LMX and Affective Commitment to Change: Moderating Role of Psychological Empowerment

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Abstract: Change is an inevitable reality for any organization to thrive in order to successfully adapt to the changes, employees should be willing to cooperate during the change process. The objectives of this study are to investigate the relationship between Leader-Member Exchange (LMX) and employee Affective Commitment to Change (ACC), and how Psychological Empowerment (PE) moderates the aforesaid relationship. To measure this objective data was collected from 132 employees working in various organizations. The results indicate that LMX and PE have significant positive impacts on ACC. Furthermore, PE acting as moderator strengthens the direct influences of LMX on ACC. Based on the findings, theoretical and practical implications, and future research have been discussed.

Keywords: LMX, PE, ACC, change, empowerment

Received: 02 May 2020; Accepted: 08 August 2020; Published: 25 October 2020

INTRODUCTION

Change is an inevitable reality for organizations however, not every organizational change is successful as approximately 50 per cent of the time, organizational change initiatives fail (Etschmaier, 2010; UNC, 2015). Literature points towards various culprits for these failures, but the frequently cited are the resistance of employees occurring at all levels of the organization (Amarantou, Kazakopoulou, Chatzoudes, & Chatzoglou, 2018; Endrejat, Müller, Klonek, & Kauffeld, 2017). Due to this, contemporary scholars’ focus is on an employee’s response to change which has become a central phenomenon in organizational development and change management literature (Cameron & McNaughtan, 2014; Oreg, Vakola, & Armenakis, 2011; Vakola, 2014; Van der Voet & Vermeeren, 2017). When employees are receptive to change, they are more likely to initiate change, make more effort, show more persistence, and behave more cooperatively (Foks, 2015; Goksoy, 2017; Oreg, 2006). Moreover, their “organizational commitment” and “organizational commitment to change” enhances during times of change (Grant, Fried, & Juillerat, 2011; Hornstein, 2015; Morin et al., 2016; Visagie & Steyn, 2011).

Commitment to change is “the glue that provides the vital bond between people and change goals” (Conner, 1993). Herscovitch and Meyer (2002) term it as “a mind-set that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative” (p. 843). Among the commitments to change, ACC is the most desirable and is indicative of the most consistent positive relations in the behavioral support of change initiatives.
As ACC is the employees’ desire to provide support for the change, therefore it is meaningful for them and essential for the organization (Herscovitch & Meyer, 2002). Therefore, they attach themselves and align their activities to the organization’s ambitions for change (Conner, 1993).

Research on antecedents that lead towards the development of ACC are restricted, narrow and “largely unsystematic” (Morin et al., 2016). This is primarily because the majority of literature has emphasized on organizational factors in the change process, such as the context of change, and other factors leading to organizational effectiveness (Aarons, Ehrhart, Farahnak, & Hurlburt, 2015; Armenakis & Bedeian, 1999; Baer & Frese, 2003; Lavelle et al., 2009; S. Zhou, Siriboonchitta, Yamaka, & Maneejuk, 2020). Whereas, less focus has been placed on responses from the employees’ perspective (Choi, 2011; Foks, 2015; Goksoy, 2017; Hornstein, 2015). According to J. Bernerth (2004) “employee willingness is a critical factor in successful change efforts” (p. 36), and gaining an understanding on how to develop change commitment, holds much benefit for the organization (Vakola, 2014).

The factor that is considered critical is leader’s behavior for the implementation, and the development of commitment to change. Through his/her support employees feel more open to change process (Eby, Adams, Russell, & Gaby, 2000; Morin et al., 2016). As he/she is responsible for providing guidelines, motivation, ensuring subordinates’ involvement and integration in the entire change process (Foks, 2015). However, in leader and change management literature the primary emphasis is on the leader himself; how he handles, organizes, leads the organizational change, and is deficient on the relationship between leader and employee during organizational change (Foks, 2015; Thompson, 2018). When the leader has a didactic relationship with an employee then LMX takes place in which the work relationship between an organizational member and his leader forms in terms of co-related dimensions of mutual obligation, respect and trust (Graen & Uhl-Bien, 1995).

