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# **FACTORS INFLUENCING RESISTANCE TO CHANGE AMONG EMPLOYEES IN SHIPYARD OPERATION**

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**UNIVERSITI UTARA MALAYSIA**

**2019**

**FACTORS INFLUENCING RESISTANCE TO CHANGE AMONG EMPLOYEES IN  
SHIPYARD OPERATION**

**A project paper is submitted to the college of business in partial fulfillment of the  
requirement for the degree of Master of Science Management**



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## ABSTRACT

Many industry including heavy industry embarked in business changes to enhance capability, improves performance and provide competitive advantage for business. In implementation of changes, the main failure of organization changes due to a common phenomenon known as resistance to change. The objectives of the research are investigating the relationship between four independent variables and resistance to change. Perceived personal impact, perceived outcome organizations, trust in management and change communication are four factors hypothesized to have significant relationship towards resistance to change. Instrument used to obtain the data for this quantitative paper was a survey questionnaire. A total of 300 survey were distributed to the staff in Boustead Naval Shipyard. Of the distribution, only 256 responses have found completed and subsequently analyzed for statistical results by using Statistical Package for Social Science (SPSS) version 20.0 software. The study hypotheses have been tested by using correlation and multiple regression analysis. As a whole, the finding has indicated that four independent variables significantly predict resistance to change. ‘How’ an individual perceived, trust and communication is the key to manage employees’ resistance to organizational change. The result of the study is believed to assist the management practitioners to understand employees’ disposition towards change in order to attain effective change management at the workplace.

## ACKNOWLEDGEMENT

I begin in the name of Allah, most merciful. Many thanks to Allah for providing me with strength and emotional support throughout my study. I owe my deepest gratitude to those who have helped me through the process of completing this dissertation. It is a pleasure to thank those who made this project paper complete.

My most profound thankfulness goes to my supervisor Dr Haslinda Bt Hassan for all her patience, scientifically proven, creativity encouraging guidance, and discussion that made this study to what it is. Without her understanding, consideration and untiring advice, this dissertation would not have been completed successfully. I would like to express my appreciation to examiners for their valuable comments, Dr. Shahibudin bin Ishak and Mr.Dzulhilmi bin Ahmad Fawzi.

My special appreciation to my dear parents who endless love and support throughout my life can never be repaid. Special thanks to my dear brothers and sister for their support, strength, help and encouragement throughout my master's study. Finally, many thanks to my friends for their continuous moral support, and all the persons especially my colleagues who helped in giving idea, advices and support in completing this project paper.

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# CHAPTER 1

## INTRODUCTION

### 1.0 Introduction

This chapter explains the overview of the study, details background of the study, statement of problem, objectives of the study, the research questions that study intends to investigate and finally explain the significance of this study.

### 1.2 Background of the study

Recently in today's business environment, rapid and continual innovation in technology and globalization markets force constantly changes to organization system and process. Current economic condition has challenged the competitiveness and sustainability of organization. These factors require company to undergo changes in daily operation to remain compete and sustain in the market. Since that, most organization cannot take for granted in their comfort zone, gladness in past achievement.

The organization should initiate a transformational process by looking for new opportunities and challenging the status quo. According to Franklin and Aguenza (2016), employee tend to have high tendency to change when surrounding factors present no choice despite of change. Organizational change initiative is a common occurrence within organization and often arise as a problem that faced by a company due to resistance to change. Thus, changes cannot always be claimed to be easily and successfully to execute since implementing such changes needs efficient and systematic change management.

The reason for such a difficulty is reluctance, unpreparedness, lack of understanding and finally resistance that the employees, people and the consumers show when encountering changes (Mirkamali, 2000; Maryam, 2017). Resistance is major challenging for organization to undergo changes in organization (Bushman, 2007; Mansor, 2013). Changes phenomenon happen within organization due to surrounding environment forces and resistance to change is just a common resistance which can influence the process of a strategic changes that will affect business activity.

Therefore, effective of managing change indicate how needed changes are communicated to the employees who work lives will be affected (Ford & Ford, 1995, 2009; Barrett, Thomas & Hocevar, 1995; Florian Kloneka, 2014). The causes of employee resist to accept change in organization is the question inspiring people to study the issue that can lead to failure in organization that is undergoing change. There was no denying that the main failure of organization changes due to a common phenomenon known as resistance to change. Previous study indicates that resistance to change has long been recognized as key problem in organization change failure (Chiung-Hui & Ing-Chung, 2009; Ahmad, Hassan & Jamal, 2017).

Meanwhile, Maryam (2017) defines resistance to change as the action taken by an individual or group that perceives a change as a threat. Resistance to change has long be aware as a critical factor that can affect the success or failure of an organizational change effort. Resistance to change appears in actions such as verbal criticism, nit-picking details, loudly and verbally failing to adopt, snide comments, sarcastic remarks, missed meetings, failed commitments, endless arguments, lack of support verbally, and even, in a worst-case scenario, committing outright sabotage (Decker, Durand, Mayfield, McCornack, Skinner & Perdue, 2012).

Ahmad et al., (2017), stress that managing resistance is the critical aspect whether the implemented of changes process will triumph or not since resistance itself has the power to slow down, redirect, reject and stop change from happening (Coetsee, 1999; Ahmad et al., 2017). Hence, the right way to manage change successfully is by understanding the resistance itself (Lawrence, 1969; Canning & Found, 2015). As a result, research has shown that 1/2 or 2/3 change efforts fail because of lack of proper attention given to the “little cognized but critically important contributor” of resistance (Maurer, 1996; Ahmad et al., 2017). On that account, resistance to change should be given enough and holistic consideration by the management.

Furthermore, the finding of the past and recent statistics showed high unfavorable trend in organization change when the trend does not show any positive result of declining despite of change failure rate remains as dominant in the statistics. Early study quoted that change failure rate was up to 70 percent (Balogun & Hailey, 2004; Ahmad et al., 2017) and discovered the project change failed about 40 percent (Chawla & Kelloway, 2004; Ahmad et al., 2017). Sadly, the failure rate did not show to decline as the latest figure reveal that two-third of organizational change effort were label as failed (Meaney & Pung, 2008; Ahmad et al., 2017).

In another study, only 41 percent of total programs were considered success which comprised of 1,532 change agent (Jorgensen, Owen & Heus, 2009; Ahmad et al., 2017) and other finding expedited and claimed those change failure rates were between 28 percent to as high as 93 percent (Decker et al., 2012; Ahmad et al., 2017). Michel, By and Burnes (2013) reported that there is no improvement and still show the potential to fail.

Meanwhile, based on review of change literature, the success rate of change program was less than 30 percent (Al-haddad & Kotnour, 2015; Ahmad et al., 2017). Ahmad et al., (2017) stress on their study, the expected numbers of statistic will increase due to increase in forces in present and future environment which more diversities, complex and face with economy uncertainty with inappropriate strategy in managing resistance in change. According to Mansor (2013) resistance is defined as major challenging for organization in Malaysia since resistance to change is main element that influences the success or failure of an organizational change effort.

There are several factors that influence employee to accept or resist changes either related to employee perception on their job or organizational environment. Moreover, resistance to change phenomenon will incur cost and lead to unanticipated delay in change process that must be taken into considerations (Vakil, 2006; Yushak, 2017). Bovey and Hede (2001); Vakil, (2006); Mdletye, Coetzee and Ukpere, (2014) said that it is critical for change drivers to understand how human elements influence change, how employees feel about change, evaluate employees as the prime source of resistance to change.

Thus, employees also resist change by failing to take action to move in the new direction, quietly going about their familiar and accustomed business in the same ways as always, withdrawing their interest and attention, and failing to add to the conversations, discussions, and requests for input. On the other hand, management always focused more on technical element that affect changes and neglect the human elements which is very important to the successful of change (Yilmaz & Kilicoglu,2013; Yushak, 2017).

The inclination to resist change is usually viewed in negative term and in order to keep up with rapid changes in markets, technologies, and geopolitical trends, organizations are continuously required to develop and implement processes of change (Battilana & Casciaro, 2013; Hon, Bloom, & Crant, 2014 ; Oreq, 2017).Meanwhile, Oreg (2013, 2017) argued that dispositional resistance to change known as a negative personal orientation toward the notion of change and generally viewed as an obstacle to effective adaptation and improvement.

On the other hand, resistant individuals may perform more poorly than non-resistant individuals which more positive towards changes. Furthermore, previous study often focused on an analysis of single change episode and have a tendency to neglect the role of individuals' in response to organization change taking place at present time (Pettigrew, Woodman, & Cameron, 2001; Restubog, Jimmieson, & Irmer, 2011; Sebastian, 2014). Therefore, those problem related with understanding, consideration and managing resistance among employee which is critical and need to be discussed further in this research whether those problems influence changes process in organizations.

Lewin (2015) and Michele Heath (2019), highlighted the vital of individual in the change initiative at the micro level. It also noted in their research that organizational change might be based on an individual's habit, routine, fear, dislike of insecurity of the unknown issue. Besides, change causes individual to experience a variety of reactions; initial denial, resistance, gradual exploration and eventual commitment (Kyle, 1993; Michele Heath, 2019). According to research conducting by Asirvatham, (2019), the model developed by Bovey and Hede had used to identify, measure and evaluate how individual differences like cognition, affect and perception are related with an individual's level of resistance to organizational change. Misconceptions of faulty assumptions had described cognition through irrational ideas regarding the change.

Regarding of many issues that may rose from performing a change process in organization, employee resistance is possibly the greatest factor that will contribute the success or failure of the change initiative as it is the employees who will act as individual that respond to and carry out the desired change. Since that, the people who are driving the change will need additional information about individual level of employees to understand what factors that may lead resistance to change in order to be an effective change agent. Thus, a comprehensive model is required to identify the factors that contribute to resistance to change.

In this research, the four variables had been highlighted namely Perceived Personal Impact, Perceived Outcome for Organization, Trust in Management and Change Communication are included in the model to predict resistance to change. The comprehensive model to predict resistance to change among employee in shipyard operation will be tested using quantitative methods which is different from previous study in qualitative that had conducted by Yushak, (2017). The purpose of this study to look in depth into the relationship between factors influence resistance to change among employee in shipyard operation in quantitative perspective. In view of that, this study explores some of individual and organizational factors that lead to resistance in order to help organization to manage changes programme that is better suited to their business.

As a result, based on previous study, resistance to change become multifaceted phenomenon that caused by various factors. For the purpose of this study, the investigation will more focusing on human element as a critical aspect that contribute to process of changes in organization and underlying behavior among employee that make them resist to change.

### **1.3 Statement of the problem**

Recently in Malaysia context involving heavy industry seen to face many obstacles to sustainable development due to numerous forces from globalization and rapid growth of technology (Yushak, 2017). These changes will create challenges and opportunities for all those companies operating within the sector. Thus, most shipyard nowadays experiencing an intense pressure for organizational change to survive in a competitive market. According to study conducted by Yushak, (2017) about shipyards operation, the attempt for organization change was ended with little achievement due to technical and human aspects that lead to increase level of resistance to change. Meanwhile, there were concern on the Shipyard ability to improve its competitive advantage even though many of the consultants and trainers who were involved in the change programmed but the result is not satisfied by management (Yushak, 2017).

On the industry perspective, according to Yushak, (2017) change effort has become a pressure faced by Shipyard to reinvent itself due to its status as a Government Link Company (GLC) and considered as Government Favorites by its competitors. Hence, its need to be great and excellent to attract potential customer despite of just being good is not enough. Meanwhile, the environment of surrounding politics seen very critical towards Shipyard ability to sustain its capability and its economy perspective stand to lose a lot.

Shipyard fail to reinvent its potential as GLC company to compete and sustain in shipping industry and exposed to competitors that waiting to grab the opportunity to prove that they can do better job in running of a project if given the opportunity by government. The main failure of changes is due to employee itself that resist to undergo the changes process.

There are several factors that contribute to failure of transformation programmed which employees perceptive toward their personal impact and outcome of the transformation programmed. This is due to feedback from participants indicated that established process is troublesome, and many would like to resort to straightforward bypass the process and get the ship delivered using the shortest route possible (result as opposed to process orientation).

These result-oriented had been created by managers that acceptable to increase production efficiency to meet implicit personal target at all costs had improved overtime which is consolidates a type of corporate culture which damaging inward focus. The stakeholder and customer view will no longer be considered as main focused on changes process. All the changes objectives seem to fail because most of the employee tend to look at the subjective level which more to their personal perception and argument without more to fact rationalization.

(Manuele &Fuentes,2003; Yushak, 2017), argued that, the sources or resistance to change is linked to the problems caused by the presence of deeply rooted inside the group of political and culture impasse in the implementation stages. This situation happened due to problem in change communication which is the main purpose of transformation programmed did not clearly defined to all employees from top management to non-executive level. Thus, there were also lack of information provided to employees about the organization's policy and progress towards changes. This information just be consulted and discussed at the top management without sharing with the all employees. Since that, all employees did not get enough information about the progress of transformation process even they were the main player in implementing the changes. So, the employees will get clearly reasons why the changes happen in the organization. Moreover, the failure of changes happened due to lack of trust towards management. These conflicting roles happen when the managers and supervisors fail to play their roles as a change agent to the organizations.

During the transformation process, Shipyard had undergone changes in terms of organization structure which was involving rearrangement of department, staff and location. Some of managers and supervisors had been transfer to another department to ensure all the restructuring process during the transformation had been well implemented. However, they seem fail to play their roles since employees argued with their capability of fulfilling their new function as a result of the change. The employees feel that their superior did not paid enough attention to the personal consequences that the changes could have for the employee.

Resistance to change has long be aware as a critical factor that can affect the success or failure of an organizational change effort. Most organizations realize that on-going change is crucial for organizational, and therefore try to break the barriers and resistance to change (Mbongeni, 2013).On knowledge perspective, there still on-going debate on this issues that contribute to resistance to change until now. Research showed that most of study highlighted consist of technical and human elements that contribute resistance to change in organization but in general.

Furthermore, previous study often focused on an analysis of single change episode and have a tendency to neglect the role of individuals' in response to organization change taking place at present time (Pettigrew, Woodman, & Cameron, 2001; Bordia; Restubog, Jimmieson, & Irmer, 2011; Sebastian, 2014).Besides, lack of previous study conducting about resistance to change in shipyard operation which is latest studies was conducting by Yushak (2017) in qualitative method. For the purpose of these study, it will be focusing on human elements as the main factors that contributed to resistance to change. The human aspect will test based on several variable that will answer the role of individual towards organization changes.

Besides that, this study will be conducted in quantitative method to allow for a broader study involving a greater number of subjects and enhancing the generalization of the results. It will allow for a greater objectivity and accuracy of the result. In this study, the four variables had been highlighted which is perceived personal impact, perceived outcome for organization, change communication and trust in management as the reason to resistance to change. Hence, this study aims to fill the gap by investigating how employee underlying behavior influence resistance to change by applying theory of constraints.

Based on finding study conducted by Pasubathy (2010) on factors influencing resistance to change, a variable which is perceived outcome of organization does not show a significant contribution to the prediction of dependent variable due to overlap with other independent variables perceived personal impact. This is because these two variables that are quite similar which had a possibility of overlapping with one another as both measures the outcome of a change process. This may happen because of the study measures different change that happened at different organizations at different time frames. These phenomena potentially make significant finding from one change was neutralized by the responses from other respondents from different change settings. Thus, in this study it will be conducted to measure the same variables that contributes to changes that occurred within the same period in same organizations. Hence, more accurate measures about the changes can be derived.

According to Pasubathy (2010), most of previous study measure personal impact consist of multidimensional factors namely job security, Loss of expertise and social status as a standalone variables that influencing resistance to change and lack of study combined all those aspect as a variables known as Perceived Personal Impact. Hence for the purposed of this study, all those aspects have been combined known as Perceived Personal Impact as one of the variables to validate the finding by others potential variables despite of only measure on personal factors as a variable.

Do the four independent variables (perceived personal impact, perceived outcome organization, trust in management and change communication) have significant effect on resistance to change among employee in Shipyard operation?

#### **1.4 Research Objectives**

The aim of this study is to examine the factors influence resistance to change among employee in Shipyard Operation. An understanding of the factors influence resistance to change with assist the organizations in enhancing their ability to manage change. To support the main objectives, this study developed the specific research objectives as follow:

1. To examine the effect of perceived personal impact on resistance to change.
2. To examine the effect of perceived outcome for organizations on resistance to change.
3. To examine the effect of trust in management on resistance to change.
4. To examine the effect of change communication on resistance to change.

