THE LINKAGE BETWEEN CHANGE COMMUNICATION AND BEHAVIORAL RESISTANCE TO CHANGE: MODERATING EFFECT OF TRUST IN MANAGEMENT

1Zulkifli Nurul Haqq

1Department of Management, Faculty of Economics, University of Muhammadiyah Semarang, Semarang, Central Java, Indonesia
Email: zulkiflinurulhaqq@unimus.ac.id

ABSTRACT
This study aims to investigate the impact of change communication and trust in management on behavioral resistance to change by using social exchange theory. Also, this study sought to examine the moderating effect of trust in management in the relationship between change communication and behavioral resistance to change. This research involves Islamic Rural Banks that are implementing changes. The designed questionnaires were distributed to all employees (n = 96) and returned all. In addition, PLS-SEM is used as a method of research analysis. The results show that change communication becomes a significant predictor towards behavioral resistance to change. Unfortunately, trust in management has not a direct significant relationship with behavioral resistance to change. However, this study found the significant moderating effect of trust in management in the relationship between change communication and behavioral resistance to change. Finally, this study offers several contributions, both theoretically and practically.

Keywords: Behavioral Resistance to Change; Change Communication; Trust in Management

I. INTRODUCTION

Nothing stays still in this world (Helfat & Winter, 2011), as well as the business environment. The increasingly dynamic business environment drives the organization to be able to respond to opportunities and threats (Hayes, 2014, p. 46), to adaptation (Král & Králová, 2016), and to make changes (Armenakis, Harris, & Mossholder, 1993) in an
effort to survive and gain competitive advantage (Bharadwaj, 2000). In recent years, companies from almost all business industries have made efforts to explore new digital technology and then exploit the benefits it provides (Matt, Hess, & Benlian, 2015), or also called digital transformation.

Ideally, organization desire to accomplish the change initiation as expected, but it cannot be separated from obstacles (Hoogendoorn, Jonker, Schut, & Treur, 2007; Oreg, 2006), for example, resistance to change. Basically, resistance to change is an attitude of resistance to change. Although resistance to change consider as multidimensional concept (e.g., O’Connor, 1993; Piderit, 2000), this study sought to focus only on the expressed attitude of employees, namely behavioral resistance to change. The ease of detecting and anticipating the expressed attitude (O’Connor, 1993) becomes the rational background on focusing this aspect in this study. Also, considering suggestions from previous study (i.e., Busari, Khan, Abdullah, & Mugal, 2020), this study seeks to use behavioral resistance to change as a dependent variable in the context of change (i.e., digital transformation).

In the context of organizational change, the good practice of change communication is able to reducing, or even eliminating, resistance to change attitude (e.g., Armenakis et al., 1993; Choi & Ruona, 2011; García-Cabrera & Hernández, 2014). Change communication is the process of conveying change information by management to employees (Lewis, 1999; Schermerhorn, Hunt, Osborn, & Uhl-Bien, 2010, p. 256). Change communication has a crucial role in the change process (Armenakis & Harris, 2002; Burns, 2017, p. 473; Düren, 2016; Zorn, Page, & Cheney, 2000), in which able to reduce the perceived uncertainty of the change (Allen, Jimmieson, Bordia, & Irmer, 2007; Burns, 2017, p. 473; Russ, 2008), reducing feelings of anxiety about change (Goodman & Truss, 2004; Russ, 2008; Washington & Hacker, 2005), forming perceptions of the potential benefits by change (Goodman & Truss, 2004; Holt, Armenakis, Feild, & Harris, 2007; McKay, Kuntz, & Näswall, 2013), reduce resistance to change, and increase willingness to contribute to successful change (García-Cabrera & Hernández, 2014; Oreg, 2006; Russ, 2008). Thus, it is important for management to implement broad and clear change communication practices regarding the ideas of change, related implications, and implementation actions for the smooth process of change (Erwin & Garman, 2010).