Organizational change models place emphasis on the role of LMX. As empowering leadership is required for implementing and generating support for change (Neves & Caetano, 2009; Whelan-Berry, Gordon, & Hinings, 2003). Therefore, with respect to LMX and its impact is on employee attitude. Literature demands further exploration, as less focus has been placed on responses from the employees’ perspective during the time of change (Foks, 2015; Hornstein, 2015; Y. Liu, 2010). However, a better understanding of the LMX relationship with organization’s desired employees’ attitudes, requires acknowledging the moderating role of psychological states of employees (Garg & Dhar, 2016). The importance of PE as one such moderator in leadership studies has been highlighted by (Ahmed & Tariq, 2017; Chan, 2017; Özaralli, 2015; Pieterse, Van Knippenberg, Schippers, & Stam, 2010; Wen, Zhou, & Lu, 2015). Moreover, within the organizational change context, Morin et al. (2016) asserts psychologically empowered employees constructively engage in the change process. However, literature is found to be lacking in the study of such constructs (Foks, 2015; Mangundjaya, 2013; Morin et al., 2016; Thompson, 2018). Therefore, the objective of the current study is to assess the impact of LMX and PE on ACC, and to analyze the moderating role of PE on the relationship between LMX and ACC. The framework of the study is shown in Figure 1.
LITERATURE REVIEW AND HYPOTHESES

LMX and ACC to Change

The Social Exchange Theory (SET) states that reciprocity is the basis of all social relationships. The relationships that are beyond economic exchange and based purely on beneficial social exchange tend to produce positive outcomes (Cropanzano & Mitchell, 2005). For instance, when leaders support employees, they reciprocate with organizational commitment, job engagement and supporting the changes that occur over time (Gerstner & Day, 1997; Schriesheim, Castro, & Cogliser, 1999). Furthermore, employees are far more attached to the organization and willing to exert effort even in unfavorable, uncertain situations if they believe in their leaders. Such employees trust the decisions of the management and receive greater access to information and opportunities for involvement (Eisenberger et al., 2010).

Wayne, Coyle-Shapiro. During times of organizational change, a healthy, effective relationship with one’s supervisor and increased level of perceived support would increase chances of employees being more accepting of the change initiatives and processes (Foks, 2015). When leaders support employees, they reciprocate with organizational commitment and work engagement. If a balanced expectancy-fit is present along with fair social exchange among employees and supervisors, then overall relationship between leader and employee would enhance, leading to positive behavioral outcomes, such as commitment to change (Vigoda & Cohen, 2003). A healthy relationship with the leader can also promote institutional compassion, high-quality connection and enhanced healing processes during the change initiative (Foks, 2015). Therefore, the quality of exchange based on the interactions between leaders and members, is believed to be an essential determinant of employees’ affective commitment towards change. As such, this study hypothesizes that:

H1: There is a positive impact of LMX on ACC.

PE and ACC

PE is a form of intrinsic motivation and is defined as a “set of psychological states that are necessary for an individual to feel a sense of control in relation to their work” (Spreitzer, 2008). Specifically, it comprises of interaction of employees four job-related cognitions: Meaning, competence, self-determination, and impact (Spreitzer, 1995, 2008). (Spreitzer, 2008), further stated that when employees view their job assignments as valuable (meaningful), have independence in executing them (self-determination), have a confidence in their capability to perform (competence) and perceive their work to have an influence on the organization (impact), this leads to higher engagement. PE has a strong association with a range of positive work outcomes such as job performance, workplace harmony, and even change support behaviors (Choi, 2011). Furthermore, individuals who feel competent have belief in their skills and capabilities are thus able to perform tasks in a more effective manner (Abramson, Seligman, & Teasdale, 1978; Hackman, 1980).

According to the self-determination theory (SDT; (Gagné & Deci, 2005)), employees have three basic psychological needs (autonomy, competence and relatedness) that they seek to satisfy. These needs’ fulfillment is important, especially in the organizational change context, as employees would perceive more support from their leaders, find their role meaningful, and feel more confident during the change process (Gagné & Deci, 2005; Morin et al., 2016). Positive associations have been found between employees’ support for change that are related to PE, namely self-efficacy (Herold, Fedor, Caldwell, & Liu, 2008) and perceived control (Fugate, 2012). Furthermore, variations in employees’ commitment to change is also explained by PE. Employees who are psychologically empowered would seek to empower their organization in return, even during times of change (Ukpe, 2018). The change management literature also supports the assumption that an employee’s perception of the change management practices influences their responses towards the organizational change (Holt, Armenakis, Feild, & Harris, 2007; Visagie & Steyn, 2011). These perceptions in turn are determined by the employees’ internal states of mind and feelings facilitated by their belief in their own capabilities, their ability to succeed and perceived control of their surroundings, in short specific dimensions of PE. Thus, this study hypothesized that:

H2: There is a positive impact of PE on ACC.

