

The Employee Engagement On The Organizational Change Study On Manufacturing Industry In Indonesia

Ana Miftahuddin Amin¹, Sam'un Jaja Raharja^{2*},
Rusdin Tahir³, Herwan Abdul Muhyi⁴

¹Doctoral Student of Business Administration,
Padjadjaran University, Indonesia.
Ana18002@mail.unpad.ac.id

²Department of Business Administration,
Padjadjaran University, Indonesia.
s.raharja2017@unpad.ac.id, harja_63@yahoo.com

³Department of Business Administration,
Padjadjaran University, Indonesia.
rusdin@unpad.ac.id

⁴Department of Business Administration,
Padjadjaran University, Indonesia.
herwan@unpad.ac.id

Abstract

The best technique to attract, keep, and motivate people is the most effective business strategy since it is more difficult for rivals to imitate than financial management, marketing management, operations management, or production management. There two challenges to obtain the effective human capital today, they are employee engagement and Organizational Change. In our essay, uncover the influences employee engagement on Organizational Change. It is believed that the Organizational Change will suffer if this symptom is not addressed. We gathered 429 perspectives of the top managers of Indonesian manufacturing enterprises and used structural equation modeling (SEM) to examine them. The research results show that employee engagement is the determinant on Organizational Change. The research contribution is not only as empirical evidence of the topic under study but also as information for stakeholders and company management in inventorying alternatives to improve Organizational Change by studying determining factors. Our findings show that improving

the Organizational Change of the manufacturing industry in Indonesia is determined by employee engagement variables.

Keywords: Employee engagement, Organizational Change, human capital, manufacturing industry.

1. Introduction

Long-term survival requires organizational change, but it also provides significant managerial challenges. Pressure to consistently reduce costs while increasing flexibility grows as a result of advanced technologies, global marketplaces, and mobile capital [1]. Since changes to organizational boundaries, company structures, and decision-making processes are constant occurrences in enterprises, managing change has become the top managerial responsibility[2]. Yet major change projects rarely claim “substantial success” [2].

People who work in companies, set broad objectives and priorities, design work processes, create goods and/or services, monitor productivity, allocate resources, and sell goods and/or services are considered to be human capital [3]. Due to the increasingly fierce competition between businesses for competent and talented human resources, the findings demonstrated that human resources are one of the most crucial organizational resources for organizational success [4], [5].

All organizations must have adequate human capital since their performance directly affects the effectiveness of the organization as a whole. The provision of human capital (HC), which is connected to the company's management, is the most effective factor in achieving a competitive advantage for the business. All organizations must have adequate human resources since their performance directly affects the effectiveness of the organization. The provision of human capital (HC), which is connected to the company's management, is the most effective factor in achieving a competitive advantage for the business [6], [7]. Human resource management is an approach that typically works because it helps businesses develop distinctive strategies to draw in, keep, and encourage personnel that are more challenging for rivals to copy. Human resource management is an approach that typically works because it helps businesses develop distinctive strategies to draw in, keep, and encourage personnel that are more challenging for rivals to copy [6], [7]; As a result, a business needs competent personnel to complete the necessary tasks[9]. As a result, a business needs competent personnel to complete the

necessary tasks[8]. Nevertheless, discretionary activities are directed at learning and promoting employee engagement, participation, knowledge sharing, and acceptance of failures [8].

Furthermore, it is associated with the results of the study by Serrano & Robledo (2013). It demonstrates how strategic and operational management produced the organizational capabilities that support the company's systemic innovation goals. In order to respond to and adapt to the changing environment, such capabilities must be identified in each area of the business, enabling connections with innovation systems and the creation and sharing of information that advance technology, the economy, and society [9]–[12].

The following definitions are tailored to the context of HEI and apply to the seven types of technical innovation ability that serve as the fundamental building blocks of the innovation presented: (1) R&D capabilities: managerial ability for developing ideas, strategies, putting them into practice, managing project portfolios, and transferring R&D; (2) Production aptitude: the capacity for product development from research and development; (3) The ability to define policies, programs, and strategies for development and implementation in line with the mission and vision of the business, as established by the setting; (5) Ability to manage knowledge and establish learning organizations through organizational skills; (4) Ability to communicate effectively with actors in the innovation system on a permanent basis at the local, national, and worldwide levels through organizational relationships; (6) Resource management expertise: aptitude for [9].

