

The Role of Trust in Decision Makers as a moderator in the Relationship between Qualitative Job Insecurity and Affective Commitment to Change

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The present research was conducted on a sample of managers from a public sector organization. It explores the role of trust in management as a moderator of stress between the fear of loss of job features and affective commitment to change. The research employed Affective Commitment to Change (Herscovitch & Meyer, 2002), Qualitative Job Insecurity (Hellgren, Sverke, & Isaksson, 1999), and Trust In Management (Brockner, Siegel, Daly, Tyler, & Martin, 1997) to measure research variables. Hierarchical Regression analysis provided support for a negative relation between affective commitment to change and qualitative job insecurity and a positive relation with trust in management. Support was also found for a moderating role of trust in management on the negative relationship between qualitative job insecurity and affective commitment to change. The limitations of the study are provided along with the managerial implications of the present research.

Keywords: Trust in management, commitment to change, organizational restructuring, job insecurity

Organizations in the public sector around the world have long been operate as monopolies. Due to lack of competition (Madsen, 1995), they don't have much consideration for the quality of output or

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services rendered (Kearney & Hays, 1998). With the increasing demand for improvement in service quality, the public sector is undertaking massive changes like the revamping of its structure and functions.

The idea of an efficient public sector emerged in the 1980's when developed nations like the United States and the United Kingdom began to focus on the elimination of non responsiveness from the public sector (Asquith, 1998). Public sector reform initiatives have been given various names such as "reinventing government, process reengineering, high performance planning, total quality management, the new public management, or post bureaucracy" (Leavitt & Johnson, 1998, p. 73). Regardless of the terms used, all such reform initiatives are directed towards making the government institutions more responsive to public needs by abandoning bureaucratic processes and adopting efficient and effective management systems (Barzelay, 1992). The strategies most commonly adopted in this regard include organizational restructuring, outsourcing, and privatization (Noblet, Rodwell, & McWilliams, 2006).

The present research focuses on organizational restructuring as an example of a planned change initiative undertaken for revamping public sector organizations and improving existing management practices. Organizational restructuring basically refers to the pre-planned change programs that lead to alteration of the administrative structure of organization (McKinley & Scherer, 2000). Restructuring is considered a favorable option for performance improvement and efficiency for organizations that have long been under strong bureaucratic control (Cascio, 1993). Similar to other interventions, organizational restructuring also involves significant changes to the structure and functions of the organization.

In Pakistan, organizational restructuring has been a part of the governmental effort to improve public sector performance since the 1990's. The purpose of these restructuring efforts was to improve the institutional set up, remove bureaucratic interference, and the development of professionalism within the public sector (Shah, 2003). Despite positive results, the organizational development and change management literature characterizes organizational changes as being expensive and difficult to accomplish, with a failure rate as high as 70% (Beer & Nohria, 2000; Burnes, 2002). Organizational changes are marred by uncertainty regarding job related issues which seriously affects commitment to organizational change; A factor considered important for the success of change programs. It is important therefore to identify factors that may help mitigate the adverse effects of job

insecurity and encourage the development of *positive change* related attitudes.

The purpose of the present paper is to study the effect of job insecurity on commitment to organizational change and the potential role of trust in mitigating the negative effect of the job insecurity on attitudes. This type of empirical research is important particularly in the case of Pakistan where very little indigenous management research is available.

Uncertainty resulting from organizational changes leads to a feeling of job insecurity among employees (Sims, 1994). Greenhalgh and Rosenblatt (1984) identified two important aspects of job insecurity: the fear of total job loss and the fear of loss of job features. Hellgren et al. (1999) later identified these two aspects as *quantitative job insecurity* (worries about losing the job as such) and *qualitative job insecurity* (worries about losing important job features). Loss of important job features refers to a deterioration of working conditions, decrease in future salary development, or negative impact on future career advancement. The focus of the present study is on the qualitative aspect of job insecurity as Hellgren et al. found this dimension to be more strongly related to work attitudes; while quantitative job insecurity showed stronger relationships with different aspects of health complaints. Employees feeling insecure in their jobs are likely to withdraw from participating in any change initiatives as change will be considered a cause of the potential loss their jobs (Rosenbaltt & Ruvio, 1996). Roskies and Louis-Guerin (1990) argue that such uncertain situations give rise to an increase in the level of concern among employees. Although these stressors may only be based on employee perceptions, yet failure on part of the management in their timely redressal may lead to the collapse of any change initiative.