Moderating Role of PE

PE is essentially considered to be a part of an individual’s psychological mindset that moderates the relationship between certain structural conditions in the workplace as well as individual characteristics and desirable workplace outcomes. Literature demonstrates that PE facilitates the development of various positive workplace behaviors such as

With regards to change-oriented activities, the main purpose of empowerment is to increase employees’ capacities to engage and be involved in the creation of something new (Randolph, 1995). Employees who are psychologically empowered tend to take initiatives, rise up to challenges and remain steadfast even in times of uncertainty (Morin et al., 2016; Pieterse et al., 2010). Similarly, when employees feel encouraged, motivated and hence psychologically empowered, they become more determined and experience greater autonomy and control over their work (Gagné & Deci, 2005; Seibert et al., 2011). Further, PE consists of an active orientation toward one’s work (Spreitzer, 2008). Which often, as noted by (F. Liu, Chow, Zhang, & Huang, 2019), involves factors that would contribute positively during the change process such as resilience and persistent effort in unusual contexts, flexibility, resourcefulness, proactive behavior and acting independently. Hence, it is assumed that such employees would stay attached to their organization even during times of change, as they would believe themselves capable of dealing with it.

According to the perspective of the SDT, employees high in intrinsic motivation are more engaged in their work and demonstrate greater goal attainment. Such employees are also likely to be more responsive more towards a high-quality dyadic relationship with their superior(s). As such, a change initiative maybe more welcomed by these employees who perceive more meaning in their work and recognize themselves as impactful agents of change, leading them to feel more committed towards their work and organization (Hackman, 1980). As a result, employees who feel more empowered are more likely to experience positive work outcomes (Spreitzer, 1995) as while a high LMX would make employees more open to change, empowerment would enable them to effectively deal with it. Ergo, in light of these findings and support derived from the basic principles of the self-determination theory it is hypothesized that: **H3: PE moderates the relationship between LMX and ACC, such that the connection between LMX and ACC will be strengthened for highly psychologically empowered employees.**

**METHOD**

The data was collected through structured questionnaires from employees working in Lahore, Pakistan. To acquire information of the relevant change taking place, a procedure suggested by Herscovitch and Meyer (2002) was implemented to collect written verbatim descriptions Morin et al. (2016). Based on the responses, a variety of organizational changes (downsizing, diversification, change in management, divestment, mergers/acquisitions, infrastructure changes, implementation of new policies, technological changes were identified. A total of 180 questionnaires were distributed via Google Forms out of which 162 responses were received, resulting in a response rate of 90 per cent. Respondents who did not identify an undergoing organizational change or gave incomplete responses were excluded from the study. Accordingly a total sample of 132 individuals (64 per cent males, 36 per cent females) was finalized.

Measurements of the current study were taken from various studies i.e., LMX seven item scale (LMX-7) (Uhl-Bien, Graen, & Scandura, 2000) was used to assess employees’ perceptions of LMX. PE was measured using the Empowerment Instrument consisting of twelve items developed by Spreitzer (1995). ACC was measured on six items scale adopted from Herscovitch and Meyer (2002). All items were rated on a five-point Likert scale where one being strongly disagree and five being strongly agree.

**RESULTS**

Results of mean, standard deviation, Pearson correlation, and reliability analysis are shown in table one. The correlation results indicate that there is a significant positive relationship between all variables and their strength ranges from 0.59 to 0.20. Furthermore, reliability values in diagonal indicates that every variable reliability is above the required threshold value of 0.70 (Nunnally, 1978).
Table 1 *MEAN, STANDARD DEVIATION (S.D), CORRELATIONS, AND RELIABILITY*

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>S.D</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. LMX</td>
<td>3.64</td>
<td>0.71</td>
<td>(0.89)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. PE</td>
<td>3.84</td>
<td>0.57</td>
<td>0.59***</td>
<td>(0.88)</td>
<td></td>
</tr>
<tr>
<td>3. ACC</td>
<td>3.37</td>
<td>0.93</td>
<td>0.32***</td>
<td>0.20*</td>
<td>(0.87)</td>
</tr>
</tbody>
</table>

Note. Reliability in diagonal ( ). *p < .05. ***p < .001

Results of regression analysis as shown in Table 2 revealed the quality of LMX as perceived by the employee significantly predicted their ACC ($\beta = 0.320, p < 0.001$) and explains 10.2 percent of variance ($R^2 = 0.102, F(1, 130) = 14.81, p < 0.001$). Thus, providing support for hypothesis one. Similarly, PE was also found to be a significant predictor of ACC ($\beta = 0.201, p < 0.05$) and indicating a variance of four percent ($R^2 = 0.040, F(1, 130) = 5.47, p < 0.05$). Thus, providing support for H2.

