“Role of leaders in building organizational readiness to change – case study at public health centers in Indonesia”

AUTHORS

Ratna Dwi Wulandari https://orcid.org/0000-0003-4365-5747
Stefanus Supriyanto
Mochammad Bagus Qomaruddin
Nyoman Anita Damayanti
Agung Dwi Laksono

ARTICLE INFO


DOI
http://dx.doi.org/10.21511/ppm.18(3).2020.01

RELEASED ON
Thursday, 16 July 2020

RECEIVED ON
Monday, 03 June 2019

ACCEPTED ON
Wednesday, 08 July 2020

LICENSE
This work is licensed under a Creative Commons Attribution 4.0 International License

JOURNAL
"Problems and Perspectives in Management"

ISSN PRINT
1727-7051

ISSN ONLINE
1810-5467

PUBLISHER
LLC “Consulting Publishing Company “Business Perspectives”

FOUNDER
LLC “Consulting Publishing Company “Business Perspectives”

NUMBER OF REFERENCES
43

NUMBER OF FIGURES
0

NUMBER OF TABLES
3

© The author(s) 2021. This publication is an open access article.
Abstract

Leaders play a strategic role in the process of organizational change. Various studies were conducted to show the role of leaders in succeeding change. One famous concept of leaders’ role was the Mintzberg managerial role, which divides the role of the leader into three main roles: interpersonal, informational, and decisional. This research was conducted to explore the leaders’ role in creating organizational readiness to change. The study was conducted at 40 government-owned public health centers in Indonesia, involving 190 midwives as respondents. The study results show that all three leader’s roles were well implemented by the head of the public health center with the best score in the informational role. However, organizational readiness to change at public health centers is not on the same level. The linear regression test indicates that the decisional role has the largest contribution in building the organizational readiness to change. The successfully implemented role of entrepreneurs, disturbance handlers, resource allocators, and negotiators was the key to the successful implementation of changes. Therefore, the advice given was the need for leaders to improve their decision abilities so that the organizational readiness to change becomes better.

Keywords
interpersonal role, informational role, decisional role, organizational change, public health, entrepreneurship, decision-making

JEL Classification
M50, I18, L16

INTRODUCTION

Organizations live and grow in certain environment. The environment provides much pressure that forces organizations to change. Therefore, organizational change as a form of response to the external environment’s dynamics is needed, so that organizational competitiveness increases. Cummings and Worley (2009) define organizational change as a process of transition from the organization’s current state to the condition of the organization in the future under the direction of the change to be achieved.

In the process of change, change agents are needed to support the success of the organizational change. Anyone can act as an agent of change; however, the success of organizational change is greatly influenced by the support of the leaders in the organization.

The role of the leader in organizational change is promoting change (Muafi, 2019). Leadership style affects group dynamics and the interaction of its members, which will influence the level of organizational readiness to change. The better leaders manage strategies, culture,
various other variables in the organization, the management of change will run smoothly and increase
individuals’ readiness to change. Therefore, the discussion regarding the role of leaders in organizational
change is very important, so the study aimed to explore the role of leaders in building organizational
readiness to change is very necessary.

Many practitioners of organizations increasingly realize that only adaptive organizations will be able to
survive longer and achieve competitive advantage. This prompted many researchers to pay attention to
more deep studies in this area. However, the research that thoroughly explores leaders’ role in organizational
readiness to change is still limited.

The areas of study that have been widely studied by researchers of organizational change in the last
five years include strategic change (Shen, 2017; Zhang, 2017; Yi, 2017), transformational change
(Maniatopoulos & Hunter, 2019; Critten, 2016; Miller, Weir, & Gulati, 2018) and various factors related
to organizational change, such as cultural change, learning organization, knowledge management,
and innovation (Alves & Galina, 2018; Peschl, 2019; Brix, 2019). The research specifically discusses the
role of leaders in organizational readiness to change in the last three years, including Busari, Khan,
the conclusions of some of the studies mentioned that the leader of an organization has a major contri-
bution to the process of organizational change.

Very limited research takes place in health care organizations, especially primary health care. Several
studies have been conducted to find some evidence of the failure of health service organizations in
achieving their goals caused by the slow organization of responding to change (Grammans, 2019). A
concrete example written by Ravaghi, Mannion, and Sajadi (2015) states that poor managerial lead-
ership, poor performance management, and lack of open culture were perceived as internal causes of
failure. This study confirms that research into the organizational change in health service organizations
is still important to do.