#### **1.4 Research Question**

There are several research questions that help researcher to achieve the aim and objectives of the study.

The following are the research question for the study:

1. Does perceived personal impacts has effect on resistance to change?
2. Does perceived outcome organization has effect on resistance to change?
3. Does trust in management has effect on resistance to change?
4. Does change communication has effect on resistance to change?

## **1.6 Significance of the study**

The study will investigate factors that influence change resistance among employee in Shipyard Operation. The findings of the study may benefit both theory and practical aspect. Therefore, the findings of this study will contribute to knowledge perspectives by determining the factors affect resistance to change. Besides, the study intends to contribute to literature review that related to resistance to change by explaining the aspects of change process and individual characteristics as well as their effects on employee's resistance to change. For theoretical perspectives, this study indicates that a basic change of resistance management model should proposed the four cores of changes known as perceived personal impact, perceived outcome of organization, change management, change communication and trust in management.

Meanwhile, the current literature about resistance is lacking a holistic model that can be predict change in resistance. Hence, the purpose of study to strengthen the knowledge in Shipyard Operation on the issue that hinder or motivate change. From practical perspective, the study also intends to highlight why the factors that contributes to employees changes important to evaluate by change agents. Moreover, the study will access the change agent in identifying the potential factors that influencing employee reaction towards change. The study further will provide empirical evidence that can be used to facilitate future change activity and desirable outcome of changes in Shipyard Operation. The findings further will contribute a better understanding of resistance to change and the management or employees will concern about negative and positive view about change.

## 1.7 Definition of Key Terms

**Resistance to change** can be in general defined as any kind of behaviour that a person shows when facing with the changes process as well as any behaviour or reaction that leads to slow down or terminate the process of changing (Maryam Nakhoda, 2017).

**Organisation Changed** is defined as the implementation of strategies based on behavioural science to create changes at work to enhance performance by modifying employee behaviour. (Beal, Stavros & Cole, 2013; Yushak, 2017).

**Perceived Personal Impact** known as the way change affects the personal or professional life of an employee is a contributing factor to resistance behavior and is one of the major sources of stress for employees (Chaudhry, Wayne & Schalk, 2009; Quinlan, 2015).

**Perceived Outcome for Organization** is defined as attitudes towards organizational change may be defined as an employee's overall positive or negative evaluative decision of a change proposal implemented by their organization (Rebeka, 2015).

**Trust in Management** generally defined as willingness of employee to be vulnerable to the leadership of the organizations Korsgaard, Sapienza and Schweiger (2002) as cited in Nurul, (2014).

**Change Communication** is known as information sharing between two or more individuals or group to achieve a common understanding to accomplish their objectives. Meanwhile, information sharing is not enough in order to make communication happen as the individuals involved required to comprehend the information shared (Nurul, 2014).

## **1.8 Organization of Remaining Chapters**

This report contains five chapters. Chapter 1 is the Introduction of the research. Chapter 2 covers the Literature Review; Chapter 3 discusses the Research Methodology used in this research. Chapter 4 reports out the research findings while Chapter 5 will address the discussion, recommendation for future studies and conclusion of this study.



## CHAPTER 2

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter seeks to present a review of relevant theories and related literature from previous study in relation to the research question that being analyzed. Moreover, it will present the dimension of resistance to change as well as the factors influence employee resist to change in their job. Meanwhile, in this chapter, relevant literatures on organizational change, resistance to change, perceived personal impact, and perceived outcome for organization change communication and trust in management are reviewed. This chapter will cover the research framework and definitions of term of used in this study.

#### 2.1 Organizational Change

Recently, change is common process occur in organization due to business environment is changing fast. Change is defined by George and Jones, (1996);Mansor, (2013) as the process of move away from the current state to the future state and generally known as the transformation process to grab all the opportunity arise outside organization and counter all threat in business (Gilgeous, 1997);Mansor 2013). Meanwhile, Dorling (2017) claimed that organizational change is a predominant topic, and it has become an unavoidable issue that organizations must survive. According to Beal, Stavros and Cole M.L, (2013);Yushak, (2017) stated that organization changed is defined as the implementation of strategies based on behavioral science to create changes at work to enhance performance by modifying employee behavior.

On the other hand, organization change is defined as an effort or series of effort to alter an organization's goals, structure, technology or business activities (Carnall, 1986; Mansor, 2013). Since that, all the organization should undergo changes or transformation to cope with the changing in business environment to survive and remain competitive in the market by grab all the opportunities and overcome all the limitation and challenges. The changes process and strategy for each organization might be varying due to differences in organization structure, value, business nature, culture and management style. However, changes in organization seem difficult to implement due to resistance issue.

## **2.2 Change Model**

Several change models have been established in order to explain the change concept since many studies have been conducted about change for decades ago, specifically organizational change (Erwin & Garman, 2010). The first model has been developed by Lewin (1947) attempting to explain the roots for process model of organizational change. The model by Lewin had introduced a three-step theory which involve: 1) Unfreezing the present state, 2) Moving to learn new behaviors and bring about desired changes, and 3) Refreezing into the desired state to ensure new behaviors. According to Medley and Akan (2008), Lewin's research was the early foundation of understanding change processes in social situations since the study provided much contribution on change concept. A few scientists from organization have proposed variations of change model based on three steps develop by Lewin (1947) unfreezing, moving and refreezing (Armenakis, Bernerth, Pitts & Walker, 2007).

Therefore, Lewin's model has been extended by Lippitt, Watson and Westley (1958) into seven step theory that focused on the various roles of the change agent rather than on the change itself. After several years, a new change model have been developed by John Kotter (1995) that consist eight step of change model for effective change which consist: 1) Establishing a sense of urgency; 2)Forming a powerful guiding coalition; 3) Creating a vision; 4) Communicating the vision; 5) Empowering others to act; 6) Planning for and creating short-term wins; 7) Consolidating improvement and sustaining the change and 8) Institutionalizing the new approach (Richesin, 2011). The purpose John Kotter developed this new model as an initiative to assist organization to remake themselves into better companies through change process.

According to the finding, Kotter determined the failure of change initiative in business by developed eight steps for leading successful change. In view of that, these eight steps should be followed in sequence one by one and essential to complete all eight steps without fail. Therefore, this change model has been used and implemented by many profit business and corporation around the world. The outcome of Kotter's 8 Steps of Change has proven to be a valuable and successful for various potential corporation. Despite of that, there are a few researches conducted using Kotter's popular change model in the non- profit setting. Thus, these change model by Lewin (1947) and Kotter (1995) has been used as fundamental of managing change in organization since a few decades ago until now.

### **2.3 Conceptual Resistance to Change**

Resistance in organizational setting is an expression of reservation which normally arises as a response or reaction to change (Block, 1989); Mansor, 2013). Furthermore, Dorling (2017) argued that resistance as an undeniable reaction towards the important of changes process and people naturally attack the changes in order to defend this current situation which they feel it more secure and comfortable. Dorling (2017) reported that resistance to the attempt of organizational change is a psychological phenomenon that grew toward a psychological concept and resistance is the primary obstacle for successful organization changes as stated in the cornerstone models for comprehending organizational change introduced by Lewin in 1952.

Despite of that, Ansoff, (1990) and Mansor, (2013) clearly stated resistance is a phenomenon that directly will influence the change process in term of delaying or slowing down its execution, obstructing or prevent the implementation of change process as well as increase the costs. Once the terms of change and organizational changes have been defined, then term of resistance to changes will be further explore. Based on the previous study on organization change, there are several literatures that offer several definitions for resistance to change.

First for most, according to Franklin and Aguenza, (2016) resistance to change is the action taken by individual or group that perceives a change as a threat and employees tend to have a high tendency to change when surrounding factors present no other choice except change. On the other hand, resistance to change is highlighted as the barrier or limitation to the effectiveness and successful implementation of organizational changes interventions.

Resistance to change is usually recognized as an important factor that can be affects the results of operation in organizational change (Chiung-Hui & Ing-Chung, 2009 Paula Matos Marques Simoes, 2014). Therefore, (Zaltman 1977; Maryam Nakhoda, 2017), defined resistance to change as every moment that in the purpose of supporting the existing situation against the pressure and try to change it. Besides that, Piderit, 2000; Yushak, 2017 forwarded Lewin's definition of resistance as 'a restraining force moving in the direction of maintaining the status quo', giving rise to the force-field theory (Lewin, 1947).

Ahmad et al., (2017) clearly stated in their study even there were numerous definitions of resistance to change made by previous scholars that shows many spectrums meaning, all the definition show same consistency which agree that resistance to change involve an act of resisting and opposing a movement from comfortable into an indefinite or unfamiliar state. Apart from these definitions for the purpose of this study, resistance to change can be in general defined as any kind of behavior that a person shows when facing with the changes process as well as any behavior or reaction that leads to slow down or terminate the process of changing (Maryam Nakhoda, 2017).

### **2.3.1 Previous Measurement of Resistance to Change**

Balakrishnan (2014) explained that most scholars often discussed resistance to change in the form of active and passive behaviors. Active resistance defined as deliberates actions to utilize certain facts such as criticism, accusation, find mistake, threaten, express fear, manipulate and sabotage. Meanwhile, passive resistant is about failure to sustain changed setting and fail to carry change process (Hultman, 1998). Meanwhile, passive resistance is about inertia by withdraw and ignore change as like not willing to learn Bovey and Hede (2001).

For active resistance is about drastic by mean of disrupt change such as deliberate mistake. In perspective Piderit (2000), people might enthusiastically agree to accept change but not focusing to take actions in order to carry out initiative towards change. They are hopping for new opportunity but fear on inability to meet new expectation as per required. These actions known as ambivalent response not completely reject and not completely accept. In view of that, these researchers have displayed resistant behaviors as overt-covert and active-passive.

On the other hand, Chawla and Kelloway (2004), resistance to change compliance with any behavior that prevents the organization's objectives and views in response to the attitude and behavior change. The first component is a psychological rejection of the need for change while the second component is a description of behavior that refers to a refusal to support change or a refusal to stay with the organization during a turbulent period. In different perspective, Bareil (2013) has argued the idea of resilience of change is through transformation, in two paradigms: from traditional to modern, meaning from the enemy to the source.

In management perspective, resistance should be figure out as resource at first due to normal and legitimate consideration. However, if management is witnessing a change in behavior, traditional viewpoints should be applied due to opposition to the occurrence of organizational change. Therefore, Inandi, Tunc and Gilic, (2013) has asserted that resistance to change have related to readiness of change. Readiness means acceptance to change while resistance is about denying or fear to change. Hence, responding to change is a better term to use than enduring change.

According to Piderit (2000) has claimed that seeking employee feedback on the changes in the organization rather than resistance to change because of resistance focused on the negative aspects Piderit (2000) and Oreg (2006) has defined resistance as multidimensional attitudes due to involvement of cognitive, affective and behavioural components' (2006) argued that resistance to change may occur if the someone judgement to change the pessimistic which means cognitive, effective and behaviors referred to the feelings, thoughts and reactions.

Meanwhile, Schiffer (2011) have shown that the individual is not only in the negative phase, but also in the demonstration of resistance itself .It can be showed that two members might have larger disposition to resist compared to the other might be in different way. Thus, higher resistance to state it hard but others may manifest through emotional withdrawal from the team members. Bamber and Castka (2006) said that an individual perception is more crucial to forecast his or her behavior.

### **2.3.2 Resistance to Change Model**

Resistance to Change (RTC) Scale or known as Dispositional Resistance to change has established by Oreg (2003) to measure an individual's resistance to change. The important of elements in RTC scale involved cognitive rigidity, routine seeking, emotional reaction and short-term focus which is referring to cognitive, emotional and behavioral components. Cognitive rigidity defined as an individual difficulty and flexible thinking to adapt a new method, environment and adjust with any types of change. Whereby, routine seeking indicates an individual resist to leave his or her routine work or conversely will involve with new task. Emotional reaction refers to individual anxiety, stress and uneasy level or conversely will easy going with new initiative. Then, short term focus indicates to individual unwillingness to lose control, low tolerance and conversely will tolerate because they focused on long term benefits. Hence, it shown that the more complex judgement on change, the more intention to resist change.

Greenberg and Baron, 2002; Metselaar and Cozijnsen, 1997; Morris, 2007; Vos, 2006 argued that positive or negative reaction on change is indicates by individual differences or personality. Thus, individual characteristics would determine on ‘what is necessary’ to self and decide on ‘how he or she will evaluate a situation’ (Lazarus, 1991; Balakrisnan, 2014). Pierce and Gardner (2009) have also declared that individual personality is shaping self-evaluation and brought together the perception at the workplace. Based on all the facts that had discussed above, the individual personality will influence on ‘how’ an individual will perceive and adapt with new changes. Reaction of this behaviour further will affect the acceptance towards organization change and subsequently affects the whole job performance.

#### **2.4 Perceived Personal Impact**

Perceived can be defined as a complex process which involve people to select, organize and interpret the stimulation into meaningful and coherent picture of the worlds (Berelson & Stainer, 1964; Vithessonthi, 2005). According to Barbe and Legge (1976), perceived is about receiving, selecting, acquiring, transforming and organize the information supplied by our senses. Therefore, individuals’ perceptions will influence their decisions, outcome of decision and the way they will behave towards the decision (Vithessonthi, 2005). One of determinants factor that influence employee to accept or resists the change is the extent to which the change is perceived as profitable or undesirable (Oreg, 2006). Employees will evaluate the results of changes process in which way the change will personally impact them either directly or indirectly. The way change affects the personal or professional life of an employee is a contributing factor to resistance behavior and is one of the major sources of stress for employees (Chaudhry et al., 2009; Quinlan, 2015).

Based on previous study perceived personal impact are known as multidimensional factors that commonly affect the employees' perception towards change had been cited in the literature which namely as job security, loss of expertise, diminishing influence, authority and control, loss of social status and change in change in customs and long held practice and behaviors (Vithessonthi, 2005). An employee's perception, which influences the assessment of a situation and the resulting emotions and behaviors, is necessary to understand because it will affect the successful of changes process. Immense changes may also become major threaten to employee job security. When employees feel confident about their skills and job insecurity about affective and normative commitment to change, this can be mitigated by marketability. A good reaction to change even in the face of adversity is experience in high-level individual's marketability.

Impact of job insufficiency in times of economic and economic instability the environment can protect workers from the skills to find new ones (Baruch, 2001; Yusuf, 2015). Changes can change the nature of work or even reduce some roles altogether. What individuals consider a potential loss continuity in the work environment can range from losing the job itself to being lost some important features of their task? Losing valuable job characteristics is important but the safety aspect of work is often overlooked. This phenomenon is experienced as a kind of job loss as much as it involves the loss of jobs as the workers currently aware of that issue. The finding involving tendency to abandon and resistance to change are consistent across studies on job security. (Greenhalgh & Rosenblatt, 1984; Norazuwa Mat, 2012). Evanski (1996) and Norazuwa Mat (2012) identify the personal loss as one of the main components of resistance to change.

Personal loss is characterized by the feeling that with the installment of the change, something positive will be lost. Subcomponents under personal loss were loss of expertise, loss of primacy and loss of routine which is not align with their education level. Although not much literature emphasizes the level of employee education on its resilience to organizational change, it is widely acknowledged (George H. McCall, Karl E. Ristow & Daniel J. Cimini, 2004; Essays, UK. (2018) that higher education was needed and influence personal management, time management, communication skills and skills solve the problem. The loss of expertise is related to the perception that the change would lead to a loss of expertise as a result of these changes. Loss of priority refers to the pattern or technique found when someone is confronted with a task. Resistance will happen when employee perceives that the change threatens this priority.

Losing a routine means an attitude of resistance if the employee perception believe that change requires the employee to change his or her routine (Pasubathy, 2010). Chen & Wang, 2007; Verschure, 2017 indicated that the locus of control is the basis of how people perceive change and it has the predictive value of a commitment to change. Besides that, the managerial responses to organizational change have been researched and found to be affecting by seven personality traits which is one of them was locus of control (Judge, Thoresen, Pucik & Welbourne, 1999; Oreg, 2003; Verschure, 2017). The research conducted by Verschure (2017) shows that internal locus of control is positively related towards organizational change and is supported by multiple other researches. Choi (2011) stated that individual with an internal locus of control are likely open to changes and inclined to belief that work outcomes and change events can be controlled by their own behavior which is able to cope with organization change Verschure, (2017).