Given that individuals have a crucial role in driving change programs (Eby, Adams., Russell., & Gaby, 2000), organizations need to pay attention to the perceptions of individuals toward change (Armenakis, Harris, & Feild, 1999), such as trust in management (e.g., Amarantou, Kazakopoulou, Chatzoudes, & Chatzoglou, 2018; Kim & Ko, 2014; Kloutsiniotis & Mihail, 2018; Men, Yue, & Liu, 2020; vakola, 2013; van den heuvel, Freese, Schalk, & van Assen, 2017). Although there have been many studies (e.g., Amarantou et al., 2018; Coyle-Shapiro, Morrow, Richardson, & Dunn, 2002; Ertürk, 2008; Kim & Ko, 2014; Kloutsiniotis & Mihail, 2018; Men et al., 2020; Neves & Caetano, 2006; Oreg, 2006; vakola, 2013; van den heuvel et al., 2017)
examining the independent role and mediating role of trust, however, by the time, there is a lack of study focused on trust as moderating effect, especially in the context of attitude toward change (such as behavioral resistance to change). Also, Jiang & Probst (2019) argued that trust in management is able to serve as moderating effect on the context of change. Thus, this study not only seeks to examine trust in management as independent variable, but also attempts to fill the gap by examining the moderating effect of trust in management.

II. LITERATURE REVIEW

Resistance to Change: Behavior

In general, resistance to change is a form of rejection of change. This form of rejection is a negative response or reaction that results from individual subjective considerations of change. Specifically, resistance to change can be understood that, at the initial stage, resistance to change is an individual's psychological state to reject, which is then expressed in a manner that is reluctant and not wholehearted to support and engage in changes initiated by management.

In addition, resistance to change is a normal response and natural to change (Bovey & Hede, 2001), and in general can be triggered by a number of factors, such as lack of understanding of related changes, the information changes are insufficient, the evaluation that the change does not provide benefits, fear loss of something that is considered important and valuable, fear of the unknown, fear of failure in new situations (Chreim, 2006; Knowles & Linn, 2004, p. 4; Kotter & Schlesinger, 2008).

Although resistance to change consider as multidimensional concept (e.g., O'Connor, 1993; Piderit, 2000), this study only focus on the actual attitude of employees (i.e., behavior). Drawing from social exchange theory (Blau, 1964; Cropanzano & Mitchell, 2005), individual tend to expressed the reciprocal action toward the treatment that they received, such as acceptance or resistance. According to Piderit (2000), behavioral resistance to change refers to the reluctant actions shown by individual toward change, such as “complaining about change”, “not caring about change”, and “I won't do it!”. However, focusing on expressed actions can provide beneficial feedback for management, in which expressed actions are easier to detect (O'Connor, 1993), and in turn, useful for management to provide immediate anticipations.

Change Communication

Communication is a crucial factor in the process of organizational change (Armenakis & Harris, 2002; Burnes, 2017, p. 473; Düren, 2016; Lewis, 1999; Zorn et al., 2000). Without implementation, a brilliant idea (such as the idea of change) is only limited to ideas and potential, and through communication, the idea can be conveyed (Real & Poole, 2005). Change communication is the process of conveying change information by management to employees (Lewis, 1999; Schermerhorn et al., 2010, p. 256). Bernerth (2004) argued that communication is an initial effort to start the momentum of change in order to be successful. Also, Lewis (1999) explained that the idea of change is implemented through the dissemination of information or messages,
be they knowledge, ideas, training, facts, and requests or directives related to actions regarding the change.

The role of communication in the context of change is defined as the process by which the management company sends, announces, or explains messages or information related to changes to individuals (Lewis, 1999; Schermerhorn et al., 2010, p. 256). The process perspective shows that when individuals receive information through adequate and appropriate communication in the context of change, they will have better responses and attitudes towards change (Goodman & Truss, 2004). In addition, Milliken (1987) explains that without adequate information, individuals may not understand specifically about what changes will be made, how changes can benefit their work and organization, or how to respond to change.