Healthcare organizations around the world, especially in Indonesia, are currently facing a wave of major
changes. Some of the triggers for changes in health service organizations in Indonesia are the govern-
ment’s commitment to realize universal health coverage that has consequences for implementing new
policies in the health sector, including the obligations for health service organizations to participate
in accreditation. Considering that this government-owned primary health care organization’s perform-
ance has a profound effect on most Indonesians’ health status, the process of organizational change
within it must be maintained so that the health center can still present its best performance. This raises
the question, “What role does the health service organization leader have to carry out so that the or-
ganization he/she leads is ready to change? That is why this research specifically will review the role,
whether leaders should be raised to be able to manage organizational change better. This study’s results
are very important because they will become a guideline for the leaders of health service organizations,
especially in Indonesia, to act in managing changes that continue to occur.

1. LITERATURE REVIEW

Readiness to change is something that needs to be reviewed before making organizational changes.
It is defined as a comprehensive attitude that is simultaneously influenced by the content, process,
context, and individuals involved in a change, reflecting the extent to which the tendency of organ-
izational members to approve, accept, and adopt specific plans aimed at changing the current situa-
tion (Holt, Armenakis, Feild, & Harris, 2007).

Readiness to change is the trust of employees that they can carry out the proposed changes (self-effi-
cacy), the proposed changes are appropriate for the organization (appropriateness), committed leaders
in proposed changes (management support), and proposed changes will benefit members of the or-
ganization (personal benefit) (Holt et al., 2007). Based on this explanation, an employee who is declared ready to change will show accepting, embracing, and adopting a plan of change. Before employees are in a ready position, they reflect on the content, context, processes, and individual attributes to perceive and trust the organization's changes.

Meanwhile, Weiner (2009) states that organizational readiness to change describes organizational members' commitment to change and the change implementation efficacy. Organizational members will follow the change process for the following reasons: they want to (the change is indeed desirable to be considered valuable), they have to (no choice), or they are ought to (an obligation) (Herscovitch & Meyer, 2002). High commitment to change will emerge if the change is indeed desirable and valued, whereas change efficacy describes organizational members' shared beliefs that they can manage and carry out a series of actions in implementing change. Change efficacy is determined by assessing organizational members based on three determinants of capability, namely task demands, resource availability, and situational factors (Weiner, 2009).

The leader is an important figure in the organization whose role is to moderate the organizational change process. In many cases, the leader acts as a change agent. As a change agent, the leader performs three main roles: consultant, trainer, and researcher. As a consultant, a change agent plays a role in carrying out a series of efforts so that the organization's members are well exposed to the organization's external data and can manage the data within the organization. Through data processing and analysis, it is expected that the change agent can help organizational members find solutions to all the problems facing the organization. To further optimize the implementation of a consultant's role, a change agent must also be able to act as a coach. Change agents help organizational members learn how to collect, process, analyze, and use the data and information to be able to improve the usability of data and information for organizational change and problem-solving. Change agents also play a role as researchers. Change agents help staff evaluate the validity and effectiveness of information or action plans that are implemented (Lunenburg, 2010).

This is why this study focuses on the role of leaders in the process of organizational change. Various books in management write a great variety of leadership theories, including contingent leadership, the path-goal model, member exchange theory (LMX), Action Centered Leadership (ACL), the grid people, and others. Each theory has a different perspective on the concept of leadership.

A discussion of a broader concept of leadership was delivered by Mintzberg (1975) who emphasized leaders' role. Mintzberg said that a leader has three main roles: interpersonal, informational, and decisional. Interpersonal roles are related to interpersonal relationships, which consist of figurehead, leader, and liaison. Informational roles are leaders' roles as information controllers in organizations, monitors, disseminators, and spokespersons. Decisional roles are leaders' roles as decision-makers in organizations, innovators, disturbance handlers, resource allocators, and negotiators. Even though the concept of Mintzberg is quite old, now it is still relevant to use.

The various literature studies above show a very clear relationship between leaders' role and the success of managing organizational change. The level of organizational readiness to change is largely influenced by leaders' ability to carry out their roles. Al-Hussami (2017), in his research at a hospital, found that competent managers proved to be able to increase staff readiness in the face of change. One loophole that has not been revealed in these libraries is what role has contributed most in shaping the organizational readiness to change. Many organizational leaders are still trying to find patterns about how they should behave during greater organizational changes. This question will be reviewed in-depth in this research.

