

## ORGANISATIONAL CHANGE: GENERATIONAL DIFFERENCES IN REACTION AND COMMITMENT

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**Abstract.** Organizational acceptance of change and the willingness to embrace it is largely dependent on employees and their experiences – generations respond to change differently, especially when change is related to information technologies. The paper aims to explore how three major generations of employees – Baby Boomers, Xers and Millennials, react to change and how their commitment to change affect satisfaction and engagement. Data (N = 202) is collected through structured questionnaire and structural equation modelling technique is used for analysis. The results reveal what major differences between generations are in place. Recommendations for managing organisational change across the three generations are provided.

**Keywords:** change management, generations, reaction to change, human resource management, engagement, satisfaction.

**JEL Classification:** M12, M54.

### 1. Introduction

Nowadays workplaces are changing fast because environment and consequently nature of work and strategy are changing. Organizations across all sectors are implementing new technologies and work practices. Change is an integral part of working life and cannot be viewed as something that happens every now and then (Dawson, Andriopoulos 2014). Successfully managing workplace change is critical to organizational success and competitiveness, still many organizations experience change as a challenge (Rashid *et al.* 2004).

Change initiatives cannot succeed without support and enthusiasm of the employees (Seijts, Roberts 2011) since people are the most important as well as the most challenging factor in making change work (Rashid *et al.* 2004). Organizational acceptance of change and the willingness to embrace it is largely dependent on employees and their experiences. Understanding employees' reactions to change is the first step in dealing with it. Generations respond to change differently, especially when change is related to information technologies. Change management and organizational development as well as generational differences are popular topics in management research, still the phenomenon how different generations react to change needs more exploration. There is growing body of research on various aspects of change, practical guidelines on managing change (Dawson,

Andriopoulos 2014), specific types of change and its effects (Lattuch, Young 2011), however, empirical studies on how different generations understand, accept and embrace change are not common. Still ignoring differences between generations and their backgrounds may lead to conflicts in workplace, resistance to change and even the failure of the change initiatives.

The paper *aims* to explore how different generations reaction to change influence their commitment to change and how it affect satisfaction and engagement of employees involved in change related to introduction of new technologies. Case study research strategy is used and data is collected through structured questionnaire and by application of projective technique (word associations). Structural equation modeling technique is used for analysis.

The paper is structured as follows. Literature review starts with discussion about organisational change with focus on generational differences, followed by change readiness and commitment concepts, and the link to employee satisfaction and engagement during change initiatives. Empirical part describes methodology and presents data analysis and results using graphs and structural equation modelling technique. SPSS and Smart-PLS software is used for analysis. Paper ends with discussion and generation specific recommendations for change management in organisations.

## 2. Theory and hypothesis development

### 2.1. Organisational change

Change is inevitable yet difficult and, if past trends are any indication, the rate of change will only increase. Change is associated with solving problems of an organisation and it is described as a process which involves alterations or modifications to an organization's goals, technology or work tasks. Organizational change occurs when strategies, practices or structures of an organisation are transformed between two points in time (N. Shah, S. Shah 2010).

Managing the human part of the organisation may become the major challenge during organisational transformation since people are generally resistant to change (Rashid *et al.* 2004). When faced with change people generally evaluate the nature of change and how it can affect them personally (Self 2007). For some change may bring satisfaction, joy and advantages, while for others the change may be associated with stress, pain and disadvantages (Rashid *et al.* 2004). Lattuch and Young (2011) argue that younger employees might experience change differently compared to the elder colleagues. Whatever change is, small or large, it affects employees' attitudes differently because of differences in individual life experiences, personality traits and coping styles, motivation levels and needs, knowledge, attitudes and behavioural patterns (N. Shah, S. Shah 2010; Vakola 2014).

### 2.2. Multigenerational workforce

Today's workforce consists of three main generations working together – Baby Boomers born between 1946 and 1964; generation X born between 1965 and 1980; and generation Y, also called Millennials, born between 1981 and 2000. These different generations understand and accept change in different ways. Different environments that the generations have grown up have shaped their world views and how they experience and adapt to the change (Beaman 2012).