Although the innovation of the enterprise is widely known as a means of improving the performance of the organization [13], Researchers focus on what enables organizations to produce innovations because many businesses struggle to do so, searching for solutions outside of the semi-automatic stimulus-response process [14]. Many researchers focus their attention on the analysis of organizational factors. This case highlights the simultaneous influence of both types of factors employee engagement and Organizational Change [15]–[17].. Furthermore, the influence of these two variables can improve organizational performance by implementing sources of knowledge into an organization [13].

A literature review shows that this kind of much research has not been conducted in related dimensions such as determinants of the employee engagement, which is specifically

important for public companies in countries, such as Indonesia. This research makes a practical and theoretical contribution as empirical proof in forming a Determinant of Organizational Change model and can practically be a study for companies in inventorying alternatives to improve Organizational Change by paying attention to determining factors.

2. Literature Review

According to [18] big data is not only revolutionizing management practices but also management research, which is increasingly gaining attention in the academic literature [19]. A lot of research on the extraction of value from big data has been done before. For example, [20] developed a holistic model and found that big data and predictive analytics positively influenced organizational performance, [21] found that big data analytics capabilities had a significant positive effect on supply chain agility and competitive advantage based on data from automotive component manufacturing organizations in India.

[22] using data from 302 business analysts in France and the US, found that the general quality of the information in big data analytics also had a significant favorable impact on company performance see also [23], [24]. [25] found that big data can help in the co-creation of data-driven knowledge from four fashion retail organizations. Although previous research has found that big data can create transparency, allow experiments to find needs, group populations to adapt to action, support human decision-making, innovate in new businesses, and jointly create [20], [22], [25], some of them concentrate on talent management in the era of big data, such as [18]. As data becomes more affordable and available and must deviate from its conventional quality, as shown in the great "5 Vs" that characterize the era of big data: Volume, Velocity, Variety, Value, and Veracity, which revolutionized everything, talent management is very important in an organization [18], [25] see also Thunnissen (2016) discusses what is happening in talent management to help build a more comprehensive and comprehensive ethical theoretic framework for talent management that takes into account the influence of interconnected organizational contexts and actors.

Due to the enormous numbers, rapid changes, wide variance, high degree of uncertainty, and wide ambiguity of data, the context of big data causes people to face higher pressures in the workplace. To explain the impact of stressors, scientists have recently developed a framework for dealing with challenges, as

they argue that understanding the nature of stressors is critical to understanding their impacts [27]–[29] [30] is of the view that it may be more effective to assess the purpose, use, and effects of datafication as a political economy regime by conceptualizing data as a form of capital. A person's perception of his work environment in terms of the level of demands, such as role conflicts, role ambiguity, politics, bureaucracy, and job insecurity, is referred to as stressors. [31], [32]. Lamb & Kwok (2016) Environmental stress not only decreases a person's ability to think clearly while working but also one's productivity (that is, by reducing motivation). Work performance decreases almost linearly as the number of stress variables increases, proving that environmental stress factors are additive rather than multiplication. Significant changes and challenges are commonplace in the management revolution, and these may be seen as triggering challenges [28], [34], [35].

2.1 Organizational Change

2.1.1 Basic Theory and Concept of Organizational Change

Referring to the importance of human resources that have been described earlier, changes to the organization are also an issue that needs to be done along with technological developments and environmental changes that are increasingly rapid [36]. The purpose of Organizational Change is to modify procedures and systems, organizational structures and responsibilities, and skills [37]. In the new construction, the manager must support the employee to get through the changes [38]. Organizational Change that is widely known today is related to how to manage a change in the company's organization, how technology is needed in changing an organization in the era of globalization, and how important training is for employees when facing changes in their company [39]. Organizational Change is a process of change that occurs inside or outside the organization, at the level of individuals / groups that occur gradually and continuously with the aim of advancing and developing the organization [40]. Organizational Change is a broader concept than Organization Development (OD). OD can be applied to manage Organizational Change. It is primarily concerned with managing change in such a way that knowledge and skills are transferred to build the organization's ability to achieve goals and solve problems [41] [42]. Organizational Change is successful or not through the implementation of interaction between stakeholders. The process of change stems from communication. Implementing appropriate communication to

