

Building engagement and commitment through healthy organizational change processes: a case study looking into possibilities, limitations, and rewards

Sturle D. Tvedt and Marte P. Buvik

SINTEF Technology and society

Department of Industrial management

Group for Work research

Objectives:

Much of the literature of organizational change concerns the challenges of conducting successful changes (Clegg & Walsch, 2004; Kramer, Dougherty & Pierce; Nguyen & Kleiner, 2003), resulting in impaired psychosocial work environment stress and negative health outcomes (Kivimäki, et al., 2000; Korunka, Scharitzer, Carayons, & Sainfort, 2003; Noel, 1998; Proctor & Dukakis, 2003; Worrall & Cooper, 1998). Some studies also note the important role of the individually experienced impact of change for determining stress and health complaints, rather than the officially declared content and extent of change (Tvedt & Saksvik, 2008; Saksvik & Tvedt, submitted). Recent research indicates that the healthiness of organizational change processes can amend some of these negative outcomes in terms of psychosocial work environment and stress, where the healthiness of change processes is defined as an evaluation of change practice over four dimensions: awareness of diversity, leader availability, role clarification, constructive conflicts (Tvedt, Saksvik & Nytrø, 2009). However, apart from building control and support, less is known about how conducting healthy processes can induce positive outcomes for employees undergoing change. Work engagement is defined as a positive, fulfilling work-related state of mind that is characterized by vigour, dedication, and absorption (Schaufeli, Salanova, Gonzalez-Romá, & Bakker, 2002). This concept may be a relevant indicator of positive effects of healthy process managing. Another relevant indicator might be the more seasoned concept of affective organizational commitment, which is one of three components of organizational commitment (Meyer & Allen, 1991). The objective of this study was to investigate how healthy organizational change process in two high-tech manufacturing companies can mediate the experienced impact of change by increasing engagement and commitment, and if this can help reduce negative outcomes of stress and health complaints.

Methods:

The sample consisted of two Norwegian manufacturing companies that are part of the same research project funded by the Norwegian Research Council. The companies share several features as being part of the modern high-tech industry in Norway. They have both recently undergone an organizational change process; one has downsized part of their production staff due to lowered market demands and the other has

merged and relocated two departments. The response rate was 49 % in one company and 57 % in the other. Three main hypotheses were tested in the present study. H1: Healthy change processes have a direct reducing effect on stress and health complaints, and indirectly through increased engagement and commitment. H2: Perceived impact of change directly increases stress and health complaints, and reduce the experienced process healthiness. H3: The reducing effect of perceived impact on engagement and commitment is fully mediated by the change process healthiness. Structural Equation Modelling (SEM) analysis was used by means of AMOS 7.0 software to test the hypotheses. The sample (N=151) was assessed and found to be moderately non-normal. Hence the Bootstrapping procedure was employed.

Results

A model incorporating H1, H2 and H3 was achieved with reasonable fit (CMIN/DF=1.332), GFI=.940, AGFI=.901, CFI=.984, RMSEA=.048) that explained 13 %, 39%, 27%, and 24% of the variance in engagement, commitment, stress, and health complaints, respectively. As hypothesized in H2, the healthiness of the change process had a direct negative effect on stress and indirectly through increased engagement and commitment. The change process' reducing effect on health complaints is fully mediated by stress and commitment. As hypothesized in H2, the perceived impact of change directly increased stress, but the increasing effect on health complaints is fully mediated by stress. As hypothesized in H3, perceived impact only had an indirect reducing effect on engagement and commitment that was mediated by the experienced process healthiness.

Conclusions

The SEM analyses used in the current study should not be taken as confirmation of the causal nature of the model and the small and narrowly defined sample of the present case study make poor grounds for generalization. However, the results indicate that a healthy organizational change process can indeed help build engagement and affective organizational commitment. Further, that the amount of change impact on the individual does not directly reduce engagement and commitment, but can be substantially amended by a healthy process. And finally, that the engagement and commitment that partly builds on sources outside the process experience, add to the amending effect of a healthy process in reducing health complaints.