Communication as an educative media will make easier for individuals to understand the ideas of change proposed by the management of the company through the dissemination of information related to these changes (Kotter & Schlesinger, 2008; Schermerhorn et al., 2010, p. 359). Besides that, individuals will only accept the idea of change if information related to the changes they receive has been rationally justified (Choi & Ruona, 2011). For instance, if an individual gives an evaluation that change is something that is needed, provides more benefits, and can be done with resources that are owned, then the individual will be willing to accept and support change (Weiner, 2009). Likewise, individuals will refuse to be involved in accepting, supporting, and succeeding the change plan if the change is perceived to have negative consequences (Lau & Woodman, 1995).

Drawing from social exchange theory (Blau, 1964; Cropanzano & Mitchell, 2005), treating employees by conveying the information of change will encourage the understanding of change reason, and in turn, will calculate the benefits of change, such as job security, rewards, etc. Consequently, employees will express the behavior to support the change. In contrast, when the benefits of change are less than the resources expended, employees will exhibit resistant behavior towards change. The logic of social exchange theory is in line with this vein, in which people who are treated well by others will be encouraged to provide positive reciprocal behaviors, such as supportive behavior for change.

Empirically, in one hand, van den Heuvel et al. (2017), Schulz-Knappe, Koch, & Beckert (2019), and Men et al. (2020) found that communication of change has contribution to develop positive behavior towards change. On the other hand, Oreg (2006) found that conveying the change information lead to decrease behavioral resistance to change. Hence:

H1: Perceived communication of change has a negative impact on behavioral resistance to change

Trust in Management

Trust has a pivotal role during change implementation in the term of how to understand employees react toward change, and in turn, how employees’ reactions affect organizational activities (Neves & Caetano, 2006). Trust refers to the willingness of a party to be vulnerable to the actions of another party based on the expectation that the
other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party (Mayer, Davis, & Schoorman, 1995). Previous studies explained that trust in management has an important role to dampen resistance to change (e.g., Coyle-Shapiro et al., 2002; Cunningham et al., 2002; Kiefer, 2002; Vakola, 2014). Vakola (2014) explained that readiness for change is affected by the degree to which employees trust their organization's ability to change and trust those who lead and become a role model.

In addition, Mayer et al. (1995) stated that employees who evaluate their manager to have the honesty to express concern for them will reciprocate in the form of the positive behavior, similar to the reciprocal concept of social exchange theory (Blau, 1964; Cropanzano & Mitchell, 2005). Similarly, employees will appraise the change positively and support the change when they have high trust on their management (Vakola, 2014). In other words, it is hard to get employees work dan support toward the change goal when trust does not generated. Also, Alias, Rasdi, Ismail, & Samah (2013) stated that employees with higher trust in management tend to fulfill the organization's goals and objectives. Consequently, management need to create and maintain employees' trust time by time, particularly in the time of change (Men et al., 2020). Hence:

H2: Trust in management has a negative impact on behavioral resistance to change

García-Cabrera & Hernández (2014) explained that regular information delivery regarding the development of change can encourage individuals to understand the current state of the change process. Consequently, intensive communication of change information by management lead to the development of trust by employees. Thus, high level of trust on management may strengthened the negative impact of change communication on behavioral resistance to change. In contrast, low level of trust in management may weakened the negative impact of change communication on behavioral resistance to change. In addition, Lines, Selart, Espedal, & Johansen (2005) explained that with the relationship between management and employees, employees will evaluate the pattern of relationships they have with management, and in turn, will be selective to trust or not. Thus, it is crucial for management to develop employees’ trust, particularly in the context of change.

Trust is a pivotal aspect of social exchange (Blau, 1964; Cropanzano & Mitchell, 2005). Well-formed social exchanges develop trust between each party because they involve in shared obligations for doing favor to each other. In this vein, employees may be affected by favorable management treatment such as communication of change information, and in turn, they may show the behavioral support for change.

