategy Broad based participation Empowering employees Obtaining participation Participation of those affected Targeted and effective Communicating change Communicating actively Communicate openly communication vision Generating quick wins Generating short wins Training & Mentoring Training and coaching Motivating people to change Anchoring new approaches in Handling the emotional consolidation behaviour dimension

Table 1. Organization change models

Source: (William, 2016)

From these three models, it can be seen that the key to effective change management are leadership, communication and employee commitment. In this change implementation model, it is stated that if the change leader accepts suggestions and develops a strategy, implementing organizational change will produce successful results (William, 2016).

# **Factors That Play a Role in Effective Organizational Change**

There are a number of elements that can produce effective organizational change, including: others: leadership, communication and employee commitment (Furxhi & Dollija, 2021). This article emphasizes discussion of the influence of leadership, communication and employee commitment on organizational change. Picture 1 shows the key factors that influence an effective organizational change process.

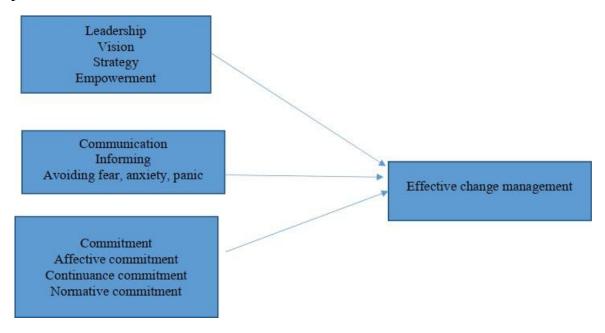


Figure 1. Important elements influencing change management (Furxhi & Dollija, 2021)

# The Role of Leadership in Effective Organizational Change

To be able to realize success in organizational change efforts, the involvement of a leader is very necessary. The role of leadership in organizational change has been widely studied by researchers (Damawan & Azizah, 2020; Rebeka & Indradevi, 2015). According to them, leaders must create a vision of change. Next, leaders must provide support for this vision byestablishing a strategy. Effective strategies for organizational change must be developed through leadership. In addition, to manage change, employees need new skills, knowledge and ownership. Therefore, employees must be empowered by leadership in order to achieve an effective change management process.

A leader is a person who occupies the top leader of an institution who seeks to ensure that change efforts continue and maintain the continuity of organizational activities. Therefore, leaders are often referred to as "Champions of Change" (William, 2016). Change management theory also emphasizes the role of leaders in ensuring that change initiatives can achieve the desired results. Higgs & Rowland (2000) put emphasis on leadership involvement in change implementation. There are five areas of leadership competency that are related to the successful implementation of change, namely (William, 2016):

1. Create a reason for change: to recognize the organization's need for change it is necessary to involve other people

- 2. Creating structural changes: ensuring that these changes are carried out associated with a deep understanding of existing problems and equipped with several tools and processes consistently.
- 3. Invite other parties in all change processes and foster commitment.
- 4. Implement and sustain change: develop appropriate design and carry out good monitoring and control measures.
- 5. Facilitate and develop capabilities: ensure that organizational members are motivated to find their own solutions and that there is help for them when doing so.

Other researchers also expressed their support for the benefits of change leadershipbehavior because they had conducted an analysis and concluded that the main obstacles to successful change include several things, namely weak vision, weak leadership support, weak commitment to change based on the right arguments, and weak guiding coalition. (William, 2016).

Gill (2002) has presented effective change leadership model. He believes that vision, strategy, development of a culture of sustainable shared values are necessary for successful change. This is needed to support the vision and change strategy, as well as making efforts to empower, motivate and inspire the people involved or affected by the change. Figure 1 provides an indication of the factors that can create effective change leadership in an organization (Gill, 2002).

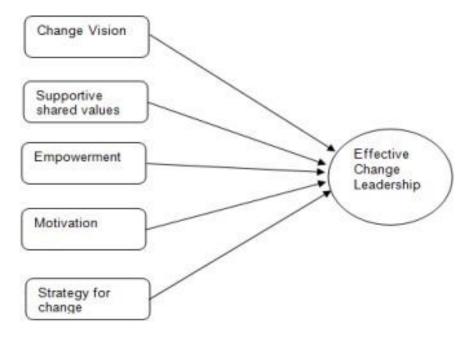


Figure 2. A model of leadership of change (Gill, 2002)

# The Role of Communication in Effective Organizational Change

One of the keys to effective change management is communication. Besides that, To support managerial success in an organization, effective communication is needed (William, 2016). The empirical fact that is slowly showing the truth is that there is a process that cannot be separated between the communication process and the implementation of organizational change.

In addition, communication is an important element in change management (Cameron & Green, 2012). Experts state that communication is needed to convey organizational changes and convey information to all members of the organization about the essence, timing and urgency of change. It often happens that change creates fear, stress, anxiety among members of the organization. This is because they do not know the changes that are taking place. Therefore, communication plays a very important role during the organizational change process. Leaders must convey to organizational membersabout: a) what changes will occur in the organization; b) why the organization needs these changes, what these

changes will bring to the organization; c) how the organization will make these changes.

