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Collective Organisational Engagement in Times of Change

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Collective Organisational Engagement in Times of Change

Impact of Collective Organisational Engagement on Attitudes Toward Organisational Change: The Moderating Role of Motivational Climate.

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Here's to the crazy ones, the misfits, the rebels, the troublemakers, the round pegs in the square holes... the ones who see things differently….

…. Thank you for your patience, help, discussions, encourage, faith and tolerance! Together we have written this thesis that hopefully can contribute to make a change.

You know who you are.

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Abstract

Collective organisational engagement concerns the common perception among organisational members that members of the organisation are mentally, physically, and emotionally invested in their work (Barrick, Thurgood, Smith & Courtright, 2015). This common perception of engagement has been identified as transferable across organisational members, which can be seen as beneficial in certain settings, such as change. In this fashion, we propose that collective organisational engagement contributes to successful change, and more specifically positive attitudes toward organisational change. We further suggest that this relationship is moderated by a third variable, namely perceived motivational climate. To test these assumptions, empirical data is collected from a highly ranked bank. The results from the cross-lagged survey suggest a direct link between these variables, and more thoroughly that a perceived mastery climate contributes positively and strengthens the relationship between collective organisational engagement and employees' attitudes towards organisational change. Lastly, implications for practice, limitations of study and directions for future research are discussed.

Introduction

Organisations continually commence on programmes of organisational change. Already in the late 1990's change initiatives were top organisational priorities, and the American Management Association reported that 84 per cent of US companies were in the process of at least one major change initiative (Peak, 1996). Now, well twenty years later, mastering strategies for managing change is more important, as the rate of change is greater than at any other time in history. In the past decades, researchers have put increasing emphasis on change as a critical driver for organisational success and firm performance (Ahearne Lam, Mathieu & Bolander, 2010; Elias, 2009; Evans, 1996 p.21-39; Dunham, Grube, Gardner, Cummings & Pierce, 1989). The market is changing overnight, organisational alliances and structures are shifting rapidly, and the risk of failure is greater than ever before (Luecke, 2003 p. 17-29; Moran and Brightman, 2001; Okumus & Hemmington, 1998).

The complexity of change includes continuous changes in workforce demographics, technology, decision making and development, which in turn asks for suitable organisational capabilities to continuously adapt, change and stay competitive (Gilley, Gilley & McMillan, 2009). Change management is defined as a measure of frequently renewing an organisation's objective, structure and ability to serve these ever-changing demands of internal and external customers (Moran & Brightman, 2001, p.111). Change is a deep-rooted feature of organisational life, both at a strategic level and an operational level (Burnes, 2004 p.427-484), and is often highly unpredictable. Balogun and Hailey (2004 p.1), reported that approximately 70 per cent of all change programs initiated, are somewhat unsuccessful. This poor success rate may stem from an elemental lack of a valid groundwork of how to carry out and manage organisational change, such as the lack of strategy and vision, lack of communication and trust, lack of resources, but mostly due to employees' resistance to change (Deloitte, 2017 p.61; Burnes, 2004 p.287-316; Vakola, Tsaousis & Nikolaou, 2003). In the era of changes, a great extent of research should have been conducted in this specific area. Surprisingly, however, issues relevant to organisational change has primarily focused on organisational-level concerns, rather than individual-level concerns (Vakola et al., 2003; Wanberg & Banas; 2000; Judge, Thoresen, Pucik & Welbourne, 1999). For

many employees, work related change is a very personal and emotional issue, thus it is crucial for organisations to provide employees with necessary information and resources in order to minimize resistance (e.g. Elias, 2009; Laframboise, Nelson & Schmaltz, 2002; Dunham et al., 1989). Schneider, Brief & Guzzo (1996 p.1) centralized the importance of the human element in change management, by stating; "organisations as we know them are the people in them; if people do not change, there is no organisational change" (Schneider et al., 1996). In other words, the human element can be seen as the point of supply for sustained competitive advantages (e.g. Chadwick & Dabu, 2009; Elias, 2009; Becker & Huselid, 2006), and the degree of employee acceptance versus resistance to change should therefore be paid both managerial and organisational attention.

While there is an ever-growing universal literature suggesting how to approach and engage employees in change initiatives at an individual level (e.g. Schaufeli, Salanova, Gonzalez-Roma & Bakker, 2002; Maslach, Jackson & Leiter, 1997), very little research examines the inclusion of change and engagement at an organisational level (Costa, Passos & Bakker, 2014; Harter, Schmidt & Hayes, 2002). This may indicate that organisational-level engagement is an understudied phenomenon. Theory on individual engagement fails to capture engagement throughout the organisation, as it does not address engagement as an instrument that links organisational processes to firm performance. Thus, individual engagement has a more evaluative focus based on the perceptions of one's own engagement. To increase the understanding and descriptive focus of employee engagement beyond the individual level, engagement throughout the organisation as a whole, deserves in-depth research and broader attention. Based on these terms, the concept of collective organisational engagement (COE) was introduced to evaluate and establish perceived organisational engagement (Barrick, Thurgood, Smith & Courtright, 2015). COE is a firm level construct and an indicator of the overall goal-oriented environment, and can further be viewed as an organisational capability, where the antecedents of COE must be resources available in the firm (Barrick et al., 2015). These resources may help create, what we refer to as a "safety net" for employees, providing employees with safety, information and a place to seek help. In turn, these resources may leave the employees feeling more prepared for stressful environments, such as change.

Engagement may not be the only factor that plays a role in the context of change. Building on the studies of achievement goal theory (AGT), the concept of motivational climate has been developed (Ames, 1992a; Ames, 1992b; Nicholls, 1984). Employees' perception of the work climate has been found to be a good predictor of both individual and work-related outcomes (Kuenzi & Schminke, 2009), hence perceived motivational climate is included as a moderator. In the research field within sport and education, there is consistent evidence of how the motivational climate operates and influences behaviour (Ntoumanis & Biddle, 1999; Valentini & Rudisill, 2006). On the other hand, despite the importance of organisational work in an achievement setting, research on motivational climate as defined by AGT, persist limited in work settings (Nerstad, Roberts & Richardsen, 2013). Knowledge on work climates is important because it has implications for individual outcomes such as job attitudes (Colquitt, Noe & Jackson, 2002), firm performance (Černe, Nerstad, Dysvik & Škerlavaj, 2014; Ahearne et al., 2010), organisational citizenship behaviour, innovation and individual performance. In other words, work climate influences nearly every perspective of the organisational life (Kuenzi & Schminke, 2009). If the work climate has such a large impact on individual and work-related outcomes, we suggest that the type of climate plays a significant role. Climate research has been intertwined with motivational research, which has been one of the most popular areas within psychology studies (Roberts, Treasure & Conroy, 2007). Motivational climate consists of two distinct dimensions: performance- (ego-involved) climate and mastery (task-oriented) climate (Nerstad et al., 2013). A perceived performance climate refers to organisational settings where intra-team competition and social comparison are emphasized (Ames & Ames, 1984b; Ntoumanis & Biddle, 1999), while a perceived mastery climate emphasizes learning, skill development and cooperation (Ames, 1992a; Ames, 1992b; Nicholls, 1989 p.43-63). In this study, we aim to investigate the moderating role of either climate for the COE and attitudes toward organisational change relationship. We thereby extend the existing research on motivational climate by demonstrating how perceived motivational climate can have significant impact on the relationship between COE and attitudes toward organisational change.

The body of literature dedicated to the understanding of engagement is impressive, however to the best of our knowledge, the existing literature on change does not address, nor include, the newly developed concept of COE (Barrick et al., 2015). Additionally, we intend to contribute to the research field within work climate by exploring perceived motivational climate as a moderator. Following the lead of Johns (2006), we thereby extend previous organisational knowledge by clarifying, not only the role of COE with respect to change attitudes, but also the attributes of performance- and mastery climate in this context. We therefore propose the following research model;
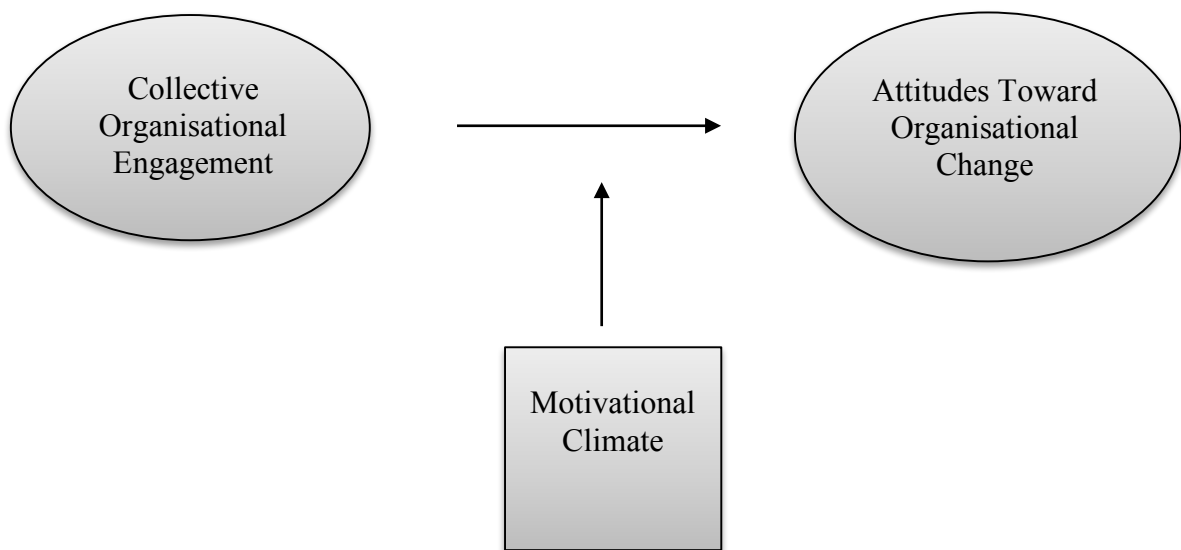
Figure 1. Conceptual Framework