stakeholders is a strategic tool of Organizational Change [43] Organizational Change is successful or not through the implementation of interactions between stakeholders. The process of change is rooted in communication. Implementing proper communication to stakeholders is a strategic tool of Organizational Change. Organizational Change usually begins in response to a particular event; a change in the environment that requires changes in strategy and new behavior patterns from employees[44], [45]. That Organizational Change needed to survive. However, Organizational Change often puts employees under stress as a result of learning new skills or work requirements consistently[46]. Organizational Change is a broad area, covering the span of time, importance or transformation of the organization specifically and its type of change, like: technology, mergers, etc. [47]. Organizational Change is a mandatory concept in today's highly developed business world, which includes the strategies, methods, and structures needed to recap the organization. Organizational Change evaluates both structure and behavior and this is in line with corporate culture [48]. Organizational Change consists of systems and steps in the field of strategic management for the implementation of targeted Organizational Change [49]. Performance improvement through Organizational Change is important so that organizations can develop, succeed, and survive in an environment that continues to change [50]. Organizational Change is a necessary element in Organizational Change in the company, in the process of forming a system it is ensured that effectiveness and efficiency are maximized in order to achieve the goals of Organizational Change [51].

Organizational Change can be interpreted as a process of change that occurs inside or outside the organization, at the level of individuals / groups that occur gradually and continuously with the aim of advancing and developing the organization. This illustrates the importance of mastering Organizational Change, because of the magnitude of what can be achieved if the change process is successful and the consequences of failure, delay, bad process, or unwise change.

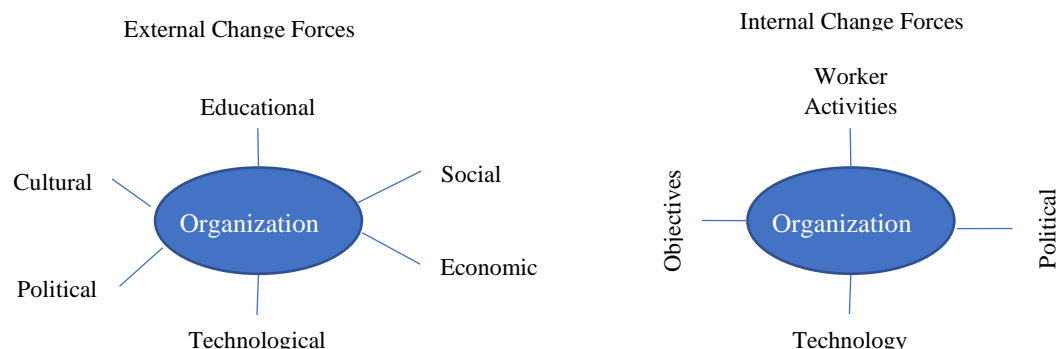
2.1.2 Organizational Change Measurement

There are two causes of Organizational Change, namely internal factors and external factors. Internal factors are changes caused by factors from within an organization. This change occurs due to internal conflicts / problems such as changes in goals, changes in the number of employees, decreased morale. Problems are

addressed through decision-making from organizational leaders, determining new policies to address existing problems [52].

Organizational Change is caused by factors from outside the organization, namely government regulations, economic conditions, competitors' actions [53]. These external changes will hinder the growth and development of the organization in realizing organizational goals. This factor can be overcome by means of cooperation between organizations [54]. Organizational Change has its own characteristics, the following are its characteristics [55]: (1) Types of change activities, (2) The process by which change and implementation are implemented, (3) Inertia, describing bottlenecks in the organization, (4) The time at which the change occurs and how long it lasts, (5) Depth to describe the extent of the Organizational Change, (6) The readiness of the organization undergoing change.

Figure 1. External and Internal Factors of Organizational Change[56]



The following is a breakdown of the success factors Organizational Change [57]: Gareth Morgan proposed Organization works through 8 metaphors [58], namely: Machines, Organisms, Brains, Cultures, Political systems, Psychic Prisons, Fluxes and transformations, and Instruments of domination to help approach change. Trompenaars and Hampden-Turner stated that understanding organizational culture requires careful collaboration between those within the organization because it is embedded with organizational culture, and someone external who sees based on assumptions.