2. AIMS

This research was conducted to explore health service organization leaders' role in building organizational readiness to change. This research aims to identify among the interpersonal, informational, and decisional roles, the one having the largest contribution in increasing the organizational readiness to change.

http://dx.doi.org/10.21511/ppm.18(3).2020.01
3. METHODS

The research was conducted at the first-level government health care organization in the city of Surabaya, Indonesia. A total of 40 public health centers was included in this study. The selection of the public health center uses a simple random sampling method from a total population of 63 health centers. Respondents in this study amounted to 4-5 people per health center, so the total respondents were 190 people. Each respondent received a questionnaire filled independently, according to the conditions felt at the public health center. Answers from 4-5 people in one public health center were treated by finding the mean score to get the public health center score.

The instrument for measuring the role of a leader is developed from the Mintzberg concept, which divides the role of the leader into three main roles: interpersonal, informational, and decisional. The description of the indicators of the measurement of the leader’s role described in Table 1.

Meanwhile, measurement of change readiness was developed from the concept of Weiner (2009) who stated that commitment to change and efficacy to change could be used to measure readiness to change.

To answer the research objective, which was to explore the role of leaders in shaping the organizational readiness to change, a linear regression test was performed to get an overview of the influence between those two variables.

### Table 1. Description of the leader’s role

<table>
<thead>
<tr>
<th>Leader’s role</th>
<th>Specific roles</th>
<th>Measurement indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal</td>
<td>Figurehead</td>
<td>The ability of public health center leaders to lead meetings</td>
</tr>
<tr>
<td></td>
<td>Leader</td>
<td>The ability of public health center leaders to demonstrate role models for staff</td>
</tr>
<tr>
<td></td>
<td>Liaison</td>
<td>The ability of public health center leaders to build public health center networks</td>
</tr>
<tr>
<td>Informational</td>
<td>Monitor</td>
<td>The ability of public health center leaders to find and collect important information from inside and outside the public health center</td>
</tr>
<tr>
<td></td>
<td>Disseminator</td>
<td>The ability of public health center leaders to control the dissemination of information from outside the public health center</td>
</tr>
<tr>
<td></td>
<td>Spokesperson</td>
<td>The ability of public health center leaders in delivering important information about the public health center to external parties</td>
</tr>
<tr>
<td>Decisional</td>
<td>Innovators or entrepreneurs</td>
<td>The ability of public health center leaders to initiate and design various things at the public health center</td>
</tr>
<tr>
<td></td>
<td>Disturbance handler</td>
<td>The ability of public health center leaders to handle various unexpected situations that occur at the public health center and control them</td>
</tr>
<tr>
<td></td>
<td>Resource allocator</td>
<td>The ability of public health center leaders to allocate resources well</td>
</tr>
<tr>
<td></td>
<td>Negotiator</td>
<td>The ability of public health center leaders to negotiate with other parties on behalf of the organization</td>
</tr>
</tbody>
</table>

### Table 2. Description of readiness to change

<table>
<thead>
<tr>
<th>Sub-variable of readiness to change</th>
<th>Measurement indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to change (Firmness of employee’s intention and awareness to give their best effort for the organization’s success in implementing change)</td>
<td>1. Willingness to make an extra effort to ensure the organization succeeds in implementing changes.</td>
</tr>
<tr>
<td></td>
<td>2. Willingness to carry out the function of relational, share information with other parties during change.</td>
</tr>
<tr>
<td></td>
<td>3. Willingness to act beyond the demands of variables to help the organization function effectively.</td>
</tr>
<tr>
<td>Efficacy to change (An employee’s belief about his ability to implement organizational change)</td>
<td>1. Confidence in the ability to diagnose the demands of a task.</td>
</tr>
<tr>
<td></td>
<td>2. Confidence in the ability to design and evaluate actions.</td>
</tr>
<tr>
<td></td>
<td>3. Confidence in the ability to set goals, confidence in the ability to motivate yourself.</td>
</tr>
<tr>
<td></td>
<td>4. Confidence in the ability to manage stress.</td>
</tr>
<tr>
<td></td>
<td>5. Belief in ability weakens disturbing thoughts.</td>
</tr>
</tbody>
</table>
4. RESULTS

Based on the results of the measurement of 3 leader roles according to Mintzberg, it was found that all three roles (interpersonal, informational, and decisional) had been carried out properly by the head of the public health center. However, if it is compared between those three roles, it can be seen that there is a role that gets a higher score than the other. The frequency distribution results showed that the head of the public health center gets the highest score in interpersonal and decisional roles at 25%, while the informational role gets the highest score at 50%. These results indicate that for the head of the public health center, the easiest role to run is an informational role, related to controlling the flow of information to and from the organization.