Theory and Hypotheses

Attitudes Toward Organisational Change

There is broad consensus that successful implementation of organisational change relies upon attitudes of organisational members toward the change initiative (e.g. Lines, 2005; Bovey & Hede, 2001a; Piderit, 2000; Carnall, 1986; Choi, 2011). It is nearly impossible for organisations to succeed with change if the employees are not motivated or engaged in the change process (e.g. Elias, 2009; Schneider et al., 1996; Deloitte, 2016 p. 1-56). In other words, for an organisation to successfully implement change, the change strategy must be developed to take employee's psychological process into account (Elias, 2009). Within this psychological process are attitudes toward organisational change which, in general, consist of a person's behavioural, judgemental and mental outlook toward the change initiative (Elias, 2009; Arnold & Silvester, 2005 p. 238-271; Elizur & Guttman, 1976; Dunham et al., 1989). More accurate, attitudes can be defined as certain regularities in one's thoughts, cognitions or disposition toward particular aspects of one's environment (Secord & Beckman, 1969 p.167), or as an employee's overall evaluative reasoning of the change initiative implemented. The change initiative serves as the foundation of employees' development of attitudes, and is therefore referred to as the attitude object (Lines, 2005). For many employees, change is a very personal and emotional issue, especially when it involves their work environment. When organisational members first are exposed to information about a pending change, they tend to form opinions (Lines, 2005), and individual difference variables, such as emotional attachment, tolerance for uncertainty and openness to experience, play important roles in how employees cope with the change initiative (Judge et al., 1999). The ways in which this is coped with, depend to some extent on individual nature, as well as previous experience (King & Anderson, 1995 p. 167). Thus, change can be received with happiness and excitement, or with fear and anger (Vakola et al., 2003). The formation of attitudes toward organisational change is an important occurrence in the change process, because once opinions and attitudes are formed, they may be utterly difficult to alter (Lines, 2005). This, in turn, plays a crucial role for whether an organisation succeeds or fails with the change initiative (Elias, 2009; Choi, 2011).

A wide array of reactions may follow the processing of information and experiences concerning organisational change. Attitude theory predicts that reactions can span from highly positive to strongly negative, depending on the change process, the characteristics of the change initiative, and how it is perceived by the individuals involved (Lines, 2005). Strong positive attitudes toward organisational change are likely if the change initiative can be identified with high personal relevance (Frijda & Mesquita, 2000; Lazarus, 1991), and such attitudes are found to be resistant to persuasion and stable over time (Ajzen, 2001). When employees possess these strong and positive attitudes toward organisational change, they are more likely to behave in an effortful and focused way which supports the change initiative (Lines, 2005). However, existing literature has a strong tendency of focusing on negative reactions (e.g. Allen, Freeman, Russell, Reizenstein & Rentz, 2001; Bovey & Hede, 2001b; Piderit, 2000; Kotter, 1979). Such negative reactions are associated with behaviours reflective of an overall negative evaluation of the change initiative, such as refusing, hindering, sabotaging and resisting change (Lines, 2005). Based upon these positive and negative reactions, Jaffe, Scott & Tobe (1994, referred to in Lines, 2005) identified a four-stage-emotion framework for what individuals go through when coping with loss in their lives, but also when coping with change. This model consists of denial, resistance, exploration and commitment. Denial comes to display when organisational members refuse that change is needed or that it needs to be implemented, while resistance is attempts to withhold information or postpone the implementation. Exploration is when change is assessed, and new behaviours are tried, and commitment is when individuals embrace the initiatives based on observations of previous behaviours and results (Lines, 2005).

Denial and resistance are critical phases for any changing organisation. In order to minimize denial and resistance, the organisation should provide employees with necessary facts, education and resources, as well as direct involvement, in order to give them a sense of control (Antoni, 2004; Laframboise et al., 2002; Porras & Robertson, 1992 referred to in Elias, 2009; Dunham et al., 1989). For significant change to be implemented well in an organisation, there are numerous guidelines developed to follow. First, employees need to be educated on what the business stands for, and a precise definition of shared purpose is necessary. Performance requirements should be openly communicated, and changes required ought to be

broadly aligned with the purpose and identity of the employees. Second, the behaviours, values and expectations of the changed workplace should be clearly identified, and organisations must prepare employees for future change in order to ensure long-term growth and stability. Third and finally, organisations should provide evident change targets, goals and a culture that supports the reactions change might create (Moran & Brightman, 2001). If these guidelines are acted in accordance with, it may enhance positive feelings about the change initiative, which again could be vital in achieving successful change programmes and organisational goals (Eby, Adams, Russell & Gaby, 2000; Martin; 1998; Kotter, 1995; Gilmore & Barnett 1992).

Collective Organisational Engagement

Employee Engagement

To fully understand the concept of collective organisational engagement, employee engagement needs to be discussed. Employee engagement - or work engagement (Schaufeli & Salanova, 2011), job engagement (Rich, Lepine & Crawford, 2010) or individual engagement (Barrick et al., 2015) if you like- is a headline issue throughout business and human resource investigations, especially due to the critical nature of change in global economy and labour markets. In a recent study of Deloitte (2016, p.6), an overwhelming 85 per cent of executives ranked engagement as a top priority in organisations. Nevertheless, only 46 per cent reported that their organisations were prepared to tackle challenges connected to engagement. Employee engagement has been a leading focus due to the beneficial outcomes related to high employee engagement; increased productivity, profitability, safeness, low absenteeism and healthier employees who are less likely to give up (Fleming & Asplund, 2007; Wagner & Harter, 2006; Buchanan, 2004; The Gallup Organisation, 2001, all referred to in Shuck & Wollard, 2010). However, there continues to be confusion and lack of consensus regarding the meaning and definition of employee engagement (Cole, Walter, Bedeian & O'Boyle, 2012; Bakker, Albrecht & Leiter, 2011), due to the conceptual overlap of engagement with more established constructs, such as job involvement, job satisfaction and organisational commitment (Shuck, Ghosh, Zigarmi & Nimon, 2013; Cole et al., 2012; Saks, 2006). Hence, researchers have defined engagement both attitudinally and behaviourally, and identified it as a psychological state and

the behaviour it implies. As a psychological state, researchers have included elements such as empowerment, satisfaction, commitment and involvement (Macey & Schneider, 2008). However, among other major theories on engagement, there is positive agreement that engagement consists of energetic, emotional and cognitive components (Leiter & Bakker, 2010), which will lay the basis for this paper. The original framework of Kahn (1990), defined individual employee engagement as employees' willingness to fully invest themselves mentally, physically, and emotionally into their work. This definition is recognized as deeper and more substantial than other definitions provided (Saks & Gruman, 2014), as it describes engagement as a motivational concept which provides a far-reaching explanation of individual level performance outcomes.

Within his framework, Kahn (1990) identified three psychological conditions associated with engagement at work; meaningfulness, psychological safety and psychological availability. These three conditions should be present in order for employees to personally engage in work tasks. Meaningfulness is explained as a feeling of usefulness and valuableness, that is received in return of an emotional, physical and cognitive investment. In other words, the feeling that one is needed, or that one can make a difference. Within this condition, three additional factors were found to play a significant role; task characteristics, role characteristics and work interactions. This means that when employees are doing challenging, creative and varied tasks, or tasks involving interpersonal interactions, employees tend to find their work more meaningful. Psychological safety, on the other hand, is the feeling that one is comfortable investing oneself into the work role, without concern of negative reactions to career, self-image or status. Within this condition, four factors were identified; interpersonal relationships, group and intergroup dynamics, management styles and processes and organisational norms. Lastly, psychological availability refers to how ready an employee is to fully engage in one's role, when having adequate emotional, physical and psychological resources available (Kahn, 1990). This is further influenced by the degree of confidence in one's status and abilities related to work (Rich et al., 2010). Four factors were found to play a significant role within psychological availability, namely physical energy, emotional energy, insecurity and outside life. Hence, there are a considerable number of factors involved in employee engagement essential for organisational

outcomes, and to calculate, improve and bolster engagement is therefore of significant organisational interest (Knight, Patterson & Dawson, 2017).

Collective Organisational Engagement

Since the introduction of Kahn's (1990) engagement concept more than two decades ago, a great deal of research has emerged. Based on the work of Saks (2006) for instance, Shuck (2011) identified a multidimensional approach of engagement, which differentiated between organisational engagement and job engagement. This work highlights the diversity of ways in which engagement can be defined and operationalised. The organisational level is often explained as all meaningful entities above the individual level, such as departments and work groups (Pugh & Dietz, 2008), or as engagement throughout the organisation as a whole, not individual for each employee (Barrick et al., 2015). Based on these terms, a conceptualization of employee engagement at organisational level was introduced as collective organisational engagement. This concerns the common understanding among organisational members that members of the organisation are mentally, physically, and emotionally invested in their work (Barrick et al., 2015).

Scholars have suggested that engagement can manifest itself as a property of organisations, and by structuring and bundling firm resources, employees can be more collectively engaged at work, and eventually increase firm performance (Barrick et al., 2015). One of the most valid frameworks in the field of COE is presented by Barrick et al. (2015). Their paper begun the substantial development of a nomological network for COE, that consisted of three key managerial efforts; namely motivating work design, HRM practices and CEO transformational leadership. These efforts were found to be motivation-enhancing resources fostering COE, by increasing the three psychological conditions necessary for engagement; meaningfulness, psychological safety and availability (Kahn, 1990). Additionally, their research identified COE as a part of affective-motivational states, meaning that it is highly transferable to other members of the organisation (Barrick et al., 2015; Pugh, 2001). Hence, if a number of employees become more engaged in their work, other employees around them will similarly increase their engagement due to the normative influence COE has (Stewart, Courtright & Barrick, 2012). This normative influence is ultimately what makes COE a more

effective predictor of firm performance than individual engagement (Barrick et al., 2015).