Previous studies (e.g., Coyle-Shapiro et al., 2002; Cunningham et al., 2002; Eby et al., 2000; Wanberg & Banas, 2000) argued that employees who have high levels of trust in management were more likely to have a greater willingness to support the change. Oreg (2006) found that trust in management contributed to lowering behavioral resistance to change. Hence:
H3: Trust in management moderates the negative impact of perceived communication of change on behavioral resistance to change, such that behavioral resistance to change will be weakened under the high level of trust in management.

III. RESEARCH METHODS

This study involves all employees of PT BPRS Lantabur Tebuireng, which is currently in the process of organizational change implementation in the form of digital transformation. This study employs quantitative analysis and surveys as data collection method through questionnaires. The designed questionnaire was distributed to all employees of PT BPRS Lantabur Tebuireng (n = 96) and returned in full.

Change communication refers to the employee perception regarding the practice of delivering change information by management to employees (Lewis, 1999; Schermerhorn et al., 2010, p. 256). Change communication was measured by five-indicator items (e.g., management provides change information clearly) adapted and modified from Bouckenoogh, Devos, & Broeck (2009) and García-Cabrera & Hernández (2014). Each indicator item was measured by a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Trust in management refers to the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party (Mayer et al., 1995). Trust in management was measured by three-indicator items (e.g., I believed that if management is suggesting this change, they are well informed and have good reasons for it) adapted from Oreg (2006). Each indicator item was measured by a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Behavioral resistance to change refers to the reluctant actions shown by individual toward change (Piderit, 2000). Behavioral resistance to change was measured by five-indicator items (e.g., I protested against the change) adapted from Oreg (2006). Each indicator item was measured by a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

IV. RESULTS AND DISCUSSION

Measurement Model: Validity and Reliability

For inner model assessment, this study follows the procedure suggested by Hair, Hult, Ringle, & Sarstedt (2014) for evaluating the validity and the reliability of the multi-item measures. To test the validity, this study has used average variance extracted (AVE). The results of average variance extracted (AVE) for all constructs were greater than the 0.50 threshold. Therefore, all indicator items in this study were valid.

Next, composite reliability (CR) and outer loading values were used to assess the reliability. The results of composite reliability (CR) for all indicators were greater than the 0.50 threshold 0.70. Also, the results of outer loading for all constructs were above the threshold 0.70. Therefore, all indicator items in this study were reliable. Table 1 presents the results of validity and the reliability test.

-91-
Table 1. Validity and Reliability Test Results

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>Outer Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Communication</td>
<td>CC1</td>
<td>0.707</td>
<td>0.923</td>
<td>0.879</td>
</tr>
<tr>
<td></td>
<td>CC2</td>
<td></td>
<td></td>
<td>0.774</td>
</tr>
<tr>
<td></td>
<td>CC3</td>
<td></td>
<td></td>
<td>0.880</td>
</tr>
<tr>
<td></td>
<td>CC4</td>
<td></td>
<td></td>
<td>0.852</td>
</tr>
<tr>
<td></td>
<td>CC5</td>
<td></td>
<td></td>
<td>0.815</td>
</tr>
<tr>
<td>Trust in Management</td>
<td>TM1</td>
<td>0.775</td>
<td>0.912</td>
<td>0.872</td>
</tr>
<tr>
<td></td>
<td>TM2</td>
<td></td>
<td></td>
<td>0.880</td>
</tr>
<tr>
<td></td>
<td>TM3</td>
<td></td>
<td></td>
<td>0.888</td>
</tr>
<tr>
<td>Behavioral Resistance to Change</td>
<td>BRC1</td>
<td>0.755</td>
<td>0.939</td>
<td>0.867</td>
</tr>
<tr>
<td></td>
<td>BRC2</td>
<td></td>
<td></td>
<td>0.873</td>
</tr>
<tr>
<td></td>
<td>BRC3</td>
<td></td>
<td></td>
<td>0.924</td>
</tr>
<tr>
<td></td>
<td>BRC4</td>
<td></td>
<td></td>
<td>0.799</td>
</tr>
<tr>
<td></td>
<td>BRC5</td>
<td></td>
<td></td>
<td>0.877</td>
</tr>
</tbody>
</table>

Structural Model: Hypothesis Test

To assess structural model for hypothesis testing, this study employed a partial least squares path modeling (PLS-PM) technique (Hair et al., 2014). Table 2 presents The relationship assessment results.

