Trust in management, change resistance and work engagement on startup employees in Indonesia

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Abstract
Dynamic industrial development requires many organizations to have the right competitive business strategy. Indonesian startups are no exception. Startups must think about ways to develop their human resources. In addition, because startups are companies that have just grown, startup owners need to build trust in their members to achieve what is planned according to the company’s targets. This study will examine the role of trust in management on work engagement among startup employees in Indonesia, focusing on mediating change resistance. The participants actively involved in this study were 100 start-up members at the staff to middle manager level and were selected based on a purposive sampling technique. The instruments used are the change resistance scale, the trust in management scale, and the work engagement scale. The PLS-SEM method test results found a significant positive role for trust in management on work engagement; trust in management affects change resistance, and change resistance affects work engagement. This means that trust in management can further strengthen its role in increasing work engagement if it is mediated by change resistance.

Keywords
Change resistance, startup, trust in management, work engagement

Introduction
Organizational changes require the members to adapt to their organization’s circumstances. Often, the changes that occur in the organization are certainly not small. Along with the development of existing technology, organizations must be able to adapt and innovate to compete with their competitors or other organizations in the same industry (Haesevoets et al., 2022). Companies must have a good map of their business journey and the direction of their business development. The strategies that must be prepared are ways the companies can accommodate any changes in their business development (Asbari et al., 2020).

Due to the COVID pandemic, organizations must make massive changes and carry out transformations on all fronts, starting from how to work, dealing with technological challenges, and innovating in their products so that companies can still survive their business. The emergence of new habits such as working from home (WFH), massive use of technology and online platform facilities starting from working online, and online meetings have changed the work style from offline to online. At the same time, several conventional jobs have begun to switch their implementation to online, such as processing buying and selling transactions that previously had to be done in person. Still, they can now be done digitally (Bai et al., 2021).

In addition, one of the biggest challenges for organizations is how everyone can accept new information or strategies (Mckay et al., 2013). Therefore, to deal with changes that may occur, organizations must prepare their employees by developing their abilities to face challenges and changes that the organization will make (Meyer & Stensaker, 2006). The challenges are felt by large organizations in the private and public sectors and startups spreading in Indonesia.

The development of startups in Indonesia is very rapid. Currently, Indonesia is seen as a potential market for investors. Indonesia ranks in the top 5 with the highest number of startups in globally, amounting to 2,346 (Kolibra Capital, 2022). East Java itself has 113 startups (IndonesiaBaik.id, 2021). There are exciting things that have happened to startups in East Java. In 2017, startups in East Java contributed to the East Java economy by up to IDR 170.96 trillion (Dpmtsp. jatim. , 2022). This potential can increase rapidly if startups have good business development, human resource development, and management. Work engagement with employees can also increase productivity in achieving their targets. Therefore, work engagement among employees in the organization is critical and is certainly needed by the organization.

Work engagement in the organization will not be formed by itself. Personal and organizational factors can affect employee work engagement (Yudiani, 2017). Work engagement has been found to increase employee productivity, determine organizational success, and improve financial performance (Bates, 2004) Therefore, the organization and its management

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need to increase their employees’ involvement to assist the organization in achieving its organizational targets. The challenges experienced by organizations in achieving their targets certainly bring their challenges, especially in mobilizing and convincing their employee that the changes will significantly impact the existing process in the organization. When facing these changes, employees generally resist to change (Oreg, 2016). Change recipients’ reactions are often characterized by an unnatural fear when accepting organizational changes (Gonçalves et al., 2012). Change resistance is an individual’s tendency to resist or avoid change, to evaluate change in general, and to find change in various contexts and types of change (Oreg, 2003). Moreover, innovation can threaten the current way of working and the comfort zone of employees (Reginato et al., 2016).

Change resistance in the organization manifests as a total or partial failure of efforts to change technology, production, methods, management practices, or compensation systems in the organization (Oreg, 2006). Several factors can hinder a person’s adaptation to change, including job security, economic conditions, a person’s status in the organization, working conditions, levels of job satisfaction, and the time and effort needed to implement the changes (Palmer et al., 2009). In addition, the reaction that will be faced by the owners when making changes is that the members may reject changes by showing a lack of interest in implementing the changes, ignoring change makers within the organization, vocally opposing changes, spreading rumors, boycotting, overthrowing its leaders, and destroying the existing leadership in the organization (Smollan, 2015).