Attitudes Toward Organisational Change and COE

In line with theory and empirical findings, change is, in large, experienced as stressful for the people involved (e.g. Ahearne et al., 2010; Elias, 2009; Gilley et al., 2009). Organisational changes may leave employees feeling confused, stressed, scared and/or left out, which creates concerns about employees' abilities to adapt and cope with change initiatives (Elias, 2009). Thus, successful organisational change is highly dependent on managerial efforts to support, inform, include and increase engagement about the change initiative amongst employees (Parent & Lovelace, 2015; Piderit, 2000). When these efforts laid to ground, employees might feel safer, prepared, included and unified in the changing environment, which again can increase positive associations with change (Elias, 2009). In a former study of Global Human Capital Trends, Deloitte (2016, p. 47) stated the importance of engagement-focus in today's mobile workforce and rapidly changing world. The study identified engagement not only as an aspect of employees' well-being, but also as a measure of corporate health, which enables a window into the potential workers' support for change. The study further challenged the engagement definition, by arguing that the traditional engagement definition should be expanded to include several new factors, due to, for instance, the close relationship to commitment (Deloitte, 2016 p. 50). In former research, Elias (2009) also found a link between attitudes toward organisational change and organisational commitment. Organizational commitment is difficult to define as there is no general agreement among the definitions found in the commitment literature. Commitment in this context, however, is drawn upon the research of Elias' (2009), who identified three antecedents of commitment; affective, continuance and normative commitment. Affective commitment can be described as one's emotional attachment to his or her organisation, which tends to correlate strongly and consistently with organisational-relevant and employee-relevant outcomes (Elias, 2009). An additional parallel can be drawn to the studies of Beukes and Botha (2013), who found that commitment and engagement were positively related; that those committed to their work, also were engaged in their work. Based upon these analyses, and the fact that managerial efforts are found to play such a relevant role

in change, one could therefore propose that successful change is highly dependent on COE (Barrick et al., 2015; Elias, 2009; Beukes & Botha, 2013).

Furthermore, COE, as an affective-motivational state, is identified as highly "contagious" and transferrable to other members of the organisation (Barrick et al., 2015). This means that a common and unified understanding of engagement is preserved when organisational members interact with each other. In turn, this may provide signals to employees of how to act and what is expected of them during organisational challenges, such as change (Barrick et al., 2015; Klein, Conn, Smith & Sorra, 2001; Pugh, 2001), and with this, pass on positive attitudes toward organisational changes. Consequently, COE can potentially participate in overcoming resistance to change, and thereby facilitate more positive attitudes toward the change initiative (Barrick et al., 2015; Costa et al., 2014; Piderit, 2000). Thereupon, we propose the following hypothesis;

Hypothesis 1: There is a positive relationship between collective organisational engagement and employee's attitudes to organisational change.

The Moderating Role of Perceived Motivational Climate

Relationships are rarely straightforward, and research within psychology, management, as well as other disciplines, are replete with theories suggesting that the relationship between two variables is dependent on a third variable. Following the lead of Dawson (2014), this current study aims to test for the following moderating variable.

The organisational setting in which employees perform their daily tasks, plays a fundamental role in the development of attitudes toward work among employees (Černe et al., 2014; Nerstad et al., 2013). Over the past decades, motivation theories based on social cognitive compositions have gained increased awareness (e.g. Nerstad et al., 2013; Roberts, 2012; Nicholls, 1989 p.11-63). AGT has been particularly influential, mostly due to its incorporated personal, situational and environmental determinants of achievement behaviour (e.g. Ames 1992a, Nicholls, 1989 p. 1-18). Thus, AGT becomes essential in illustrating the relevance of contextual information for employee motivation; one might wonder why some

employees throw themselves into new challenges, whereas other try to avoid them. One might wonder why some employees tend to display extraordinary plasticity in their response to change, while others continuously show resistance to change or lack of engagement when faced with situations where they must alter their behaviour. A partial answer to these questions might lay within the situational determinant, namely the perceived motivational climate at work. The motivational climate at work, has been examined for its role in influencing organisational variables, such as firm performance (Černe et al., 2014), and operates as behavioural guidelines of what is expected and rewarded in organisational members. Hence, it can be identified as employees' consciousness of the actual criteria of success and failure, which is highlighted through the policies, practices and procedures in the work environment (Nerstad et al., 2013; Ames, 1992a). Two distinct climate dimensions have evolved within perceived motivational climate, namely performance climate and mastery climate (Ames, 1992a).

A perceived performance climate is recognized by intra-team competition and social comparison, where only the top achievers are likely to be appraised (Nerstad et al., 2013; Ames, 1992a). In a performance climate, individuals evaluate their own abilities in comparison to others, and there is an overall focus on delivering the best final result (Ames, 1992a; Nicholls, 1984). Such behaviour signals high level of competence and is publicly recognized and awarded, despite contributing to verbal comparison and ability grouping (Nerstad et al., 2013). In defiance of the goal and result driven focus, unfortunately maladaptive behaviours such as boredom, competitive strategies, ego orientation and decreased motivation, are most commonly seen amongst those who are exposed to performance climate conditions (Braithwaite, Spray & Warburton, 2011). In agreement with previous empirical findings and theory (e.g. Černe et al., 2014; Nerstad et al., 2013; Ames & Archer, 1988), a perceived performance climate often generates low efforts and use of ineffective strategies. When these types of behaviours are both expected and rewarded, it may facilitate a negative synergistic effect, or a deadly combination (McClean & Collins, 2011). Performance climates undermine the self-determination of individuals (Vallerand, Gauvin & Halliwell, 1986), and findings of Nerstad et al., (2013) suggest that a perceived performance climate is negatively significant associated with work quality and work effort. These empirical

arguments, taken together with the main characteristics of performance climate such as inefficiency, stress and giving up, suggest that the type of climate does not enhance an environment of engagement and development. Eventually, this may create a setting of negative interdependence between employees in an organisation, which could be neglecting the postulated positive relationship between COE and attitudes towards organisational change. With respect to this relationship, our basic premise is that a perceived performance climate may override the supportive environment COE fosters, and negatively impact development of positive attitudes toward organisational changes (Costa et al., 2014; Aon, 2013 p. 3; Elias, 2009). The greater the presence of a perceived performance climate, the more ego-centred and competitive environment. The more ego-centred and competitive environment, the less likely it is for a direct relationship between COE and attitudes toward organisational change due to the respective maladaptive behaviours often present in such climate. Thus, we propose the following;

Hypothesis 2a: A perceived performance climate moderates the relationship between collective organisational engagement and employees' attitudes toward organisational change; the higher the perceived performance climate, the less positive the relationship.

Mastery climate, on the other hand, emphasizes learning, competence building and skill development, by encouraging and rewarding participants to perform such activities to improve their skills (Nerstad et al., 2013; Roberts et al., 2007; Ames, 1992a; Ames, 1992b). Moreover, its focus lies within self-development and cooperation (Nerstad et al., 2013). A cooperative climate can be portrayed as a situation that includes positive interdependence among employees, by which interaction toward collective goals is applauded, and there is a priority of determining matters for mutual benefit (Nerstad et al., 2013; Chen, Tjosvold & Liu, 2006; Tjosvold, 1995). Additionally, evidence from education and sport spheres, suggests that a mastery climate promotes more adaptive cognitions and actions, such as positive attitudes, increased efforts and the quality of trying and continuing if met with resistance (Nerstad et al., 2013; Valentini & Rudisill, 2006; Ntoumanis & Biddle, 1999). In the well-reviewed study of Nerstad et al., (2013), there is also evidence pointing towards mastery climate having a positively and moderately

association with work engagement. The study suggest that a mastery climate was higher positively related to work performance than a performance climate, meaning that a mastery climate facilities a more positive affective-cognitive work-related state of mind, than a performance climate does. Further, empirical findings suggest that performance tend to improve when individuals experience high levels of a perceived mastery motivational climate (Barkoukis, Koidou & Tsorbatzoudis, 2010; Lau & Nie, 2008; Valentini & Rudisill, 2006).

Together, these findings and theoretical arguments suggest that a mastery climate assists the process of sharing, cooperation, positive attitudes and increased effort. These characteristics are found highly important for successful implementation of change initiatives (Moran & Brightman, 2001). Thus, when these characteristics are in place, it may foster more positive attitudes toward the change initiative (Eby et al., 2000; Martin; 1998; Kotter, 1995; Gilmore & Barnett 1992). Accordingly, if a perceived mastery climate has such a large impact on work related outcomes, we contend that a perceived mastery climate will moderate, and more specifically, strengthen the positive relationship between COE and attitudes toward organisational change. In this fashion, we propose the following;

Hypothesis 2b: A perceived mastery climate moderates the relationship between collective organisational engagement and employee's attitudes toward organisational change; the higher the perceived mastery climate, the more positive the relationship.