Culture plays a crucial role in the organization. First for most, it will show the identity of the organization, which means that it creates boundaries with each other organization as well as individuals. Moreover, culture can change individual self-interest into something bigger in line with organization goals Li, T., (2015). Organizational culture refers to a set of shared values, beliefs, assumptions and practices that shape and guide the attitudes and behavior of members in the organization (Wilson, 2001; Abdul Rashid, Sambasivan, & Abdul Rahman, 2004; Pasubathy, 2010). It is found that organizational culture indeed has an effect in the organizational change process in their study about how organizational culture influence individual attitudes towards organizational change. The findings of the study show that if organizational culture promotes 322 single-minded dedication to the mission and goals of the organization. Quick response to changes in the environment and an unwillingness to accept poor performance, people are more receptive to change.

Meanwhile, Abdul Rashid, Sambasivan and Abdul Rahman, 2004 as cited in Pasubatly (2010) suggested that people will resist change if the organizational culture promotes a tolerance of poor performance and insufficient focus on mission, strategy and goals. For the purpose of this study, perceived personal impact are determine as one-dimensional factors which is as standalone variable that influence resistance to change as conducted by Pasubathy (2010). According to Orth (2010), finding study on factors related to resistance and support of changes found that, perceived benefits of change had strong relationship with commitment to change, support of change and resistance. Therefore, the study argued that individual will consider the consequences of the changes before accepting or against the change despite of directly resisting change. In view of Pasubathy (2010) finding, the study shows that perceived personal impact has significant effect to resistance to change.

## **2.5 Perceived Outcome for Organization**

Despite of perception of employee towards their personal life, it will also concern how employee perceive the outcome for organization when undergo change. If the change perceived negative impact towards organization, the employee may resist to change. Elias (2009) and Rebeka (2015) said that attitude toward organizational change can be defined as the result of positive or negative overall evaluations of employees on the proposed changes made by their organization. This may occur when the organization lack with technical aspects and commitment when change happen which employees perceived that change may affect organization interest with undesirable outcome.

Perceived outcome organization was measured as one-dimensional factor that contribute to predicted resistance to change (Pasubathy, 2010). Previous research finding has shown that employee is likely to demonstrate resistance to change with the intention of notify the organizations of potentially threaten and harmful the conditions which will impact organization negatively based on their perception. (Graham, 1996; Herscovitch, 2004; Pasubathy, 2010). Furthermore, employees may resist to change when the capabilities of managers, employees and work environment are examined by organizational change that affect employee attitudes and behaviors by changing the situation from the situation from known to unknown.

Meanwhile, it involves values, preferences and attitude towards human activity as part of the organization and becomes the huge challenge in handling change processes within organization E. Rebeka, (2015). Perceived Outcome for Organizations is the main fact how employees perceived change at workplace that impact their organization since employees are generally assumed to be concern with the successful of the organization that they work. Pasubathy (2010)

## 2.6 Trust in Management

Trust in management defined as willingness of employee to be vulnerable to the leadership of the organizations Korsgaard, Sapienza and Schweiger (2002) as cited in Nurul, (2014). According to Kavitha, Sariadaran (2009), organization had to face with major resistance to change when the bonds of trust have not well educated and broken by some act. People may resist to change when they do not understand its impact and make their own prediction that might cost them much more than what they will gain. This happen when lack of trust between the change agents which person that initiate the change and employee who involve in management of an organization.

As an example, management becomes less trusting on employees if employees distrust management and it will become a virus to change as it spreads. As listed in study conducted by Weinbach (1994); Kavitha, Sariadaran (2009), lack of confidence and trust in the change agent as one factor affecting resistance to change. Meanwhile, trust in management can help to reduce any worries, speculation and uncertainty that employee go through (Nurul, 2014). Furthermore, employee who have high level of trust in the management are more motivated and willing to be involved in organization change (Condrey, 1995; Nurul, 2014).

Employees will show trust on the management if they perceive that the management honest and straightforward with them and not keep any information to manipulate them or other. Thus, they will believe that management is relay interested with them as a person and keep their best interest at heart (Proctor & Doukakis, 2003; Pasubathy, 2010). Previous study conducted are mostly measure trust in management as one-dimensional that influence resistance to change among employee (Oreg, 2006). According to Oreg (2006), the research purpose to determine the relationship between trust in management and resistance.

Trust in management indicated individual's perceived confident level with the ability of management to lead effective change execution as well as their feeling that they could count on management level to bring the positive outcome to organization. Erwin and Garman (2010) agreed with Oreg that lack of faith or trust in management had significant contribution with all types of resistance (cognitive, effective and behavioral) and lack of trust in management was strongly related to report of anger, frustration and anxiety which increased action against change initiative. Therefore, the Stanley (2005) finding show that a doubt about the viability of achieving change was related to employee trust on management abilities to achieve change.

## **2.7 Change Communication**

Communication is a crucial process in any organization since it involves individual, group and may impact organization performance. Furthermore, communication is known as information sharing between two or more individuals or group to achieve a common understanding to accomplish their objectives. Meanwhile, information sharing is not enough in order to make communication happen as the individuals involved required to comprehend the information shared (Nurul, 2014). Robbin & Judge (2007) defined that communication is information exchange and literally happen in dimension of three consist of upwards, downwards and horizontally. Open and straightforward communication is necessary for change actualization (Jones, Watson, Gardner & Gallois, 2004). Effective communication is the main skill that manager must possess all the time.

Managers should listen to employees' opinion and try to understand their perspective and feeling towards on the imposed change before, during and after the implementation of change. Since that, it will manager to introduce organization change in the future .Based on the previous study conducted by Mangala, Lewis, Christine, Frank and Mark (2006), communication has measured as one dimensional factor that contribute to employee resist to change. The purpose of the study to examine the influence of the communication of the change initiative on perceived resistance. The finding indicated that the higher employee perceived the quality of communication about the change initiative, the less they will be perceived resistance to change.

Oreg (2006) also measure communication as one dimensional factor that found a positive correlation between effective communication and resistance to change. According to Covin and Kilmann, 1990 as cited by Nurul (2014), it is vital for an organization to well communicate on organization change since weak or low level of communication leads to the feeling of resentment towards the change. Therefore, misunderstanding and interrupted communication will create severe impact on strategy implementation as well as action during changes process. Misunderstanding due to problem occur within communication process and insufficient information as the main reason for resistance to change (Kotter & Schlesiger , 1979; Nurul, 2014). The finding of the study showed that resistance to change decreased when the level of communication and information sharing increased.

## 2.8 Development of Hypothesis

In this section, the relationships between the dependent variable and independent variables are explained and hypothesized.

### 2.8.1 Perceived Personal Impact and Resistance to Change

According to Ansoff and McDonell (1999) state that the gap between perception and reality can substantially and unnecessarily increase the level of resistance to change during implementation of changes. Therefore, perception of change will decide whether it is view as opportunity or threat within the organization and this will determine the support, commitment, buy in or resistance portrayed by the staff (Tadesse, 2013). Orth (2010) in his finding study on factors related to resistance and support of changes found that, perceived benefits of change had strong relationship with commitment to change, support of change and resistance. Furthermore, the study suggest that individual will consider the consequences of the changes before accepting or against the change despite of directly resisting change.

Employees will determine the level of change impact towards them before giving the reaction towards the changes. The tendency of employee to resist the change will increase if the change has high personal impact by adopting resistance behavior at workplace. Thus, according to Gunalan (2010) study shows that perceived personal impact has a significant contribution to the prediction of resistance to change. Therefore, Morgan (1997) said that depending on how the change influence the person facing the change personally may lead a person to react in which way either to support changes or resist it. Thus, it is hypothesized that:

**H1:** Perceived personal impact has significant effect on resistance to change.

### **2.8.2 Perceived Outcome for Organization and Resistance to Change**

Research has shown that employee might accept and readily to identify organization change effort that they perceived as desirable outcome. Meanwhile, employees may resist to change when they perceived that change will threaten the company benefits in some way and concern that the change will not work and successful as planned (Herscovitch, 2004). Therefore, employees are generally assumed to be concern with the impacts of changes towards the organization that they work. They expected to resist change when they perceived unbeneficial outcome out of their concern towards organization (Pasubathy, 2010). (Chung Ming & Woodman, 1995) in their study found that employees might be expected to strongly resist changes that they perceived will harm the organization. However, employees will normally be committed towards successful of their organization when they accept its value, wish to put extra effort on its behalf and willing to remain in the organization. Thus, it can be hypothesized that:

**H2:** Perceived Outcome for organization has significant effect on resistance to change.

### **2.8.3 Trust in Management and Resistance to Change**

Employees who trust their management capability will give positive reaction towards organization change (Martin, 1998) and research has proved that trust in management is a major factor for employees to accept any change or new system (Reinke, 2003). Therefore, based on Weinbach (1994) findings, he stated that if workers did not trust in management, they may resist to accept the prospective changes. According to Gardner (1987) recognize that lack of trust in management is a main factor that increased the levels of resistance to change and trust is an crucial element in change process characteristics (Kotter, 1995).

Based on the survey conducted by Sariadaran (2009) , managers should maintain the trust of the employee and maintain their concern by sharing relevant information related to change, Furthermore, manager should educate the employees about the change effort in order to overcome resistance to change. Manager can maintain and develop the employees trust by be more open when it's come to communication with employees. The review of the past literature found that there is a significant relationship between trust in management and readiness for change. Trust in management will affect employee behavior towards change. They will positively react towards change when they feel that belief with management reliability and dependable (Nurul, 2014). Thus it can be hypothesized that:

**H3:** Trust in management has significant effect on resistance to change.

#### **2.8.4 Change Communication and Resistance to Change**

Communication is the important aspect in overcoming the resistance to change of an employee (Fox & Amichai Hamburger, 2001). Communication and resistance to change are much related to each other show by previous study. Research finding found that there is a relationship between communication and employees' readiness toward change. According to Robert and O'Reilly (1974) as cited by Nurul (2014), communication is a vital factor in enhancing employee's change readiness in any organization. Therefore, effective communication is needed in establishing the success of an organizational change (Cinite,Duxbury & Higgin, 2009) and supported by Russ (2008) who indicated that communication is necessary to a positive implementation of organizational change.

The level of intention to support will increase and show acceptance for organization when more information received and shared among employee (El-Farra & Badawi, 2012). According to Pasubathy (2010), the amount and quality information that is provided can affect how employee will react to change. Information that provide to employees is part of the change effort by management to increase involvement of employees in organizational decision making that will influence resistance to change (Kotter & Schlesinger, 1979; Oreg, 2006). Oreg (2006) also suggested that the relationship between change communication and resistance to change fully depends on the actual change and its impact rather than just existence of change communication. Thus, it can be hypothesized that:

**H4:** Change communication has significant effect on resistance to change.

## **2.9 Research Framework**

The present theoretical framework is formulated after reviewing related literatures on the factors influencing resistance to change among employees in Shiprepair Operation as well as theory of constraints (Goldratt, 1970) as discussed earlier. Based on the discussion in the preceding section, it consists of four independent variables representing factors that influencing resistance toll change among employee in organization namely Perceived Personal Impact, Perceived Outcome for Organizations, Change Communication and Trust in Management. The dependent variables in this study is Resistance to Change. Cavana et al., (2001) defined that independent variable in one that influences the dependent variable either in a positive way or negative way. Figure 2.1 is the proposed theoretical framework of this study and illustrate the relationship between both variables as following below: -

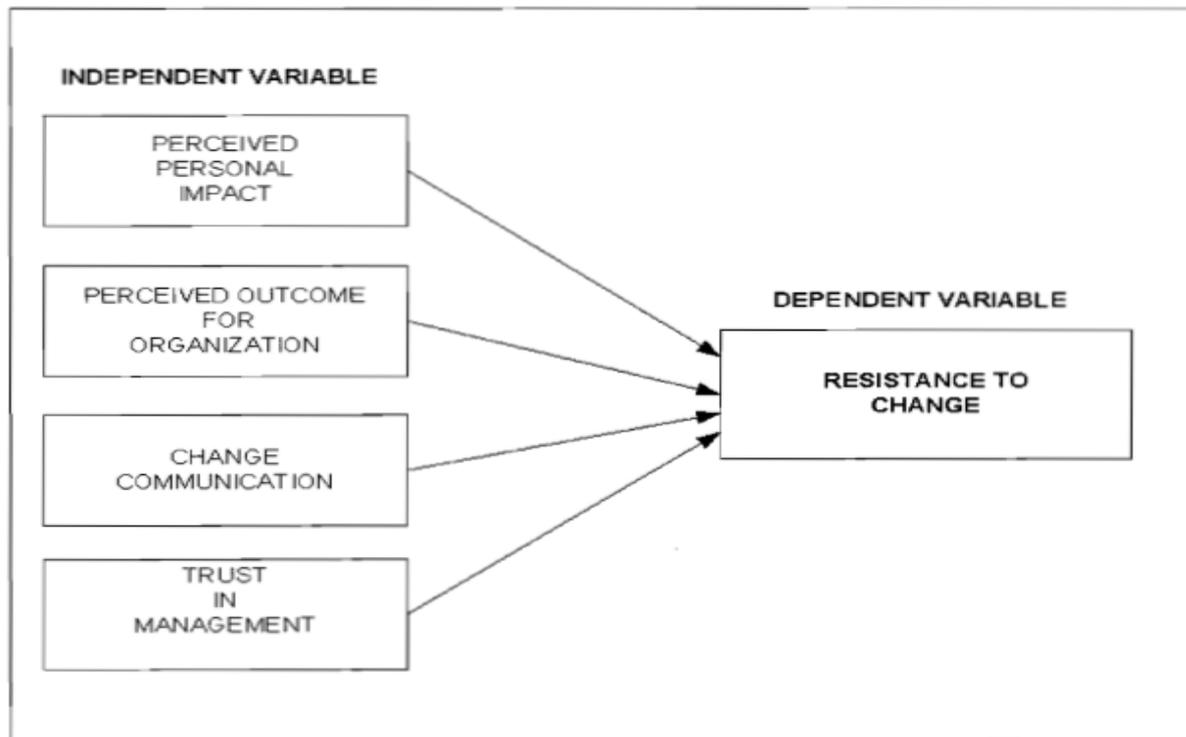


Figure 2.1: Theoretical framework

Based on the framework, four hypotheses were developed as follow:

**H1:** Perceived Personal Impact has significant effect on resistance to change.

**H2:** Perceived Outcome Organization has significant effect on resistance to change.

**H3:** Trust in Management has significant effect on resistance to change.

**H4:** Change Communication has significant effect on resistance to change.

## **2.10 Underpinning Theory**

In view of the previous literature, there are various change theories found. The analysis of the relevant change theories is very vital in order to develop a proposed framework of the current study. In this study, Theory of Constraints (TOC) developed by Goldratt (1970) had been adopted in explaining factors contributing to employee resist to change. The Theory of Constraints (TOC) was discussed as follows:

### **2.10.1 Theory of Constraints**

Mabin and Balderstone (2003) said that TOC had developed as a powerful and versatile management theory that suite of theoretical frames, methodology, techniques and tools which can be used to develop solutions in any environment. Even though in early 1970s, TOC primarily developed by Dr Eliyahu M.Goldratt only focused on manufacturing context but now this theory widely use in any industry. The main idea of TOC is that every organization must face at least one constraint that prevent management from achieving the goal of organization in a large degree.