Baby Boomers seek job security and do not like problems (Tolbidze 2008). The reason might be that many Baby Boomers lost their jobs during the recessions of the '80s and '90s, which made them cautious of change. These employees may not resist the change but they may be less excited about it than younger generations (Buahene 2013).

Generation X employees first want to know the benefits of change and how it 'will work for them' (Beaman 2012), what they will gain by

adopting a new approach. Resistance occurs if they believe the change will hinder their ability to achieve results (Buahene 2013). Some authors consider Xers as strongly result focused and suggest that they should be involved in the planning process (Tolbidze 2008). For Gen Xers it is important see how performance can increase because of the change. Overall, they are quite adaptable to change.

Generation Y has grown up in a world, where change is constant and where technology changes very frequently and that made them adaptable to change (Bourne 2009). Millennials expect organizational change to occur quickly and frequently. Resistance may happen if the initiative is driven from the top or if they do not see the significance and impact of the change (Buahene 2013). They may be unwilling to comply with the code of conduct in workplace and have problems of building relationships with their supervisors (Kamau *et al.* 2014). Millennials highly value training (Macky *et al.* 2008) and in general have positive reaction to change.

Managing workforce with different generations is a challenge (Bourne 2009) since their reaction to change differ. Creating readiness, both at organisational and employee level, is the first step in change implementation process, which ensures that employees are more willing to support and adopt the change. Individual readiness to change is context dependent. Organisational processes must support the change initiatives. The assessment of organisational change readiness should incorporate analysis of individual as well as organisational level (Rusly *et al.* 2011).

*Change readiness* can be characterised as antecedent of support for the change initiative and occurs when employees "understand, believe and intend to change because of a perceived need" (Seijts, Roberts 2011). Change readiness is also defined as the cognitive evaluation made by the member that can lead to the member's support for or resistance to the change initiative (Armenakis *et al.* 1993). Next step is *commitment to change* which is defined as "a mindset that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative" (Herscovitch, Meyer 2002).

Individual's readiness is influenced by the employee trust in management and organisation's ability to change (Vakola 2014). If organisation is not ready for change, some employees may actively or passively resist the change (Kotter, Schlesinger 1979). There is a general view that people typically dislike change (Seijts, Roberts 2011),

however, most people dislike uncertainty that can arise from a lack of information regarding necessity aims, and how one will be impacted by the proposed change. The major role of management is to persuade employees that the proposed change is necessary and to clarify the process and expected results as well as the impact (Seijts, Roberts 2011). If organisation itself in all levels is not ready to change, it cannot expect the employees to be committed to change.

Kotter and Schlesinger (1979) offered several methods for creating change readiness among employees, such as education and communication, participation and involvement, and managerial support. Communication is important tool to reduce resistance, minimize uncertainty, and gain involvement and commitment as the change progresses. Managerial efforts to explain organisational goals clearly during the change process have a positive impact on employee attitudes and acceptance of change (P. S. Weber, J.E. Weber 2001). Supervisor relations are predictive factors of employee readiness for organisational change (N. Shah, S. Shah 2010). Employees will not engage willingly and be committed to in change initiatives when they are not confident about their abilities and lack knowledge (Vakola 2014) thus training is essential as well.

To summarise organisations' change readiness include clear understanding of goals, managerial support, proper communication and appropriate training to ensure that employees know what to do, have the knowledge and skills. If all this is provided employees should be committed to change. Commitment to change is a product of knowledge and employee abilities regarding change, information what is communicated about change, empowerment and rewards for participating in the change effort. The most important is employee understanding of the future – shared visions.

Generational differences are important to consider when understanding employees' reaction and commitment to change (Beaman 2012). However, some authors suggest that differences between generations are more context than age dependent and generations share similar concerns about change (Deal 2007). Macky *et al.* (2008) found evidence for different personality profiles and attitudes towards work across generations still the effect size was small, and they found little differences in work values. Similarly surveying Chinese people Yi and colleagues did not find extensive differences (Yi *et al.* 2010). Some authors suggest that characteristics of generations vary by region and economic condition (Kamau *et al.* 2014). Re-

actions to organizational change depend on both individual and situational factors (Xu *et al.* 2016), therefore it is important to understand to what extent generational factors are related to reaction and acceptance of change. Thus, the following hypotheses are developed:

- H1: Generations have different reactions to change.
- H2: Generations' commitment to change initiatives is different.
- H3: There is positive relationship between employee reaction to change and commitment to change.
- H4: Organizational readiness to change factors (aim clarity, communication, management support and knowledge) has positive impact on employee commitment to change.