Methodology

Sample and Procedure

The sample was collected from a large organisation within the Norwegian private-sector, during the spring of 2016. The respondents of the survey were reassured that their responses would be treated confidentially and anonymously, in alignment with the requirements of Norwegian Social Science Data Service (NSD). The data collection was executed with the use of cross-lagged panel design, which found place three weeks apart, to reduce the possibility for common method variance (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). Part one of the survey was sent out on March 15th, 2016, while part two of the survey was sent out on April 5th,

2016. Both parts had a set deadline of four days for completion, but part two was only sent to those who completed part one. A total of 2136 respondents were invited to the survey. In part one of the survey, a total of 1104 responses were received, whereas 1084 of them were complete, constituting a response rate of 50.74 per cent. In part two of the survey, 841 responses were received, constituting a response rate of 77.58 per cent. The total response rate was 39.37 per cent of the total selection. Of these respondents, 590 (53.40 per cent) were women and 512 (46.40 per cent) were men. Age was distributed in five groups based on Inceoglu, Segers and Bartram (2012) research on age-related differences in work motivation; none of the respondents were under the age of 25; 204 (18.50 per cent) of the respondents were between the age 26-35; 284 (25.70 per cent) of the respondents were between the age 35-45; 327 (29.60 per cent) of the respondents were between the age 46-55 and 278 (25.40 per cent) of the respondents were the age 56 or above. It is also worth mentioning that the majority of the respondents, nearly 50 per cent, had a bachelor's degree, while about 20 per cent had a master's degree or equivalent.

Measures

All measures were utilized on a seven-point Likert response scale, ranging from 1 (strongly disagree) to 7 (strongly agree). Additionally, all items were coded such that higher scores indicated a higher level of the focal construct: attitudes toward organisational change. All items were translated into Norwegian using translation-back-translation, displayed in Appendix A.

Attitudes Toward Organisational Change

The dependent variable, attitudes toward organisational change, was assessed with an 18-item scale developed by Dunham et al. (1989). Examples are "I look forward to changes at work" or "I usually hesitate to try new ideas" (reversed). Scale scores were collected by calculating the average of the 18 responses, such that higher scores indicated a more positive attitude toward organisational change.

Collective Organisational Engagement

The independent variable, collective organisational engagement, was assessed with a 6-item scale developed relatively recently by Barrick et al. (2015). Higher scores indicated more collectively engaged employees, while lower scores indicated the opposite. Examples of questions asked are "my co-workers and I really throw

ourselves into our work" or "nearly everyone at work feels passionate and enthusiastic about our jobs".

Perceived Motivational Climate

The moderator, perceived motivational climate, was measured using a 14-item instrument (motivational climate at work questionnaire) developed by Nerstad et al. (2013). The scale opens with the following statement: "In my department/work group/unit", and further allows the respondents to assess mastery (i.e. "each individual's learning and development is emphasized") and/or performance (i.e., "there exists a competitive rivalry among the employees") climate. By including both climates we aim to reduce a potential spurious relationship, based on the fact that employees within an organization may have different perceptions of their motivational climate.

Control Variables

Key in organisational research is the competence to classify and separate factors that explain and foresee the point of interest, while controlling for other relevant variables that may affect the relationship between the variables studied. Evidence shows that there are certain control variables often investigated in organisational research, and more specifically in the context of organisational change (Bernerth & Aguinis, 2016). We aim to control for these variables, thus control variables included in this study are age, level of education, tenure and gender. First, age and education are considered as control variables because older and less-educated people tend to be less positive about change (Iverson 1996; Kirton & Mulligan, 1973). Second, we control for tenure as it is found to have a direct and negative impact on organisational change (Iverson, 1996). Third, gender is one of the most controlled variables within the research domain, and is controlled for to measure any significant difference between man and women (Bernerth & Aguinis, 2016). Gender was measured as a dichotomous variable, where female was coded "1" and male was coded "2".

Results

Preliminary Analyses

Preceding the hypothesis testing, preliminary analyses were performed through several phases. First, we made use of IBM SPSS Statistics 24.0 software to conduct an exploratory factor analysis (EFA) with both promax and oblique rotation, including all multiple items (Farrell, 2010; Pallant, 2010 p.181-201). As reported by Winter, Dodou and Wieringa (2009 p.147), EFA is considered a general technique for larger sample sizes (N), with N=50 as an absolute minimum. Thus, performing an EFA seemed appropriate. Promax and oblique rotation were chosen as the factors correlated with one another, and as the dataset was greater than 150 observations (Neiva, Ros & Torres da Paz, 2005). The EFA indicated support for discriminant validity (Farrell, 2010), and was performed on the following variables; COE, attitudes toward organisational change, performance climate and mastery climate. A six-factor solution emerged with eigenvalues greater than 1, accounting for 60.90 per cent of the variance (Bartholomew, Steele, Galbraith and Moustaki, 2008 p.175-201). COE, performance climate and mastery climate loaded on their appropriate factor, and contained more than four loadings of at least 0.60 (Guadagnoli & Velicer, 1988), hence all were kept. Attitudes toward organisational change, however, loaded on three factors (factor 1; factor 5; factor 6). Item 10 (i.e. most changes in my organisation irritate me) had a factor loading below the lowest threshold limit of 0.30 for sample sizes bigger than 350 (Hair, Black, Babin, Anderson & Tatham, 1998 p.112). It did not meet our criteria, and was therefore removed from the final analyses. Factor 5 and factor 6 accounted for little of the total variance (3-4 per cent), consisted of loadings greater than or equal to 0.50 and produced cross-loadings of 0.40 or greater. In accordance with Fabrigar, Wegener, MacCallum and Strahan (1999), cross-loadings with a gap lower than 0.20 between the primary target loading and each of the cross-loading, can be worrying. Following this statement, item 1, 12 and 7 (i.e. I look forward to changes at work; change often helps me perform better; I don't like change) were removed from the final analyses. The factor analysis (pattern matrix) is displayed in Appendix B.

From the factor analysis, there appeared to be two optional models to investigate further. After removing items which did not meet the lowest threshold limits,

attitudes toward organisational change still spread across three factors. Following the research of Elias (2009), we therefore argue that it is within reason to test whether the model was best represented when attitudes toward organisational loaded on three separate factors, or when the retained items were forced onto one variable.

To support previous argumentation, descriptive analysis was conducted, and multicollinearity issues were investigated, before a confirmatory factor analysis (CFA) was carried out to test the model fit. The CFA was performed in Stata statistical software (StataCorp, 2015). As the variables were identified as ordinal, they were also handled as ordinal in the CFA, as recommended by Jöreskog (2005). Consequently, we applied robust maximum likelihood (RML) estimates. The six-factor model represented the full scales of the four constructs; attitudes toward organisational change (three factors), COE, mastery climate and performance climate. The results indicated that the six-factor model was of poor fit; Stata reported over 1000 iterations, where each of them were referred to as not concave. This indicated that one should reduce the number of factors for the dependent variable (i.e. attitudes toward organisational change). In accordance with Elias (2009) research, the results implied that the hypothesized, and more parsimonious, four-factor model represented a relatively well-defined measurement model (χ^2 [521] = 2620.13, p <0.001; χ^2/df = 5.03; RMSEA = 0.07; CFI = 0.85; TLI = 0.84; SRMR = 0.07). Furthermore, all scales indicated acceptable reliability estimates ranging from α = 0.87 to α = 0.90 (Tabachnick & Fidell, 2014 p. 575). Means, standard deviation and bivariate correlations are reported in Table 1. Collinearity was inspected by collinearity diagnostics in SPSS 24.0, and followed Hair et al's. (1998 p. 220) statement of using 0.10 as a threshold for tolerance values. The diagnostics showed the lowest tolerance value observed among the items to be 0.99, which is above the recommended value. Accordingly, the results indicated no problems with multicollinearity (Bowerman & O'Connell, 1990 p. 144; Myers, 1990) and support for the independence of our construct was obtained.

Table 1

Descriptive statistics, scale reliabilities, and correlations

Variable	Mean	SD	1	2	3	4	5	6	7	8
1. Age	3.62	1.06	-							
2. Gender	1.46	0.50	-0.02	-						
3. Education	2.89	0.70	-0.40**	0.18**	-					
4. Tenure	3.18	2.26	0.51**	-0.09**	-0.36**	-				
5. Collective Organisational Engagement	5.46	0.81	0.12**	-0.06	-0,03	0.05	(0.87)			
6. Performance Climate	3.81	1.30	-0.09**	0	0	0.02	0.04	(0.89)		
7. Mastery Climate	5.36	0.97	0.01	-0.05	0	-0.02	0.43	0	(0.88)	
8. Attitudes Toward Organisational Change	5.32	0.68	-0.06	-0.01	0.18**	-0.21**	0.21**	-0.08*	0.24**	(0.90)

Note: $*p < 0.05$. $**p < 0.01$.

Primary Analysis

To test the hypotheses, we conducted multiple linear regression analysis as the most fitting regression analysis to the present model (Cohen, Cohen, West & Aiken, 2003, p. 452-477). Prior to conducting a regression analysis, the relevant assumptions were tested. First, the sample size of 1104 was presumed to be more than sufficient, given the three independent variables (i.e. COE; mastery climate; performance climate). An examination of the correlation matrix (see Table 1), revealed that no independent variables were highly correlated, with exception of perceived mastery climate and COE, and age and tenure. However, as the collinearity statistics (i.e. VIF and Tolerance) were met within limits, assumption of multicollinearity was reckoned to have been met (Hair et al., 1998 p.152-230). The results of the regression analysis are presented in Table 2.

Table 2

Regression Analyses Results

Dependent Variable	Attitudes toward organisational change			
Step	1	2	3	4
Variable				
Age	0.07**	0,05	0.04	0.04
Gender	-0.08	-0.06	-0.05	-0.05
Education	0.15***	0.14***	0.14***	0.13***
Tenure	-0.06***	-0.06***	-0.05***	-0.05***
Collective Organisational engagement		0.19***	0.13***	0.15***
Performance Climate			-0.05**	-0.04**
Mastery Climate			0.13***	0.14***
COExPC				0.02
COExMC				0.07**
R^2	0.06***	0.11***	0.15***	0.16**
ΔR^2	0.06	0.05	0.04	0.01
F	13.07***	21.08***	20.78***	17.56***

Note: Unstandardized regression coefficients are shown; N = 852;

   $*p < 0.05$; $**p < 0.01$; $***p < 0.001$.