Since that, TOC has developed a set of methodologies to identify and optimize such constraints and this guideline had been used for the application this theory to various area Sheu, Cheng and Kovar (2003).Therefore, Goldratt and Cox, (1992) suggested five steps focusing on system of constraints based on TOC philosophy to achieve improvement of performance. These steps are generic and can be applied in any business are summarized as figure below:

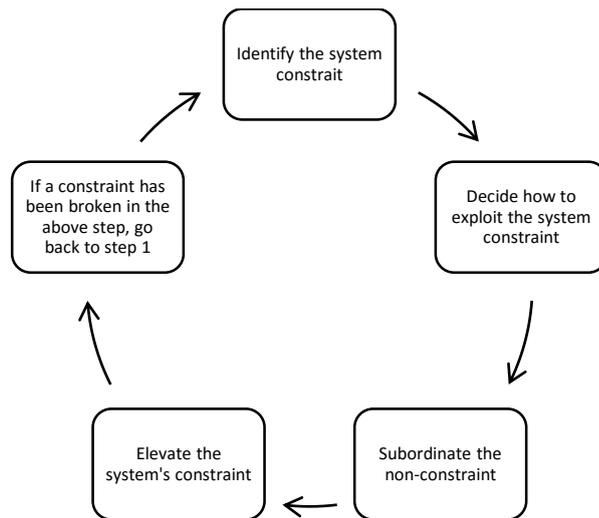


Figure 2.2: Theory of Constraints Philosophy (Source: Goldratt (1990))

Mabin, Forgeson and Green, (2001) suggested that there are many reasons why people inside organization resist to change and most possibility is the change process in organization does not correctly prepare and implement by management in organization. Mabin et al., (2001) had summarized the factors as follow:

- Individual factors: personality factor (high need for control, locus of control, need for achievement); attitudes based on previous experiences of change.
- Group factors: group cohesiveness, social norms and participation in decision making.
- Organization factors: threat presented by unknown; challenges to status quo; workload consequences.

In view of that, staying the same level is no longer an option and those organization must undergo change to continually improve and learn to adapt to changing business environment Deming (1986); Khourshed (2012). Mabin et al., (2001) declared that some authors accept theory of constraint (TOC) as management methodology which views resistance as a necessary and positive force. Hence, it is necessary to applied TOC as a tool to overcome resistance to change in organizations. Kanter (1985) has addressed ten types of resistance as table 2.1:

<b>Cause</b>	<b>Outline</b>
<i>Fear of the unknown</i>	Being uncertain about the nature of a change, feeling that you do not know what is going on and what the future is likely to hold
<i>Loss of control</i>	Feeling that the change is being done to you, not by you, worrying that you have no say in the situation and the events taking place
<i>Loss of face</i>	Feeling embarrassed by the change and viewing it as a testimony that the way you have done things in the past was wrong
<i>Loss of competency</i>	Feeling that existing skills and competencies will no longer be of any use after the change
<i>Need for security</i>	Worrying what your role will be after the change
<i>Poor timing</i>	Being caught by surprise with a change that has been sprung on you, or being asked to change at a time when you already feel overworked
<i>Force of habit</i>	Not liking to change existing ways of doing things, feeling comfortable in existing routines and habits
<i>Lack of support</i>	Lacking important support from direct supervisors and/or organisation, not having the correct resources to properly implement the change
<i>Lack of confidence</i>	Lacking in personal confidence that things, once changed, really will be better than before
<i>Lingering resentment</i>	Being recalcitrant because of a lack of respect for the people involved and/or because of anger over the way you have been treated during past change efforts

Source: Kanter (1985)

Table 2.1: Types of resistance

In the context of this study, the factor will be focusing on three main factors that influencing resistance to change based on Theory of Constraints which is personal, group and organizations. In this study these three main factors had been divided into four factors involve perceived personal impact, perceived outcome organization, trust in management and change communication that influencing resistance to change in Shipyard Operation.

Therefore, these factors as explain above: 1) perceived personal impact refer to loss of control, loss of face, loss of competency, need for security and force of habit 2) perceived outcome organization refer to fear of unknown 3) trust in management refer to lack of confidence and lingering resentment 4) change communication refer to lack of support and poor timing. In order to support the above factors, the literature review of TOC is a tool to eliminate resistance to change have been identified as follow:

## 2.10.2 Application Theory of Constraints

Mabin, Forgeson and Green (2001) had addressed that resistance is caused by several factors (individual, group and organization) and explain how each of these aspects applied within the TOC framework to help recognize and overcome the resistance. These causes consist of the “soft” or emotional issues surrounding change and TOC has developed by giving credibility to solve the issues in people understanding and providing ways of dealing with them through buy-in and reassurance. Goldratt (2009) firmed that TOC had acknowledge and systematically addresses the questions people intuitively ask when evaluating a change by developing a process based on the psychology of change. Therefore, Goldratt (2009) also declared that all manager required to make three generic decision while dealing with resistance to change. The tools to make generic decision are summarized in Table 2.2:

Causes	Outline	TOC tools
Fear of the unknown	Being uncertain about the nature of a change, feeling that you do not know what is going on and what the future is likely to hold	CRT, FRT
Loss of control	Feeling that the change is being done to you, not by you, worrying that you have no say in the situation and the events taking place	FRT, assisting or giving input into building this would assist
Loss of face	Feeling embarrassed by the change and viewing it as a testimony that the way you have done things in the past was wrong	Usually a problem is due to conflict (e.g. over priorities) CRT and EC can help
Loss of competency	Feeling that existing skills and competencies will no longer be of any use after the change	FRT would assist people to think the issues through
Need for security	Worrying what your role will be after the change	FRT and NBR (see also loss of face)
Poor timing	Being caught by surprise with a change that has been sprung on you, or being asked to change at a time when you already feel overworked	FRT would assist people see outcomes and overcome this fear PRT and TT would help plan for future
Force of habit	Not liking to change existing ways of doing things, feeling comfortable in existing routines and habits	Need for change could be helped by the CRT, while PRT and TT would provide practical steps needed to change habits

Lack of support	Lacking important support from direct supervisors and/or organisation, not having the correct resources to properly implement the change	TT is designed specifically for this use
Lack of confidence	Lacking in personal confidence that things, once changed, really will be better than before	FRT would assist people understand the proposed solution and its benefits
Lingering resentment	Being recalcitrant because of a lack of respect for the people involved and/or because of anger over the way you have been treated during past change efforts	NBR, FRT and PRT all address these issues

Source: Mabin, Forgeson and Green (2001)

Table 2.2: Theory of Constraints Tools

## 2.11 Conclusion

This chapter review on the trends in composition studies within the past decades on the factor influencing resistance to change among employee in organizations. It is clear from the past literature that resistance to change is very popular phenomenon and widely happen throughout the organization in various industry. Therefore, there has been much research and discussion conducted on underlying behavior of individual that cause them resist to change. Along with this, a few of change model has been highlighted for better understanding on the concept of managing change. Several factors that predicted to employee resist to change has been widely discussed based on the previous study. From the research review on this chapter a theoretical framework and hypothesis statement has been developed according to research objective and research questions.

## CHAPTER 3

### METHODOLOGY

#### 3.0 Introduction

This chapter present the research methodology that was adopted and followed in the process of conducting this study. Topics of coverage in this chapter include research design, sampling procedure, measurement of variables and instrument design, data collection method, questionnaire design, pilot test and data analysis.

#### 3.1 Research Design

This research design focuses on area such as type of study, sources of data, unit of analysis, population frame, sample and sampling technique, measurement and data analysis. This study is focusing to identify the factors influencing resistance to change among employee in shipyard operation. This study is a quantitative in nature by using surveys methods to test the relationship among quantitative variable and analyze the outcomes. Therefore, in the previous study show that correlational design was very useful in relating relationships among variables (Bailey, 2010) Choosing a quantitative method required the findings and conclusion of the study will fully depend on statistical data collected and analyzed using SPSS to understand the relationships, patterns and factors influence resistance to change among employees in shipyard operation. The purpose of quantitative method is to examine and explain the nature of the relationship between two variables in the actual study.

For this study, variables involved perceived personal impact, perceived outcome for organization, measure change communication, trust in management and resistance to change. Correlational studies are suitable methods to describe what exists and concern systematically investigating relationships between two or more variables of study (Porter & Carter, 2000). Therefore, a survey instrument will be designed to collect data using a questionnaire and will be measured based on the collected data using statistical analysis, this study uses the quantitative approach for the research.

### **3.2 Sources of Data**

Most of the research projects involved gathering of data which are used both quantitative and qualitative. As mention by (Sharp, Peters & Howard, 2002), there are two type categories of data namely primary data that the researcher collects through instrument and the secondary data had been collected by others. For the purpose of this study, the primary data was the main sources of the data that used to analyze the variable. According to Sekaran (2006) primary data known as data that gathered for research from actual site of phenomenon of an event. Besides, a survey questionnaire used as the research instrument which were designed to be closed ended questions. Survey questionnaire was chosen due to rationality mentioned by Sharp et al., (2002) that questionnaire provide a structured approach which is contain closed ended question (those which provide for only limited list of response) to collect data. The questionnaire had been structured with eventual goal and the result will be analyzed using statistical method.

### **3.2.1 Unit of analysis**

The study focuses on identifying the perception and attitude of employees towards resistance to change in shipyard operation. Since the aggregations of data in subsequent analyses were due at the individual level, the unit of analysis in the present study is employees in Boustead Naval Shipyard Sdn.Bhd.

### **3.2.3 Population and sampling**

The population consists of 700 employees that can be classified into several production group. Based on table of sample size by Krejcie and Morgan (1970), it is about 256 respondents need to be selected as a sample size in order to represent overall population. In order to cover any missing and incorrect data or error, 300 set of questionnaires will be distributed to the respondent to ensure the questionnaires return are sufficiently. A sample of respondents from staff was chosen by using a random sampling procedure. Out of this number, a total of 300 employees are selected at random using simple random sampling to represent the staff of Boustead Naval Shipyard. This sampling technique will ensure all the staff has equally chance of being chosen as the sample within the organization. Referring to Roscoe (1975), sample sizes should be larger than 30 and less than 500 are relevant for most research. Since that, the use of sample about 10% of parent population within the range (30 to 500) is recommended.

### 3.3 Questionnaire Development

The systematic procedure is needed in getting the information to make sure the research has conducted in effective and efficient way in order to solve the problem. For the purpose of the study, the questionnaire is primarily used in quantitative method to collect the data regarding the study. The questionnaire will divide into several main sections to study the characteristics of the relevant variables for the purpose of analysis, testing hypothesis and answering research question. The survey follows the structure as below:

Section 1: Demographic Information

Section 2: Perceived Personal Impact

Section 3: Perceived Outcomes of organization

Section 4: Change in Communication

Section 5: Trust in Management

Section 6: Resistance to change

The questionnaire was divided into six sections. In section 1, Demographic information for each of respondent were collected. In section 2 measures on Perceived Outcome for Organization, Section 3 measures Perceived Personal Impact, Section 4 measures Change Communication, Section 5 measures Trust in Management and Section 6 measures Resistance to Change.

### 3.4 Operational Definition and Measurement of variables

Table 3.1 showed the operational definition of each variables in the survey. The full set of questionnaires can be found in the appendix.

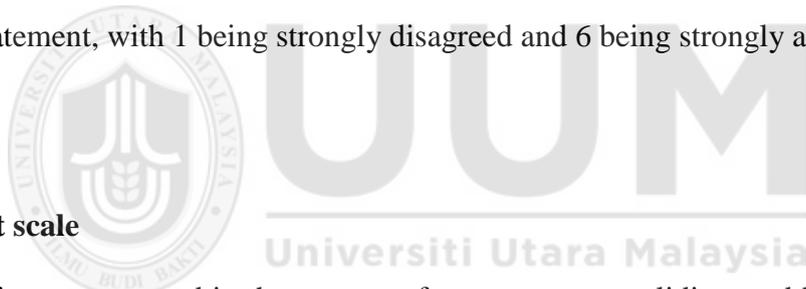
Variables	Operational Definition	Total Number of Items	Scales	Sources
Perceived Outcome for Organization	Employees will be measured on how they perceive the impact of the change on their organization	I believed that the change would actually hurt, not help my organization I had doubts that changes would work as intended. I had suspected that the change would fail to meet its objective.	Likert Scale 1-6 1-strongly disagree 2-Disagree 3-slightly disagree 4-slightly agree 5-agree 6-strongly agree	Adapted from (Herscovitch, 2004)
Perceived Personal Impact	Employees will be measured on how much impact the had on them personally	I feel the impact of change in term of security. I feel the impact of change in term of loss of expertise. I feel the impact of change in term of diminishing influence, authority and control. I feel the impact of change in term of loss of social status. I feel the impact of change in term of in customs and long held practices.	Likert Scale 1-6 1-strongly disagree 2-Disagree 3-slightly disagree 4-slightly agree 5-agree 6-strongly agree	Adapted from (Leigh, 2000)
Change Communication	Employees will be measured on how they perceive quality of change communication as well as level of participation in the change process by ways of interacting about the change with the management	I was regularly informed on how the change was going. There was a good communication between project leaders and employees about the organization's policy towards the changes. I was clearly provided about the change's information. I was sufficiently informed of the progress of the change. Department were consulted about the change sufficiently.	Likert Scale 1-6 1-strongly disagree 2-Disagree 3-slightly disagree 4-slightly agree 5-agree 6-strongly agree	Adapted from (Bouckenooghe Devos and Broeck, 2009)

		I was consulted and briefly explains about he reasons for the change.		
Trust in Management	Employees will be measured on how they perceive the ability of the management leading the changes as well as level of trust in the management in term of taking care the wellbeing of the impacted employees	My department's senior managers paid sufficient attention to the personal consequences that the changes could have for the employee. My department's senior management coached us very well about the implementing the change. My department's supervisors spoke up for us during the changes process. My department's supervisors were capable of fulfilling their new function as a result of the change The management team had a positive vision for the future.	Likert Scale 1-6  1-strongly disagree 2-Disagree 3-slightly disagree 4-slightly agree 5-agree 6-strongly agree	Adapted from (Bouckenoghe Devos and Broeck,2009)
Resistance to change	Employee can be assessed whether they are demonstrating resistance to change behaviors based on their action at work place before, during and after change in the form of series if actions that depicts constructive or destructive resistance behaviors.	1) I expressed objections or concerns about the change to manager and management. 2) I expressed objections or concern about the change during meeting. 3) I suggested alternative strategies that would achieve the same/similar objectives as the change. 4) I often responded to the organization's request for constructive criticism of the change. 5) I put as little effort as possible into change related tasks. 6) I often deliberately worked slowly or caused delay. 7) I refused to make sacrifices during the change process (e.g.:	Likert Scale 1-6  1-strongly disagree 2-Disagree 3-slightly disagree 4-slightly agree 5-agree 6-strongly agree	Adapted from (Herscovitch, 2004)

		work overtime, extra work etc.) 8) I refused to endorse the change to others 9) I discouraged others from supporting the change 10) I was hostile to people involved in promoting the change. 11) I think to turn up to high rank position in management to prevent or terminate the change.		
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*Table 3.1: Operational Definition*

The survey used the nominal scale for Demographic and change at workplace. As for scale type used is the likert scale for 2,3,4,5 and 6 with multiple item has used to measure the variables. The likert scale consist of five point which respondent need to choose to what extent he/she agrees or disagrees with each of the statement, with 1 being strongly disagreed and 6 being strongly agreed.



### **3.4.1 Instrument scale**

Validations of the instrument used in the survey refer to a content validity used by the researcher to test in this study. All respondent are required to complete all questionnaires that consist seven section (See Appendix A). The questionnaires were prepared on an ordinal, Likert scale on a 6- point scale with 1 significantly strongly disagree and 6 strongly agree. For each item in survey, respondents were asked to indicate the extent to which they agreed or not that the item described its respective content domain; where 1= Strongly disagree, 2= Disagree, 3= Slightly disagree, 4= Slightly agree, 5=Agree and 6 = Strongly Agree. This rating method was widely used to measure item in research instruments developed by Likert because its simplicity administered criterion (Zikmund, 2003).

### **3.5 Data collection and Administration**

Data collection methods for this study consisted of conducting survey questionnaires to Boustead Naval Shipyard employees. Sample for survey is attached at Appendix 1. The questions had been written in two main languages which are Malay and English. In this study, data will collect using a structured questionnaire which comprised of seven sections. Before distributing the questionnaire to respondent, the researcher had asked permission from head of department based on company policy and procedure. Total of 300 questionnaire were distributed for a period of two weeks via face to face communication. Researcher had given some brief explanation to the respondents about the purpose of the study before distributing the questionnaire to get their cooperation for the validation of data for this study.

The respondents are given one day to answer and return the questionnaire to the researcher by hand at the location on the same day as the questionnaire had distributed. Finally, 256 questionnaires were returned from total of 300 questionnaires distributed. The feedback from respondents was found to be valid for further analysis. The identities of the employees that participate as respondents as kept as anonymous for truthful answers and better quality.

### **3.6 Pilot Study**

The instrument will be test using a pilot study to determine the validity of the survey instrument. Total 30 respondents were chosen to answer the instrument during pilot study. The pilot survey was randomly given to the 30 employees from almost 700 total of Boustead Naval Shipyard employee which consist executive and non-executive. Piloting using a company of similar nature complies with Cavana, Delahaye and Sekaran (2001), statement that a reasonable sample of respondents which come from the target population or closely resemble to the target population should be chosen in conducting pilot study.