Table 2. Results of the Relationship Assessment

<table>
<thead>
<tr>
<th>Relationships</th>
<th>Code</th>
<th>β</th>
<th>T- Statistics</th>
<th>Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Communication → Behavioral Resistance to Change</td>
<td>H1</td>
<td>-0.439</td>
<td>4.489</td>
<td>Supported</td>
</tr>
<tr>
<td>Trust in Management → Behavioral Resistance to Change</td>
<td>H2</td>
<td>-0.142</td>
<td>1.509</td>
<td>Not Supported</td>
</tr>
<tr>
<td>Change Communication* Trust in Management → Behavioral Resistance to Change</td>
<td>H3</td>
<td>-0.435</td>
<td>8.985</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Hypothesis 1 predicts that change communication negatively influences behavioral resistance to change. The results show that change communication has a negative and significant relationship with behavioral resistance to change ($\beta = -0.439$, t-value = 4.489). Thus, hypothesis 1 is supported.

Hypothesis 2 predicts that trust in management has a negative direct relationship with behavioral resistance to change. However, the results show that trust in management only has a negative impact but not significant with behavioral resistance to change ($\beta = -0.142$, t-value = 1.509). Consequently, hypothesis 2 is not supported.
Furthermore, the results show that coefficient of determination ($R^2$) and predictive relevance ($Q^2$) for behavioral resistance to change were decent ($R^2 = 0.717$, $Q^2 = 0.442$). The research model and analysis results are presented in Figure 1.

![Research Model and Analysis Results](image)

**Figure 1 Research Model and Analysis Results**

Hypothesis 3 posits that trust in management moderates the relationship between change communication and behavioral resistance to change in such a way that behavioral resistance to change will be weakened under high levels of trust in management. As shown in Table 1, the results of moderating effect show that trust in management moderated the relationship between change communication and behavioral resistance to change ($\beta = -0.142$, $t$-value = 1.509). Figure 2 shows the moderating effect of trust in management.
V. CONCLUSION

This study investigates the effect of change communication and trust in management on behavioral resistance to change and the moderating effect of trust in management in the relationship between change communication and behavioral resistance to change. The findings validate the hypothesis that change communication has a negative relationship with behavioral resistance to change. As predicted before, good communication about change information will reduce behavioral resistance to change. These findings are consistent with Oreg (2006) and García-Cabrera & Hernández (2014), who found that communication about change information has a negative effect on behavioral resistance to change. Also, drawing from social exchange theory (Blau, 1964; Cropanzano & Mitchell, 2005), disseminating change information to employees will encourage the employees’ understanding of change reason. Consequently, employees will express their behavior to support the change.

Unfortunately, even though the expected negative sign on the relationship between trust in management and behavioral resistance to change was found, this is not significant. Contrary to our expectations, an explanation for this may lie in the fact that employees are not ready to sacrifice themselves to accept the negative impact of change in the context of cognitive consideration. Arguably, trust in management in this study is likely to refer to an affective aspect of willingness to accept the impact of change. This is possible with the characteristics of Indonesian employees which are classified as collectivism and togetherness (Hofstede, 1980; House, Hanges, Javidan, Dorfman, & Gupta, 2004). By the collectivism and togetherness mindset, Indonesian employees tend to be obedient to their manager. Also, given the nature of change as a digital transformation, employees as rational actors (Hornung & Roussel, 2007) are also able to logically consider the impact of change on themselves (e.g., job security, decreasing compensation, etc.). In addition, the current situation of the Covid-19 pandemic is tend to aggravate the affective-based trust in management, which is likely to increase
uncertainty and ambiguity. Consequently, trust in management in the context of the cognitive aspect is suspected low.