Hypothesis 1, which postulates a positive relationship between COE and attitudes toward organisational change, was thereby supported. After entering the control variables, COE was significantly and positively related to attitudes toward organisational change ($\beta = 0.19$, $p < 0.001$). Hypothesis 2a, which postulates that the positive relation between COE and attitudes toward organisational change will be moderated by a perceived performance climate (i.e. COExPC), was not supported. Despite this, Hypothesis 2b, stating that the relationship between COE and attitudes toward organisational change would be moderated and strengthened by a perceived mastery climate, was supported by the statistically significant interaction term (i.e. COExMC). Distinctively, the results displayed in Figure 2 suggest a significantly positive relationship between COE and attitudes toward organisational change, for employees who perceive high levels of a mastery climate ($b_{high} = 0.32$, $p < 0.001$) and for employees who perceive low levels of a mastery climate ($b_{low} = 0.12$, $p < 0.01$). Further, the results suggest significantly different slopes for low versus high levels of perceived mastery climate ($t = 5.42$, $p < 0.001$). The figure shows that the positive relationship between COE and attitudes toward organisational change is stronger when perceived mastery climate is high.
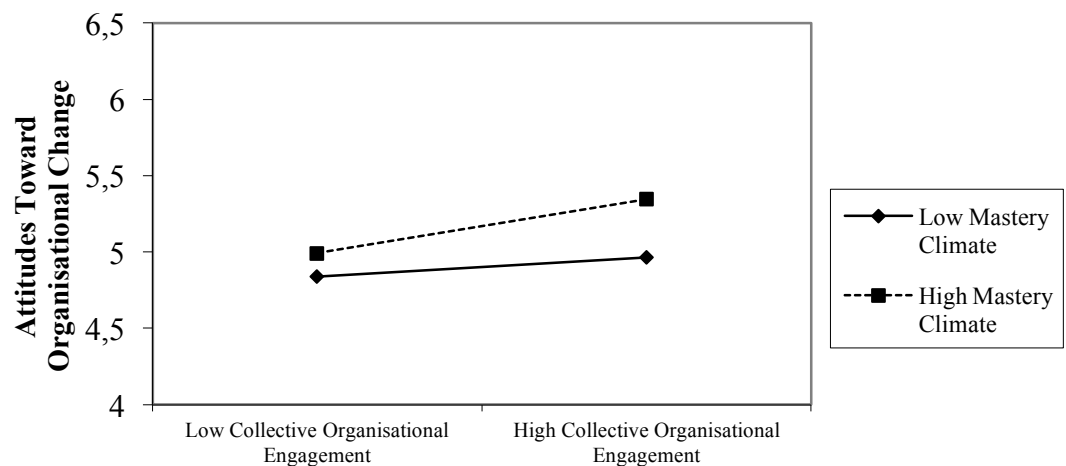

Figure 2: *The moderating role of perceived mastery climate on the relationship between collective organisational engagement and attitudes toward organisational change. Perceived mastery climate support: One standard deviation below the mean = "low collective organisational engagement"; One standard deviation above the mean = "high collective organisational engagement".*

Discussion

The aim of this thesis was to investigate the influence of COE on attitudes toward organisational change, where perceived motivational climate (i.e. mastery climate and performance climate) was investigated as a potential moderator of the hypothesized relationship. Following, the findings of this study demonstrated that when employees perceive engagement throughout the organisation as a whole, the same employees are more likely to develop positive attitudes toward organisational change. With this, the study does not only extend the research field within change, but literature on engagement as well. Additionally, mastery climate was found to have a positive impact on the relationship between COE and attitudes toward organisational change.

Theoretical Contributions

According to Balogun and Hailey (2004 p.1), approximately 70 per cent of all change initiatives are to some extent unsuccessful. We have drawn on previous change theory by arguing that successful organisational change is highly dependent on the employees' attitudes toward the change initiative. It is therefore of great importance to recognize and detect predictors of employees' attitudes toward organisational change (Lines, 2005; Choi, 2011). To this date, limited attention has been paid to the relatively new concept of COE, as a predictor of attitudes toward organisational change. Accordingly, this study's first theoretical contribution to the change literature is the establishment of a relationship between COE and attitudes toward organisational change. We have shown that this relationship is positively significant, indicating that employees who have a common understanding that fellow organisational members are mentally, physically and emotionally invested in their work, are more inclined to hold positive attitudes toward organisational change. We interpret this finding to illustrate that employees who perceive their fellow employees to be collectively engaged, are more likely to view change within the organisation as a resource provided to them for beneficial reasons, and thus form more positive attitudes toward the change initiative (Barrick et al., 2015; Lines, 2005). This is in accordance with Lines (2005 p.11) interpretations of change as an "attitude object", which we build upon to argue that change can be viewed as a structured firm resource, and by structuring and bundling these firm resources, employees can be more collectively engaged (Barrick et al., 2015). Additionally, as

part of affective-motivational states, enhancing COE will eventually transfer positive attitudes toward organisational change across the organisation.

Our second theoretical contribution to the change theory is the introduction of the moderating role of motivational climate. The present study suggests that a mastery climate moderates the relationship between COE and attitudes toward organisational change, indicating that high levels of COE combined with either high or low levels of a mastery climate, may lead to more positive attitudes toward organisational change. A mastery climate influences the organisational context by encouraging learning, competence building and skill development (Nerstad et al., 2013). These characteristics are found to be important both in a context fostering COE, but also in a change-related context (Deloitte, 2016 p.1-56; Choi, 2011; Elias, 2009). Moreover, a mastery climate facilitates more constructive relationships among employees, and thereby may prevent negative consequences, such as resistance to change. This finding is in line with Moran and Brightman's (2001) suggestion that successful change depends on an organisation's ability to define performance criteria, inform and prepare employees to ensure positivity and growth. Following the lead of previous research (e.g. Nerstad et al., 2013; Bakker et al., 2011), mastery climate is more likely a prerequisite for facilitating a climate for engagement, more precisely collective organisational engagement. Hence, by introducing mastery climate as a moderator, we suggest that a mastery climate plays a relevant role on the relationship between COE and attitudes toward organisational change. We thereby add to the research field within work engagement, by indicating how the concept of COE aligns with motivational theories (Barrick et al., 2015; Christian, Garza & Slaughter, 2011).

A third interesting contribution of the moderation analysis, is the finding of a perceived mastery climate being positively significant for both low and high values, even when a perceived performance climate was simultaneously controlled for. As successful change relies on elements such as cooperation and interaction between employees (e.g. Moran & Brightman, 2001), one might postulate that a performance climate (e.g. ego-orientation, intra-team competition and comparison), may

override the impact of a mastery climate. Research within elite sports, however, indicates that these climates can co-exist and that athletes do better if they score high on both performance and mastery orientations. However, intriguing research demonstrates that the ability to switch between these two orientations is best accomplished when coaches manage to create mastery environments. This allows the athletes to cope with the demands in highly competitive events (Nerstad et al., 2013; Pensgaard & Roberts, 2002). We draw upon Nerstad et al.'s (2013) assumption, and argue that this concept may be analogous to managers and employees undergoing organisational change. Lastly, we argue that the mere existence of a perceived mastery climate, high or low values, is so distinct that it helps employees to cope with the demands of the competitive context organisational change can be, similar to the research on elite athletes in highly competitive contexts. We thereby support Nerstad et al.'s (2013) argumentation, and add to the lesser studied field of motivational climate at work.

Practical Implications

In current times, where organisations have to rapidly change to stay competitive, our findings could be of great importance for practitioners, such as managers and human resources in organisations. When initiating change, management needs to be aware of favourable- and unfavourable attitudes employees may hold toward organisational change. Our study indicates that by creating a mastery climate at work, managers can bolster the positive impact COE has on attitudes toward organisational change. This study could conceivably make it easier for human resources and managers to identify which areas to focus on when trying to increase employees' attitudes toward organisational change.

First, addressing the findings with most pervasive implications is of interest. Our results show that employees' perceptions of COE are directly linked to attitudes toward organisational change. Managers should therefore acknowledge the necessity of both these variables, when an organisation is undergoing change. In other words, employees who perceive their fellow employees to be collectively engaged, are more likely to retaliate with positive attitudes towards organisational activities, such as change. We are therefore able to suggest that employees'

retaliation to the organisation may result in various positive shapes, due to the positive relationship between COE and attitudes toward organisational change. For organisations, managers and human resources, having employees who perceive their fellow employees to be collectively engaged and holding positive attitudes toward organisational change should be a goal in itself. If an organisation wants to successfully implement a change initiative, the management must make sure they have motivated and engaged employees (Elias, 2009). This should be attainable if managers and human resources seek to facilitate the fundamental perceived mastery climate, provide and structure firm resources to generate collectively engaged employees (Barrick et al., 2015), which eventually may generate more positive attitudes toward organisational change.

Second, our findings indicate that a perceived mastery climate is the most suitable work environment to trigger positive attitudes toward organisational change, when COE is present. As both low or high values of a perceived mastery climate moderate the relationship between COE and attitudes toward organisational change, organisations need to understand the central importance of the motivational climate within the organisation, more specifically how the criteria of failure and success is determined and expressed. Our findings indicate that the alignment of a perceived mastery climate and COE is a prerequisite for harvesting the benefits of the employees' perceptions of the collective organisational engagement. In other words, to create higher (i.e. positive) attitudes toward organisational change through facilitating perceptions of COE, a perceived mastery climate is considered as a key element for successful facilitation. Being able to implement successful change is crucial to stay competitive in today's market (Choi, 2011), thus this implication should not go unnoticed by organisations and its managers.