Data that were collecting during pilot study had been analyzed using Cronbach's Alpha in SPSS for reliability analysis. According to Cavana et al., (2001), the reliability of a measurement has established by testing both the consistency and stability using Cronbach's Alpha. Cronbach's Alpha had been used for this study to estimate how highly the items in the questionnaire are related in order to determine the reliability or instruments. Therefore, this test can be used to measure the coefficient of reliability which is less than 0.6 are considered to be poor, 0.6 to 0.8 are considered acceptable and those that over 0.8 are considered good (Sekaran, 2003). The result of reliability analysis was discussed in chapter 4.

### **3.7 Data Screening**

Data screening are important in making sure that data collected have been correctly entered to be used in analysis (Coakes, Steed & Ong, 2009). In data screening analysis involved normality, linearity and transformation of data. Normality indicated the distribution of the error is normally distributes. According to normality test, there is no missing value and the value of skewness and kurtosis is acceptable.

### **3.8 Data Analysis and Techniques**

The quantitative statistical software program which Statistical Package for Social Science version 20 (SPSS) were used as data analysis method in this study. The SPSS were utilized to address the research objectives which include the following analysis: descriptive, reliability and regression analysis.

### **3.8.1 Descriptive Analysis**

Descriptive analysis used to describe demographic background of respondent profile. This analysis has been used to find out mean and standard deviation of each research statement. Zikmund (2000) stated that descriptive analysis refers to the process of converting the raw data into a form that will make them easy to understand and interpret.

### **3.8.2 Frequency Analysis**

Frequency analysis for this study will examine the mean, standard deviation, minimum and maximum values of all the independent variables and resistance to change. Therefore, the frequency percentage of all samples can also be obtained.

### **3.8.3 Reliability Analysis**

The reliability will be used to confirm whether all the scales have internal consistency. Cronbach alpha coefficient will indicate as to check the consistency. The ideal the acceptable alpha coefficient should more than 0.7 (Nunally, 1978).

### **3.8.4 Pearson correlation**

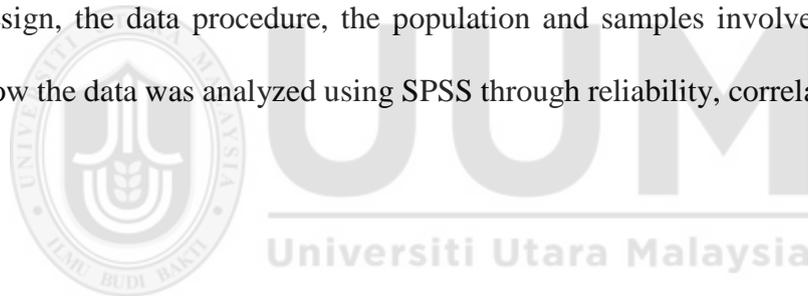
Pearson correlation analysis will determine the correlation significant between the independent variables and the dependent variables. Besides, the strength relationship among variables could also be explored.

### **3.8.5 Regression analysis**

The regression analysis is used in order to answer research questions on the relationship of variables which are perceived personal impact, perceived outcome for organization, measure change communication, trust in management and resistance to change. This analysis can be used to know how much variance in the dependent variable will be explained when several independent variables are theorized to simultaneously influence it (Mansor, 2013). The purpose of regression analysis is value of independent variables needed to predict single independent variable (Hair, 2004).

### **3.9 Conclusion**

This chapter has detailed out the methodological method involved in carrying out this study. It explains on the research design, the data procedure, the population and samples involved. In addition, this chapter revealed how the data was analyzed using SPSS through reliability, correlation and regression analysis.



## CHAPTER 4

### DATA ANALYSIS AND FINDINGS

#### 4.0 Introduction

In this chapter, the researcher will discuss the findings of data collected from the respondents. The discussion includes several tests using SPSS in order to obtain the results.

#### 4.1 Response Rate

The respondents for the study are the staff of Boustead Naval Shipyard that involving in heavy industry business activity. A total 300 copies of surveys have distributed to the Boustead Naval Shipyard employee. A sample of respondents from all staff was chosen by using a random sampling procedure. Out of this number, a total of 300 out of 700 employees are selected at random using simple random sampling to represent the staff of BNS. As mentioned in chapter 3, the researcher has randomly picked the respondents from the staff list and distribute the survey personally. It was given a week for the staff to answer before being collected.

Table 4.1:

*Summary of distributed questionnaires*

<b>Response Rate</b>	<b>Total</b>	<b>Percentage</b>
Sample Size	297	99%
Number of distributed questionnaire	300	100%
Number of returned questionnaire	277	92.3%
Usable questionnaire	256	85.3%
Invalid questionnaire	21	7%
Number of unreturned questionnaire	23	7.67%

Based on the Table 4.1, it showed that from 300 questionnaire, only 277 questionnaires returned. Therefore, the researcher has identified only 256 questionnaires are usable for the research purpose. Response rate in social research were depending on the method being used, nature of the respondents and type of issued being investigated. As guidance, the researcher can look into similar studies as a way of arguing whether the response rate is acceptable. Besides, the methods, target group and topic of research can be influencing factor in response rate outcome. According to Denscombe (2007), benchmark for response rate need to be set by the experience of similar surveys.

For the purpose of this study, researcher has looked for similar study regarding on resistance to change to check whether the response rate obtained are substantial enough to get meaningful result for the study. The response rate of 85.3% obtained for this study exceed the range of the of the response rates obtained by Oreg (2006) with a percentage of 30%, Herscovitch (2004) with a percentage of 22.6%, Oreg (2003) with a percentage of 27% and Pasubathy (2010) with a percentage of 41% in their respective studies related to change resistance. Hence, the response rate in this study are substantial enough and consider reasonable to analyze the data. Meanwhile, there was 7.67% for the unreturned questionnaire and 7% for invalid questionnaire. The reason on invalid questionnaire was the respondents fail to answer all the questions in the survey.

## 4.2 Data screening and Cleaning

Data cleaning and screening were executed towards the data entry to detect any missing on data collected. Therefore, data screening was conducted using statistical software (SPSS) to identify the error in data set. After completing the process, all the missing data will be removed and only the actual data will represent the respondent's answer. In this study, 21 out of 277 questionnaires have been excluded due to missing data and outlier problem. Hence, only 256 response were usable for data analysis excluded the missing data.

## 4.3 Demographic Background

In the following sections, the profile of respondents was reported based on the information collected from demographic section of the survey conducted for this study. It has a total number of 256 usable data of employees after screening and cleaning process.

### 4.3.1 Gender

Based on Table 4.2, the sample showed the majority respondents came from the male employees with a frequency of 172 or 67.2% of total respondents. The female employee accounts 32.8% of survey respondents or 84 respondents out of the total respondents. The result are shown below:

Table 4.2  
Gender of Respondents

	Frequency	Percentage
Gender:		
Male	172	67.2%
Female	84	32.8%

### 4.3.2 Age

The table 4.3 below showed the frequency and the percentage of the age of the respondents. According to table 4.3, it stated that age range between 26 to 35 years old is the highest among the respondents which is, frequency is 116 and the percentage is 45.3%. The lowest among the respondent is the age range between 56 years old and above which is the frequency 6 and the percentage is 2.3%. The age range between 36 to 45 years old and 46 to 55 years old is in the middle, which is frequency 85 and 35 and the percentage is 33.2% and 13.7% respectively.

Table 4.3:  
Age of the respondents

	Frequency	Percentage
Age:		
Below 25 years old	14	5.5%
26 to 35 years old	116	45.3%
36 to 45 years old	85	33.2%
46 to 55 years old	35	13.7%
56 years old and above	6	2.3%

### 4.3.3 Ethnicity

Based on the Table 4.4 below, it showed that the highest percentage of the ethnicity that response the survey is Malay which is 98.4%. From the 256 total of respondents participate in this study, there were 252 employees are Malay. As for the Chinese and Indian, the total of respondents are 2 while the percentage are 08% for both ethnicity.

Table 4.4  
Ethnicity of the respondents

	Frequency	Percentage
Ethnicity:		
Malay	252	98.4%
Chinese	2	0.8%
Indian	2	0.8%

#### 4.3.4 Highest Academic Qualifications

The table 4.5 below showed the frequency and the percentage of the highest academic qualifications of the respondents. According to table 4.5, it stated that secondary level of academic qualification is the majority among the respondents which is, frequency is 100 and the percentage is 39.1%. The lowest among the respondents is the master level which is the frequency 2 and the percentage is 0.8%. The diploma and degree level is in the middle, which is frequency 72 and 82 and the percentage is 28.1% and 32.0% respectively.

Table 4.5:  
Highest Academic Qualifications of the respondents

	Frequency	Percentage
Highest Academic Qualifications:		
Secondary	100	39.1%
Diploma	72	28.1%
Degree	82	32.0%
Master	2	0.8%

#### 4.3.5 Job Category

In table 4.6, it showed that the job category of the respondents is divided into two main category which is non-executive and executive. The frequency and percentage of non-executive (137 and 53.5) is slightly high compare to executive (119 and 46.5%) which means that the respondents that participate in this study are more from non-executive category.

Table 4.6:  
Job Category of the respondents

	Frequency	Percentage
Job Category:		
Non-executive	137	53.5%
Executive	119	46.5%

### 4.3.6 Department

The respondent for the survey come from several departments in Boustead. The breakdown of respondents by department are shown in Table 4.7. The respondents from production department are majority of this study which 78 people or 30.5% out of total respondents while second majority respondent from quality department are 60 people or 23.4% out of total respondents. The percentage and frequency for new construction (27 and 10.5%), human resources (11 and 4.3%) and for supply chain management and engineering both (12 and 4.7%). The respondents from the others department (etc.IT, finance, ship repair, continuous improvement) are 56 people which account 21.9% out of the total respondents.

Table 4.7:  
Respondent's department

Department:	Frequency	Percentage
Production	78	30.5%
New construction	27	10.5%
Human Resources	11	4.3%
Quality	60	23.4%
Supply Chain Management	12	4.7%
Engineering	12	4.7%
Others	56	21.9%

### 4.3.7 Length of Service at the company

Table 4.8 indicates the distribution of the survey respondents by their length of service at the company. The top three length of service are 6 to 9 years with frequency of 114 or 44.5%, 3 to 5 years with a frequency of 65 or 25.4% and more than two years with a frequency of 41 or 16 total respondents. The low frequency is respondents' range below 2 years of length of service at the company which is 36 or 14.1% out of total respondents.

Table 4.8:

Respondent's length of service at the company

	Frequency	Percentage
Years:		
Below 2 years	36	14.1%
3 to 5 years	65	25.4%
6 to 9 years	114	44.5%
More than 10 years	41	16 %

#### 4.4 Normality Analysis

There are several statistical techniques to analyze the data and one of them is Normality test. Based on iSixSigma Dictionary, it suggested that normality test can be defined as a statistical process that being used to determine if the data collected fits a standard normal distribution. It can be shown as mathematically and graphically. For the purpose of this study, Normal Quantile-Quantile (Q-Q) Plot and skewness and kurtosis will show whether the variable fit the normal distribution. The type of normality used in this study as per below:

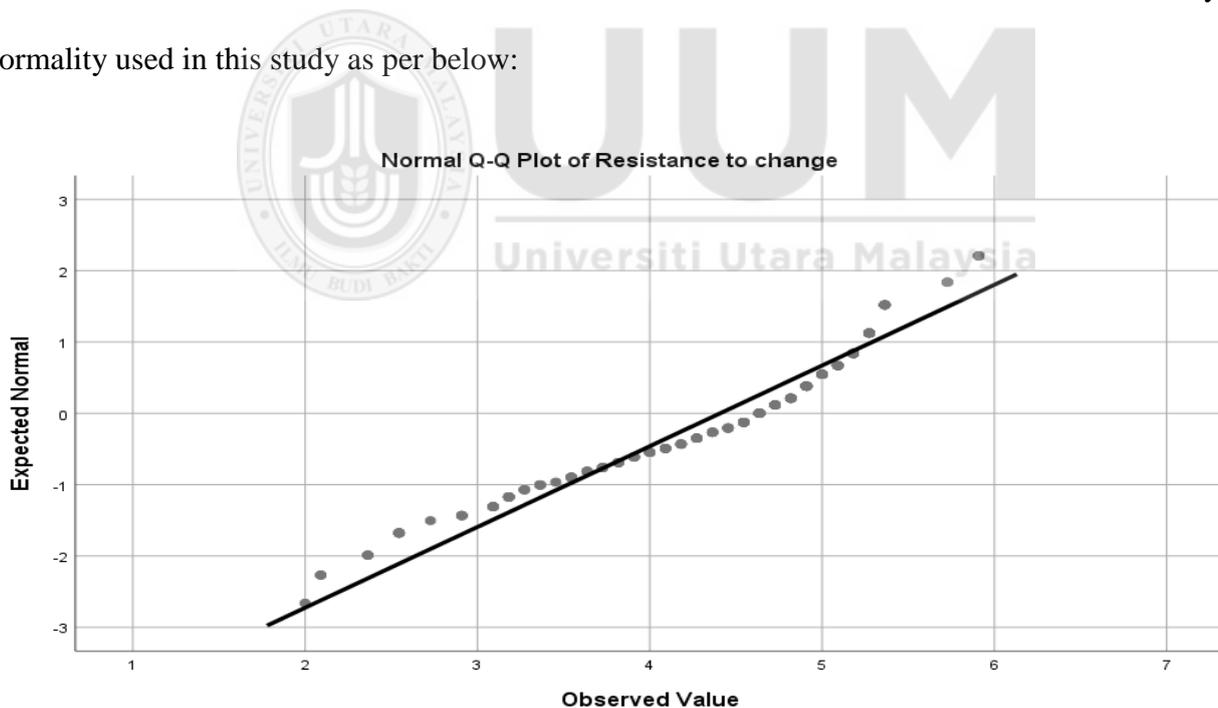


Figure 4.1: The normal Q-Q plot of dependents of variable: resistance to change

Table 4.9:  
Skewness and Kurtosis Frequency Table

Variables	Skewness	Std.Error of Skewness	Kurtosis	Std.Error of Kurtosis
<b>Perceived Personal Impact:</b>				
I feel the impact of change in term of security.	-.356	.152	.672	.303
I feel the impact of change in term of loss of expertise.	-.348	.152	-.340	.303
I feel the impact of change in term of diminishing influence, authority and control.	-.521	.152	.056	.303
I feel the impact of change in term of loss of social status.	-.307	.152	-.132	.303
I feel the impact of change in term of in customs and long held practices.	-.503	.152	-.126	.303
<b>Perceived Personal Outcome:</b>				
I believed that the change would actually hurt, not help my organization	-.428	.152	-1.205	.303
I had doubts that changes would work as intended.	-.521	.152	-.908	.303
I had suspected that the change would fail to meet its objective.	-.333	.152	-1.234	.303
<b>Trust in management:</b>				
My department's senior managers paid sufficient attention to the personal consequences that the changes could have for the employee.	.863	.152	-.057	.303
My department's senior management coached us very well about the implementing the change.	-.208	.152	.820	.303
My department's supervisors spoke up for us during the changes process	-.055	.152	-1.340	.303
My department's supervisors were capable of fulfilling their new function as a result of the change	-.182	.152	-1.125	.303
The management team had a positive vision for the future.	-.247	.152	-1.147	.303
<b>Change communication:</b>				
I was regularly informed on how the change was going.	-.038	.152	-1.012	.303
There was a good communication between project leaders and employees about the organization's policy towards the changes.	.892	.152	.028	.303
I was clearly provided about the change's information.	-.198	.152	-.868	.303
I was sufficiently informed of the progress of the change.	-.066	.152	-1.349	.303
Department were consulted about the change sufficiently.	-.170	.152	-1.144	.303
I was consulted and briefly explains about he reasons for the change	-.258	.152	-1.121	.303
<b>Resistance to change:</b>				
	-.534	.152	-.687	.303

I expressed objections or concerns about the change to manager and management.	- .821	.152	.391	.303
I expressed objections or concern about the change during meeting.	- .710	.152	-.077	.303
I suggested alternative strategies that would achieve the same/similar objectives as the change.	- .651	.152	-.346	.303
I often responded to the organization's request for constructive criticism of the change.	- .434	.152	-.721	.303
I put as little effort as possible into change related tasks.	- .924	.152	-.388	.303
I often deliberately worked slowly or caused delay.	- .848	.152	-.091	.303
I refused to make sacrifices during the change process (e.g.: work overtime, extra work etc.)	- .653	.152	-.291	.303
I refused to endorse the change to others	- .550	.152	-.531	.303
I discouraged others from supporting the change	- .517	.152	-.649	.303
I was hostile to people involved in promoting the change.	- .527	.152	-.735	.303
I think to turn up to high rank position in management to prevent or terminate the change.				