Research has shown that it is the implementation phase where most change plans fail if the human and technical resources of an organization are not in line with the strategic objectives of the change initiative (Brewer & Hensher, 1998; Klein, 1996). Although strategic planning and the study of change at structural and systems level is important, Cascio, Young, and Morris (1997) warn that ignoring the human side of the restructuring process may have negative implications. Employees play a pivotal role in the success of a change program. Herold, Fedor, and Caldwell (2007) contend that one of the most important factors responsible for the successful implementation of change is represented by the commitment of employees towards the initiative, which reflects not just a positive attitude towards the initiative but a willingness to ensure its success.

Commitment to change is a construct which was first operationalized by Herscovitch and Meyer (2002); it represents an attitude that reflects a binding on part of an employee to work towards the success of a change program. They presented a three component model of commitment to change: affective commitment to change (desire based); continuance commitment to change (cost based); and normative commitment to change (obligation based). The present study focuses only on the affective dimension of commitment to change as it is the most desirable form of commitment to be inculcated among employees (Herscovitch & Meyer, 2002). Affective commitment is likely to develop when individuals become involved in, realize the importance of and recognize the relevance of commitment to a certain entity with their own goals (Meyer & Herscovitch, 2001). Strategies such as training, participation in planning the change initiative and empowerment have been identified as potential antecedents of affective commitment to change (Herscovitch, 1999). Employees are more likely to be affectively committed to a cause when they are able to foresee associated benefits.

Trust is a factor that maintains employee support for the actions of its management even during uncertainty (Albrecht & Travaglione, 2003). The employees are likely to support management initiatives if the element of trust exists (Elving, 2005; Rousseau & Tijoriwala, 1999). Trust in management therefore provides some level of control to an uncertain employee as they rely upon the management for their security and well being. Kalyal and Saha (2008) have found trust to be positively related with affective commitment to change; affective commitment to change develops when the employees' personal goals are in line with those pursued by the organization.

Previous research has studied the role of trust as moderator of stress experiences and found trust in management to be an important factor responsible for affecting attitudes towards change (Robinson, 1996; Rousseau & Tijoriwala, 1999). Dirks and Ferrin (2001) also proposed that trust moderates the effect of work attitudes and behaviors on outcomes by assessing the future behavior or past actions of a trusted party. During uncertain times, then, the employee's willingness to comply with seemingly risky expectations would depend upon the level of trust between the management and the employees. In line with this, Stanley, Meyer, and Topolnysky (2005) found a relationship between trust in management and employee resistance to change. The following hypotheses were proposed:

1. Affective commitment to change is negatively related with qualitative job insecurity.

2. Affective commitment to change is positively related with trust.
3. Qualitative job insecurity is negatively related to affective commitment to change when trust is high than under low trust conditions.

Method

Sample

Data was collected from a large public sector organization with its operations all over Pakistan. A total of 190 questionnaires were received after administering the survey to the entire population of management level employees ($N = 400$) out of which 172 were retained after dropping blank or almost blank questionnaires.

Age was measured in years using five categories: 18-25 years, 26-35 years, 36-45 years, 46-55 years, and 56-65 years. Average age of respondents was 3.41 ($SD = .99$). Level of education was measured using four brackets: *under-graduate*, *graduate*, *post-graduate*, and *doctorate*. The level of education was high (60% had a postgraduate degree and 23% had a doctorate); Tenure was measured as *years of service*. Average tenure was 16.45 years ($SD = 9.01$). 92% of the respondents were men.

Instruments

Affective Commitment to Change Six items representing affective commitment to change dimension were selected from the *commitment to change scale* by Herscovitch and Meyer (2002). A sample item is "I believe in the value of this change". The scale included three negatively worded items. All responses were given on a five-point rating scale (1 = *strongly disagree* & 5 = *strongly agree*). The Cronbach alpha value was .86.

Qualitative Job Insecurity The qualitative aspects of job insecurity were measured using four items from the Hellgren et al. (1999) scale supplemented by one item from Ashford, Leem, and Bobko (1989) scale in order to clearly gauge the reasons behind the qualitative aspect of job insecurity. A sample item is "I feel worried about my career development within the organization". The scale did

not contain any negatively worded items and the responses were measured on a five-point scale (1 = *strongly disagree* & 5 = *strongly agree*). The reliability was .72.

Trust in Management Two items from the trust scale by Brockner et al. (1997) were used to measure trust (e.g., "Management can be trusted to do what is good for me"). Two out of three items were selected from the scale since the third item referred to trust in one's immediate supervisor which was outside the scope of the present study. The responses were measured on a five-point scale (1 = *strongly disagree* & 5 = *strongly agree*) and Cronbach's alpha was .92.