There are several models in Organizational Change planning,[59] [60] some of which are Create Urgency: Changes can be made by communicating together with all elements of the company related to various aspects that occur in the company,

especially regarding the challenges experienced by the company in business competition or situations that are less favorable to the company.

Forming a Power full Guiding Coalition: The support and participation of people who have positions as leaders and strong influence among the company is needed as a change team or pioneer of change. This change team is then made into a strong coalition to drive the company's change process in a constant and sustainable manner.

Create a Vision: Vision is formed on various ideas and solutions to things to be achieved through change. Clarity facilitates the development of a complete change strategy that facilitates the implementation process.

Communicating the Vision: The vision of change needs to be communicated to all elements of the company because it is a series of steps that will determine the success of the change process. Effective vision will be seen when its abilities and strengths can be clearly reflected in the decision-making process and solving the problems faced.

Empowering other to Act on the Vision: All aspects that take place in the change process must be monitored and evaluated regularly. If obstacles are found in the implementation that interfere both in a technical sense and because of certain attitudes and behaviors of certain employees, leaders and change teams must have the courage to take appropriate action through corrections and adjustments as needed.

Planning for and Creating Short-term Wins: Quick wins Being a very strong source of energy to keep driving the process of change, therefore success in the change process must be raised to the surface so that it can be seen by all elements in the company. This success can be used as an effective suggestion to reduce those who still doubt Organizational Change. To achieve this, it is necessary to have a strategy that is carried out by choosing a success target from the change process that does not get too big criticism attacks and does not have too high a risk of failure exposure.

Consolidating Improvement and Producing Still More Change: If the change process still has room for further improvement, company leaders and change management teams must continue to do the best they can. Because declaring success in haste will undermine the spirit of change. **Institutionalizing a New Approach:** The process of change that has taken place must be linked in order to become an integral part of the overall

corporate culture i.e. all change activities must be reflected as corporate culture.

Thus, Organizational Change can be interpreted as a process of change that occurs inside or outside the organization, at the individual / group level that occurs gradually and continues with the aim of advancing and developing the organization. To measure Organizational Change can be used several indicators, such as: Creating Urgency, Forming Strong Guiding Coalitions, Creating a Vision, Communicating the Vision, Empowering Others to Act on the Vision, Planning and Creating Short-Term Wins, Consolidating Improvements and Generating More Change, Institutionalizing New Approaches.

2.2 Employee Engagement

Employee engagement was firstly built by a research group Gallup [61]. Employee engagement has been claimed to predict increased productivity in employees, profitability, employee retention, customer satisfaction and success for the organization [62], So that this topic has become a hot issue discussed among academics and professionals. Defining employee engagement is the extent to which the workforce is committed, both emotional and intellectual, which is relative in nature to complete work in accordance with the organization's mission and vision.

According to Gallup [63], employee engagement is the extent to which the workforce is committed, both emotional and intellectual, relative in nature to complete work in accordance with the organization's mission and vision. Measurement and feedback system to the owner of the company (employer) by identifying elements of employee attachment that are directly related to the "bottom line", namely: (1) Employee Retention, (2) Customer Loyalty, (3) Profitability, (4) Productivity, and (5) Safety. There are 3 types of employee attachment, namely: engaged, not engaged, actively disengaged.

Employee engagement is the extent to which employees are motivated both cognitively and emotionally and behaviorally to do work to achieve the mission and vision of the organization, which demands the role of a manager [64].

According to Gallup [61], measurement and feedback system to the owner of the company (employer) by identifying elements of employee attachment that are directly related to the "bottom line", namely: (1) Employee Retention, (2) Customer Loyalty, (3) Profitability, (4) Productivity, and (5) Safety. There are

3 types of employee attachment, namely: engaged, not engaged, actively disengaged.