The Skewness can be identified as the measurement of the asymmetry which the data are skewed to the left or right. Meanwhile, the Kurtosis is to measure the peak of the data distribution (Kim Hae-Young, 2013). Based on table above, it showed all the variables of the all the variables of the data is a normal distribution. This is because, the skewness and kurtosis are in the range of the normal distribution that is between 1 and -1 (Van Zwet, 1964).

#### 4.5 Mean and Standard Deviation Collected Data

Table 4.10 below show the result of the mean and standard deviation of the dependent variable (resistance to change) and independent variables (perceived personal impact, perceived outcome of organization, trust in management and change communication). The possible mean score based on six Likert Scales were categorized into three levels of low (1-2.67) , moderate (2.68-4.35) and high (4.36-6.00) .It is based on the class interval formula which is the class interval width=highest scale value-lowest scale value/number of categories (Nunally & Bernstein, 1994). In this study, which based on six Likert scale, Class interval width =  $(6-1/3)$

Table 4.10:

*Mean and standard deviation of all variables*

Variable	Dimension	Mean	Standard Deviation
Dependent Variable	Resistance to change	4.41	0.883
Independent Variables	Perceived Personal Impact	4.47	0.688
	Perceived outcome Organization	4.16	1.302
	Trust in Management	3.77	1.054
	Change communication	4.47	0.882

##### 4.5.1 Perceived Personal Impact

The Table 4.11 below identifies that the highest mean score (4.79) is from the item “I feel the impact of change in term of security”. Meanwhile, the lowest mean score (4.22) is from the item “I feel the impact of change in term of loss of social status”. Then, the total average for independent variable Perceived Personal Impact 4.47 which is high.

Table 4.11:

*Mean and standard deviation (Perceived personal impact)*

Item	Mean	Standard deviation
I feel the impact of change in term of security	4.79	0.688
I feel the impact of change in term of loss of expertise	4.72	0.875
I feel the impact of change in term of diminishing influence, authority and control	4.28	1.029
I feel the impact of change in term of loss of social status.	4.22	1.059
I feel the impact of change in term of in customs and long held practices	4.32	1.065

### 4.5.2 Perceived Outcome Organization

The table 4.12 below describe the highest mean score (4.32) is from the item “I had suspected that the change would fail to meet its objective”. As for the items that score lowest mean is from the item “I had doubts that changes would work as intended” which is 4.03 mean score. Thus, the average of the score is 4.16 which is moderate.

Table 4.12:

*Mean and standard deviation (Perceived Outcome Organization)*

Item	Mean	Standard deviation
I believed that the change would actually hurt, not help my organization.	4.14	1.367
I had doubts that changes would work as intended	4.03	1.359
I had suspected that the change would fail to meet its objective.	4.32	1.430

### 4.5.3 Trust in Management

The table 4.13 below describes that the items “My department’s senior management coached us very well about the implementing the change” has the highest mean score which is 4.01. As for the lowest mean score is from the “My department’s senior managers paid sufficient attention to the personal consequences that the changes could have for the employee” which is 3.12 mean scores. The average of all the trust in management item is 3.77 is moderate.

Table 4.13:

*Mean and standard deviation (Trust in Management)*

Item	Mean	Standard deviation
My department’s senior managers paid sufficient attention to the personal consequences that the changes could have for the employee.	3.12	1.018
My department’s senior management coached us very well about the implementing the change.	4.01	1.198
My department’s supervisors spoke up for us during the changes process.	3.95	1.372
My department’s supervisors were capable of fulfilling their new function as a result of the change.	3.99	1.254
The management team had a positive vision for the future.	3.80	1.486

#### 4.5.4 Change Communication

The table 4.14 below stated that the highest mean score (4.01) is from the item “I was clearly provided about the change’s information”. Meanwhile, the lowest mean score (3.12) is from “There was a good communication between project leaders and employees about the organization’s policy towards the changes”. Overall the average for change communication is 4.47 which is high

Table 4.14:

*Mean and standard deviation (Change Communication)*

Item	Mean	Standard deviation
I was regularly informed on how the change was going.	3.83	1.278
There was a good communication between project leaders and employees about the organization’s policy towards the changes.	3.12	1.028
I was clearly provided about the change’s information.	4.01	1.221
I was sufficiently informed of the progress of the change.	3.95	1.374
Department were consulted about the change sufficiently.	3.98	1.265
I was consulted and briefly explains about he reasons for the change.	3.80	1.474

#### 4.5.5 Resistance to Change

The table 4.15 below showed that the highest mean score is from the item “I expressed objections or concern about the change during meeting” which is 4.63 mean score. As for the item that score the lowest mean is from “I think to turn up to high rank position in management to prevent or terminate the change”. The average of the mean score for resistance to change is 4.47 which is high.

Table 4.15:  
*Mean and standard deviation (Resistance to Change)*

<b>Item</b>	<b>Mean</b>	<b>Standard deviation</b>
I expressed objections or concerns about the change to manager and management.	4.21	1.218
I expressed objections or concern about the change during meeting.	4.63	1.021
I suggested alternative strategies that would achieve the same/similar objectives as the change.	4.50	1.110
I often responded to the organization's request for constructive criticism of the change.	4.39	0.988
I put as little effort as possible into change related tasks.		
I often deliberately worked slowly or caused delay.	4.37	1.164
I refused to make sacrifices during the change process (e.g.: work overtime, extra work etc.)	4.51	1.025
I refused to endorse the change to others	4.60	1.160
I discouraged others from supporting the change	4.48	1.095
I was hostile to people involved in promoting the change	4.36	1.086
I think to turn up to high rank position in management to prevent or terminate the change.	4.34	1.161
	4.11	1.479

#### 4.6 Reliability Test

The collected data was entered SPSS for reliability analysis using the Cronbach's alpha coefficient. Cronbach's alpha is a reliability coefficient that indicated how well the items in a set are positively correlated to one another (Cavana et al., 2001). The internal consistency reliability of the dependent variables and four independent variables were obtained. A Cronbach's Alpha value of 0.7 to 0.8 are considered acceptable, between 0.8 to 0.9 are considered good while more 0.9 is considered excellent (Lee Cronbach, 1951). The reliability test result indicated in Table 4.16. Hence, the internal consistency reliability of the measure used in this study can be considered reliable and acceptable as Cronbach's Alpha value of all the variable are above 0.7 which is 0.767.

Table 4.16:  
*Overall Reliability*

Cronbach's alpha	No of Items
<b>0.767</b>	30

Table 4.17: *Reliability of each variables*

Variable	No of items	Cronbach's alpha	Items removed
Perceived Personal Impact	5	0.774	0
Perceived outcome Organization	3	0.863	0
Trust in Management	5	0.949	0
Change communication	6	0.933	0
Resistance to change	11	0.836	0

## 4.7 Hypothesis Testing

In this section, correlation and linear analysis will be used in order to analyze the data and summarize all the result of the hypothesis of the study. The analysis uses SPSS 20 to identify whether the result is accepted or rejected the hypothesis.

### 4.7.1 Pearson Correlation Analysis

Table 4.18 describe the summary of the results from the correlation analysis. For the purposed of study, the Pearson correlation were performed to obtain the relationship between all the independent variables and dependent variables. According to Beldjazia and Alatou (2016) stated that the positive or negative correlation are determined by the sign of the correlation coefficient. Therefore, according to Evans (1996) mentioned that the absolute value of R (as cited in Beldjazia and Alatou, 2016) as per table below:

Table 4.18:

*Pearson correlation coefficient scale*

<b>R</b>	<b>Frequency</b>
0.00 to 0.19	Very weak
0.20 to 0.39	Weak
0.40 to 0.59	Moderate
0.60 to 0.79	Strong
0.80 to 1.00	Very strong

Sources: Evans (1996) cited in Beldjazia & Alatou (2016)

#### 4.7.1.1 The relationship between perceived personal impact and resistance to change.

Based on the Pearson correlation analysis, the Table 4.19 illustrated the result of the analysis. It is found that the p-value  $< 0.05$  which determine that there is a positive relationship between perceived personal impact and resistance to change which the correlation co-efficient value,  $r = 0.347$ . It means that if the value of perceived personal impact increase, the value of the resistance to change also increased. In term of the strength of relationship between perceived personal impact and resistance to change, the result is weak.

Table 4.19:

*Correlation between Perceived Personal Impacts and Resistance to Change*

Perceived Personal Impacts	Pearson Correlation	Resistance to change
		.347**
	Sig.(2-tailed)	.000
	N	256

\*\* Correlation is significant at the 0.05 level (2-tailed)

#### 4.7.1.2 The relationship between perceived outcome organization and resistance to change.

According to the Pearson correlation analysis, the Table 4.20 illustrated the result of the analysis. It is found that the p-value  $< 0.05$  which determine that there is a positive relationship between perceived outcome organization and resistance to change which the correlation co-efficient value,  $r = 0.522$ . It means that if the value of perceived outcome organization increases, the value of resistance to change also increased. Hence, in terms of the strength of the relationship between perceived outcome organization and resistance to change is moderate.

Table 4.20:

*Correlation between Perceived Outcome Organization and Resistance to Change*

		<b>Resistance to change</b>
Perceived Outcome Organization	Pearson Correlation	.522**
	Sig.(2-tailed)	.000
N		256

\*\* Correlation is significant at the 0.05 level (2-tailed)

**4.7.1.3 The relationship between trust in management and resistance to change.**

Based on the Pearson correlation analysis, the Table 4.21 illustrated the result of the analysis. It is found that the p-value < 0.05 which determine that there is a negative relationship between trust in management and resistance to change which the correlation co-efficient value,  $r = -0.180$ . It means that if the value of trust in management increase, the value of the resistance to change will decreased. In term of the strength of relationship between trust in management and resistance to change, the result is weak.

Table 4.21:

*Correlation between trust in management and Resistance to Change*

		<b>Resistance to change</b>
Perceived Outcome Organization	Pearson Correlation	-.180**
	Sig.(2-tailed)	.004
N		256

\*\* Correlation is significant at the 0.05 level (2-tailed)

**4.7.1.4 The relationship between change management and resistance to change.**

According to the Pearson correlation analysis, the Table 4.22 illustrated the result of the analysis. It is found that the p-value < 0.05 which determine that there is a negative relationship between change in management and resistance to change which the correlation co-efficient value,  $r = -.176$ . It means that if the value of change in management increase, the value of resistance to change will decreased. Hence, in terms of the strength of the relationship between change in management and resistance to change is consider weak.

Table 4.22:

*Correlation between change in management and Resistance to Change*

		<b>Resistance to change</b>
Perceived Outcome Organization	Pearson Correlation	-.176**
	Sig.(2-tailed)	.005
	N	256

\*\* Correlation is significant at the 0.05 level (2-tailed)

#### 4.8 Regression Analysis of Coefficient

Multiple Linear Regression analysis was used to examine the effect of perceived personal impact, perceived outcome organization, trust in management and change in management and dependent variables on resistance to change which related to test the following hypothesis:

- H1: Perceived Personal Impact has significant effect on resistance to change.
- H2: Perceived Outcome Organization has significant effect on resistance to change.
- H3: Trust in Management has significant effect on resistance to change.
- H4: Change Communication has significant effect on resistance to change.

As depicted in table 4.23, the result show positive effect of Perceived personal impact ( $\beta = .309$ ,  $t = 6.221$ ,  $p < 0.05$ ), perceived outcome organization ( $\beta = .320$ ,  $t = 9.328$ ,  $p < 0.05$ ) and change communication ( $\beta = .452$ ,  $t = 2.396$ ,  $p < 0.05$ ) on resistance to change. Meanwhile, trust in management ( $\beta = -.422$ ,  $t = -2.674$ ,  $p < 0.05$ ) has negative effect on resistance to change. Therefore, all hypothesis under study (H1, H2 H3 and H4) were accepted.

Table 4.23:  
Regression Analysis of Coefficient

Model	B	Beta	T	Sig.
(constant)	1.187		3.135	.002
Perceived personal impact	.397	.309	6.221	.000
Perceived outcome organization	.320	.472	9.328	.000
Trust in management	-.422	-.504	-2.674	.008
Change communication	.452	.451	2.396	.017
R <sup>2</sup>	.387			
Adjusted R <sup>2</sup>	.378			
F	39.689 p = 0.000			

Table 4.23 also depicted that overall, the model is significant which  $F = 39.689$ ,  $P < 0.05$  indicating that the independent variables explain a significant amount of variance in the dependent variable. The  $R^2$  value is 0.387 described that the independent variables explain 38.7 % of employee's resistance to change.

#### 4.9 Summary of hypothesis result

The result of hypothesis testing for correlation test is shown in the table below:

Table 4.24:  
*The result of hypothesis testing*

Hypothesis	Descriptions	Results
H1	Perceived Personal Impact has significant effect on resistance to change.	Accepted
H2	Perceived Outcome Organization has significant effect on resistance to change.	Accepted
H3	Trust in Management has significant effect on resistance to change.	Accepted
H4	Change Communication has significant effect on resistance to change.	Accepted

#### **4.9 Chapter Conclusion**

In this chapter, the statistical analysis that have been discussed were response rate, data screening and cleaning, descriptive analysis, mean and standard deviation, correlation and multiple liner regression. Therefore, based on correlation and regression analysis, it can conclude which hypothesis been accepted and rejected. Based on the result of the regression analysis determined that from the four variables only two have been accepted. It tends to be presumed that even though every one of the factors have a huge connection in the correlation test, it might not have significant influence in the regression test.



## CHAPTER 5

### DISCUSSION AND CONCLUSION

#### 5.0 Introduction

This chapter will discuss the synopsis of the discoveries from the previous chapter regarding the independent and dependent variable. Moreover, the implications of the study and recommendations for future research also will explained in this chapter.

#### 5.1 Discussion

The purpose of this study are to examine the effect of perceived personal impact, perceived outcome of organizations, trust in management and change communication on resistance to change of the employees in Shipyard Operation. The discussion part of this research focused on the research questions that stated in chapter one. The research questions are as follow: 1) Does perceived personal impacts has effect on resistance to change? 2) Does perceived outcome has effect on resistance to change? 3) Does trust in management has effect on resistance to change? 4) Does change communication has effect on resistance to change?. Based on the finding in chapter 4 from summary of correlation test (Table 4.22) shows that all hypothesis was accepted.

##### 5.1.1 Perceived Personal Impact and Resistance to Change

Based on the results stated there is a significant effect of perceived personal impact on resistance to change ( $\beta = .309$ ,  $p=0.000 < 0.05$ ) which hypothesis is accepted. This indicates that measuring and identifying personal impact become one of the most fundamental area that need to be focused in managing change resistance. Besides that, employee's asses the level of impact the change had on them before giving reaction towards the change.

If the change has high personal impact the employee tendencies to resist to change which also increase by adopting resistance behavior at their workplace. This finding consistence with previous studies which stated that perceived personal impact play an important role towards the resistance to change which consistent with the previous studies. According to Orth (2010) in his finding study on factors related to resistance and support of changes found that, perceived benefits of change had strong relationship with commitment to change, support of change and resistance. Therefore, these findings occur with researcher who found a positive relationship between perceived personal impact and resistance to change (Pasubathy, 2010). Even though, there is a positive relationship between perceived personal impact and resistance to change, the resistance to change rate is average.

#### **5.1.2 Perceived Outcome Organization and Resistance to Change.**

Based on the finding, perceived outcome organization has significant effect on resistance to change ( $\beta = .320, p=0.000<0.05$ ). This result indicates that that perceived outcome for organization making a statistically significant contribution to the prediction of resistance to change. However, the variable is not overlap with other independent variables which not consistent with previous study conducted by Pasubathy (2010). Pasubathy (2010) in his findings showed that perceived outcome of organization was not making significant contribution to the prediction of resistance to change may be due to overlap with other variables which quite similar. Meanwhile, this finding consistent with Herscovitch (2004) stated that employees may resist to change when they perceived that change will threaten the company benefits in some way and concern that the change will not work and successful as planned. Meanwhile they will accept the change when it's perceived beneficial outcome for organizations. However, the hypothesis considers acceptable which consistent with Chung Ming & Woodman, 1995) in their study found that employees might be expected to strongly resist changes that they perceived will harm the organization.