Meanwhile, the measurement of readiness to change found that 55% of public health centers were at a high level of readiness, and the remaining 45% were at the moderate level of readiness to change.

The linear regression results between the implementation of the leader role and the level of organizational readiness to change were found that among the three leaders' roles, the decisional role produced a significance value of 0.026. This means that the implementation of a decisional role by the head of the public health center has a significant effect on the level of organizational readiness to change. However, in the other two leader's roles, namely interpersonal and informational, the significance value is > 0.05, which means that the two leader's roles have a less significant influence on readiness to change.

This research was conducted as an effort to discuss more deeply the role of leaders in the process of change with the setting of public health service organizations at the primary care level. The leader's role in organizational change is very important because the leader has a central role in the process of organizational growth. Organizational change requires an effective and competent leader who can understand the most desirable forms of organization and address organizational change in the most appropriate way (Abbas & Asghar, 2010). Raguž and Zekan (2015) found that leaders' role in the change process is to facilitate the creation of an organizational culture that supports the change and compiles and communicates shared vision. Other research by Wulandari et al (2019) also found that leaders have a considerable contribution in influencing change commitments and change efficacy of subordinates who will ultimately be able to shape the level of organizational readiness to change.

Table 3. Linear regression output

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized beta</th>
<th>Coefficients std error</th>
<th>Standardized beta</th>
<th>t</th>
<th>Sg</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>11.069</td>
<td>2.273</td>
<td></td>
<td>4.869</td>
<td>0.000</td>
</tr>
<tr>
<td>Interpersonal role</td>
<td>-0.882</td>
<td>0.701</td>
<td>-0.490</td>
<td>-1.258</td>
<td>0.217</td>
</tr>
<tr>
<td>Informational role</td>
<td>0.509</td>
<td>0.559</td>
<td>0.287</td>
<td>0.909</td>
<td>0.369</td>
</tr>
<tr>
<td>Decisional role</td>
<td>1.028</td>
<td>0.444</td>
<td>0.795</td>
<td>2.314</td>
<td>0.026</td>
</tr>
</tbody>
</table>

Note: Dependent variable: Readiness to change.
The highest score is the disseminator, while the role with the lowest score is the leader and the disturbance handler. The disseminator role relates to the leaders’ ability to distribute important information from outside to the public health center. This role is very important to encourage the change process in public health centers because most of the drivers of change come from the external environment, such as new policies and the community and stakeholders’ demands. In contrast, the leaders’ inability to carry out the role of leader and disturbance handler can impact the difficulty of directing the behavior of subordinates in the process of change. When leaders have not fully become role models and could not deal with emerging problems related to changes in the public health center, it will undermine the staff’s motivation to change. Leaders often have to act as agents of change. Employee communication, attitudes, and perceptions of a leader’s actions and alignment of work relations between superiors and subordinates play an important role in achieving effective organizational change (Chew, Cheng, & Petrovic-Lazarevic, 2006).

Running the ten Mintzberg’s leader’s roles is the basic function of a leader. The ability of the head of the public health center on various skills that support the implementation of these roles is a differentiator of the success level of leaders in one public health center with other public health center. A leader in the public health center must carry out his role well in the organizational change phase, especially the decisional role. Compared to the other two roles, the interpersonal and informational roles, decisional roles contribute to supporting the change process. Implementing good decisional roles will contribute to creating ideas for change, overcoming problems that arise during the process of change adaptation, providing support for resources for the ongoing process of change, and helping to manage the recurrences that arise in the process of change.

The decisional role consists of 4 main capabilities: entrepreneurs, disturbance handlers, resource allocators, and negotiators (Mintzberg, 1973). In the Business Dictionary, it is stated that the entrepreneur is defined as someone who runs the initiative by organizing opportunities to get benefits. Entrepreneurs are also decision-makers who decide what and how business should be run. The inherent characteristics of an entrepreneur are respected for independence, trying to always be different through excellence, being very optimistic, and liking challenges with moderate risk. As entrepreneurs, leaders must provide added value to their organizations through a series of changes.

Of course, this concept is very relevant to the context of organizational change at the public health center. The existence of a new policy on Universal Health Coverage (UHC), public health center accreditation, and the community’s increasing demands for the quality of public health center services make the public health center have to make radical changes. The application of UHC and accreditation not only changed the mechanism for evaluating the performance of the public health center but also had an impact on structuring the entire process of management, administration, and service for both individual health services and public health services. This is where entrepreneurship is needed, which is specifically to arrange initial activities so that the change process does not become something frightening for public health center staff.