How a manager bonds with employees, by paying attention to the values of motivation, performance, communication, teamwork, and creating a comfortable culture so that attachment arises both in terms of knowledge, emotional and behavior [71]. The concept of employee attachment can be seen from 3 (three) constructs, namely: (1) **Cognitive**, the parameter is: (a) Confidence possessed by employees towards the organization, (b) Confidence that employees have in their leaders (managers) at work, (c) Confidence that employees have in their work environment. (2) Emotional, using parameters, namely: (a) Positive negative feelings and attitudes that employees have towards the organization, (b) Positive negative feelings and attitudes that employees have towards their leaders (managers) at work, (c) Positive negative feelings and attitudes that employees have in their work environment. (3) **Value added in behavior**, i.e. voluntary constructs, is measured using the following parameters: (a) Employee interest as a voluntary effort given by employees to their work; (b) The employee's commitment to the success being worked on; and (c) The admiration and love of the employee in his work [65], [66],

Chartered Institute of Personnel and Development (CIPD) UK (2010) observes employee engagement from 3 dimensions, namely: (1) Emotional Engaged, Employees are emotionally attached to their work, namely: commitment to their organization, commitment to their leaders, and commitment to their work environment; (2) Cognitive Engaged, Employees really focus on their work because they know & understand their organization, know & understand their leaders, and understand & know their work environment; and (3) Physically Engaged, Employees have a strong will and passion to "give more" to the owner of the company (employer), that is: related to the work at hand, having a commitment to succeed in his job, and being amazed/loving his work

3. RESEARCH METHOD

Information on all manufacturing industries in Indonesia amounts to 29,127 active medium and large industrial companies. Industrial companies are said to be "medium" if they have a workforce of between 20 and 99 people. Industrial companies are categorized as "large" if they have a workforce of 100 or more people. Information on data surveyed 429 of Indonesia's.

We used a set of questionnaires to collect data from various sources, obtained from middle managers. Each manager is asked to fill out a questionnaire that assesses Learning Organization, and Organizational Change. In addition, demographic information about middle managers, including gender and educational background.

Grouping of manufacturing companies in Indonesia, including: food products (10); beverages (11); tobacco products (12); textiles (13); wearing apparels (14); leather and related products and footwear; (15) wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials, bamboo, rattan and the like (16); paper and paper products (17); Printing and reproduction of recorded media (16); coke and refined petroleum products (17); coke oven products (18); chemicals and chemical products (19); pharmaceuticals, medicinal chemical and botanical products (20); rubber and plastic products (21); other non-metallic mineral products (22); basic metals; fabricated metal products, excepts machinery and equipment; computers, electronic and optical product.

The results of the instrument validity and reliability test using the IBM-SPSS26 application, showed that Organizational Learning (Cronbach's Alpha 0,942); Organizational Change (Cronbach's Alpha 0,939); Kinerja Total Performance Scorecard (Cronbach's Alpha 0,929).

3.1 Steps

Respondents rated the measure on a likert scale of five points, namely: Strongly Disagree (1), Disagree (2), Hesitate (3), Agree (4) and Strongly Agree (5) referring to the study[67] Employee engagement measuring (using 3 items) by combining cognitive aspect, emotional aspect, and action aspect [68] [69].

Developing a Likert scale, referring to the study [40]. Measuring Organizational Change (using 3 items) by combining the **Organizational aspects** (Ability to create change management strategies, Ability to plan for change, Ability to design communication, and training programs to prepare employees for change, Ability to evaluate the results of the program of changes to the performance of the organization), **Individual aspects** (Ability of employees to develop themselves to face change, Ability of employees to participate in the change process, Ability to achieve good overall control over general organizational performance, organizations create incentive programs and reward employees in the process of change), **process change** (Ability of organizations

and employees to detect changes, Ability of organizations and employees to face changes, Ability of organizations and employees to implement changes, Ability of organizations and employees to communicate changes).

3.2 Data Analysis Strategy

Using the route analysis method, our hypothesis was tested and a bootstrap study was conducted to determine the significance of the indirect effect, using the Lisrel 8.8 application to measure the Structural Equation Modeling (SEM), mediation and moderated mediation. We performed significance tests for indirect effects using bias-corrected confidence intervals originating from 5,000 bootstrap samples.

4. RESULT AND DISCUSSION

4.1 Result

Based on the goals we want to achieve, the results of our research show the following: Latent variables Performance based on Total Performance Scorecard consists of 6 latent dimensions, namely: Focus on Customer Satisfaction, consistent Personal and Organizational Goals, Passion and Enjoyment, Ethics and Behavior Based on Facts, Process Orientation, and Focus on Improvement, Development and Continuous Learning.