### 2.3. Change, satisfaction and engagement

Job satisfaction and organizational commitment have been found to be the outcomes of general attitudes towards change, change acceptance and positive views about change (Wangerg, Banas 2000). Job satisfaction refers to "the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values" (Locke 1969). Gordon defined it as "employee's reaction to what he or she receives from the job" (Gordon 2011).

Employees who are accepting the change and committed to it might be expected to be more satisfied with their work during change process. Still several studies have demonstrated ambiguous relations between job satisfaction and readiness for change (Vakola 2014). Those employees who are not happy with their jobs might see an opportunity of improvement in the change whereas those who are very satisfied might be afraid of losing their position. Being satisfied with what is going on in the organisation appear to be related to acceptance of change (Seijts, Roberts 2011). Similarly, Vakola (2014) found that satisfied employees are more ready to embrace change.

Organizational commitment refers to the degree of loyalty shown by employees towards their organization, however nowadays organisations want their employees to be engaged not only committed.

Satisfaction and engagement are similar but still distinct constructs. Several researcher consider job satisfaction as part of, or component of engagement (Morgan 2015), however, others state that satisfaction is antecedent of engagement. Engagement is defined as "a positive, fulfilling, work

related state of mind” (Schaufeli *et al.* 2006). Robinson *et al.* (2004) define engagement as a “positive attitude towards the organisation and its values”. Rich *et al.* (2010) argue that engagement happens when “organisation members harness their full selves in active, complete work role performances by driving personal energy into physical, cognitive and emotional labours”. According to Saks (2006), “job engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work”.

Organizations are expected to create and maintain engaged workforce during organisational change. When changes are large in scope and substantial, it is natural to consider that they will influence employee engagement. If employees resist to change they will be less satisfied with work and that in turn may lead to lower engaged in the organisation. Low engagement fosters negativity in the workplace affecting productivity and customer service (Sylvester 2015). Moreover, employees, who are not highly engaged, will resist change and as a result, organization need longer time for expected benefits to be achieved. (Ernst & Young 2014). Very limited researches have been done about engagement during organizational change.

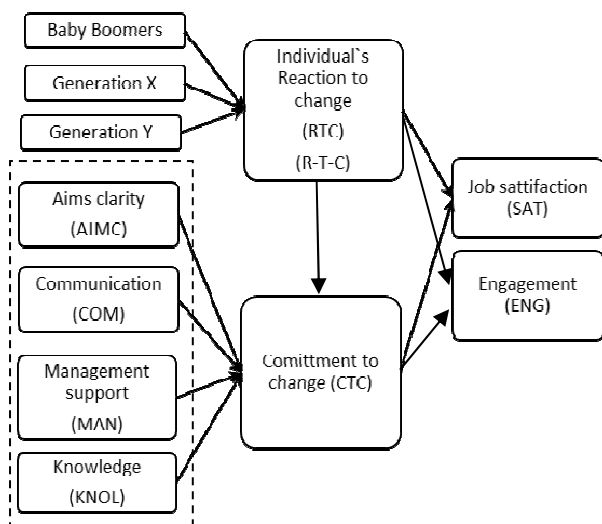


Fig. 1. Conceptual model (Source: author)

Figure 1 presents the conceptual model of the research. The following hypothesis is proposed:

H5: Satisfaction mediates the relationship between commitment to change and organizational engagement.

### 3. Methodology

Case study research strategy was chosen, as it was essential to have respondents who have the same or similar context – they actually are experiencing change process, moreover, change related to introduction of new information technologies. The research took place in two similar Latvian companies, which are undertaking change initiatives related to implementation of new technologies. Both companies are operating in logistics sector and introduced modernisation processes are similar. Both companies have employees from three major generations – Baby Boomers, generation X and generation Y. The survey was conducted electronically in 2015 and includes in total 202 respondents, 167 and 35 from each company. The questionnaire was initially developed in English and then translated into Latvian by two parallel translators and the results compare and discussed with psychologist in order to come up with the most appropriate translation. Since the aim of this research is related to generational differences in perception and acceptance of change, differences between the companies were not addressed in detail. Still it should be mentioned that t-test does not reveal any significant differences between both companies.