Table 2 *DEMOGRAPHIC PROFILE OF RESPONDENTS*

<table>
<thead>
<tr>
<th>Variables</th>
<th>DV= Affective Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td>LMX</td>
<td>0.41</td>
</tr>
<tr>
<td>PE</td>
<td>0.33</td>
</tr>
</tbody>
</table>

Note. *p < .05. **p < .01. ***p < .001

The moderation analysis was conducted using Macros PROCESS (Model 1; *Hayes & Preacher, 2014*). Results shown in Table 3 indicate that the interaction effect between the LMX and the PE was significant ($B = 0.377, p < 0.05$), and there is a significant increase in variance in ACC ($\Delta R^2 = 0.033, F(1, 128) = 4.92, p < 0.05$). Furthermore, the interaction plot as shown in Figure 2, indicates that when there is low LMX and PE in employees, then ACC is also low. Whereas, when both LMX and PE are high then employees exhibit greater ACC. The aforesaid results provide support for H3 that PE moderates the relationship between LMX and ACC.

Table 3 *MODERATION ANALYSIS FOR LMX AND ACC*

<table>
<thead>
<tr>
<th>Variables</th>
<th>DV = Affective Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$B$</td>
</tr>
<tr>
<td>LMX</td>
<td>0.43</td>
</tr>
<tr>
<td>PE</td>
<td>0.13</td>
</tr>
<tr>
<td>LMX x PE</td>
<td>0.38</td>
</tr>
<tr>
<td>Total $R^2$</td>
<td>0.014</td>
</tr>
</tbody>
</table>

Note. Unstandardized coefficients reported. Bootstrapping sample = 5,000
DISCUSSION

The findings of this study demonstrate that employees who perceive a healthy, supportive relationship with their supervisor are more likely to remain attached to their organization during the change process. As a higher quality of LMX would provide greater access to information, regarding the organizational change as well as making it easier for employees to realize the impact of that change. These results endorse number of studies (Cameron & McNaughtan, 2014; Y. Liu, 2010; Van der Voet & Vermeeren, 2017), which demonstrate that leaders play a significant role in the implementation of change within the organization. Effective leadership behavior demonstrated by the supervisor would influence the ACC of employees as a higher quality of LMX would consequently provide greater access to information regarding the organizational change as well as make it easier for employees to realize the impact of that change (Fernandez & Pitts, 2007; Foks, 2015). An effective LMX also leads to an enhancement of communication, which is regarded as a crucial aspect for the successful implementation of the change process (Holt et al., 2007; Wright, Christensen, & Isett, 2013). Through effective communication, employees would be better able to raise their concerns regarding the change process, granting supervisors with an opportunity to resolve those concerns. Moreover, certain change management practices such as communication, participation, and individual attention for employees are also found to effective during the implementation of the organizational change (Van der Voet & Vermeeren, 2017), all which are determined by the LMX taking place.

The analysis of the study also shows that employees who feel empowered and are in more control of their surroundings are more likely to take an active part during the change process thereby retaining their commitment to change. These results are explained by taking into account a variety of studies (Aghaei & Savari, 2014; Avolio, Zhu, Koh, & Bhatia, 2004) which demonstrate that through PE, employees feel more involved and competent which allows them to find meaning in their work. Such employees also perceive greater control which allows them to better deal with the change process as they develop a strong intrinsic motivation that is retained even during the process of change (Cameron & McNaughtan, 2014; Vakola, 2014). Employees who feel that they are in more control of their surroundings are more likely to take an active part during the change process as they believe in the impact of their work and are self-determined, which would lead to them to not only understanding the reasons for change but also believing in it, thereby increasing level of ACC (Morin et al., 2016).