Limitations and Future Research

The current study did make use of cross-lagged panel design, which is a useful tool for describing lagged relationships between two or more variables. This design allows for more accurate interpretations of directions of the impacts compared to cross-sectional design, as an example (Jensen, 2016). Although the results are promising, we still note that the result of the study should be interpreted in the light of several limitations. First, the study conducted was relying solely on electronically self-report measures. The EFA revealed one factor accounting for most of the variance, indicating that the results might have been influenced by common method variance and percept-percept inflated measures (e.g. Crampton & Wagner, 1994). Buch, Kuvaas, Shore and Dysvik (2014) pointed out that perceptual variables are difficult to investigate by other means than self-report measures. This applies to this study, especially related to our variables of COE and perceived motivational climate. Regarding attitudes toward organisational change, although one could have collected supervisors' perceptions of employees' general attitudes about change, it seems best to rely on the individual employee's report of his or her own attitudes. This is in line with Lines (2005) statement, that the formation of attitudes is based on the individual's reflections of a subgroup of components drawn from an attitude object. In order to overcome potential problems associated with self-reported measures, and to facilitate some control for common method variance, the survey was carefully designed in line with standard recommendations of Podsakoff et al. (2003). Additionally, it was designed to ensure the respondents anonymity (Chan, 2009).

Second, the responses were collected from only one Norwegian organisation. This means that the questions were interpreted in the context of this organisation's industry, size and structure. As a result, there may be organisational culture-and power dynamic differences, between the current sample and a more traditional employee sample. This could result in decreased confidence when it comes to generalization across other occupational groups. Future research should therefore examine several organisations within other industries, and replication of the present study in other contexts is warranted to test the replicability of the findings.

A third limitation is that we cannot rule out the risk of alternative explanations by variables, although we have controlled for several of them. As an example, we did not control for previous experiences with change. This is a point for future research, as previous experiences might affect how one reacts to similar situations (Buch et al., 2012). Consequently, both experimental and longitudinal studies should examine the formation of attitudes toward organisational change to check for additional spurious relationships, and such that one is able to draw causal inferences.

Also, noteworthy, even though we did not find support for our hypothesized moderating role of a perceived performance climate on the relationship between COE and attitudes toward organisational change, we strongly encourage future research to investigate this construct due to the related consequences of stress, decreased motivation and ego-orientation (Ntoumanis & Biddle, 1999; Roberts et al., 2007), as the results may have highly practical implications for organisations. If employees experience high levels of performance climate, it could indicate that they are likely to hold less positive attitudes toward the change initiative. One can assume that these are not features organisations strive for employees to hold. This is potentially an important finding, if an organization that facilitates performance climate is facing major changes.

Finally, despite these limitations, our results might be of particular interest to more recent research, as it takes use of a relatively new concept of engagement, including variables important to succeed in organisational change. As a suggestion, coming studies could increase the interval of time between to two parts of the survey. The data in the existing paper was collected over a three-week-period (i.e. March and April). Thus, future findings may benefit from a longitudinal and/or experimental research design to test both replicability and to demonstrate causality between the variables this study examines. This will allow for more rigorous investigation of causality and directionality. Additionally, it would then be possible to investigate whether attitudes toward organisational change differ over time, as Piderit (2000) highlighted the importance of for generalizability.

Conclusion

A central hunt of organisational research is about exploring, describing and explaining relationships among variables (Bernerth & Aguinis, 2016). An unfortunate fact of organisational life is that up to 70 per cent of all change initiatives fail in some way or another (Balogun & Hailey, 2004 p.1). As organisations are forced to keep up with trends and thereby change frequently to stay competitive in today's rapidly changing market, it is crucial for managers to explore measures and actions to positively influence employees' attitudes towards organisational change. Our study implies that employees who perceive their fellow employees to be collectively engaged, are more likely to hold positive attitudes toward organisational change. Additionally, managers have the ability to amplify this process by facilitating a mastery climate.

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Appendices

Appendix A

Items used in the study

Collective organisational engagement

COE1: My co-workers and I really throw ourselves into our work

COE2: I find nearly everyone devotes a lot of effort and energy our work

COE3: My co-workers and I gain considerable pride from performing our jobs well

COE4: Nearly everyone at work feels passionate and enthusiastic about our jobs

COE5: Performing work in my work area (as a whole) is so absorbing that we often forget about time

COE6: My co-workers and I tend to be highly focused when doing our jobs

Attitudes toward organisational change

ATOC1: I look forward to changes at work

ATOC2: I usually resist new ideas (Reversed)

ATOC3: I am inclined to try new ideas

ATOC4: Changes usually benefit the organisation

ATOC5: I usually support new ideas

ATOC6: Most of my co-workers benefit from change

ATOC7: I don't like change (Reversed)

ATOC8: Change frustrates me (Reversed)

ATOC9: Change tends to stimulate me

ATOC10: Most changes in my organisation irritates me (Reversed)

ATOC11: I often suggest new approaches to things

ATOC12: Change often helps me perform better

ATOC13: I intend to do whatever possible to support change

ATOC14: Other people think I support change

ATOC15: I usually hesitate to try new ideas (Reversed)

ATOC16: Change usually helps improve unsatisfactory situations at work

ATOC17: I find most changes to be pleasant

ATOC18: I usually benefit from change

Motivational Climate:

In my department/work group/unit…

MC1: …one is encouraged to cooperate and exchange thoughts and ideas mutually

MC2: …each individual's learning and development is emphasized

MC3: …cooperation and mutually exchange of knowledge are encouraged

MC4: …employees are encouraged to try new solution methods throughout the work process

MC5: …one of the goals is to make each individual feel that he/she has an important role in the work process

MC6: …everybody has an important and clear task throughout the work process

PC1: …there exists a competitive rivalry among the employees

PC2: …work accomplishments are measured based on comparisons with the accomplishments of co-workers

PC3: …rivalry between employees is encouraged

PC4: …internal competition is encouraged to attain the best possible results

PC5: …only those employees who achieve the best results/accomplishments are set up as examples

PC6: …one is encouraged to perform optimally to achieve rewards (e.g. salary increase, bonuses, holiday, gifts)

PC7: …an individual's accomplishments are compared with those of other colleagues

PC8: …it is important to perform better than others

Appendix B

Exploratory factor analysis

| | __Factor__ | | | | | |
	1	2	3	4	5	6
ATOC15_r_	0.74					
ATOC13	0.69					
ATOC3	0.66					
ATOC14	0.65					
ATOC2_r_	0.63					
ATOC5	0.63					
ATOC11	0.60					
ATOC9	0.52					
PC7		0.82				
PC8		0.78				
PC1		0.73				
PC4		0.71				
PC3		0.71				
PC5		0.68				
PC2		0.66				
PC6		0.60				
MC3			0.85			
MC1			0.79			
MC5			0.74			
MC2			0.74			
MC4			0.65			
MC6			0.58			
COE2				0.85		
COE4				0.81		
COE1				0.74		
COE5				0.69		
COE3				0.68		
COE6				0.64		
ATOC17					0.86	
ATOC18					0.81	
ATOC16					0.71	
ATOC4					0.66	
ATOC6					0.64	
ATOC12	0.37				0.45	
ATOC1	0.32				0.37	
ATOC8_r_	0.35					0.60
ATOC7_r_	0.42					0.59
ATOC10_r_						

Extraction Method: Principal Axis Factoring

Rotation Method: Promax with Kaiser Normalization. A

a. Rotation converged in 7 iterations

Note: Four items (ATOC10_r_; ATOC1; ATOC12) were removed from the final analyses, as they did not meet the threshold limits.

BI Norwegian Business School - campus Oslo

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Master Thesis

Component of continuous assessment: Forprosjekt, Thesis MSc

Collective Organizational Engagement - A study of the relation between collective organizational engagement and employees' attitudes to change, and the moderating effect of a perceived performance climate.

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BI Norwegian Business School

-Preliminary Thesis Report-

Collective Organizational Engagement

A study of the relation between collective organizational engagement and employees attitudes to change, and the moderating effect of perceived performance climate.

Hand-in date:

16.01.2017

Campus:

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Programme:

Master of Science in Business, major in Leadership and Change

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1.0 Introduction

Successful change management is viewed as fundamental in order to succeed in today's rapidly evolving and highly competitive markets (Luecke, 2003; Okumus & Hemmington, 1998). Change management is defined as a measure of frequently renewing an organization's objective, structure and ability to perform to serve the ever-changing demands of internal and external customers (Moran & Brightman, 2001 p.111). Change is a deep-rooted feature of organizational life, both at a strategic level and an operational level (Burnes, 2004), and is often highly unpredictable. Balogun and Hailey (2004) reported that approximately 70 per cent of all change programs initiated, are somewhat unsuccessful. This poor success rate may stem from an elemental lack of a valid groundwork of how to carry out and manage organizational change (Burnes, 2004).

For many employees, work related change is a very personal and emotional issue. To minimize resistance, it is therefore crucial for organizations to provide employees with necessary information and resources, in addition to involvement of employees to give them a sense of control (Laframboise, Nelson & Schmaltz, 2002; Elias, 2009; Dunham, 1989; Antoni, 2004; Porras & Robertson, 1992; Elias, 2007). While there is an ever-growing universal literature suggesting how to approach and engage employees in change initiatives, very little research examines the inclusion of change and engagement at an organizational level (Harter, Schmidt & Hayes, 2002).