The survey instrument related to the model (see Fig. 1) including eight factors was developed. The model variables are the following: reaction to change, four factors related to organisations' change readiness (aim clarity, communication, management support and knowledge), commitment to change, leading to employee satisfaction and engagement with organisation. The survey instrument include eight constructs with 3 to 8 questions referring to each of them and two demographic type questions related to respondents' age and gender.

Methodological triangulation is used to measure individual's reaction to change (RTC). First, set of seven questions is designed based on Type O/Type D Questionnaire (Zamour 1998) allowing respondents' to evaluate their own perception of change. Examples of the scale questions are “Change is a normal and natural part of life” and “Change offers opportunities and challenges”. Second, projective technique (R-T-C Inventory based on word association) is used. Projective techniques can provide rich insights into people's beliefs, values, and personality since up to 95% of human thought is rooted into subconscious and these hidden experiences strongly shape decision-making process (Belk *et al.* 2013). Reaction-to-Change inventory (R-T-C) is proposed by De Meuse and MsDaris (1994) and could be related to

projective technique – word associations. The R-T-C Inventory consists of 30 randomly listed word associations that illustrate the ways that people react to change. Each word falls into one of three categories: words that conjure positive images of change (such as “fun” and “opportunity”), words that depict change negatively (such as “anxiety” and “upheaval”), and words that cast change in a neutral light (such as “different” and “transfer”). Participants are asked to tick the words that they most strongly associate with change. All positive words have a value of +10, for example “opportunity”, “rebirth”, “better”. All negative words have a value of –10, for example, “concern”, “disruption”, “death”. Neutral words, like, “modify”, “alter”, “transfer”, have a value of zero. Individual scores can range from a low of –100 (if a person circled only all 10 negative words) to +100 (if a person circled only all 10 positive words) allowing to place the individual in one of four groups. Scores above 40 indicate that respondent has strong support for change; individuals scoring between 40 and 30 has moderate support for change; respondents with scores between –10 to 10 are regarded as willing to comply with change; those who score between –20 to –30 has moderate resistance to change; and finally those who scored between – 40 and below has strong resistance to change (De Meuse, McDaris 1994).

Employee commitment to change scale (CTC) is developed based on (Herscovitch, Myer 2002) and initially included 8 items. Sample item reads, “I consider this change initiative is a good strategy for this organization”.

To evaluate organizations’ readiness to change, four scales are developed and as example, Melbbec Change Readiness Questionnaire is used. Aim clarity scale (AIMC) initially included five questions, as for example, “I completely understand how the new technology will change my daily work”. Communication scale (COM) has three questions and sample item reads, “We are frank and open in our communication and don’t shield people from hard news”. Management support scale (MAN) initially has five questions and “My manager consistently model new behaviors sought as part of a change initiative” is an example. Knowledge and training (KNOL) scale has four statement as example item reads “Training to work with the new programme was sufficient”.

Five items were developed to measure Job satisfaction (SAT) and a sample item is as follows “In general I like working here”. Engagement scale (ENG) had five statements and sample item reads, “I feel emotionally attached to this organization”.

All items were measured on 6 point Likert scale where 1 is “completely agree” and 6 is completely disagree”. Scale does not include neutral “neither agree nor disagree” answer as it is recommended in Latvia due to reason that there is high possibility to get many neutral answers from the respondents. Thus, scale average, or neutral answer is 3.5. All values below that point indicate that respondents sooner agree with the statement and values above 3.5 indicate that they do not agree.

#### 4. Findings and data analysis

The demographic characteristics of the respondents are the following: 65% of the respondents were females, and 35% males; 18% were Baby Boomers, 54% were representatives of generation X and 28% of generation Y. Data are analysed with the help of SPSS, SmartPLS and Excel software.

First, the results obtained from Reaction to Change Inventory (30 word associations) are analysed and presented in the Figure 2.