To minimize fear among employees when change occurs, the results and sacrifices of change must be conveyed to employees. Different communication strategies also need to be used by leaders to explain changes, depending on the members of the organization and the situation at hand (Furxhi & Dollija, 2021).

The urgency of communication in organizational change has been widely discussed by experts. Providing information to employees about tasks and policies as well as other issues in the organization is the first goal of organizational communication. There are several communication objectives in change. One of them is to convey information to organizational members about these changes, and any changes to their work as a result of these changes. Readiness for change will be greatly influenced by informative communication (Elving, 2005a). Apart from that, communication is also aimed at building community, so that it has an impact on creating commitment and trust in the organization.

Elving (2005) provides a conceptual model of communication that can create effective change, seen in Figure 2.

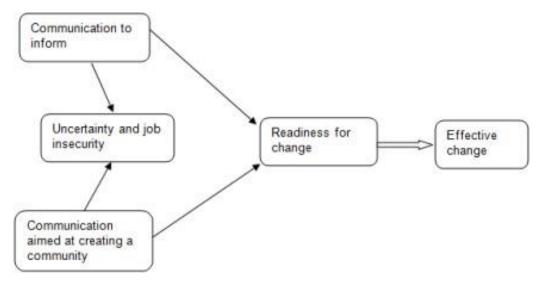


Figure 3. Conceptual framework of communication in organizational change (Elving, 2005)

### The Role of Commitment in Effective Organizational Change

Commitment to change reflects the level of employee attachment to something new, including work systems, procedures, policies, programs, budgets and new technology (William, 2016). In the change management literature, it is stated that there are three types of commitment, namely affective commitment, *continuance* commitment and normative commitment.

Affective commitment is a person's ability to identify and involve himself in the organization. This is characterized by belief and absorption in the goals and values of the organization, the ability to make extra efforts for the organization, and the intention to remain part of the organization. (Falkenburg & Schyns, 2007).

Continuance commitment is the commitment of an organizational member to his organization on the basis of the investment that has been given to the organization and the loss that will be experienced if he leaves the organization (Falkenburg & Schyns, 2007). This investment can be in the form of good working relationships between members, investments related to retirement and careers. The continuance commitment is also accompanied by the lack of other jobs, increasing costs that arise if someone leaves the organization (William, 2016). Employees who have a high level of affective commitment will remain

in the organization because they want to, while employees who have a high level of ongoing commitment will stay in the organization because of compulsion.

Normative commitment is a commitment based on an individual's feeling of obligation to decide to remain in the organization because they feel that this is something moral and appropriate to do. This feeling of obligation arises, for example, if the organization has provided assistance to develop the education and competence of its employees. (William, 2016).

Leaders who can motivate their employees to commit to new goals, activities, policies and procedures will have a greater chance of achieving success in implementing these important business activities (Kotter, 1995). Figure 3 shows the conceptual framework regarding commitment to change (William, 2016).

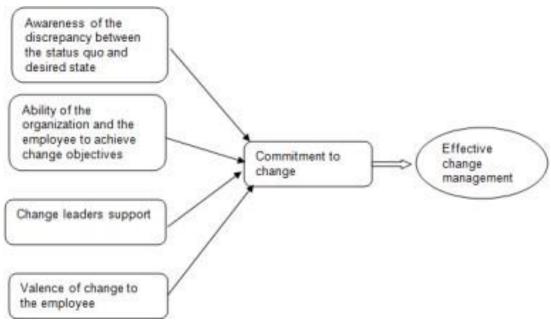


Figure 4. Conceptual framework for commitment to change (William, 2016).

### RESEARCH METHODS

This article is an integrated literature review because it carries out a review and synthesis of literature related to the main variables in effective organizational change. Based on a literature review, this research focuses on three main factors, namely: leadership, communication and commitment. References used as references come fromseveral sources, including:

- 1. Web-based articles.
- 2. Search engines like ScienceDirect and Google Scholar.

### RESULT AND DISCUSSION

Based on the literature review, it can be concluded that organizations need to change in order to survive or even be able to win the competition. This is the reason why change management is a very important process in organizations. Through these changes, an organization can make changes to its structure, products, services, strategy, policies and culture.

Researchers emphasize the importance of the role of organizational members in a change process because they have a very crucial role in an effective change process. They can show attitude or behavior that are not in accordance with what is expected in the change process. Therefore, many researchers concentrate their research on the behavior of organizational members during change. The success of change depends on actions or attitudes shown by members of the organization. Change

initiatives will be successful If they demonstrate positive behavior. Apart from that, it is important to know what things can have an impact on the positive behavior of organizational members.

