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THE ROLE OF LEADERSHIP AGILITY AND ORGANIZATIONAL COMMITMENT TOWARD ORGANIZATIONAL READINESS FOR CHANGES IN PUBLIC ISLAMIC UNIVERSITIES OF CENTRAL JAVA IN CONDITIONS OF VUCA ERA

Diharto Awan Kostrad

Faculty of Islamic Economic and Business, Institute Agama Islam Negeri Surakarta,
Indonesia

E-mail: awankostrad2018@gmail.com

ABSTRACT

The VUCA era requires the role of leadership agility and organizational commitment for organizational readiness for change. For its readiness to change, the Public Islamic Universities in Central Java require leadership agility and organizational commitment from the academic community. This study aims to test the influence of Leadership Agility and Organizational Commitment toward Organizational Readiness for Change. This study is conducted in five Public Islamic Universities in Central Java, namely Institut Agama Islam Negeri (IAIN) Pekalongan, Universitas Islam Negeri (UIN) Semarang, Institut Agama Islam Negeri (IAIN) Salatiga, Institut Agama Islam Negeri (IAIN) Purwokerto, Institut Agama Islam Negeri (IAIN) Surakarta. These five universities have done the practice of leadership agility. The respondent of this study is 100 people, which taken using disporportional or disporportionate stratified random sampling method. This method is done by taking sample with not paying attention to the comparison of the number of members between subpopulation. The data analysis is performed using Partial Least Square. The result of this study shows that the variable of Leadership Agility has an influence toward Organizational Readiness for Change of 0.625, while Organizational Commitment has an influence of 0.264. The result of this study is expected to be used in creating guidelines for Leadership Agility, building agile value, principles, and implementation or agile practice in Public Islamic Universities in Central Java.

KEY WORDS

Leadership agility, organizational commitment, organizational readiness for change, VUCA.

Speeding the development acceleration is one of the characteristics of the VUCA era that is called Volatility, which means progressive increase in the four dimensions of change, namely: type, speed, volume, and scale (<http://sumberdaya.ristekdikti.go.id/index.php/2018/04/20/memaknai-kehadirandoson-asing-ke-indonesia/>, accessed on April 24, 2018). Leading in the VUCA era nowadays (unstable, uncertain, complicated, and ambiguous) becomes increasingly difficult, since the VUCA era requires the ability of leaders to prepare the human resources they lead to be ready to face fast changes that are difficult to predict (Horney, et al., 2010).

The VUCA era requires Leadership Agility, which is the ability of a leader to dynamically feel and respond to changes in the business environment with focused, fast, and flexible actions. The organization must be prepared to change (Madsen, 2005). Agility and the ability to maneuver depend heavily on the agility that makes rapid changes in responding quickly. This especially happens on universities, since the process of managing the institutions in universities is very complex and diverse (Mukerjee, 2014).

Organizational readiness for change requires the role of organizational commitment (Eby, 2000). Organizational commitment that is shown in the involvement of human resources to change supports the organizational readiness for change (Weber & Weber, 2001).

Public Islamic Universities in Central Java which includes of Institut Agama Islam Negeri (IAIN) Surakarta, Institut Agama Islam Negeri (IAIN) Salatiga, Institut Agama Islam Negeri (IAIN) Purwokerto, Universitas Islam Negeri (UIN) Walisongo Semarang, dan Institute

Agama Islam Negeri (IAIN) Pekalongan require organizational readiness for change. Therefore, it needs leadership agility and organizational commitment from the academic community. It is very important to design and plan change in strategic management in Public Islamic Universities in Central Java.

LITERATURE REVIEW

The study conducted by Armenakis, et al. (1993) concluded that the readiness for change is related to beliefs, attitude, and intention of the member of organization to change. According to Backer, (1995), organizational readiness to change needs to pay attention to the dynamics of complex human resources. The involvement in planning for change affects their readiness for change. The study from Holt, et al (2007) showed that the instruments of organizational readiness for change are assessed from the characteristics of psychometric instrument. From the previous studies, the importance of correlating the role of leadership agility towards organizational readiness for change was not found. According to Lediju, (2016), leadership agility is the ability to lead effectively when there are rapid changes, uncertainty, increased complexity, and when considerations from various views and priorities for success are needed. The finding from showed how leaders in the public sector act. Leadership agility has a significant influence toward commitment and productivity of millennium organization. The study conducted by Joiner, & Josephs, (2007) found that leadership agility is a leader who is skilled to implement four types of leadership agility that reinforce each other in high turbulent environments.