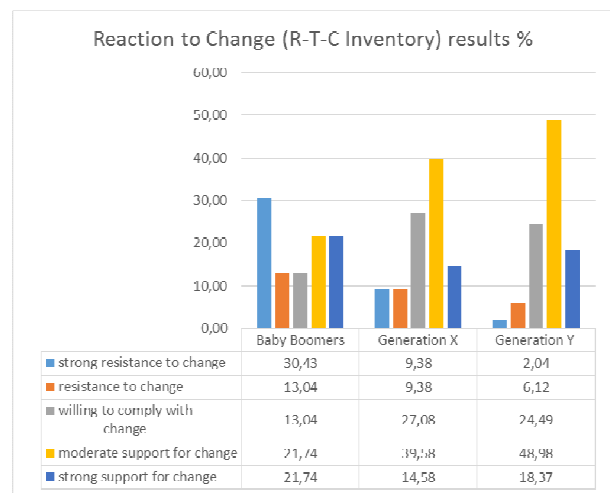


Fig. 2. Reaction to change (R-T-C Inventory) results per generation in % (Source: author)

Most frequently mentioned top two words for all three generations were the same “different” and “learn”. As third most frequently mentioned association for Baby Boomers and Generation X was “challenging”, but generation Y mentioned “improve”. Fourths most frequently mentioned word for Baby Boomers was “stress”, for Xers “new” and for Millennials “adjust”. As fifths association Baby Boomers mentioned “concern” and “improve”, Xers “opportunity” and “better”, Yers mentioned “grow”, “new” and “ambiguity” with the same score. Thus, this technique revealed that first two associations are the same across all three generations, however, for Baby Boomers more negative associations appear, like “stress” and “concern”.

The Chi-Square test of Independence is used to determine if there is a significant relationship between two nominal variables. Chi-square test indicated a statistically significant association between the reaction to change and generation,  $\chi^2 = 18.59$ ,  $p = .017$ . Cramer's V = 0.234,  $p = .017$  indicate small to moderate effect of generational cohort on reaction to change.

Similar result was obtained from the questionnaire (see Table 1).

Table 1. Reaction to change (RTC) and commitment to change (CTC) mean values and standard deviations (Source: author)

Generation	N	Reaction to change RTC		Commitment to change CTC	
		Mean	Std. Deviation	Mean	Std. Deviation
Baby Boomers	36	3.24	.912	2.97	.776
Generation X	110	2.80	.529	2.57	.569
Generation Y	56	2.52	.461	2.56	.671
Total	202	2.78	.615	2.62	.643

From mean values it can be conclude that generation Y exhibit strongest support for change, followed by generation X and Baby Boomers reaction to change is close to neutral.

There is a statistically significant difference between groups as determined by one-way ANOVA. Reaction to change scale (RTC)  $F = 12.18$ ,  $p = .000$  and Commitment to change scale (CTC)  $F = 4.169$ ,  $p = .017$  results indicate that generations react and are committed to change differently. Tukey post-hoc test revealed statistically significant differences between all three groups relating Reaction to change ( $p = .000$ ; .004 and .019) – generation Y respondents had more positive reaction to change average than generation X representatives followed by Baby Boomers. However, regarding scale Commitment to change Tukey post-hoc test revealed statistically significant differences between Baby Boomers and other generations ( $p = .018$  and .025), but found no statistically significant differences between generation X and generation Y ( $p = .989$ ).

For further data analysis variance based structural equation modelling (PLS-SEM) techniques was used to test the model and hypotheses. The particular technique was chosen because it implies the features of multiple regression and does not

assume normality of data distribution, can include larger number of indicators and several different scale types. It can be used with fewer number of indicator variables per construct (Hair *et al.* 2011). The statistical objective of PLS-SEM is to maximize the explained variance of endogenous latent constructs or dependent variables.

The model included two endogenous constructs – engagement (ENG) and satisfaction (SAT), and five exogenous constructs – individual's reaction to change (RTC) and organisational factors – aim clarity (AIMC); communication (COM), management support (MAN); knowledge and training (KNOL). Since constructs were measured with reflective type questions, to evaluate the model the following was examined: outer loadings (size and significance); composite reliability; average variance extracted (AVE) or convergent validity; discriminant validity (Hair *et al.* 2011). Model is designed with the help of Smart PLS software and algorithms calculated. Path coefficients and outer loadings of the model are presented in Figure 3.