Procedure

The survey was conducted a month after the announcement of a major restructuring program implemented by the organization; it was supposed to involve revamping of the whole organization including structural and functional changes. The survey was administered with the help of the HR department through their internal mail delivery system. A cover letter from the personnel manager explaining the purpose of research was included in the mail. The respondents were given one week to respond, after which a reminder mail was issued. Data was collected from head office and one regional office.

Results

Table 1

Correlation between Affective Commitment to Change, Job Insecurity and Trust (N = 172)

Variables	Affective commitment to change
1. Qualitative Job insecurity	-.41**
2. Trust	.31**

** $p < .01$.

The correlations between variables are reported in Table 1. Affective commitment to change was found to be negatively related

with trust ($r=.31, p < .05$), and qualitative job insecurity ($r = -.41, p < .05$). Table 2 presents the means, standard deviations, and alpha reliabilities of the scales for present research.

Table 2

Means, Standard Deviations, Cronbach's Alpha for the Scales (N=172)

Scales	<i>M</i>	<i>SD</i>	<i>A</i>
Job insecurity (qualitative)	2.68	.68	.72
Trust	3.30	.94	.92
Affective commitment to change	3.71	.72	.86

Table 3

Trust as Moderator between Qualitative Job Insecurity and Affective Commitment to Change (N= 172)

		<u>Affective commitment to change</u>	
	Predictors	ΔR^2	β
Step 1	(Control variables)	.11***	
	Age		.03
	Gender (female)		-.08
	Level of education		.11
	Tenure		-.26*
Step 2	(Main effects)	.15***	
	Qualitative job insecurity (QLJI)		-.29***
	Trust (TR)		.16*
Step 3	(Two way interaction)	.02*	
	QLJI*TR		.14*
	Total R^2		.25*
	<i>n</i>	172	

*** $p < .000$, * $p < .05$.

The results of Hypothesis 1 predicting the relationship of affective commitment to change with qualitative job insecurity and trust are found in Table 3. The control variables accounted for 11 percent of the variance in the outcomes in Step 1. In Step 2 (main

effects) between 15 percent of the variance was explained (Step 3) while Step 3 accounted for between 2 percent of the variance. After controlling for demographics, qualitative job insecurity had a significant negative relationship with affective commitment to change ($\beta = -.29, p < .01$) while trust had a positive relationship with affective commitment to change ($\beta = .16, p < .05$). The results of Hypothesis 2 dealt with the moderating effect of trust on the relationship between qualitative job insecurity and affective commitment to change. Table 3 shows that the interaction between qualitative job insecurity and trust was significantly related to affective commitment to change ($\beta = .14, p < .05$) and added significantly to the variance explained ($R^2 = .25, p < .05$; $\Delta R^2 = .02, p < .05$). Simple slope analysis showed that, in accordance with the hypothesis, when trust was high, the negative relationship between affective commitment to change and quantitative job insecurity was weaker ($\beta = -.17, p < .05$) than when trust was low ($\beta = -.46, p < .05$).

Discussion

Organizational changes are necessary for the efficient functioning of organizations and a firm commitment of the employees is important for the success of any change program. The main objective of the present study was to determine the relationship between a stressor like qualitative job insecurity, and affective commitment to change, and the role of trust in mitigating that stress.

Hypotheses were developed in order to ascertain the effect of variables expected to hold a positive and negative relationship with affective commitment to change. The qualitative (loss of job features) dimension was considered an important stressor in relation to organizational change. Results revealed the fear of loss of job features had a negative relationship with affective commitment to change. This finding is in line with earlier research (Greenhalgh & Rosenblatt, 1984; Rosenbaltt & Ruvio, 1996). Anticipated loss of valued job features may be stressful for employees and insecure job situations will reduce employee motivation to actively participate in the change process.

Trust was found to have a positive relationship with affective commitment to change, thus suggesting it may be a facilitator of change. This finding generally supports the argument by Dirks and Ferrin (2001). In an organizational environment rife with uncertainty, trust will help create an environment conducive to the development of positive attitudes towards commitment to change. As trust has been

shown to be positively related to affective commitment to change, the results of the present study are in-line with previous research (Albrecht & Travaglione, 2003; Kalyal & Saha, 2008). Trust between the employees and management helps reduce cynicism and encourage positive attitudes towards change. The higher the trust the more accepting the employees are of the change initiatives. Kotter and Schlesinger (1979) consider trust to be an important factor that can help overcome resistance to change and affect the attitudes towards change. If employees trust the management they will support the actions of the management regarding change (Mishra & Spreitzer, 1998). Trust hence appears to create a willingness to support management decisions and develop a belief in the management motives for change (Rousseau & Tijoriwala, 1999).