With regard to the final hypothesis, the results of this study revealed that when the level of PE is high, the LMX has a stronger impact on ACC, hence establishing PE as a moderating variable (H3). PE is the psychological state of an employee that is related to one’s work attitudes (Spreitzer, 2008) and the findings of this study show that the perceptions about the undergoing change are very important for employees. According to Harris, Wheeler, and Kacmar...
PE and LMX are two fundamentally different variables. As defined by literature, PE is an individual level variable that mainly depends on the fulfilment of one’s personal needs and is defined by the state of intrinsic motivation (Spreitzer, 2008), whereas LMX is often primarily shaped by external factors and is based on the interaction and support derived from one’s supervisor (Liden, Erdogan, Wayne, & Sparrowe, 2006). Therefore, even in contexts where LMX plays a less significant role, the employees’ psychological state remains a strong influence on outcomes such as commitment to change. If employees feel that the change taking place is meaningful and would add value to their job, they tend to value the change and are more committed towards that change (Mangundjaya, 2013; Mangundjaya, Utoyo, & Wulandari, 2015). Similarly, if employees perceive that the change occurring is beneficial for them, they would be more likely to develop self-determination which is defined as the degree of regulating and initiating actions (Spreitzer, 2008); a factor that is considered as an important element in the development of commitment to change.

With regard to the organizational context, it is imperative that the change strategy developed by the management should focus on improving the quality of LMX as it plays a vital role in bringing about successful change in the organization. A good quality LMX is fruitful for the organization and a strong base for its growth and success (Cameron & McNaughtan, 2014; Liao, Liu, & Loi, 2010). The constructive associations that prevail among managers and their subordinates can encourage employees to remain associated with the organization, leading to an increase in performance (Cameron & McNaughtan, 2014). According to Graen and Uhl-Bien (1995), LMX relationships are based on reciprocity and fulfillment of mutual expectation. Therefore, employees in high quality LMX relationships are more prepared to work together during times of organizational change as compared to those employees who perceive less support from their supervisor (Cameron & McNaughtan, 2014; Y. Liu, 2010). Hence, in order to enhance ACC, Human Resource Management, in this regard, can deliver training plans for managers and subordinates alike so that their mutual relationships are strengthened. Furthermore, the literature depicts that paying attention to the worries and requirements of the workforce, in the process of change implementation, can reduce the intensity of adverse effects on employees’ response towards change (Russ, 2008; Van der Voet & Vermeeren, 2017; Wright et al., 2013).

Moreover, results based on PE reveal that employees’ psychological states have the potential to enhance their ACC. In this context, managers should implement empowerment as a strategic policy in order to discover the specific mechanisms that create and increase PE, since it plays an integral part in bringing about positive attitudes towards change (Wang, Gan, & Wu, 2016). Furthermore, change builds fear and uncertainty in employees (Cartwright & Cooper, 1993; Karl, 1996), therefore to cater to such feelings, managers should add meaning and impact to employees’ work while allowing them to feel more involved in the change process. In the process of change implementation, a high level of involvement of employees would lead to an increased sense of control during the change process, and hence employees will feel empowered psychologically. This strategy would empower employees enabling them to foster self-confidence and determination, so that they would feel they can tackle the organizational change and other relevant concerns. Such employees would also be more likely to perform beyond their regular job duties and get more involved in the undergoing process of change to ensure the success of the change for instance, by working extra hours or promoting the change to peers (J. B. Bernerth, Armenakis, Feild, & Walker, 2007).

LIMITATIONS AND SUGGESTIONS

A cross-sectional research design was adopted that limits study of the causal impact of the variables in an interactive framework. For future suggestions, in order to counter the respondents’ bias, it is suggested to acquire responses from secondary sources such as from supervisors or by using 360-degree approach. Future research can also be conducted based on a longitudinal design as this will incorporate a more comprehensive idea of the hypothesized causal relationships and counter the shortcomings of cross-sectional design. Further research can also be carried out in specific types for organizations, such as only SMEs, incorporating various kinds of organizational changes, both radical and emergent. Additionally, as indicated by (Morin et al., 2016), the study of ACC with respect to PE during organizational change is still in initial stages of development. Therefore, the field can be advanced further by including a broader set of conceptualizations of the phenomenon by including the separate dimensions of empowerment. Consequently, in order to determine the factors that impact development of ACC, more constructs such as personality, organizational culture and perceived job security could be studied alongside LMX.
CONCLUSION

LMX and employees’ PE are both established as significant determinants of employees’ ACC. Change is a crucial element that would give benefit to the organization, therefore in light of this study findings, it is important for organizations to ensure development of dyadic relationship between supervisors and employees. Leaders who foster a healthy relationship with employees are considered to be most effective during the change process. It is this relationship through which employees become more committed to not only the organization but the change taking place as well. In this respect, organizations should take into account the role of empowerment and accordingly implement strategies that encourage its occurrence. For if employees feel ready for the change by way of their independence, competence and the meaning and impact of their work, then greater the possibility that such employees will value and remain more committed towards that change.

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