Overall, the latent variable based on the Standardizes Loading Factor value, all indicators are above 0.7 or 0.50. This shows that all observed indicators of OrCh1 – OrCh12 can be incorporated into the model. Furthermore, we will see the reliability of the measurement model through the calculation of Construct Reliability (CR) and Average Variance Extracted (AVE). The results of CR and AVE calculations can be seen in the following table:

Table 1. Organizational Change Reliability test

Construct	Var	Std Loading	Error	Std Loading ²	CR	AVE
Organizational Change	Organizational aspects	0.87	0.23	0.76	0.96	0.88
	Individual Aspect	0.97	0.06	0.94		
	Change process	0.96	0.07	0.92		

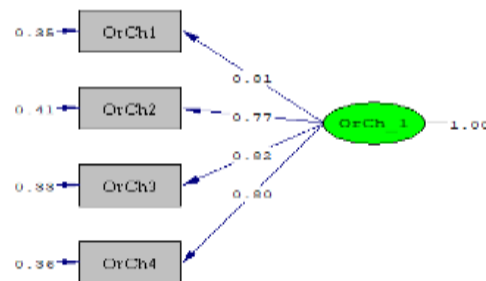
Source: Processing Results with LISREL 8.80 (2023)

The CR value of the three dimensions of the latent variable Organizational Change is greater than 0.7 which is 0.96 and the resulting AVE value is greater than 0.5 which is 0.88. This illustrates that all three latent dimensions of the Organizational Change variable have met the reliability requirements.

A variable is said to have good validity against its construct or latent variable, if the loading factor standardizes (SLF) ≥ 0.70 or ≥ 0.50 . Based on the values of standardizes factor loading all indicators the value is above 0.50. This suggests that all observed OrLe20 – OrLe22 indicators can be incorporated into the model.

a. Organizational aspects (OrCh_1)

The latent variable The organizational aspect (OrCh_1) consists of four observable variables, as seen in the figure below:



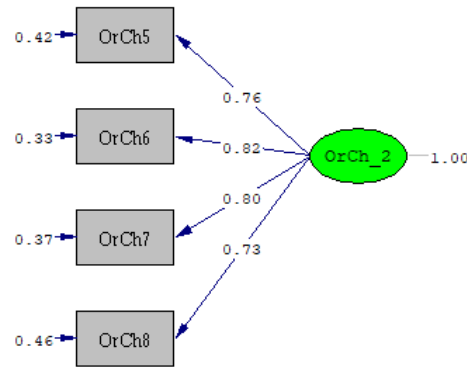
Source : Processing Results with LISREL 8.8

Figure 2. Standardized Solutions for Organizational aspects (OrCh_1)

A variable is said to have good validity against its construct or latent variable, if the loading factor standardizes (SLF) ≥ 0.70 or ≥ 0.50 . Based on the values of standardizes factor loading all indicators the value is above 0.50. This shows that all observed indicators of OrCh1 – OrCh4 can be incorporated into the model.

b. Individual aspects (OrCh_2)

The individual aspect (OrCh_2) consists of four observable variables, as seen in the figure below:



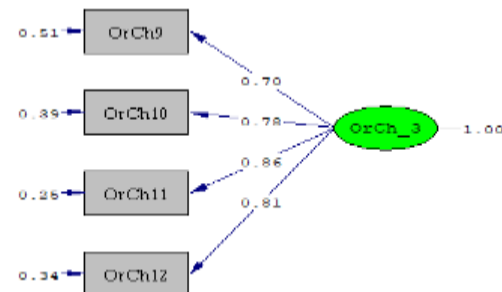
Source : Processing Results with LISREL 8.8

Figure 3. Standardized Solutions for Individual aspects (OrCh_2)

A variable is said to have good validity against its construct or latent variable, if the loading factor standardizes (SLF) ≥ 0.70 or ≥ 0.50 . Based on the values of standardizes factor loading all indicators the value is above 0.50. This suggests that all observed indicators of OrCh5 – OrCh8 can be incorporated into the model.

c. Change process (OrCh_3)

The latent variable People Orientation consists of four observable variables, as seen in the figure below:



Source : Processing Results with LISREL 8.8 (2023)

Figure 4. Standard Solution for Change Process (OrCh_3)

A variable is said to have good validity over its construct or latent variable, if the loading factor standardizes (SLF) ≥ 0.70 or ≥ 0.50 . Based on the values of standardizes factor loading all indicators the value is above 0.50. This suggests that all observed indicators of OrCh9 – OrCh12 can be incorporated into the model.