Engagement at an organizational level relates to engagement throughout the organization as a whole, and not at an individual level for each employee. Based on these terms, the concept of *collective organizational engagement* (COE) was introduced to evaluate and establish organizational engagement as a whole (Barrick, Thurgood, Smith & Courtright, 2015). The importance of engagement at an organizational level is significant. Practitioners have proclaimed that low work engagement may contribute towards decreased well-being and work performance. Hence calculate, improve and bolster work engagement is of organizational

interest (Knight, Patterson & Dawson, 2016). Due to the influence collective engagement may have on employees' ability and attitudes toward change, it is important for organizations to understand how they can facilitate change by addressing engagement at work.

Organizational climate plays a crucial role in the context of organizational change and engagement. Employees' perception of the organizational climate has been found to be a good predictor of individual and work related outcomes (Kuenzi & Schminke, 2009). Knowledge on work climates is important because it has implications for individual outcomes such as job attitudes (Colquitt, Noe & Jackson, 2002), firm performance (Ahearne Lam, Mathieu & Bolander, 2010; Černe, Nerstad, Dysvik & Škerlavaj, 2014), organizational citizenship behavior, innovation and individual performance (Kuenzi & Schminke, 2009). In other words, work climate touches nearly every aspect of the organizational life.

Climate research has been intertwined with motivational research, which has been one of the most popular areas of research in psychology (Roberts, Treasure & Conroy, 2007). Perceived motivational climate consists of two distinct dimensions: performance- (ego-involved) climate and mastery (task-oriented) climate (Černe et al., 2014; Nerstad et al., 2013). Recently, there has been a growing focus on organizational climate in Norwegian work contexts, with particular focus on performance climate (Kuvaas, 2010). Grading work performance is one of the disputed initiatives. Grading is rapidly advancing in Norwegian organizations, and three out of ten middle management in Norwegian companies, are now being evaluated by grading systems. Firms using grades as a management tool may create a strong individual performance pressure, and instantly summarized assessments in form of letters and numbers may not contribute to better work performance, rather contribute to employees feeling more distant to work (Solberg, 2013). Despite this, performance climate is on the rise in Norwegian companies.

Given this critical nature of today's labour market, it would be of significant interest to investigate the moderating influence of performance climate on COE

and attitudes toward change. To the best of our knowledge, the existing literature on change does not address and/or include the newly concept of COE (Barrick et al., 2015). Thus, this study intends to contribute theoretically to the field of organizational change, by discussing how organizations can facilitate positive attitudes towards change with focus on COE. We thereby extend previous knowledge by clarifying, not only the role of individual goal orientation with respect to change attitudes (Ahearne et al., 2010), but also the relevance of the work motivational context in the form of a perceived performance climate. This is important given the maladaptive role such a climate previously has been found to play (Černe et al., 2014). We therefore propose the following research model;
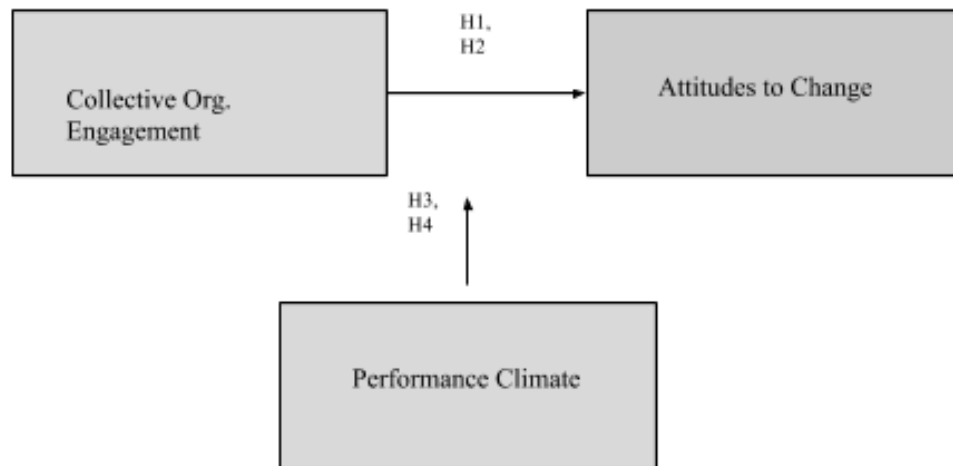

Figure 1. Proposed research model

2.0 Literature Review

2.1 Change

Mastering strategies for managing change is more important today, as the rate of change is greater than at any other time in history. The market is changing overnight, organizational alliances and structures are shifting rapidly, and the risk of failure is greater than ever before (Moran and Brightman, 2001). In the past decades, researchers have put increasing emphasis on change as a critical driver for organizational success and firm performance (Dunham, Grube, Gardner &

Cummings, 1989; Evans, 1996; Elias, 2007; Ahearne et al., 2010). The complexity of change includes continuous changes in workforce demographics, technology, decision making and development, which in turn asks for suitable organizational capabilities to continuously adapt, change and stay competitive (Gilley, Gilley & McMillan, 2009). Attitudes towards change consist, in general, of a person's reaction, cognitions and behavioural attitudes towards change, and the overall positive or negative evaluative judgment of the change initiative (Dunham et al., 1989; Elias, 2007). In the era of changes, the degree of employee acceptance vs. resistance to change should be paid both managerial and organizational attention.

For many employees, change is a very personal and emotional issue, especially when it involves their work environment. Four stages of emotions are defined as a framework for what individuals go through when coping with loss in their lives, but also when coping with change; denial, anger, bargaining and acceptance. The most critical phase is resistance. If employees obtain a deep, negative attitude towards change, they are more likely to refuse, disagree, hinder and sabotage the change initiative (Lines, 2005). In order to minimize resistance, the organization should provide employees with necessary information and resources, as well as direct involvement of employees in order to give them a sense of control, also referred to as locus of control (Laframboise, Nelson & Schmaltz, 2002; Elias, 2009; Dunham, 1989; Antoni, 2004; Porras & Robertson, 1992, referred to in Elias, 2007). For significant change to be implemented well in an organization, there are several guidelines that must be present. First, employees need to clearly understand what the business stands for, and a clear definition of shared purpose is of necessity. New performance requirements should be clearly communicated, and changes required ought to be broadly aligned with the purpose and identity of the employees. In addition, the behaviours, values and expectations of the new workplace should be clearly identified, and organizations must prepare employees for future change in order to ensure long-term growth and stability. Finally, organizations should provide clear change targets and goals, and a culture that supports the reactions change might create (Moran and Brightman, 2001).

2.2 Collective Organizational Engagement

Engagement is important in any work context, and given the critical nature of change in the global economy and labor market, the value of organizational engagement is increasingly important. *Employee engagement* has become a popular term among human resource management (HRM) and business presenters, so the extensive research done on the topic is understandable. The reason for the extensive research conducted, is the beneficial outcomes related to high individual engagement; increased productivity, profitability, safeness, low absenteeism and healthier employees who are less likely to turnover (Buchanan, 2004; Fleming & Asplund, 2007; The Gallup Organization, 2001; Wagner & Harter, 2006 all referred to in Shuck & Wollard, 2010). Engagement is interpreted as employee's willingness to fully invest themselves mentally, physically, and emotionally into their work. It can be described as a motivational concept, which provides a far-reaching explanation of individual level performance outcome (Kahn, 1990).

Virtually, almost all prior research focus on engagement at an individual level, thus there is limited research that examines engagement at an organizational level (Harter et al., 2002). Since engagement is a relatively new concept, the gap in knowledge is therefore somewhat understandable (Rich, Lepine & Crawford, 2010). Despite this, the gap in knowledge may indicate that organizational-level engagement is an understudied phenomenon. To increase the understanding of employee engagement beyond the individual level, engagement throughout the organization as a whole deserves in-depth research and broader attention.

The organizational level is often explained as all meaningful entities above the individual level, such as departments and work groups (Pugh & Dietz, 2008), or as engagement throughout the organization as a whole, not individual for each employee (Barrick et al., 2015). Based on these terms, a conceptualization of employee engagement at organizational level was introduced as *collective organizational engagement* (Barrick et al., 2015). COE is defined as the common understanding among organizational members that members of the organization

are mentally, physically, and emotionally invested in their work (Barrick et al., 2015). Scientists have suggested that engagement can potentially embody itself as a characteristic or feature of organizations; that this common and unified understanding of engagement is preserved as organizational members interact with each other, which in turn provides signals of how to act and what is expected of them (Klein, Conn, Smith & Sorra, 2001). Hence, practitioners have asserted that COE is an important motivational capability that influences the success of an organization (McGregor, 1960 referred to in Pugh & Dietz, 2008; Barrick et al., 2015). In sum, by strategically managing suitable internal capabilities (Pugh & Dietz, 2008; Barrick et al., 2015), especially motivation-enhancing resources such as transformational leadership, motivating work design and HRM practices (Barrick et al., 2015), firms maximize COE, which in turn can increase and sustain higher organizational performance and competitive advantages.

2.3 Attitudes towards Change and COE

Engagement matters to the success of an organization (Nerstad et al., 2013; Barrick et al., 2015; Knight et al., 2016). To increase organizational performance and financial results, employees must be motivated and willing to fully invest and engage themselves into their work roles (Barrick et al., 2015). Nonetheless, given the rough economic times, organizations are forced to change and develop in order to stay afloat. Organizational change may leave employees feeling confused, scared or left out, which may affect their engagement at the workplace. It is therefore highly essential to provide employees with helpful resources to increase positive attitudes towards the change initiatives, as this may lead to determined and effortful employees. Hence, successful organizational change depends on managerial efforts to support, inform, include and increase enthusiasm regarding change attitudes among employees (Elias, 2007).