According, there is four types of leadership agility, namely: (1) Context-Setting Agility, which is the ability to determine the optimal scope of initiatives and clarify desired results; (2) Stakeholder Agility, leaders use "stakeholder" to identify an initiative, as well as understand and assess the extent to which their views and goals are aligned; (3) Creative Agility, which is the ability to found creative solutions; (4) Self-Leadership Agility, which is the agility to lead himself and mastering self-leadership, "If we ever hope to be effective leaders of others, we need first to be able to lead ourselves effectively." (Neck and Manz, 2012).

The finding from Visagie and Steyn (2011) showed that affective and normative commitment has a positive relationship with readiness for change. The study from Holt, (2007) concluded that readiness for change is a multidimensional construct influenced by beliefs among employees, that: (a) they are able to apply the proposed changes, (b) proposed changes are appropriate for the organization, (c) leaders are committed to proposed changes (i.e. management support), and (d) proposed changes are beneficial to organizational members (i.e. personal valence).

Organizational commitment is a person's mindset towards the organization to what extent its own values and objectives are in accordance with those in the organization (Mowday et al, 1982). According to Mathews and Shepherd (2002), organizational commitment is a strong belief and acceptance of employees towards organizational goals and values. With a strong organizational commitment, employees will strive to maintain the membership with the organization. Organizational commitment is the promise of an employee to be dedicated to his organization (Zangaro, 2001). The three main components of organizational commitment are: (1) Identification, connection, and pride of employees; (2) Engagement; and (3) Loyalty to institutions (Cook and Wall, 1980). The study from Madsen, et al (2005) found the relationship between organizational commitment and organizational readiness for change. When employees feel committed to their organization (loyal, engaged, and identified), the level of organizational readiness for change becomes better.

Organizational readiness for change refers to the commitment of change of every member of organization and applies it to organizational change (Weiner, 2009).

H1: Organizational Commitment has a significant influence toward Organizational Readiness for Change.

H2: Leadership Agility has a significant influence toward Organizational Readiness for Change.

METHODS OF RESEARCH

The type of this study is quantitative research. The population of this study is the academic community of Public Islamic Universities in Central Java, namely Institut Agama Islam Negeri (IAIN) Surakarta, Institut Agama Islam Negeri (IAIN) Salatiga, Institut Agama Islam Negeri (IAIN) Purwokerto, Universitas Islam Negeri (UIN) Walisongo Semarang, and Institut Agama Islam Negeri (IAIN) Pekalongan. There are 100 respondents that become the sample of this study, which is taken using disproportional or disproportionate stratified random sampling. This method is carried out by taking samples without paying attention to the comparison of the number of members between subpopulation. The data analysis is performed with Partial Least Square.

RESULTS AND DISCUSSION

Table 1 until 4 describes that all items and variables have a good validity and reliability. Therefore, all questionnaire items have a good outer model.

Table 1 – Convergent Validity Test with 36 Indicators

	Leadership Agility	Organizational Commitment	Organizational Readiness for Change
x1	0.817		
x2	0.829		
x4	0.890		
x5	0.853		
x6	0.875		
x7	0.854		
x8	0.861		
x9	0.862		
x10	0.748		
x11	0.743		
x12	0.809		
x13	0.819		
x16		0.771	
x17		0.720	
x18		0.833	
x19		0.815	
x20		0.854	
x21		0.851	
x22		0.790	
x23		0.813	
x24		0.782	
y1			0.763
y2			0.781
y3			0.754
y4			0.693
y5			0.706
y6			0.656
y7			0.729
y8			0.699
y9			0.743
y10			0.632
y11			0.762
y12			0.781

Table 2 – Discriminant Validity Test

n/n	Leadership Agility	Organizational Commitment	Organizational Readiness for Change
x1	0.817	0.735	0.729
x2	0.829	0.617	0.719
x4	0.890	0.683	0.775
x5	0.853	0.804	0.759
x6	0.875	0.710	0.817