Most importantly, trust was also found to moderate the negative effect of qualitative job insecurity on affective commitment to change. This finding is in-line with the results of the meta-analysis conducted by Dirks and Ferrin (2001), which revealed that during the initial stages of organizational change, when the environment is highly unstable, trust is more likely to have a main effect which may lead to positive attitudes towards change. As the environment starts to become more stable, trust plays a moderating role in relieving stress and helping to achieve a desired outcome like support for organizational change.

Although data collection took place only a month after the change program had been implemented, the ability of trust to moderate the relationship between qualitative job insecurity and affective commitment to change indicates that employees were able to foresee the benefits associated with change. This finding is in line with Dirks and Ferrin (2001) who also proposed that high level of trust would result in cooperation from the employees for the support of organizational decisions only if they are able to foresee benefits associated with such action while low levels of trust would only give rise to the competitive motive where the employee is not willing to extend cooperation towards organizational initiatives but secures his own interests when faced with uncertainty.

Limitations

The cross-sectional nature of the data does not allow for any conclusions about causality of relations (Bollen, 1989). Despite the fact that the results of the present study are consistent with theoretical notions, a longitudinal design should be adopted in future research as it would be a useful contribution to literature in general.

The use of self-report measures of behavior leading to common method bias is another limitation. Since common method variance inflates the relationships between constructs (Podsakoff & Organ, 1986), positively and negatively worded items were used in most of the measures to reduce this inflationary effect (Gordon & Ladd, 1990). Future research may overcome this problem by obtaining multi-source data.

The response rate was low, which places limits on the possibility to generalize from the findings (Magnusson & Bergman, 1990). The low participation rate may be due to the reason that organizational surveys are not very common in Pakistan and the respondents are usually reluctant to respond to questions of pertaining to their views on "sensitive" topics like job insecurity and stress. In addition, the present research focused only on the managerial level employees. Future research may benefit from including employees at all hierarchical levels in order to determine the generalizability of results across the entire organization.

Managerial Implications

The present research highlights the fact that a stressor such as job insecurity may have a negative effect on positive attitudes towards change and thus merit further research as suggested by McHugh (1997) who insisted that stress management should be included in the change management initiatives. The present paper has important practical implications for managers and practitioners. Previous studies have highlighted the importance of developing affective commitment to change as it is positively related to behaviors that are supportive of change initiatives (Herscovitch & Meyer, 2002). Dealing with change related stress is important for the successful implementation of change programs but it requires carefully developed strategies both at the individual as well as organizational levels. Identification of those factors that lead to stress during organizational change. Providing employees an opportunity to solve their own problems during change and empowering them to take action regarding the removal of ambiguities and stress is likely to lead to more effective change implementation (Callan, 1993).

Findings suggest that trust in management may be an important factor in the development of positive attitudes toward change. Not only was trust found to be positively related to affective commitment to change, but it was also found that trust may mitigate the negative effects of job insecurity on affective commitment to change. The organization must create an environment conducive to the

development of trust among decision-makers and employees. A necessary action to be taken in this regard is to honor commitments and to act in a manner that conveys the resolve of the management to act in the best interest of the employees. Only then will the employees exhibit a kind of commitment that would lead to the enhancement of organizational efficiency and effectiveness.

Conclusion

The present research provides an insight into the factors that may impede or facilitate commitment to organizational change. The present findings not only add to the understanding of the implementation of change efforts in general, but it also provides a significant contribution to the area of commitment to change in particular, which is a little researched topic despite its noted importance. The findings suggest that trust in management not only acts as an antecedent or facilitator of change but also may mitigate the negative effects of change related stressors on commitment towards the change initiative. This research is useful for researchers as it helps in understanding the mechanism of the development of commitment to change from a stress perspective. Managers and practitioners can benefit from the results of the present study by developing their human resource policies by taking account of the factors that facilitate change and reduce stress that hampers change efforts. By creating a trusting environment conducive to the acceptance of change, the change managers can achieve what Abrahamson describes as "change without fatal pain" (2000, p. 75).

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Received March 30, 2009

Revision received May 25, 2010