### **5.1.3 Trust in Management and Resistance to Change.**

Based on the result show significant effect of trust in management on resistance to change ( $\beta = -.504$ ,  $p=0.008<0.05$ ). The result indicated that trust in management was not making a statistically significant contribution in predicting resistance to change. It may be due to an overlap with other independent variable in the model as explained by Pallant (2005). One possible overlap of the trust in management variable is with the change communication with a strong significant effect on resistance to change. This result consistent with finding from Applebaum, Everard and Hung (1999) where participation in decision making process facilitated by the change communication improve trust level and reduces resistance to change which mean that participation in change process may have an indirect effect on resistance to change by improving trust in management.

Therefore, the relationship between change communication and resistance to change depends on the content (the actual change and its effects) rather than existing of change communication (Oreg, 2006). Meanwhile the finding does not provide similar result with Oreg (2006) where trust in management has significant effect on resistance to change. Therefore, lack of trust in management will impact in increase resistance behaviors which may be destructive and constructive in nature. Despite of that, Weinbach (1994) also suggested that lack of confidence or trust in management was acknowledge as one important factor influencing resistance to change.

Hence, the relationship between trust in management and resistance to change does exist. As such, it is important that management should gain the trust of employees in undergoing a change that resistance can be minimized and successful implemented. In this study, the finding can be concluded that the change and its impact will cause resistance and trust in management has a very minimum role in it as a standalone factor.

### 5.1.3 Change communication and Resistance to Change.

Based on the result show positive effect of trust in management on resistance to change ( $\beta = .451$ ,  $p = 0.017 < 0.05$ ). This result indicates communication and resistance to change are much related to each other show by previous study. This finding consistent with (Robert & O'Reilly ,1974; Nurul, 2014) that there is a relationship between communication and employee's readiness toward change as communication is a vital factor in enhancing employee's change readiness in any organization. Therefore, Wanberg and Banas (2000) said that employee was expected the more information received about the change, then the less likely that they will resist the change and employee participation in the change process contribute in minimizing resistance behavior at workplace (Weinbach, 1994). Fox and Amichai Hamburger (2001) mentioned that communication is the important aspect in overcoming the resistance to change of an employee. It can be said that change communication has effect on resistance to change.



## **5.2 Implications of the study**

There are two implications that researcher achieve in this study, which is theoretical and practical. Both implications will contribute and provided an opportunity to understand the factors that influences resistance to change in organization.

### **5.2.1 Theoretical implications**

This research paper has added to the topic of resistance to change and fulfillment the idea of viewing any impacts of the change on the employee personally will cause resistance to change. Meanwhile, many of previous studies evaluates the personal impact factors like job security, loss of expertise as a standalone variable in determining resistance to change, however in this study combined all those elements as one variable which is perceived personal impact. The idea was that any change will have a personal impact on employee will cause resistance to change as similar with study conducted by Pasubathy (2010). According to study by Pasubathy (2010), the study measures different changes that happened at different time frames. Thus, there is potential that a significant finding from one change was neutralized by the responses from other participants from different change settings. Hence, in this study was conducted to measures same changes that happened at the organization within same time frames. The present study provided more reliable significance finding that perceived personal impact act as a standalone variable in determining resistance to change. Therefore, in this study it was included more antecedents that cause resistance to change in the framework such as perceived outcome organizations, trust in management and change communication. Since that, the findings of this study can contribute more holistic model to enable researchers and practitioners alike to conduct a thorough assessment on the level of resistance and the factors that can contribute towards resistance to change in organizations.

### **5.2.2 Practical Implications**

For practical implications, the result of the study can contribute towards managing change in organization from the inside to understand the nature of change, how it is managed and factors that influencing resistance to change among employee in Shipyard operation. Therefore, the change managers will have great interest in the study since they involve in implementing, institutionalizing and sustaining change from traditional to one based on best practice. Hence the study will become a guideline to change agent how they handle when facing with resist to change phenomenon. The organizations can improve their way of implementation of change by improving change communication, gain the trust of employee and give positive impact to employee personal life and organization that they work. It can conclude, this study will help to highlight that the change resistance should be measured in organization as resistance could be found against the change being implemented in their organization and will aid the change agents in identifying importance change resistance causes for employee perspectives.



### **5.3 Limitation of the study**

Even though this study has completed all investigations objectives and have found all the answers for the research question, it is not without any limitations. The current study is limited to the 300 respondents from an organization to explain applicable of the relationship between the variables. In view of that, it might occur discrepancies in the finding of the study and the population involved an organization solely rather than other employees in different organization involving shipyard operations. Therefore. This study has its limitations such inabilities the questionnaire data with interviews and adopt a longitudinal approach to data collection due to resources and time constraints. Despite of that, variables tested in this study is a one-dimensional measures and act as standalone variables.

#### **5.4 Recommendation for future study**

For the next research that relate to this study, the future researcher can focus and study on others factors that influences the employee's resistance to change. It is recommended that, the future research conduct a study on different shipyard organization to have large sample and improve in the accuracy of the findings. Besides that, future research can expand the scope of their study, which is not only limited to shipyard operations, but in the other service sectors within Malaysia. Thus, findings from upcoming research can provide new insights regarding this topic. Besides that, the nature of the questionnaire to measure Perceive Outcome for Organization change was to one dimensional which merely perceived harmful effect for organization and eventually the employee themselves. Hence the result of variables not being significant contributed in the measure of resistance to change.

Regarding of these, future research should include more probing questions on why employee perceived the change was harmful towards organizations. Moreover, the presents study indicated two outcome antecedents compacted into perceived personal impact and perceived outcome for organization respectively which future research should include more process and context into study in order to come up with holistic model that predicted resistance to change. This new model can contribute to theoretical and practical perspective that very useful for change agent for managing change in organizations.

## 5.5 Conclusion

In conclusion, change resistance is a natural and expected part of any organizational change. The successful and failure of change efforts was depending on understanding why and how resistance to change occurs and developing the ability to responds effectively is very crucial for organization. The important key to effectively managing resistance is to clearly understand nature and reasons for resistance. For the purposed of this study, it's undertook the challenge of findings a simple but comprehensive model that can predict resistance to change. This study able to find all the answer for research question and met research objectives that were set out at the beginning of this research. All the change agent and managers need to take consideration on the variables that highlighted in this study in planning and execution of changes. Making improvement on understanding the change may help to reduce the challenge faced by change agents which also lead to successful of implementing changes.



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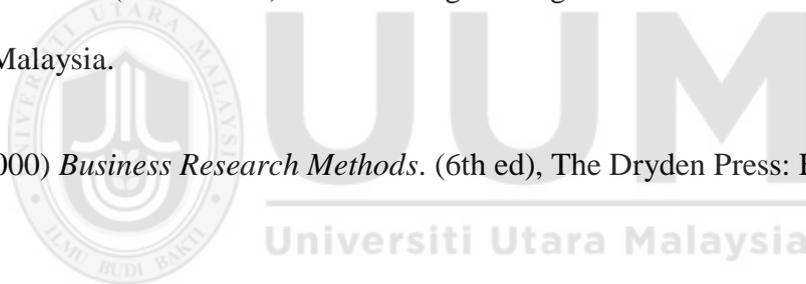
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*Appendix A - Questionnaire*



**UNIVERSITY UTARA MALAYSIA**

**OTHMAN YEOP ABDULLAH**

**GRADUATE SCHOOL OF BUSINESS**

I am Noor Fathiah bt Othman Student in Master of Science Management from the University Utara Malaysia are conducting a research Factors Influencing Resistance to Change Among Employees in Shipyard Operation. I would appreciate if you would complete this questionnaire. I hope you can spare some times and help me in answering several questions that I have prepared in order to help my studies. All your information is confidential. Your cooperation is kindly appreciated. Thank You.

Yours Sincerely,

NOOR FATHIAH BT OTHMAN

822747

Master in Science Management

Othman Yeop Abdullah Graduate School of Business

University Utara Malaysia (UUM), Sintok Kedah

**THIS SURVEY HAS 6 SECTIONS. PLEASE ANSWER ALL THE SECTIONS.  
KAJIAN INI MENGANDUNGI 6 BAHAGIAN. SILA JAWAB SEMUA BAHAGIAN.**

**SECTION 1: RESPONDENT BACKGROUND**  
**BAHAGIAN 1: LATARBELAKANG RESPONDEN**

Questions below are about your background. Please tick (✓) in the appropriate box.  
Soalan berikut adalah berkenaan latarbelakang anda. Sila tanda (✓) pada kotak yang berkenaan.

Gender/*Jantina*

Male/ *Lelaki*

Female/ *Perempuan*

Ethnicity/ *Bangsa*

Malay/ *Melayu*

Chinese/ *Cina*

Indian/ *India*

Others, please state: \_\_\_\_\_  
*Lain-lain sila nyatakan:*

Age/

Below 25 years old/ *Kurang dari 25 tahun*

26 to 35 years old/ *26 hingga 35 tahun*

36 to 45 years old/ *36 hingga 45 tahun*

46 to 55 years old/ *46 hingga 55 tahun*

56 years old and above

*56 tahun dan ke atas*

Highest Academic Qualifications / *kelayakan akademik*

Secondary/ *Sekolah Menengah*

Diploma/ *Diploma*

Degree/ *Ijazah Sarjana Muda*

Master / *Ijazah sarjana*

PhD / *Doktor Falsafah*

Job Category / *Kategori Pekerjaan*

Non- executive/ *Bukan eksekutif*

Executive / *Eksekutif*

Department/ *Jabatan*

<input type="checkbox"/>	Production / <i>Pengeluaran</i>
<input type="checkbox"/>	New construction/ <i>Pembinaan baru</i>
<input type="checkbox"/>	Human Resources / <i>Sumber Manusia</i>
<input type="checkbox"/>	Others, please state: _____ <i>Lain-lain, sila nyatakan</i>

<input type="checkbox"/>	Quality / <i>Kualiti</i>
<input type="checkbox"/>	Supply Chain Management/ <i>Pengurusan Rantaian Bekalan</i>
<input type="checkbox"/>	Engineering / <i>kejuruteraan</i>

Length of Service with Company / *Tempoh perkhidmatan*

<input type="checkbox"/>	Below 2 years / <i>Bawah 2 tahun</i>
<input type="checkbox"/>	3 to 5 years / <i>3 hingga 5 tahun</i>

<input type="checkbox"/>	6 to 9 years / <i>6 hingga 9 tahun</i>
<input type="checkbox"/>	More than 10 years / <i>lebih 10 tahun</i>



**SECTION 2: PERCEIVED PERSONAL IMPACT**

**BAHAGIAN 2: KESAN PERIBADI YANG DIRASAKAN**

Please read each following statement carefully. By using the scale below, please state to what extent  
*Sila baca setiap pernyataan dengan teliti. Menggunakan skala di bawah, sila nilaikan tahap*

you agree with the statement  
*persetujuan anda terhadap pernyataan tersebut.*

1	2	3	4	5	6
Strongly disagree <i>Sangat tidak setuju</i>	Disagree <i>Agak tidak setuju</i>	Slightly disagree <i>Tidak setuju</i>	Slightly Agree <i>Sedikit setuju</i>	Agree <i>Setuju</i>	Strongly Agree <i>Sangat setuju</i>

		1	2	3	4	5	6
1	I feel the impact of change in term of security. <i>Saya merasakan kesan terhadap perubahan keselamatan.</i>						
2.	I feel the impact of change in term of loss of expertise. <i>Saya merasakan kesan terhadap perubahan pada kehilangan kepakaran.</i>						
3	I feel the impact of change in term of diminishing influence, authority and control. <i>Saya merasakan kesan perubahan terhadap kekurangan pengaruh, kuasa dan kawalan.</i>						
4	I feel the impact of change in term of loss of social status.. <i>Saya merasakan kesan perubahan terhadap kehilangan status sosial</i>						
5	I feel the impact of change in term of in customs and long held practices. <i>Saya merasakan kesan perubahan terhadap adat dan kebiasaan amalan.</i>						

### **SECTION 3: CHANGE COMMUNICATION**

#### **BAHAGIAN 3: PERUBAHAN KOMUNIKASI**

Please read each following statement carefully. By using the scale below, please state to what extent  
*Sila baca setiap pernyataan dengan teliti. Menggunakan skala di bawah, sila nilaikan tahap*

you agree with the statement.  
*persetujuan anda terhadap pernyataan tersebut.*

1	2	3	4	5	6
Strongly disagree <i>Sangat tidak setuju</i>	Disagree <i>Agak tidak setuju</i>	Slightly disagree <i>Tidak setuju</i>	Slightly Agree <i>Sedikit setuju</i>	Agree <i>Setuju</i>	Strongly Agree <i>Sangat setuju</i>

		1	2	3	4	5	6
1	I was regularly informed on how the change was going. <i>Saya sering dimaklumkan tentang perjalanan sesuatu perubahan itu.</i>						
2	There was a good communication between project leaders and employees about the organization's policy towards the changes. <i>Terdapat komunikasi yang baik di antara ketua-ketua projek dengan tenaga kerja tentang polisi organisasi terhadap perubahan itu</i>						
3	I was clearly provided about the change's information. <i>Saya telah dijelaskan dengan nyata tentang pemberitahuan perubahan.</i>						
4	I was sufficiently informed of the progress of the change. <i>Saya telah dimaklumkan secukupnya tentang kemajuan perubahan.</i>						
5	Department were consulted about the change sufficiently. <i>Jabatan telah dirunding tentang perubahan dengan secukupnya.</i>						
6	I was consulted and briefly explains about he reasons for the change. <i>Saya telah dirunding dan diterangkan secara ringkas tentang sebab perubahan.</i>						

**SECTION 4: TRUST IN MANAGEMENT**  
**BAHAGIAN 4: KEPERCAYAAN DALAM PENGURUSAN**

Please read each following statement carefully. By using the scale below, please state to what extent  
*Sila baca setiap pernyataan dengan teliti. Menggunakan skala di bawah, sila nilaikan tahap persetujuan*  
 you agree with the statement.  
*anda terhadap pernyataan tersebut.*

1	2	3	4	5	6
Strongly disagree <i>Sangat tidak setuju</i>	Disagree <i>Agak tidak setuju</i>	Slightly disagree <i>Tidak setuju</i>	Slightly Agree <i>Sedikit setuju</i>	Agree <i>Setuju</i>	Strongly Agree <i>Sangat setuju</i>

		1	2	3	4	5	6
1	My department's senior managers paid sufficient attention to the personal consequences that the changes could have for the employee. <i>Pengurus senior jabatan saya memberi perhatian secukupnya terhadap kesan peribadi yang mungkin melanda para pekerja</i>						
2	My department's senior management coached us very well about the implementing the change. <i>Pengurusan jabatan saya telah melatih kami dengan baik tentang pelaksanaan perubahan itu.</i>						
3	My department's supervisors spoke up for us during the changes process. <i>Penyelia jabatan saya telah mewakili suara kami semasa proses perubahan itu</i>						
4	My department's supervisors were capable of fulfilling their new function as a result of the change. <i>Penyelia jabatan saya berkebolehan untuk memenuhi fungsi baru mereka disebabkan perubahan itu.</i>						
5	The management team had a positive vision for the future. <i>Pasukan pengurusan mempunyai visi positif untuk masa hadapan.</i>						

**SECTION 5: PERCEIVED OUTCOME FOR ORGANIZATION**

**BAHAGIAN 5: HASIL YANG DIRASAKAN TERHADAP ORGANISASI**

Please read each following statement carefully. By using the scale below, please state to what extent you

*Sila baca setiap pernyataan dengan teliti. Menggunakan skala di bawah, sila nilaikan tahap persetujuan*

agree with the statement.