Therefore, there must be mutual trust and involvement between organizational management and members of the organization in making changes. Trust in management becomes very important in the change process that will occur or has already occurred. This aligns with previous research, which states that the critical phase of change implementation is when individuals design and manage the change, even when the organization starts executing the achievable targets (Nikaolauo et al., 2007). The management can build trust with employees if the management first gives them confidence that they can make changes. It can help lessen any rejection responses in the organization because the employee believes the management wants to maintain its sustainability (Oreg, 2006).

Trust in management is a way to understand and create a sense of interdependence and reciprocity in working relationships with employees, and most importantly, how and why employees repay the treatment they received (Farndale et al., 2011). As stated by Farndale et al. (2011), the critical phase of change implementation is the individual who will design and manage the change. Similar findings are corroborated by research from Kolibra Capital (2022), who consider change as a multilevel process that depends on how managers and employees manage it. Managers must be aware of the “vicious cycle of coercion and opposition” Thomas & Davies (2005) and understand how employees feel about managers as agents of change (Stanley et al., 2005). It is advised for company leaders to involve their employees in implementing the change process. Thus, the employees are engaged and have a positive attitude toward the change, characterized by vitality, energy, and willingness to work (Stanley et al., 2005). Organizational members believe they can complete the together through work engagement (Schaufeli & Bakker, 2004). Work engagement is also a favorable condition that fulfills motivation regarding work-related welfare (Blanch & Aluja, 2009).

According to the explanation above, this research will examine the influence of trust in management and work engagement. Trust in management influences change resistance, and change resistance influences work engagement. This research is also expected to be a novelty compared to previous studies. This is in response to the suggestions in previous studies to explore the variables in different industrial contexts. Previous research on change resistance has been conducted in the telecommunications services industry Lines (2004), work engagement in the health insurance industry (Schaufeli & Bakker, 2004), and trust in management in finance, automotive, and communication industries (Farndale et al., 2011).

Method

Research Design

The research design is non-experimental quantitative research by distributing the questionnaire to the research respondents. The data was collected by distributing online and offline questionnaires to startup employees throughout Indonesia. Before completing the questionnaire, the respondents expressed their willingness to complete it voluntarily.

Participants

The subjects of the study were 100 people who work in startups. The respondents came from different positions, including staff (66%), managerial (14%), and supervisor (12%), and the remaining were educators and consultants. The sampling technique used is purposive sampling, with the sampling requirement being a minimum of 6 months of work. This ensures that all participants have gone through a probation or job training period, which may influence employee and organization performance (Kintianingsih, 2021). The subjects in this study cover almost all of Indonesia’s provinces, such as East Java (56%), DKI Jakarta (21%), West Java (6%), South Kalimantan (5%), East Kalimantan (3%), Central Java (3%), Kep. Riau (2%), DIY (2%), NTB (1%), and Central Sulawesi (1%). The length of work varies between 1-2 years of work for 43 people (43%), less than one year for 27 people (27%), 26 people (26%) worked for 2-4 years, and four people (4%) worked for more than four years.

Measures

The change resistance scale reveals employee resistance to change (Lines, 2004). The total number of items in the change resistance variable is 4; they are unidimensional and have Cronbach’s alpha = 0.79. An example of a change resistance item is, “I usually think of change as a negative thing.” In the change resistance variable, each item was given five alternative answers that act as a weight value (score): Strongly agree (5), Agree (4), neutral (3), Disagree (2), and Strongly disagree (1). After completing the questionnaires, the authors perform a reverse score on all the answers in the variable.
change resistance item, aiming to reverse the data or scores obtained and avoid a value of 0.

The trust in management scale is used to measure trust in management by the staff of (Farndale et al., 2011). The total number of items in the trust in management variable is 4; the nature of the scale is unidimensional and has a Cronbach alpha value of 0.80. Example of trust in management: “Senior management can be trusted to make sound decisions for the future of this organization.” In the trust in management variable, each item was given five alternative answers that act as a weight value (score): Strongly agree (5), Agree (4), neutral (3), Disagree (2), and Strongly disagree (1).

The work engagement scale reveals employee work engagement (Schaufeli & Bakker, 2004). The work engagement variable has three dimensions of Cronbach’s alpha values, namely Vigor (α = 0.81), dedication (α = 0.89), and absorption (α = 0.76). The total number of work engagement scales is seven. An example of a work engagement item is "I have a dedication at work." In the work engagement variable, each item was given five alternative answers that act as a weight value (score): Strongly agree (5), Agree (4), neutral (3), Disagree (2), and Strongly disagree (1).