4.2 Test Results of Employee Attachment Measurement Model

Based on Table 2, it can be seen that three dimensions that build employee attachment to the manufacturing industry in Indonesia, show construct reliability = .839 with variance extracted value = 0.161. This means that the dimension that builds the quality of work life has a 'efficacy' of 83.9% with 76.1% of variance, the chance of being wrong is 0% with a confidence level of 95% ($p = .000$; $\alpha = .05$). Thus, employee attachment to SOEs in Indonesia affects all dimensions observed, and is tested meaningfully for suitability.

Table 2. Employee Engagement Reliability test

Construct	Var	Std Loading	Error	Std Loading ²	CR	AVE
Employee Engagement	Cognitive	0.74	0.44	0.55	0.83	0.76
	Emotional	0.87	0.23	0.76		
	Value and Behavior	0.57	0.67	0.32		

Source: Processing Results with LISREL 8.80 (2023)

4.3 Hypothesis Testing

In the results of data analysis using the Structural Equation Model (SEM) method and using the LISREL 8.80 application software processing tool, a summary of the model suitability index as in Table 3 was obtained.

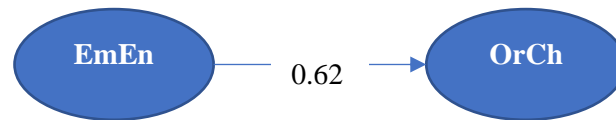
Table 3. Model Conformity Index

Goodness of fit index	Result	Critical Value	Model Evaluation
χ^2 (CMIN) Df = 5350	3998,169	Expected small	Marginal
Significance Probability	0,0000	$\geq 0,05$	Marginal
CMIN/DF	1,124	$\leq 2,00$	Good
RMSEA	0.0640	$\leq 0,08$	Good
Goodness of Fit Index (GFI)	0,89	$\geq 0,90$	Marginal
Normed Fit Index (NFI)	0,97	$\geq 0,90$	Good

Source: Processing Results with LISREL 8.80

By looking at table 3, the result of testing the model by paying attention to the value of 2χ , then a large value of χ^2 is obtained ($p = .000$; $\alpha = .05$). But because the ratio of CMIN to DF is still less than 2, it can be declared that the structural model formed is

acceptable (fit with the data). Other Goodness of Fit Statistics measures also show models that can still be used, where the RMSEA for structural models 0.064 is less than the critical value of 0.8 and the Normed Fit Index (NFI) model 0.97 is greater than the critical value (0.90). The GFI model falls into the marginal criteria.



Source: Model SEM is output LISREL 8.80 (2023)

Figure 5. Employee and Organizational Change Diagram Model

Note: EmEn = Employee Engagement; Or.Ch=Organizational Change

If it is related to the results of the Rieszescu & Tileaga [70] study which revealed that at every level, organizational managers must have the knowledge necessary to achieve continuous change to support staff through periods that have proven to be stressful for most employees. Different mindsets and different value systems will bring more success. In order to be successful in the globalization era, Organizational Change needs to be focused on the following: (1) Moving from the idea of competition to the idea of cooperation, serving the world; (2) Identification of consumer needs should be the main goal; (3) Recognize and invest in the overall profit of the organization; and (4) Recognize the position of the individual involved in and around his or her organizational structure [70]. Similarly, how a manager bonds with employees, by paying attention to the values of motivation, performance, communication, teamwork, and creating a comfortable culture so that attachment arises both in terms of knowledge, emotional and behavior [71]. The concept of employee attachment can be seen from 3 (three) constructs, namely: (1) **Cognitive**, the parameter is: (a) Confidence possessed by employees towards the organization, (b) Confidence that employees have in their leaders (managers) at work, (c) Confidence that employees have in their work environment. (2) **Emotional**, using parameters, namely: (a) Positive negative feelings and attitudes that employees have towards the organization, (b) Positive negative feelings and attitudes that employees have towards their leaders (managers) at work, (c) Positive negative feelings and attitudes that

employees have in their work environment [68] [69]. (3) **Value added in behavior**, i.e. voluntary constructs, is measured using the following parameters: (a) Employee interest as a voluntary effort given by employees to their work; (b) The employee's commitment to the success being worked on; and (c) The admiration and love of the employee in his work [65], [66].