Besides being an entrepreneur, in a decisional role, leaders must act as a disturbance handler. All kinds of difficulties, conflicts, or crises facing the organization, if they cannot be resolved directly by the party facing it, it will be the leader’s responsibility to intervene. The process of organizational change is not an easy phase. In the process, many will face problems and conflicts. Strategies for dealing with conflict in an organization are the most significant skills a leader must learn. Effective conflict management is a hallmark of good leadership. Because conflict management is quickly becoming a critical and time-consuming aspect of management, managers must be prepared to face these challenges and handle conflicts in the organization into constructive results (Kiitam, McLay, & Pili, 2016). Leaders can make conflict as a means to make the learning process sustainable and trigger productivity.

Of course, in such stressful conditions, the leader’s intervention to participate in dealing with any problems that arise is an important factor that determines the public health center’s success in pre-
paring for accreditation. Without the leaders’ ability to carry out the role of a handling disorder, the emergence of problems will reduce the staff’s motivation to implement organizational change.

The third ability needed to carry out the decisional role is resource allocator. This capability is needed to provide organizational support for the change process. The process of change will be increasingly difficult if adequate resources do not support it. Cummings and Worley (2009), in their study, found that organizational resources are one of the important factors determining change. The same opinion was expressed by Weiner (2009). Thus, if the leader can allocate resources appropriately in the proportion needed, some difficulties will be easier to handle. For example, the right placement of human resources according to competence, budget allocation to support the learning process, and technology investments that support the implementation of change.

The last thing in the scope of the decisional role is the negotiator. One of the biggest challenges of the organizational change process is the emergence of resistance. Managing resistance is the duty of leaders so that resistance is not more widespread, and is expected to turn into support. This is why negotiation skills are very necessary. Organizational members who are comfortable with existing conditions, pro-status quo, will tend to endure the old ways they obey, and often feel worried about something that threatens their comfort. Through the negotiation process, leaders are expected to offer mutually beneficial solutions, so that no party is harmed.

The decisional role puts the leader as the party who must play an active role in monitoring the subordinates’ responses to the changes that occur and is ready to act as a companion and problem solver (Tovmasyan, 2017). In carrying out decisional roles, the important thing that needs to be done is to show why the organization needs to change, explain the importance of changes in the global context, and the turbulence of similar changes in other organizations. This information is expected to increase the public health center staff’s situation awareness about the need for changes to be made. Through a deep understanding of the essence of change, it is hoped that it will bring out the spirit and confidence of the public health center staff in responding to changes. With a good decisional role, all public health center staff will have confidence that they will be able to go through the change process well, thus helping them to overcome difficult situations encountered.

CONCLUSION

For organizations to succeed through the organizational change phase, an organization must be at a high level of readiness to change. Organizations that are at a high level of change readiness mean that most organization members are committed to change and have high confidence that they can go through the process of change well. One important variable in shaping the organization’s readiness to change is the role of the leader. According to Mintzberg, leaders carry out three main roles: interpersonal, informational, and decisional. The study results indicate that the ability of the head of the public health center to carry out the three roles is different. Although, in general, the implementation of those three roles is categorized well, if a score comparison between the roles is carried out, it can be seen that the informational role gets the highest score, then the interpersonal and decisional roles are the next. The difference in the ability to carry out the roles has an impact on the difference in the level of organizational readiness to change. The linear regression test results pointed out that the decisional role has a significant influence on readiness to change. The better the implementation of a decisional role by the leader, the higher the level of organizational readiness to change. Implementation of the role of entrepreneurs, disturbance handlers, resource allocators, and negotiators well will make organizational members more comfortable through the process of change to be able to create high commitment and efficacy of change. The recommendations that can be given are governments should raise a wide range of training to improve the decisional ability for all heads of public health centers so that the entire public health center can through the process of organizational change successfully.
ETHICAL APPROVAL AND CONSENT TO PARTICIPATE

This study has an ethical clearance approved by the national ethics committee (ethical number: 500-KEPK). Informed consent was used during data collection, which considered aspects of data collection procedures, voluntary, and confidentiality.

ACKNOWLEDGMENT

The researcher thanked the Ministry of Research, Technology and Higher Education, Republic of Indonesia, for funding this research.

REFERENCES