*anda terhadap pernyataan tersebut.*

	2	3	4	5	6
Strongly disagree <i>Sangat tidak setuju</i>	Disagree <i>Agak tidak setuju</i>	Slightly disagree <i>Tidak setuju</i>	Slightly Agree <i>Sedikit setuju</i>	Agree <i>Setuju</i>	Strongly Agree <i>Sangat setuju</i>

		1	2	3	4	5	6
1	I believed that the change would actually hurt, not help my organization. <i>Saya merasakan perubahan akan membebankan organisasi, bukan memperbaiki.</i>						
2	I had doubts that changes would work as intended. <i>Saya merasa ragu bahawa perubahan akan berkesan seperti yang diharapkan.</i>						
3	I had suspected that the change would fail to meet its objective. <i>Saya merasa perubahan itu tidak akan mencapai matlamat.</i>						

**SECTION 6: RESISTANCE TO CHANGE**

**BAHAGIAN 6: RINTANGAN TERHADAP PERUBAHAN**

Please read each following statement carefully. By using the scale below, please state to what extent you

*Sila baca setiap pernyataan dengan teliti. Menggunakan skala di bawah, sila nilaikan tahap persetujuan*

agree with the statement.  
*anda terhadap pernyataan tersebut.*

1	2	3	4	5	6
Strongly disagree <i>Sangat tidak setuju</i>	Disagree <i>Agak tidak setuju</i>	Slightly disagree <i>Tidak setuju</i>	Slightly Agree <i>Sedikit setuju</i>	Agree <i>Setuju</i>	Strongly Agree <i>Sangat setuju</i>

		1	2	3	4	5	6
1	I expressed objections or concerns about the change to manager and management. <i>Saya menyatakan bantahan dan kebimbangan terhadap perubahan kepada pengurus dan pihak pengurusan.</i>						
2	I expressed objections or concern about the change during meeting. <i>Saya menyatakan bantahan dan kebimbangan terhadap perubahan semasa mesyuarat.</i>						
3	I suggested alternative strategies that would achieve the same/similar objectives as the change. <i>Saya mencadangkan strategi lain yang boleh mencapai matlamat sama/serupa dengan perubahan itu.</i>						
4	I often responded to the organization's request for constructive criticism of the change. <i>Saya sering membalas permintaan organisasi terhadap perubahan dengan kritikan yang membina.</i>						

5	I put as little effort as possible into change related tasks. <i>Saya meletakkan sedikit sebanyak usaha terhadap tugas yang berkaitan perubahan.</i>						
6	I often deliberately worked slowly or caused delay. <i>Saya sering bekerja dengan perlahan dan menyebabkan kelewatan dengan sengaja.</i>						
7	I refused to make sacrifices during the change process (e.g.: work overtime, extra work etc.) <i>Saya menolak untuk berkorban semasa proses perubahan (contoh : bekerja lebih masa, bekerja lebih dan lain-lain).</i>						
8	I refused to endorse the change to others <i>Saya menolak untuk mengesahkan perubahan kepada orang lain.</i>						
9	I discouraged others from supporting the change <i>Saya tidak mengalakkan orang lain menyokong perubahan itu.</i>						
10	I was hostile to people involved in promoting the change <i>Saya merupakan musuh terhadap orang yang membantu menyokong perubahan itu.</i>						
11	I think to turn up to high rank position in management to prevent or terminate the change. <i>Saya terfikir untuk merujuk kepada pihak atasan bahagian pengurusan agar menghalang atau memberhentikan perubahan itu.</i>						

-Thank you-  
Terima kasih-

*Appendix B – SPSS Result*

**Reliability Overall Statistics**

Cronbach's Alpha	N of Items
.767	30

**Reliability PPI Statistics**

Cronbach's Alpha	N of Items
.774	5

**Reliability RTC Statistics**

Cronbach's Alpha	N of Items
.836	11

**Reliability CC Statistics**

Cronbach's Alpha	N of Items
.933	6

**Reliability PPO Statistics**

Cronbach's Alpha	N of Items
.863	3

**Reliability TIM Statistics**

Cronbach's Alpha	N of Items
.949	5

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
Gender	256	1	2	1.33	.470	.736	.152
Ethnicity	256	1	3	1.02	.197	8.996	.152
Age	256	1	5	2.62	.873	.533	.152
Academic	256	1	4	1.95	.861	.180	.152
Job Category	256	1	2	1.46	.500	.142	.152
Department	256	1	7	3.63	2.301	.261	.152
Length of services	256	1	6	3.03	1.115	-.534	.152
Valid N (listwise)	256						

**Statistics**

		Gender	Ethnicity	Age	Academic	Job Category	Department	Length of Services With company
N	Valid	256	256	256	256	256	256	256
	Missing	21	21	21	21	21	21	21
Mean		1.33	1.02	2.62	1.95	1.46	3.63	3.03
Variance		.221	.039	.762	.742	.250	5.293	1.242
Skewness		.736	8.996	.533	.180	.142	.261	-.534
Std. Error of Skewness		.152	.152	.152	.152	.152	.152	.152

**Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	172	62.1	67.2	67.2
	Female	84	30.3	32.8	100.0
	Total	256	92.4	100.0	
Missing	System	21	7.6		
Total		277	100.0		

**Ethnicity**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	252	91.0	98.4	98.4
	Chinese	2	.7	.8	99.2
	Indian	2	.7	.8	100.0
	Total	256	92.4	100.0	
Missing	System	21	7.6		
Total		277	100.0		

**Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25 years old	14	5.1	5.5	5.5
	26 to 35 years old	116	41.9	45.3	50.8
	36 to 45 years old	85	30.7	33.2	84.0
	46 to 55 years old	35	12.6	13.7	97.7
	56 years old and above	6	2.2	2.3	100.0
	Total	256	92.4	100.0	
Missing	System	21	7.6		
Total		277	100.0		

**Department**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Production	78	28.2	30.5	30.5
	New construction	27	9.7	10.5	41.0
	Human Resources	11	4.0	4.3	45.3
	Quality	60	21.7	23.4	68.8
	Supply Chain Management	12	4.3	4.7	73.4
	Engineering	12	4.3	4.7	78.1
	Others	56	20.2	21.9	100.0
	Total	256	92.4	100.0	
Missing	System	21	7.6		
Total		277	100.0		

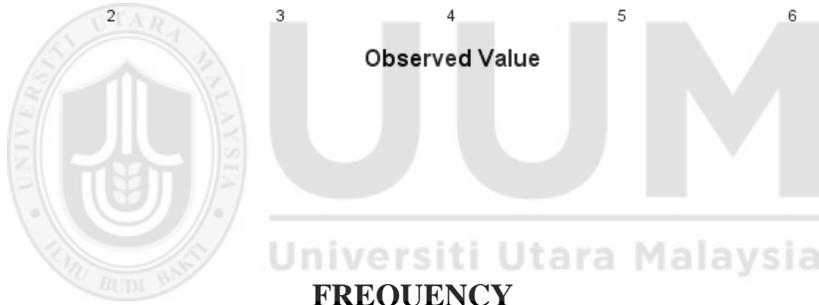
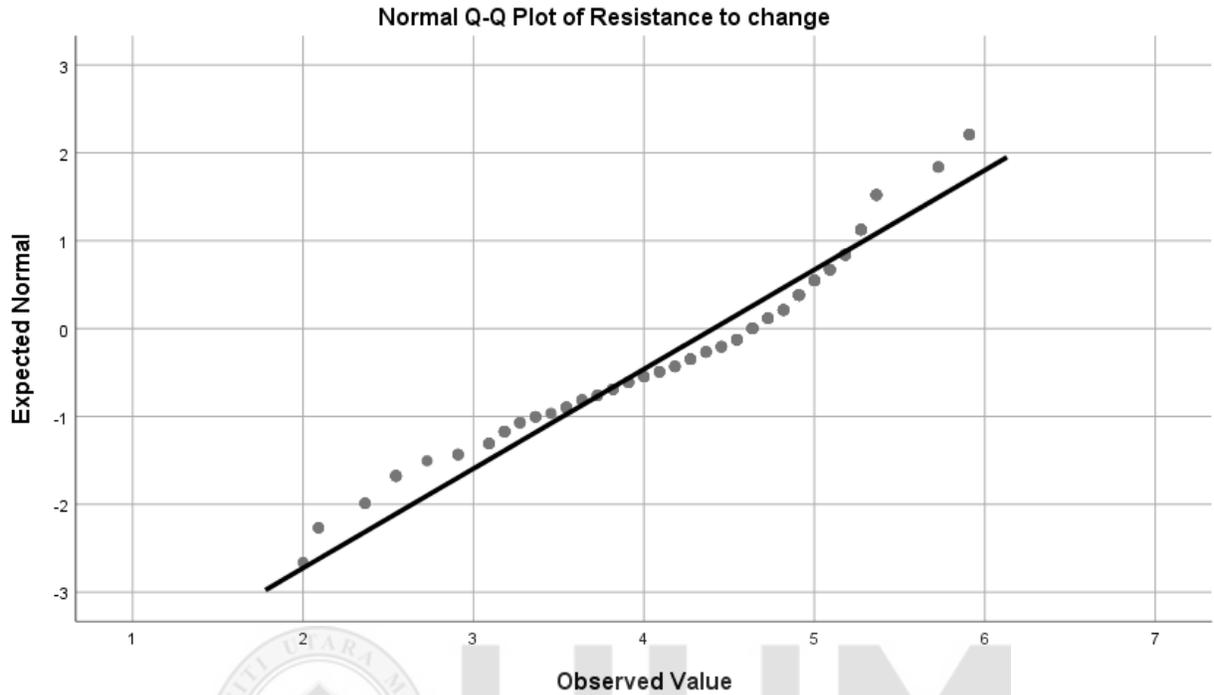
**Length of services with company**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 2 years	36	13.0	14.1
	3 to 5 years	41	14.8	30.1
	6 to 9 years	63	22.7	54.7
	More than 10 years	114	41.2	99.2
	6	2	.7	100.0
	Total	256	92.4	100.0
Missing	System	21	7.6	
Total		277	100.0	

**Academic**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary	100	36.1	39.1
	Diploma	72	26.0	67.2
	Degree	82	29.6	99.2
	Master	2	.7	100.0
	Total	256	92.4	100.0
Missing	System	21	7.6	
Total		277	100.0	

## NORMALITY ANALYSIS



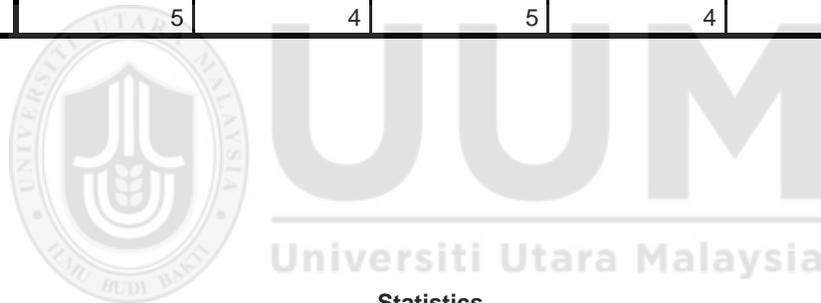
### FREQUENCY

#### Statistics

		Perceived Personal Impact				
N	Valid	256	256	256	256	256
	Missing	21	21	21	21	21
Mean		4.79	4.72	4.28	4.22	4.32
Median		5.00	5.00	4.00	4.00	4.00
Std. Deviation		.688	.875	1.029	1.059	1.065
Variance		.473	.766	1.058	1.121	1.135
Skewness		-.356	-.348	-.521	-.307	-.503
Std. Error of Skewness		.152	.152	.152	.152	.152
Kurtosis		.672	-.340	.056	-.132	-.126
Std. Error of Kurtosis		.303	.303	.303	.303	.303
Range		4	4	5	5	5

**Statistics**

		Change Communicatio n	Change Communication	Change Communication	Change Communication	Change Communication	Change Communicatio n
N	Valid	256	256	256	256	256	256
	Missing	21	21	21	21	21	21
Mean		3.83	3.12	4.01	3.95	3.98	3.80
Median		4.00	3.00	4.00	4.00	4.00	4.00
Std. Deviation		1.278	1.028	1.221	1.374	1.265	1.474
Variance		1.633	1.056	1.490	1.887	1.600	2.173
Skewness		-.038	.892	-.198	-.066	-.170	-.258
Std. Error of Skewness		.152	.152	.152	.152	.152	.152
Kurtosis		-1.012	.028	-.868	-1.349	-1.144	-1.121
Std. Error of Kurtosis		.303	.303	.303	.303	.303	.303
Range		5	4	5	4	5	5



**Statistics**

		Trust in Management				
N	Valid	256	256	256	256	256
	Missing	21	21	21	21	21
Mean		3.12	4.01	3.95	3.99	3.80
Median		3.00	4.00	4.00	4.00	4.00
Std. Deviation		1.018	1.198	1.372	1.254	1.486
Variance		1.037	1.435	1.884	1.572	2.207
Skewness		.863	-.208	-.055	-.182	-.247
Std. Error of Skewness		.152	.152	.152	.152	.152
Kurtosis		-.057	-.820	-1.340	-1.125	-1.147
Std. Error of Kurtosis		.303	.303	.303	.303	.303
Range		4	5	4	5	5

**Statistics**

		Perceived Outcomed organizations	Perceived Outcomed organizations	Perceived Outcomed organizations
N	Valid	256	256	256
	Missing	21	21	21
Mean		4.03	4.32	4.14
Median		5.00	5.00	5.00
Std. Deviation		1.359	1.430	1.367
Variance		1.846	2.046	1.868
Skewness		-.428	-.521	-.333
Std. Error of Skewness		.152	.152	.152
Kurtosis		-1.205	-.908	-1.234
Std. Error of Kurtosis		.303	.303	.303
Range		5	5	5



  
 Universiti Utara Malaysia

**Statistics**

	Resistance to Change										
N	Valid	256	256	256	256	256	256	256	256	256	256
	Missing	21	21	21	21	21	21	21	21	21	21
Mean	4.21	4.63	4.50	4.39	4.37	4.51	4.60	4.48	4.36	4.34	4.11
Median	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.50
Std. Deviation	1.218	1.021	1.110	.988	1.164	1.025	1.160	1.095	1.086	1.161	1.479
Variance	1.482	1.043	1.231	.976	1.355	1.051	1.347	1.199	1.180	1.348	2.187
Skewness	-.534	-.821	-.710	-.651	-.434	-.924	-.848	-.653	-.550	-.517	-.527
Std. Error of Skewness	.152	.152	.152	.152	.152	.152	.152	.152	.152	.152	.152
Kurtosis	-.687	.391	-.077	-.346	-.721	.388	.091	-.291	-.531	-.649	-.735
Std. Error of Kurtosis	.303	.303	.303	.303	.303	.303	.303	.303	.303	.303	.303
Range	5	4	5	4	4	4	4	4	4	4	5

## CORRELATIONS

**Correlations**

		Perceived Personal Outcome	Perceived outcome organization	Resistance to change	Trust management	Change communication
Perceived Personal Outcome	Pearson Correlation	1	.073	.347**	-.085	-.088
	Sig. (2-tailed)		.246	.000	.176	.163
	N	256	256	256	256	256
Perceived outcome organization	Pearson Correlation	.073	1	.522**	-.061	-.060
	Sig. (2-tailed)	.246		.000	.329	.337
	N	256	256	256	256	256
Resistance to change	Pearson Correlation	.347**	.522**	1	-.180**	-.176**
	Sig. (2-tailed)	.000	.000		.004	.005
	N	256	256	256	256	256
Trust management	Pearson Correlation	-.085	-.061	-.180**	1	.973**
	Sig. (2-tailed)	.176	.329	.004		.000
	N	256	256	256	256	256
Change communication	Pearson Correlation	-.088	-.060	-.176**	.973**	1
	Sig. (2-tailed)	.163	.337	.005	.000	
	N	256	256	256	256	256

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## REGRESSION

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.622 <sup>a</sup>	.387	.378	.697

a. Predictors: (Constant), Perceived outcome organization, change communication, Perceived Personal Outcome, Trust in Management

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.117	4	19.279	39.689	.000 <sup>b</sup>
	Residual	121.925	251	.486		
	Total	199.041	255			

a. Dependent Variable: Resistance to change

b. Predictors: (Constant), Perceived outcome organization, change communication, Perceived Personal Outcome, Trust in Management

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.187	.379		3.135	.002
	change communication	.452	.189	.451	2.396	.017
	Perceived Personal Outcome	.397	.064	.309	6.221	.000
	Trust in Management	-.422	.158	-.504	-2.674	.008
	Perceived outcome organization	.320	.034	.472	9.328	.000

a. Dependent Variable: Resistance to change