n/n	Leadership Agility	Organizational Commitment	Organizational Readiness for Change
x7	0.854	0.690	0.759
x8	0.861	0.703	0.801
x9	0.862	0.670	0.770
x10	0.748	0.667	0.513
x11	0.743	0.738	0.522
x12	0.809	0.797	0.587
x13	0.819	0.777	0.591
x16	0.633	0.771	0.754
x17	0.545	0.720	0.692
x18	0.612	0.833	0.597
x19	0.596	0.815	0.594
x20	0.695	0.854	0.645
x21	0.662	0.852	0.605
x22	0.835	0.790	0.649
x23	0.813	0.816	0.602
x24	0.782	0.796	0.578
y1	0.641	0.726	0.763
y2	0.619	0.746	0.781
y3	0.615	0.754	0.758
y4	0.551	0.431	0.690
y5	0.619	0.513	0.706
y6	0.478	0.331	0.656
y7	0.696	0.575	0.729
y8	0.670	0.551	0.699
y9	0.608	0.581	0.743
y10	0.509	0.494	0.632
y11	0.643	0.552	0.762
y12	0.673	0.569	0.762

Table 3 – Reliability Test

n/n	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Leadership Agility	0.931	0.933	0.943	0.647
Organizational Commitment	0.959	0.965	0.964	0.691
Organization Readiness for Change	0.918	0.922	0.93	0.527

Table 4 – Model Accuracy Test

R Square	R Square Adjusted
0.742	0.737

Figure 1 – Structural Model Between Latent Variables

Table 5 – Hypothesis Test

n/n	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Decision
Organizational Commitment -> Organizational Readiness for Change	0.264	0.271	0.109	2.412	0.016	H1. Accepted
Leadership Agility -> Organizational Readiness for Change (H2. Accepted)	0.625	0.620	0.104	6.039	0.000	H2. Accepted

The result of the hypothesis test in this study can be seen from the P value, which has the cutoff of ≤ 0.05 . In other words, if the P value is greater than 0.05, then the independent variable does not have an influence on the dependent variable. The analysis result of this study shows that the all of the P value are below 0.05, thus:

1. Organizational Commitment has a significant influence toward Organizational Readiness for Change;
2. Leadership Agility has a significant influence toward Organizational Readiness for Change.

An agile approach promotes agility or agile leadership to have an influence on organizational readiness for change which prioritizes serving leadership as a way to empower human resources. Serving leadership agility focuses on understanding, and refers to the needs and development of human resources to achieve the best performance.

The focus of leadership agility shifts from “managing coordination” to “facilitating cooperation”. Leaders encourage everyone to be able to issue the ability to think and work as well as possible. Agile leaders encourage organizations to understand, be responsible for organizational performance, and create acceptable solutions. Agile leaders encourage collaborations and communications within the organization. They conduct collaboration through interactive meeting, informal dialogues, and knowledge sharing. Agile leaders become a bridge as well as coach, rather than making decisions whose responsibilities must be carried out by others.

Agile leaders closely monitor the processes that hinder organizational agility in the organizational readiness for change. The leaders in the Institut Agama Islam Negeri (IAIN) Surakarta, Institut Agama Islam Negeri (IAIN) Salatiga, Institut Agama Islam Negeri (IAIN) Purwokerto, Universitas Islam Negeri (UIN) Walisongo Semarang, and Institut Agama Islam Negeri (IAIN) Pekalongan have become agile leaders.

The indicators of leadership agility expertise are: 1) Skills in anticipating change; 2) Skills in generating self-confidence; 3) Skills in action; 4) Freeing thought; and 5) Results evaluation. Leadership agility behavior that carried out by leaders gives confidence that the organization is ready for change (organizational readiness for change) in facing the VUCA era. This is shown in the result of data processing which is obtained from several indicators, namely: 1) Feasibility; 2) Management Support; 3) Adoption of Changes; and 4) Personally Beneficial.

Organizational commitment in the academic community in five Public Islamic Universities in Central Java is enough to encourage the organizational readiness for change.

CONCLUSION AND RECOMMENDATIONS

Leadership Agility has a significant influence toward Organizational Readiness for Change, and the leaders in IAIN Pekalongan, UIN Semarang, IAIN Salatiga, IAIN Purwokerto, IAIN Surakarta has become agile leaders.

Organizational Commitment has a significant influence toward Organizational Readiness for Change. The organizational commitment in the academic community in five Public Islamic Universities in Central Java is good enough to encourage the organizational readiness for change.

This study shows that the leaders in Public Islamic Universities in Central Java have aligned the organization management with VUCA era. Further studies are required to explore

further with qualitative research approach. The result of this study can be used to arrange guidelines for leadership agility, build agile values and principles, and implement the practice of leadership agility in Public Islamic Universities in Central Java.

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