

FACTORS LEADING TO ATTITUDE TOWARDS CHANGE: A PREDICTOR OF INDIVIDUAL RISK TAKING BEHAVIOR

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ABSTRACT

The present paper contributes to the limited literature on individual reactions to change by evaluating the relationship between expectancy perception, justice perception and individual attitude to change. I draw from the existing literature on organizational change, affect and emotion, and decision making to predict risk-taking behavior of an individual in the context of organizational change.

ORGANIZATIONAL CHANGE

The ability to manage change is crucial to the success or even survival of any business. It has been noted that the literature has mostly focused on organizational reactions to change rather than individual reactions [9]. There is growing need to address organizational change at the employee level to help organizations adapt better [26]. Organizational change may trigger numerous different reactions in an employee. This may range from feeling threatened, insecure or fearful to optimism about the opportunity to learn and grow. These attitudes may be generated by a number of different factors such as information, participation, self-efficacy [26] and can lead to different behaviors. These behaviors can be either detrimental or supportive of the change effort. The success of an organizational change effort can easily be dictated by these behaviors. It is therefore important for organizations to understand these behaviors and the reasons behind them. When an organization is attempting to implement change it requires its employees to change their way of thinking or way of doing things. Both these actions would entail some amount of uncertainty in their final outcome by virtue of the fact that a certain course of action has not been adopted before, leading to certain amount of risk. This would suggest that individuals more inclined towards risk seeking behavior of this form could aid the change process by being more open to adopting new ways.

EXPECTANCY PERCEPTION

According to expectancy theory [25] an individual will choose the course of action that creates maximum value when expectancy and utility are multiplied. Research on expectancy theory has established that value of reward and expectancy combine to influence effort ([14]. There are several factors that may work towards motivating an individual either extrinsically (personal, group or organizational gain) or intrinsically (power, satisfaction) to support the change efforts, which result in high expectancy value judgment. On the other hand, strategic change that is implemented in a manner, which creates a lot of insecurity and low expectancy value, may result in individuals becoming cynical and unsupportive.

Proposition 1a Positive expectancy perception of the change effort will lead to increased affective commitment towards change by an individual.

Proposition 1b Negative expectancy perception of the change effort will lead to increased cynicism towards change by an individual.

Justice perception

Organizational change involves changes in procedures and policies and as a result has a direct impact on the fairness perception [2]. Employee's perception of procedural justice about the planning of change

will directly impact their perception of obligation towards the organization, trust in management and even intent to leave the organization [13]. Based on these findings, I propose that justice perception about the change process will have a direct impact over the attitude an individual has towards the change process.

Proposition 2a Positive justice perception of the change effort will lead to increased affective commitment towards change by an individual.

Proposition 2b Negative justice perception of the change effort will lead to increased cynicism towards change by an individual.

Affective commitment to change

Affective commitment to change builds in an individual through his/her involvement in the change process and the extent to which one is able to see value in and identify with the change process (Herscovitch et al., 2002). Affective commitment to change can be understood as the inclination to support the change effort due to its intrinsic benefits. Affective commitment of change also reflects a positive or pleasant outlook of the future, which in turn can generate pleasant affect. This leads to my next hypothesis,

Proposition 3a: Affective commitment to change has a positive influence on pleasant affect in an individual

Cynicism to change

[21]. Cynicism to change signals a genuine loss of faith in the ones leading the change and may be result of the past experience with failed change efforts [21]. Cynicism to change was associated reduced commitment, satisfaction and motivation, which can all be associated with unpleasant affect. Which leads one to believe that cynicism to change will lead to negative affect in an individual. Thus,

Proposition 3b: Cynicism towards change has a positive influence on unpleasant affect in an individual