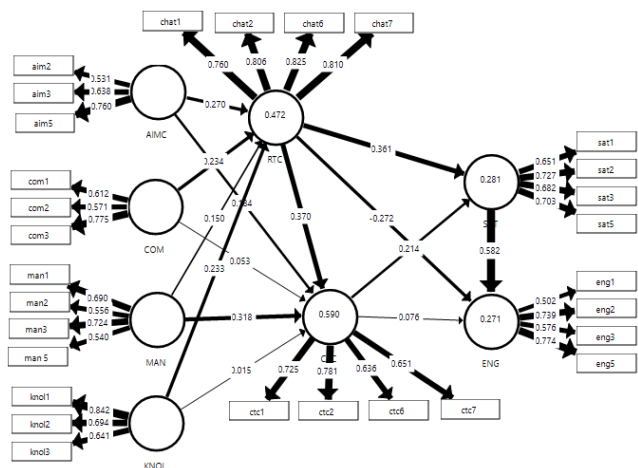


Fig. 3. Structural equation modelling result (Source: author)

*Outer model results.* The outer model shows how correctly each construct is measured or how each set of indicators are related to their latent variable. In exploratory research loadings around .6 are considered acceptable (Hair *et al.* 2011). However, the Figure 3 shows the model with already deleted items. Items aim1, man4, hat3, chat4, chat5, sat4, eng4, ctc4, ctc5 had loading .4, therefore, after examining the questions, it was decided to exclude them from the model. The remaining manifest variables exhibit acceptable outer loadings and are good measure of their latent variables.

Average communality or AVE (average variance extracted) examines Convergent Validity of the reflective constructs. It should be higher than 50%. In the model AVE scores are the following: AVE: SAT = .5; ENG = .44; RTC = .64; CTC = .5; AIMC = .42; COM = .43; MAN = .4; KNOL = .53. Majority of the score are above .5 and thus are acceptable, still some problems exist with ENG, COM and MAN.

Composite Reliability is an estimate of constructs' internal consistency and should be above threshold level .7. Composite reliability scores of the model are the following: SAT = .79; ENG = .75; RTC = .88; CTC = .79; AIMC = .7; COM = .7; MAN = .72; KNOL = .77. Composite reliability scores are above the minimums .7, thus indicating sufficient reliability.

Discriminant Validity represents the extent to which measures of a given construct differ from measure of other constructs in the same model. Heterotrait-Monotrait (HTMT) ratio of correlations is used to measure discriminant validity (Hair *et al.* 2011). HTMT is a ratio of the within construct correlations to the between construct correlations. All HTMT values should be lower than .9 for conceptually more similar constructs such as satisfaction and intentions to stay. The HTMT values are in below .9 except some values in organisational readiness for change constructs are higher. Since these construct relate to the same aspect, the validity can be considers as acceptable. Besides Bias Corrected confidence intervals showed that neither the high nor the low confidence intervals includes a value of one. Bootstrapping procurer is used to determine statistical significance. All loadings appeared to be statistically significant.

*The inner model results.* The primary evaluation criteria for SEM are R<sup>2</sup> results. R<sup>2</sup> values .75, .50 and .25 for endogenous latent variables indicate substantial, moderate or weak predicting capacity (Hair *et al.* 2011). As seen from Figure 3, Tables 2 and 3, CTC R<sup>2</sup> = .59; RTC R<sup>2</sup> = .47, thus the model has above moderate predicting capacity relating reaction to change and commitment to change. Model predicting capacity relating satisfaction and engagement is weak.

All the relationships between the latent variables (except two not significant relationships) are positive. Thus for each of relationships an increase of the value of an independent latent variable is associated with the increase in value of dependent latent variable.

The highest statistically significant path coefficients are SAT-ENG (.58); MAN-CTC (.32); RTC-CTC (.37) as seen in the Tables 2 and 3.

