

Exploratory Study on Mediating Role of Commitment-to-Change in Relations between Employee Voice, Employee Involvement and Organizational Change Readiness

Authors : Rohini Sharma, Chandan Kumar Sahoo, Rama Krishna Gupta Potnuru

Abstract : Strong competitive forces and requirements to achieve efficiency are forcing the organizations to realize the necessity and inevitability of change. What's more, the trend does not appear to be abating. Researchers have estimated that about two thirds of change project fails. Empirical evidences further shows that organizations invest significantly in the planned change but people side is accounted for in a token or instrumental way, which is identified as one of the important reason, why change endeavours fail. However, whatever be the reason for change, organizational change readiness must be gauged prior to the institutionalization of organizational change. Hence, in this study the influence of employee voice and employee involvement on organizational change readiness via commitment-to-change is examined, as it is an area yet to be extensively studied. Also, though a recent study has investigated the interrelationship between leadership, organizational change readiness and commitment to change, our study further examined these constructs in relation with employee voice and employee involvement that plays a consequential role for organizational change readiness. Further, integrated conceptual model weaving varied concepts relating to organizational readiness with focus on commitment to change as mediator was found to be an area, which required more theorizing and empirical validation, and this study rooted in an Indian public sector organization is a step in this direction. Data for the study were collected through a survey among employees of Rourkela Steel Plant (RSP), a unit of Steel Authority of India Limited (SAIL); the first integrated Steel Plant in the public sector in India, for which stratified random sampling method was adopted. The schedule was distributed to around 700 employees, out of which 516 complete responses were obtained. The pre-validated scales were used for the study. All the variables in the study were measured on a five-point Likert scale ranging from "strongly disagree (1)" to "strongly agree (5)". Structural equation modeling (SEM) using AMOS 22 was used to examine the hypothesized model, which offers a simultaneous test of an entire system of variables in a model. The study results shows that inter-relationship between employee voice and commitment-t-change, employee involvement and commitment-to-change and commitment-to-change and organizational change readiness were significant. To test the mediation hypotheses, Baron and Kenny's technique was used. Examination of direct and mediated effect of mediators confirmed that commitment-to-change partially mediated the relation between employee involvement and organizational change readiness. Furthermore, study results also affirmed that commitment-to-change does not mediate the relation between employee involvement and organizational change readiness. The empirical exploration therefore establishes that it is important to harness employee's valuable suggestions regarding change for building organizational change readiness. Regarding employee involvement, it was found that sharing information and involving people in decision-making, leads to a creation of participative climate, which educes employee commitment during change and commitment-to-change further, fosters organizational change readiness.

Keywords : commitment-to-change, change management, employee voice, employee involvement, organizational change readiness

Conference Title : ICBEMM 2016 : International Conference on Business, Economics and Marketing Management

Conference Location : Singapore, SG

Conference Dates : March 03-04, 2016