All variable items have been translated into the mother language by the authors in a strict manner so that the subject can easily understand the questions. The questionnaire is given to the respondents using the Likert scale measurement method, which measures attitudes, opinions, and perceptions of a person or group of people about social phenomena. In this study, the model measurement process was also carried out by testing the reliability of internal consistency, the validity of the convergence of constructs, and discriminant validity as indicated by the composite reliability (CR), outer loading, and average variance extract (AVE) values. The recommended CR value is > 0.7. In addition, a good AVE value is a minimum of 0.5 (Hair et al., 2017).

Five items have a low outer loading value, which is < 0.7. Thus, these items can be removed from the research; even though the items are constructed based on experts’ opinions, the implementation must be still be adjusted to the subject and object of the research. This finding drives the need to test each internal construction variable.

Data Analysis Technique
This study examines the hypothesis using the Structured Equations Model-Partial Least Squares SEM PLS 4 software because the population in this study was relatively small (200) (Hair et al., 2017). The data is analyzed using PLS-SEM software as it is necessary to determine the incremental linkage of characters, namely to test the mediation of a variable. Bootstrapping and blindfolding methods are included in the PLS-SEM results. There are two phases in the data analysis process: testing the measurement model and assessing the structural model (Shams et al., 2020).

Result
In this study, an analysis was carried out by assessing the structure of the model built. Aspects to be considered are path coefficients. The path coefficient value of Change Resistance (CR) to Work Engagement (WE) is 0.358, which can be interpreted as having a strong positive correlation. Next, the path coefficient value of Trust in Management (TIM) to Change Resistance (CR) is 0.440, which can be interpreted as having a strong positive correlation. Lastly, the value of path coefficients from trust in Management (TIM) to Work Engagement (WE) is 0.288, which can be interpreted as having a moderate positive correlation. This means that the path coefficients from this study are significant to meet the standard form and measurement model, which are acceptable and can be continued for hypothesis testing.

The result of hypothesis testing of the overall path coefficient values in the bootstrapping method is shown in Table 1. The hypothesis determines whether to be accepted or rejected based on the t-statistic value and the p-value. The hypothesis is deemed accepted if the beta coefficient (original sample) value is greater than the t-statistic of 1.96 and less than the p-value of 0.05. The first hypothesis is to test whether Trust in management (TIM) affects Work engagement (WE). The results of the test show that the beta coefficient (original sample) of trust in management (TIM) on Work engagement (WE) is 0.288 with a t-statistic value of 3.129. The results stated that the t-statistic is significant because the value is > 1.96 with a p-value. This indicates that the first hypothesis, namely that trust in management influences Work engagement, is accepted.

Next is the process of proving the second hypothesis. The second hypothesis tests the effect of Trust in management (TIM) on Change resistance (CR). The tests’ results show that the beta coefficient (original sample) for trust in management for Change resistance (CT) is 0.440 with a t-statistic value of 4.817. These results indicate that the t-statistic is significant because the value is > 1.96 with a p-value.

Then the last is the process of proving the third hypothesis, which is to know whether Change resistance (CR) affects Work engagement (WE). The results of the test show that the beta coefficient (original sample) for change resistance to Work engagement is 0.358 with a t-statistic value of 3.499. These results state that the t-statistic is significant because the value is > 1.96 with a p-value.

Discussion
The study’s findings related to the role of trust in management on work engagement have proven to have a significant effect. This shows that the higher the trust in management in the organization, the higher the employees’ work engagement in carrying out their work or the process of change that occurs in the organization (Jena et al., 2018). This can also be seen in previous studies. Trust in management can be defined as employees’ trust and confidence in their organizational leaders’ intentions, competence, and reliability. This includes their belief in formal leadership hierarchies and the direct supervisors or managers with whom employees interact daily (Mayer et al., 1995). Trust in management is one of the most essential elements organizations must build in their work (Searle, 2001). From the perspective of human resources management, trust in management is very helpful in understanding one another and creating a sense of interdependence and reciprocity between members of the organization. Furthermore, it is essential because it can determine how and why employees respond to the treatment they receive from the management (Farndale et al., 2011).
Apart from the human resources management perspective, from a psychological perspective, trust in management and work engagement are exciting topics in organizational and management psychology research. Trust is a fundamental factor in an effective working relationship and is essential in encouraging employee work engagement (Mayer et al., 1995). This statement is also supported by other research showing that trust in management is a significant factor that can positively influence the work engagement and welfare of employees of insurance organizations (De Jonge & Schaufeli, 1998).