Table 2. Inner model results (Source: author)

	CTC		RTC	
	Path coefficient	P value	Path coefficient	P value
R <sup>2</sup>	0,59		0,47	
AIMC	0.184	0.001	0.270	0.000
COM	0.053	0.292	0.234	0.001
KNOL	0.015	0.856	0.233	0.008
MAN	<b>0.318</b>	0.000	0.150	0.042
RTC	<b>0.370</b>	0.000		

Table 3. Inner model results (Source: author)

	ENG		SAT	
	Path coefficient	P value	Path coefficient	P value
R <sup>2</sup>	0,27		0,28	
CTC	0.076	0.42	0.214	0.009
RTC	-0.272		0.361	0.000
SAT	<b>0.582</b>	0.000		

The individual paths coefficients of the PLS structural model are interpreted as standardised beta coefficients of OLS regressions (Hair *et al.* 2011). Data analysis reveals strong relationship between satisfaction and engagement. Only four factors out of six related to commitment to change (CTC) included in the model appeared to have significant relationship. Reaction to change (RTC), management support (MAN) and aim clarity (AIMC) were found the most affecting factors.

*Multi-group analysis.* Multi-group analysis allows comparing parameters such as path coefficients between two or more groups when the groups are known. Since the aim of this research is to reveal differences between generations, multi-group analysis is performed between three generation groups. The question to be answered is “which factors are most important determinants of commitment to change, satisfaction and engagement?”

As seen from the Table 4 statistically significant highest path coefficients for Baby Boomers are SAT → ENG (.94); RTC → SAT (.76) and RTC → CTC (.50) and AIMC → RTC (.64). For generation X statistically significant highest path coefficients are SAT → ENG (.43); RTC → SAT (.34); COM → RTC (.27) and AIMC → CTC (.22). Generation Y exhibit significant relationships SAT → ENG (.59); MAN → CTC (.40); CTC → SAT (.57) and AIMC → CTC (.27).

Table 4. Multi-group analysis path coefficients (Source: author)

	Path coefficients		
	Baby Boomers	Generation X	Generation Y
AIMC → CTC	0.234	<b>0.219*</b>	<b>0.274*</b>
AIMC → RTC	<b>0.643**</b>	0.194*	0.168
COM → CTC	<b>0.330*</b>	0.113	0.069
COM → RTC	0.080	<b>0.271*</b>	0.021
CTC → ENG	-0.273	0.131	0.058
CTC → SAT	-0.209	0.172	<b>0.574**</b>
KNOL → CTC	0.225	-0.105	0.039
KNOL → RTC	0.083	0.213	<b>0.344*</b>
MAN → CTC	-0.280	0.382**	<b>0.405*</b>
MAN → RTC	0.120	0.204*	0.253
RTC → CTC	<b>0.500*</b>	0.304*	0.270*
RTC → ENG	-0.373	-0.163	0.040
RTC → SAT	<b>0.764*</b>	<b>0.358*</b>	0.123
SAT → ENG	<b>0.941**</b>	<b>0.430**</b>	<b>0.592**</b>

\*\* significant at the 0.01 level; \* significant at the 0.05 level.

PLS-SEM technique is especially useful to evaluate direct effect, indirect effect and total effect. When indirect effect is significant, there is mediation. In order to understand the relationship between commitment to change (CTC) and engagement (ENG) path coefficients for total effect are used. Direct path coefficient is .076 and statistically insignificant; however, total effect of CTC on ENG is .20 and statistically significant. Thus, we can conclude that satisfaction partly mediates the relationship between ENG and CTC.

## 5. Discussion

The aim of this paper was to explore how different are generations' reaction to change and how it influence their commitment to change and how organizational readiness for change affect individuals' commitment to change, satisfaction and engagement of employees involved in change related to introduction of new technologies.

It was hypothesized that *Generations have different reactions to change (H1)*. Results gained using projective technique as well as self-assessment questions provide support for this hypothesis since statistically significant differences were found between all three generational cohorts. Moreover, resistance to change was found to be characteristic to 43.5% of Baby Boomers, 18.7% of Yers and only 8.2% of Millennials. Support of change was characteristic to 68.4% of generation X

representatives, 54.2% of generation Y representatives and only 43.5% of Baby Boomers. Chi-square test indicated small to moderate effect of generation on reaction to change. These findings are in line with Buahene (2013) who noted that Bay Boomer generation employees might not resist the change but they may be less excited about it than younger generations and Bourne (2009) who wrote that Generation Y is adaptable to change and consider it as a norm.