Many researchers found that lack of communication, commitment of organizational members, or inappropriate leadership is the cause of the failure of most change initiatives. Communication is very important in organizational change because organizational members need to know why they need change; what changes will be implemented; how they will do it and which parts of the organization will influence organizational change. On the other hand, leadership plays a very important role in the process of organizational change. Vision of change and implementation strategy must be created by leadership. If organizational members do not have knowledge regarding the vision of what changes will occur in the organization and how to achieve them, they will likely decide not to be involved in the change process. In addition, there are three types of commitment that influence the willingness of organizational members to make changes, namely affective commitment, continuance commitment and normative commitment.

This research seeks to identify the most important factors in an effective organizational change process. This research only emphasizes a literature review to provide definitions of these factors. The research results concluded that there are several factors that can influence the organizational change process. Based on information obtained from various literature, there are several factors that are crucial in an effective organizational change process, namely communication, leadership and commitment of organizational members.

Leadership must also empower organizational members in effective organizational change process because organizational members need new abilities, knowledge, or ownership. At times, leaders perhap unwilling to encourage their subordinates because theyfeel that training is expensive or they may be concerned about giving their subordinates opportunities to improve their skills and knowledge because their abilities may increase and may become competitors for future leaders.

It is hoped that the results of this research can be used as recommendations for organizations, both government and private, that will make organizational changes. Several factors that have been discussed in this research, especially leadership, communication and commitment, are very important in an effective organizational change process.

#### **CONCLUSIONS**

This research aim is to perform an analysis of the elements that effect the effectiveness of organizational change. This research focuses on the effect of leadership, communication, and employee commitment on organizational change.

Organization members are the parties who will undergo change in an organization. They may resist change if they do not have the necessary information about several things, namely the organization's need for change and the results of the desired changes. In addition, leadership has a crucial role in organizational change. Organization members need to feel a sense of security from their leaders, with the understanding that change will have an impact on improving the organization and provide benefits for them. Organization members really need to know whether the organization has the ability to implement these changes.

# References

- Amit, P.P. (2018). Employee Perception towards Organizational Change. *International Academic Journal of Organizational Behavior and Human Resource Management*, 05(01), 1–25. https://doi.org/10.9756/iajobhrm/v5i1/1810001
- Beck, K., & Wilson, C. (2000). Development of Affective Organizational Commitment: A Cross-Sequential Examination of Change with Tenure. *Journal of Vocational Behavior*, 56(1), 114–136. https://doi.org/10.1006/jvbe.1999.1712
- Burnes, B. (2011). Introduction: Why Does Change Fail, and What Can We Do About It? *Journal of Change Management*, 11(4), 445–450. https://doi.org/10.1080/14697017.2011.630507
- Cameron, E., & Green, M. (2012). Making Sense of Change Management.
- Damawan, AH, & Azizah, S. (2020). Resistance to Change: Causes and Strategies as an Organizational Challenges. 395 (Acpch 2019), 49–53. https://doi.org/10.2991/assehr.k. 200120.010
- De Cremer, D., & Tyler, T. R. (2007). The effects of trust in authority and procedural fairness on cooperation. *Journal of Applied Psychology*, 92(3), 639–649. https://doi.org/10.1037/0021-9010.92.3.639
- Elving, W. J. L. (2005). The role of communication in organizational change. *Corporate Communications*, 10(2), 129–138. https://doi.org/10.1108/13563280510596943
- Falkenburg, K., & Schyns, B. (2007). Work satisfaction, organizational commitment and withdrawal behaviours. *Management Research News*, 30(10), 708–723. https://doi.org/10.1108/01409170710823430
- Furst, S. A., & Cable, D. M. (2008). Employee Resistance to Organizational Change: Managerial Influence Tactics and Leader-Member Exchange. *Journal of Applied Psychology*, 93(2), 453–462. https://doi.org/10.1037/0021-9010.93.2.453
- Furxhi, G., & Dollija, E. (2021). An analysis of factors that impact the change management process. *Technology Transfer: Innovative Solutions in Social Sciences and Humanities*, 18–20. https://doi.org/10.21303/2613-5647.2021.001674
- Gill, R. (2002). Change management--or change leadership? *Journal of Change Management*, 3(4), 307–318. https://doi.org/10.1080/714023845
- Higgs, M., & Rowland, D. (2000). Building change leadership capability: 'The quest for change competence.' *Journal of Change Management*, 1(2), 116–130. https://doi.org/10.1080/714042459
- Kotter, J. (1995). Kotter's 8-Step Change Model.
- Rebeka, E., & Indradevi, R. (2015). A study on perception of employees during change in an organization. *Mediterranean Journal of Social Sciences*, 6(1), 72–79. https://doi.org/10.5901/mjss.2015.v6n1p72
- William, M. (2016). Predictors of effective change management: A literature review. *African Journal of Business Management*, 10(23), 585–593. https://doi.org/10.5897/ajbm2016.8208