4.4 Discussion

Organizational Change is rooted in a deliberate style of thinking or operation with adaptation to the organizational environment in order to improve the performance of the organization itself. This increase in performance is important so that the organization can develop, succeed and survive in an environment that is constantly undergoing changes [50], [72]

According to the degree of intentionality there are two types of changes in the organization: (1) Planned changes: Controlled changes from the current organizational system to the organizational system that has undergone changes; (2) Spontaneous change: A change that occurs without direction from the agent of change [73]

Characteristics of Organizational Change, include: (1) Types of change activities; (2) The process by which change and implementation; (3) Inertia, describing obstacles in the organization; (2) The time at which the change occurred and how long it lasted; (3) Depth to describe the extent of Organizational Change; (4) The readiness of the organization that is undergoing change.

There are two causes of Organizational Change, namely internal factors and external factors. Internal Factors are changes caused by factors from within an organization. This change occurs due to internal conflicts / problems such as changes in goals, changes in the number of employees, decreased morale. Problems are overcome through decision-making from organizational leaders, determining new policies to address existing problems. Organizational Change is caused by factors from outside the organization, namely government regulation, economic conditions, competitor actions. These external changes will hinder the growth and development of the organization in realizing the goals of the organization. This factor can be overcome by means of cooperation between organizations [53], [54].

The success factors of Organizational Change (Appelbaum, Profka, Depta, & Petrynski, 2018), refer to the success of the model in [58] planning Organizational Change, some of which are: Create

urgency, Forming a Powerful Guiding Coalition, create a vision, communication the vision; [60]. Empowering Other to Act on the Vision; Planning for and Creating Short-term Wins - Quick wins; Consolidating Improvement and Producing Still More Change; and Institutionalizing a New Approaches.

How a manager bonds with employees, by paying attention to the values of motivation, performance, communication, teamwork, and creating a comfortable culture so that attachment arises both in terms of knowledge, emotional and behavior [71]. The concept of employee attachment can be seen from 3 (three) constructs, namely: (1) **Cognitive**, the parameter is: (a) Confidence possessed by employees towards the organization, (b) Confidence that employees have in their leaders (managers) at work, (c) Confidence that employees have in their work environment. (2) **Emotional**, using parameters, namely: (a) Positive negative feelings and attitudes that employees have towards the organization, (b) Positive negative feelings and attitudes that employees have towards their leaders (managers) at work, (c) Positive negative feelings and attitudes that employees have in their work environment. (3) **Value added in behavior**, i.e. voluntary constructs, is measured using the following parameters: (a) Employee interest as a voluntary effort given by employees to their work; (b) The employee's commitment to the success being worked on; and (c) The admiration and love of the employee in his work[6], [65],

Thus, employee engagement has a positive and significant effect on Organizational Change. Examination of the effect of all indicators that construct employee engagement on Organizational Change turns out to be positive.

4.5 Limitations

This study presents a survey that examines the impact of employee engagement on Organizational Change. Recognizing this limitation, given the varied population aspects of organizations, individuals and processes of change that occur in Organizational Change, as well as the variable employee engagement, covering aspects of cognition, attitudes and aspects of action, the discussion is presented with reference to the appropriate literature to expand the relevance of the context of the findings.

5. CONCLUSION

Based on the research objectives, the results of hypothesis testing and previous discussions, the results of the study can be concluded

that employee engagement affects Organizational Change. This suggests that a significant positive increase in employee engagement will lead to increased Organizational Change. For theoretical development in the academic world, this research can be used as empirical evidence of the influence of employee engagement on Organizational Change as a study in organizational theory and organizational behavior theory and human resource management science. For the development of organizational theory, this study adds/complements the characteristics of existing theories, in order to empower organizational structure, organizational design, and organizational culture as components in building organizational theory. In order to build a theory of organizational behavior, this study adds / complements the characteristics of existing theories, in order to increase the role of individuals, groups, and organizational systems in increasing the output of human resources from an organization. For the scientific development of HR Management, adding / complementing the characteristics of existing HR science, in order to improve employee performance and organizational performance. For other interested researchers, it can be used as a reference for possible research on related topics.

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