The second hypothesis, *Generations commitment to change initiatives is different (H2)*, is only partly supported. The model shows good predicting capacity – 59% of commitment to change can be explained by the included constructs. It was found that Baby Boomers' commitment to change is close to neutral and statistically different from other two generations. However, there were no statistically significant differences between generation X and Y. These generations were more committed to change than Baby Boomers. This might be explained also with the nature of the change since Baby Boomers easily may become frustrated and resisting when new technologies come in place while Xers and Millennials easily adapt (Beaman 2012).

The study confirmed the third hypothesis – *There is positive relationship between employee reaction to change and commitment to change (H3)*, since path coefficient indicate strong positive relationship between reaction to change and commitment to change RTC → CTC sample average .37,  $p = .000$ . Multi-group analysis revealed that for Baby Boomers this association is stronger (path coefficient .50) than for other two generations (path coefficients .30 and .27). This result may signify that for Baby Boomers positive personal reaction to change is more to engage them in change initiatives and create commitment important than it is for other generations.

Hypothesis number four – Organizational readiness to change factors (aim clarity, communication, management support and knowledge) has positive impact on employee commitment to change (H4) is also supported only partly. The results appeared to be different in generation groups as revealed multi-group analysis. From organizational factors, the strongest average association with commitment to change was found to be management support (MAN → CTC = .32), however, multi-group analysis showed differences in generation groups. For Baby Boomers management support appeared to be insignificant and even with negative path coefficient, but for Xers and Yers it was significant with high path coefficients



(.38 and .41). The second factor appeared to be aim clarity (AIMC average path coefficient .18). Still for Baby Boomers, this factor showed non-significant relationship. Moreover, Communication factor (COM) showed non-significant average path coefficient, however for Baby Boomers it appeared to be the most important factor related to commitment to change (COM path coefficient .33,  $p = .017$ ). Interestingly that Knowledge (KNOL) and training showed non-significant path coefficient to commitment to change for all generation groups. This result contradicts with Vacola (2014) who concluded that employees would not engage in change initiatives when they are not confident about their abilities.

The implications for change management in organisations from these findings indicate that Baby Boomers need different attitude than other two generations. Since Communication is the most important factor for them, it is important to talk to them and find the right way to explain and engage. As suggested by Beaman (2012), verbal communication and communication by e-mail and telephone are preferred by Baby Boomers. When dealing with generations X and Y managers should provide support and ensure that the aims are explained and understood clearly.

The fifth hypothesis was *Satisfaction mediates the relationship between commitment to change and organizational engagement (H5)*. Commitment to change appeared to have non-significant relationship to engagement (path coefficient .076,  $p = .42$ ), however, strong and significant relationship to satisfaction (path coefficient .216,  $p = .009$ ). Still path coefficients for total effect are .20 and statistically significant ( $p = .000$ ). Thus, we can conclude that satisfaction partly mediates the relationship between engagement (ENG) and commitment to change (CTC). The results are similar for all three generations.

## 6. Conclusion

This research examined the three generations' reaction to change and commitment to organisational change initiatives and revealed which constructs of organisational change readiness have strongest associations with commitment to change for different generational cohorts. It highlighted the mediating role of satisfaction in relationship between commitment to change and organizational engagement. From this study, it is possible to enhance our understanding on how or what generation respond to organizational change initiatives related to implementation of new technologies.

The study has demonstrated that differences in how three generations, Baby Boomers, generation X and Millennials, react to change exist. The strength of the present research is the methodological triangulation – reaction to change was measured with self-reflection questions and projective technique (word associations). The same result was obtained with both methods.

However, this study has certain limitations. It was focused on only one type of change where differences between Baby Boomers and other two generations might be more expected – implementation of new technologies. However, it was done deliberately. Further research related to other type of changes might be fruitful direction for further research. Moreover, only four factors were included as indicators for organizational readiness for change. Future research would benefit from examining more factors as this might reveal more generation specific differences.

Some questions were omitted from analysis due to validity requirements of the model. If similar research is done in future, larger number of initial items should be included and some changes in statement wording introduced in order to ensure model validity.

The findings of this study have potential implications to managers and HR consultants on the need to find appropriate change management style consistent with the attitudes and needs of different generations present in workplace.

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