Decision-making and affect

According to Russell et al. [22] core affect refers to the very basic consciously available feelings, which may not be necessarily aimed at anything such as pleasure or displeasure. For the purpose of this study I define risk seeking as following a new course of action (one that has not been tried before), which will make the success of the desired outcome uncertain. Risk-averse behavior on the other hand is defined as following a course of action, which has been followed in the past, thus making the outcome of the decision less uncertain. The conceptual model developed by Seo, Barrett & Bartunek suggests that core affective experience affects judgment through its impact on *expectancy judgment* and *utility judgment* [23]. They also predicted the effect of these judgments on the direction i.e. “generative-defensive” behavioral orientation of the decision. Based on expectancy theory, they argue that there are two judgments involved in making a choice i.e. *Expectancy judgment* about certain actions leading to desired outcomes and *utility judgment* about the attractiveness of the outcomes. According to expectancy theory [25] an individual will choose the course of action that creates maximum value when expectancy and utility are multiplied. Existing literature suggests that affect has a considerable impact on both expectancy and utility judgments [6].

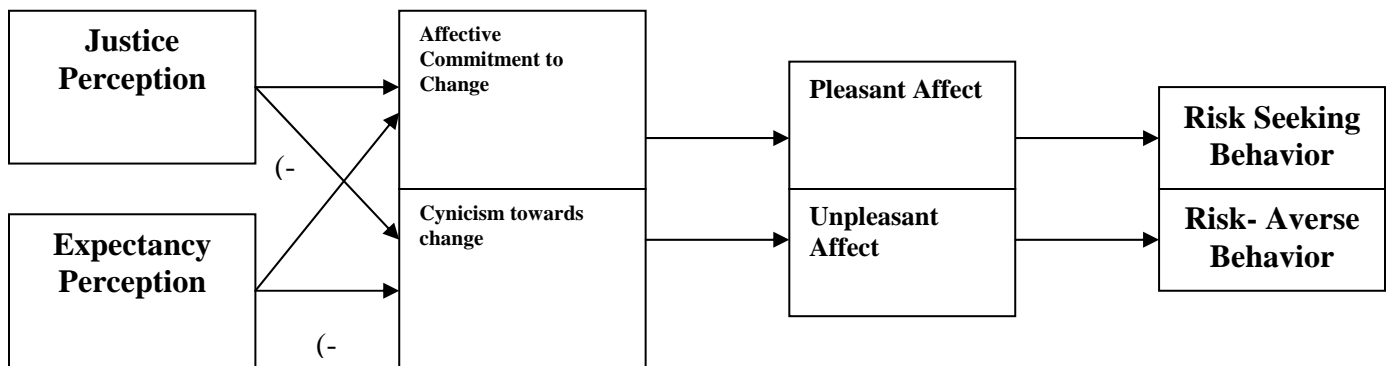
According to Seo et al [23] the valence aspect of affect will affect the direction of outcome into generative or defensive orientations. This finding suggests that individuals in pleasant affective state will display a more generative orientation because of their greater focus on positive outcomes and higher expectancy and utility judgment of those outcomes. However, individuals in an unpleasant affective state, because of their greater focus on negative outcomes and negative expectancy and utility judgment will display a more defensive orientation.

Proposition 4a: Positive affect will have a positive relationship with risk seeking behavior
Proposition 4b: Negative affect will have a positive relationship with risk-averse behavior

Discussion

The relationship of affect leading to attitude has been studied to a large extent. However, in the present study I propose a relationship where the attitude of an individual is hypothesized to lead to affect. I would like to address the reasons for taking this approach. Firstly, most of the studies looking at the relationship where affect leads to attitude, treat affect as a given. In the present study I attempt to explain how affect may be generated. Secondly, that change generates a lot of emotion, which is driven by the attitude of an individual towards change. According to expectancy-value model's conceptualization of attitude "evaluative meaning arises spontaneously and inevitably as we form beliefs about the object" [1]. These beliefs influence an individual's attitude without conscious effort. As a result, attitudes may be generated automatically. Further, expectancy-value model of attitude assumes evaluative judgments are a result of cognitive processes [1]. However, another position suggests that both affective and cognitive components may influence attitude. Additionally, importance of affect as a predictor of attitude increases with experience [1]. In the present context, change process in the organization being a relatively new experience will lead an individual to access cognitive components, which may then lead to attitude.

Figure 1 Conceptualized model of attitude towards change and its impact on risk taking behavior



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