It is becoming increasingly clear that a Human Resource (HR) system is an essential component that can help organizations become more efficient (Becker & Huselid, 1998). Barrick et al. (2015) introduced HR practices as an organizational resource that may generate COE. HR practices can encourage COE by fostering a

sense of psychological safety, consistency, and trust, as well as to reduce unpredictability and uncertainty. Practices, or activities, that promotes growth and development for the employees rather than for the organization itself, will more likely be perceived as rewarding and thus increase organizational commitment through enhanced attitudes towards change (Elias, 2007). In other words, the process of the HR system can create a strong climate adaptable to change (Bowen & Ostroff, 2004). As proposed earlier, COE includes employees sharing a common understanding, which is preserved as organizational members interacting with each other. Hence, if an organization provides employees resources that enhance positive attitudes towards change, this positivity can be passed on and explained to other organizational members, which in turn may increase the level of COE in the organization. We therefore propose the following hypothesis:

H1: *There is a positive relationship between collective organizational engagement and employee's attitudes to change.*

H2: *Collective organizational engagement relates to a positive increase in employee's attitudes toward change in the long run.*

2.4 The Moderating Role of Performance Climate

Collective organizational engagement is an indicator of the general motivational environment within an organization, and involves psychological measures that occur within employees as they interpret and understand the meaning of the motivational environment they are a part of (Barrick et al., 2015). In other words, practitioners should be aware of and recognize COE as an important motivational skill that influences the success of the entire organizations (Barrick et al., 2015).

The motivational climate refers to the success or failure of how employees are assessed, how they should relate to one another and which goals to achieve (Nerstad et al., 2013; Černe et al., 2014; Birkeland & Nerstad, 2015). The motivational climate at work, as defined by the traditional achievement goal theory (AGT), is divided into two dimensions: a perceived mastery- or performance climate (Ames, 1992; Nerstad et al. 2013). A performance climate refers to situations that emphasize social comparisons and intra-team competition,

where only the best achievers are acknowledged as successful (Nerstad et al., 2013; Černe et al., 2014; Ames, 1992). In this perceived climate, there is an overall focus on delivering the best final result, as this is the only aspect measured. Reports reveal that employees perceive this comparative information as overwhelming, which makes it understandable that performance climate is in situations referred to as "forced social comparison" (Nerstad et al., 2013; Černe et al., 2014). On the other hand, a mastery climate emphasizes learning, mastery, cooperation and skill development by encouraging participants to perform an activity in order to improve skills (Ames, 1992; Nerstad et al., 2013; Roberts, Treasure & Conroy, 2007). Hence, its focus lies within self-development and building competence (Nerstad, Roberts & Richardsen, 2013). Thus, controlling the simultaneous existence of a mastery climate is salient to exclude a possible spurious relationship to a greater or lesser extent between the two climates (i.e. performance and mastery; Birkeland & Nerstad, 2015).

While a mastery climate is reported to promote positive attitudes and persistence when faced with difficulty, a performance climate has proven to promote decreased motivation (e.g. low effort and/or persistence), seeking easy tasks, giving up when faced with difficulty, and higher turnover intentions (Roberts et al., 2007; Nerstad et al., 2013; Černe et al., 2014). However, in a work-related setting one might be obliged to focus on performance criteria: employees must be able to meet deadlines, keep up with performance standards and production schedules. A performance climate may therefore be necessary for firm performance and their competitiveness (Gilley, Gilley & McMillan, 2009), as high performance expectancies is associated with performance goal orientation (Nerstad et al., 2013). To deliver on competitiveness, organizations are forced to change. When change is initiated, it is important that the organization provide all employees with necessary information (Elias, 2007). This concurs with the positive effects a mastery climate promotes. On the other hand, employees do also need a clear definition of the shared purpose and clear identification of new performance requirements and expectations (Moran and Brightman, 2001), which concurs with a performance climate (Roberts et al., 2007; Nerstad et al., 2013;

Černe et al., 2014). Due to such contradictory effects these two climates may have on employees' attitudes and motivation, we postulate the following hypothesis:

H3: *A perceived performance climate moderates the relationship between collective organizational engagement and employees' attitudes toward change; the higher the perceived performance climate, the more positive the relationship.*

H4: *A perceived performance climate moderates the relationship between collective organizational engagement and employees' attitudes toward change. The higher the perceived performance climate, the higher the increase in the relationship between collective organizational engagement and employees' attitudes toward change over time.*

3.0 Methodology

3.1 Design

The study will be quantitative. This approach is expedients because the quantitative approach emphasizes objective measurements, with focus on gathering numerical data and generalizing it across groups of people or to explain a particular phenomenon. Another characteristic for this design is that the statistical analysis of data is collected through surveys, as an attempt to determine a relationship between an independent variable and a depended variable within a specific population, hence the research model (Jacobsen, 2005 p. 127).

Quantitative research designs are either descriptive or experimental. A descriptive study establishes only associations between variables, where subjects are usually measured once. An experimental study establishes causality, where subjects are measured before and after a treatment, hence measuring the relationship between independent and dependent variable. For this relationship to be established three requirements must be present; there must be correlation between X and Y, the change in X occurs before the change of Y, and there has to be correlation between X and Y, even if a third variable is inserted (Jacobsen, 2005 p. 127).

3.2 Participants and Procedure

The analysis will contain a focus and completion of a cross-lagged, moderation analysis in SPSS. This thesis will be based on data collected from a Norwegian bank. Based on our temporary model, this study will investigate how COE can influence attitudes towards change, and how this relationship can be altered by a perceived performance climate.

The survey was sent out electronically, using Qualtrics systems. The survey was sent to a total of 2136 employees. The survey consisted of two distinct parts, sent out two weeks apart. The first part of the survey was sent out on March 15th 2016, with a set deadline to 18th of March. Respondents received information that this section would take about 12 minutes to complete. Part two of the survey was sent out to the employees who answered part one. Part two was sent out on April 5th with a set deadline to 8th of April. In this part, the respondents received information that this section would take approximately 15 minutes to complete. In the first part of the survey, a total of 1104 responses were received, whereas 1084 of them were complete. In the second part of the survey, 841 responses were received. Respondents in part one of the study consisted of 46.4 % men and 53.4 % women. The majority of respondents were aged between 46-55 years of age.

3.3 Measures

3.3.1 Collective Organizational Engagement

The measurement that will be used on COE was first, and relatively recently, developed by Barrick et al., (2015), where all measures, except firm performance, utilized a five-point Likert scale (1 = strongly disagree; 5 = strongly agree). Data was collected by asking individuals from all levels throughout the organization about how engaged the employees of the organization was as a whole. Corresponding to Rich et al.'s (2010), a six-item scale measured the three dimensions of COE (Motivating work design, HRM practices and Transformational leadership).

3.3.2 Attitudes towards Change

There has already been compiled a measurement for attitudes towards change. In the scientific paper of Elias (2007), attitudes toward organizational change was estimated via Dunham, Grube, Gardner, Cummings, and Pierce's (1989) 18-item instrument. Respondents were introduced to a five-point Likert-type scale (1 = strongly disagree; 5 = strongly agree), to rate their agreement with statements such as, "I look forward to changes at work." Calculating the average of the 18 responses collected the scale scores, such that higher scores indicate a more positive attitude toward organizational change.

3.3.3 Perceived Performance Climate

There has already been compiled a measurement system for performance climate and the most recent scale is the motivational climate at work-questionnaire (MCWQ) by Nerstad et al. (2013). In Nerstad et al., (2013), motivational climate was measured by using a 14-item instrument firstly introduced by the authors. The following questions were asked to evaluate whether there was a performance climate present;

1. In my department/work group, there exists a competitive rivalry among the employees.
2. In my department/work group, work accomplishments are measured based on comparisons with the accomplishments of co-workers.
3. In my department/work group, rivalry between employees is encouraged.
4. In my department/work group, internal competition is encouraged to attain the best possible results.
5. In my department/work group, only those employees who achieve the best results/accomplishments are set up as examples.
6. In my department/work group, one is encouraged to perform optimally to achieve monetary rewards.
7. In my department/work group, an individual's accomplishments are compared with those of other colleagues.
8. In my department/work group, it is important to achieve better than others.

3.3.4 Control Variables

Different companies and individuals react differently to motivational climate. Thus, we wish to control for mastery climate, as this may have an impact on the relationship between COE and attitudes towards change. A perceived mastery climate was first validated and measured by Nerstad et al. (2013), with six questions from MCWO. E.g. "in my department/work group, one is encouraged to cooperate and exchange thoughts and ideas mutually", or " in my department/work group, everybody has an important and clear task throughout the work process.

In addition, there might be differences in each employee's weekly working hours, recognized level in the organization, demographical situation, age or gender, thus we therefore postulate to control for these variables as well.

4.0 Tentative Plan for Completion of the Thesis

This paper, and the work behind it, will be used as guidance for Master Thesis due September 1st 2017. We propose the following tentative plan for completion of thesis:

January:

Our main focus this month will be to conduct, extend and complement the literature review to add further value to the thesis. Additionally, interpreting, getting familiar and matching dataset will be commenced.

February:

An extension of January; review the literature to assure good links and connections between topics. In addition to literature revision, the methodology section will be completed, and data analysis in SPSS will started.

March:

Data analysis in SPSS will be continued, and a first draft of the results will be carried out in text.

April:

By 12th of April, literature review, methodology and results will be completed and carried out in text. The discussion will be main focus of the remaining weeks.

May:

By the 16th of May, the first draft of the remaining discussion and conclusion will be done. The rest of May will be used to thoroughly review the thesis text by commenting, proofreading and critically ask questions regarding connections and links in the text. "Red thread" will be main focus. By the end of May, a complete first draft will be present.

June:

Last improvements: Proofread and extension of literature will be main focus, to complement the discussion of the paper. Our final aim is to hand in the paper by June 20th.

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