However, even though many studies (e.g., Amarantou et al., 2018; Coyle-Shapiro, Morrow, Richardson, & Dunn, 2002; Ertürk, 2008; Kim & Ko, 2014; Kloutsiniotis & Mihail, 2018; Men et al., 2020; Neves & Caetano, 2006; Oreg, 2006; Vakola, 2013; van den Heuvel et al., 2017) focused on the independent and mediating role of trust, by the time, research has paid little attention to examining the moderating effect of trust on the behavioral resistance to change. Hence, this study seeks to fill the gap.

The findings (see Figure 2) indicate that the moderating effect of the interaction between change communication and trust in management with behavioral resistance to change was negative and statistically significant. Specifically, the negative relationship between change communication and behavioral resistance to change was stronger for employees who have trust in their management.

Theoretical Contributions

The growing literature on organizational change has paid much attention to its antecedents (i.e., change communication and trust in management) and consequence (i.e., behavioral resistance to change) in relation to the beneficial contributions. This study empirically investigates the effect of change communication on behavioral resistance to change. Drawing from social exchange theory (Blau, 1964; Cropanzano & Mitchell, 2005), transmitting change information to employees will promote the employees’ understanding of the reason lie behind the change plan. With transmitted information, employees will evaluate whether the change is something that is needed, provides more benefits, and can be done with current resources (Weiner, 2009). Consequently, employees will express their behavior to support the change.

In addition, despite of the insignificant effect of trust in management on behavioral resistance to change, this study offers contribution in the term of Indonesia employees’ culture. In the collectivist culture such as in Indonesia (Hofstede, 1980; House et al., 2004), employees tend to be loyal, devoted, and obedient toward their manager. It indicates that employee trust toward manager is more likely to refer to affective aspect than cognitive aspect.

Also, this study found evidence that trust in management has moderating effect in the relationship between change communication and behavioral resistance to change. With the interaction between good communication about change information and high employee trust toward management, the behavioral resistance to change will decrease. Consequently, the acceptance rate of change will increase. The findings are expected to expand the literature on organizational change.

Managerial Contributions

This study offers some notable contributions for managers. First, good communication will be beneficial for the organization to realize the change plan. By empirical evidence of this study, managers need to pay attention about the way to deliver change information (i.e., is change information clear enough?, is change information conveyed in a proper manner?, etc.) and the amount of the delivered change information (i.e., is change information delivered completely?, is change information...
fulfill the employee curiosity?, etc.). Also, Goodman & Truss (2004) stressed that individuals receive information through adequate and appropriate communication in the context of change, they will have better responses and attitudes towards change. In addition, previous studies (e.g., García-Cabrera & Hernández, 2014; Oreg, 2006) found that communication of change information is a significant predictor towards individual resistance behavior to change.

Second, despite of the insignificant direct effect of trust in management on behavioral resistance to change, this study proves that trust in management still has an important role to reduce behavioral resistance to change. By developing good communication toward employees, management need to promote employee trust toward them in order to decrease behavioral resistance to change. In other words, with the high level of trust in management, good communication is expected to be effective to reduce employees’ behavioral resistance to change. Also, according to social exchange theory (Blau, 1964; Cropanzano & Mitchell, 2005), trust has an important role in the relationship of each party. Therefore, managers need to increase their employees’ trust on them.

Limitations and Further Research

The findings of this study must be considered in view of a number of limitations. First, the cross-sectional data in the context of the banking industry in Indonesia may dampen the generalization of the findings. Thus, future studies should be conducted in the longitudinal format with different contexts, either in other industries or other countries with specific cultures. Second, given the insignificant direct effect of trust in management on behavioral resistance to change, then, future studies should consider other antecedents (i.e., perceived benefits of change, personal valence, etc.) that are more likely refer as cognitive-based trust in management. Arguably, it is possible due to the affective-based trust in management, which is more likely to explain the obedient, devoted, and loyal character of Indonesian employees (i.e., high collectivism). Finally, even though this study employed trust in management as a moderator variable, further studies need to add other individual characteristic variables (such as openness to change, self-efficacy, etc.) with the similar role.

VI. REFERENCE


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