As found in previous research, this research shows that the higher the trust in management in the organization, the higher the employee’s work engagement in carrying out their work or the process of change that occurs in the organization, especially at startups in Indonesia. This is shown from the results of hypothesis testing, where the beta coefficient (original sample) of trust in management (TIM) on Work engagement (WE) is 0.36 with a t-statistic value of 3.13. The results stated that the t-statistic was significant because the value was > 1.96 with a p-value, which means that the hypothesis, namely trust in management influences Work engagement, is accepted.

Furthermore, findings related to trust in management and change resistance have proven to have a significant effect. As found in other studies, when trust in management is high, it reduces employee resistance to change (Rehman et al., 2021). Trust in management becomes an essential process during the change process that will or has occurred. According to Nikaolauo et al. (2007), the critical phase of change implementation is when individuals design and manage change and the emergence of mutual trust between management and employees during the process. By trusting employees to carry out the change process, employees tend not to reject any changes that will occur in the organization. Several previous studies also support this conducted (Oreg, 2016).

Other findings also stated that how management treats employees, such as a sense of interdependence and mutual need, can influence employees’ decision to accept or reject the change process (Farndale et al., 2011). Trust can be fragile and eroded during times of change in organizations. However, research shows that when the management tries to improve trust, it will help reduce change resistance. Other research emphasizes restoring trust through consistent and fair managerial actions. This can be shown when management actively addresses employee concerns and is committed to rebuilding trust (Colquitt et al., 2011). In addition, studies found that organizations with a trusting relationship between managers and employees tend to last only a short time with organizational change (Pereira et al., 2019).

This study shows that the higher the trust in management, the more likely the employee to accept the changes that will occur, especially in the context of startups in Indonesia. In line with previous research, this finding is also proven by the beta coefficient (original sample) of trust in Management for Change resistance (CR) of 0.44 with a t-statistic value of 4.82. This result indicates that the t-statistic is significant because the value is > 1.96 with a p-value.

Other research shows a mediating role for change resistance in trust in management (Yusra et al., 2018). Previous research has found that work engagement positively affects the short- and long-term (Mauno et al., 2007). Another finding also explains that the level of involvement can have negative consequences if an employee is under stress, leading to burnout. This change resistance can occur in employees (Sonnetag et al., 2008). Change resistance is an individual’s tendency to resist or avoid change, evaluate changes in general, and find changes in various contexts and types of changes in the organization (Oreg, 2016).

Innovation and novelty within the organization can also threaten some employees, affecting their comfort zone (Reginato et al., 2016). Studies in education highlight resistance to change as a significant barrier to adopting new technologies (Reginato et al., 2016; Sharma et al., 2020). In previous research, change resistance can act as a mediating variable that explains the influence between trust in management and work engagement. When employees perceive higher levels of trust in management, they are more likely to accept change initiatives because they believe that management has their best interests in mind and that the change will lead to positive results. Consequently, employees with higher trust in management are expected to show lower levels of change resistance (Jaros et al., 1993).

In line with previous research, this study shows that if change resistance among startup employees is low, trust in management and work engagement will increase. Therefore, to increase work engagement among organization members, organizations must build trust with the employees to achieve the desired performance targets, carry out the planned change process, and avoid resistance. This statement is shown from the results of this study, which show that the beta coefficient (original sample) for change resistance to Work engagement is 0.36 with a t-statistic value of 3.50. These results state that the t-statistic is significant because the value is > 1.96 with a p-value.

**Conclusion and Implications**

The findings show that the hypothesis is accepted, namely that trust in management can predict start-up employee work engagement by strengthening the mediation of change resistance. This indicates that the higher the trust in management, the less likely the employee to show change resistance, and the higher the employee’s work engagement will be. Two strategies can be implemented to strengthen
employee work engagement: first, to increase employee trust in management, and vice versa, so that a strong relationship is created between the two parties achieving the organizational goals. Second, to reduce employee resistance to making changes by providing sufficient information regarding the goals and benefits of the changes. With these, it is hoped that there is a harmonious understanding between management and the employees.

This study has limitations in its industrial unit, which only applies to start-up employees, and the number of samples is limited. Future researchers can expand the sample trials to other industries and include a higher number of samples to test the consistency of the connectedness of each variable. It is hoped that through these improvements, the research results can be generalized and provide a complete picture of the characteristics of respondents in Indonesia.

Declaration

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Author contributions

Dhimas Fachri Aziza: research concept, Writing Introduction, Data Collection, data processing, Writing discussion. Fiona Niska Dinda Nadia: Supervisor of Research.

Conflict of interest

The authors declare that there is no conflict of interest in this research.

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