Analysis of Intrinsic Motivation Influence on Employee Affective Commitment During Digital Change

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Abstract: Technological, economic and other innovation-related advances of the 21st century have influenced the old, traditional business models. Presently, organizational change has become an integral part of corporate strategy for the majority of businesses. Such shifts have resulted in both new challenges and opportunities. The expansion of the use of information and communication technologies has driven fundamental shifts towards digital change. Organizations are being forced to revise processes, goals and overall mission in order to stay competitive in the marketplace. However, the implementation of digital transformation brings uncertainty, causes stress and raises concerns about future jobs. The study employs a literature review to fill the gap in understanding the relationship between employee intrinsic motivation and affective commitment during the transformation. A conceptual model proposes the antecedents of employee motivation (Organizational Citizenship Behavior and Leader Member Exchange) and investigates its impact on employee commitment to change. The utilized model elucidates how to maintain employee intrinsic motivation and affective commitment in the context of organizational transformation and sets the ground for future research.

Keywords: Affective Commitment, Digital Change, Employee Self-Esteem, Intrinsic Motivation, Leader Member Exchange, Organizational Citizenship Behavior.

1. Introduction

During the last two decades the business landscape has expeditiously transmuted. Rapid advancements in technological innovations, globalization, pandemics and other socio-political factors influenced the way organizations work. The increased usage of information and communication technologies has made fundamental shifts in organizational practices (Schwab, 2015; Burton-Jones, 2020). Accordingly, traditional business models have become inefficient for meeting new challenges. In order to keep pace with changes and remain competitive, organizations follow modifications and adjust internal processes, values and employee mindset in accordance with new norms and requirements (Seeger, 2005; Johansson, 2008; Horner, 1997). These types of changes have developed into an inevitable subject of interest for scientists and businesses struggling with different disruptions. The effects of digital change on business development have become an important issue for various studies and managerial decisions in previous years (Porras, 1991; Heide, 2008). Scholars are exploring the potential impacts of change on different levels of organization, and businesses are analyzing the results of other previously integrated digitization processes to adjust their next steps and strategies accordingly. Fitzgerald (2013) defined digital transformation as “the process of using digital technologies to create new – or modify existing- business processes, culture, and customer experiences to meet changing business and market requirements” (p.16). In early times such processes only concerned IT department workers, those who were software and hardware
related employees, but nowadays digital change influences all business functions and is embedded into daily routines of organizations (Westerman, 2014; Verhoef, 2019). For this reason, an adoption of digital change grew into a strong differentiator between the most successful enterprises and the rest.

Nevertheless, the implementation of technological transformation is a challenging mission. Over 60 per cent of enterprises failed to achieve organizational change due to improper integration (Woywode, 2008; Sellnow, 2005). The openness of employees to change plays an important role in the process of change, as it affects the attitudes and behaviors of all persons at the individual, team and strategic levels. This type of transformation introduces new jobs, practices, causes stress and raises concerns about employee performance. An efficacious transformational plan requires low resistance and full participation of all middle level managers and other employees. Past research has identified that successful organizational change is achieved through effective leadership and positive employee commitment (ibid.).

2. Previous Research

2.1. Review Research

Although the concept of digital change is new to academic research, a significant amount of studies has been conducted to explain the emergency and future trend. An early article on digital transformation, by Cartwright et al., (2003), discusses the impact of new information technologies on business strategy. The authors described the drivers of new information technologies that change the traditional processes of the value chain. Furthermore, a number of other research investigated the effect of digital transformation on individual, collective and corporate levels of an organization. Taking a central approach from an employee perspective, McAfee (2014); Autor & Acemoglu (2011) examined the impact of digital technology on job requirements and employee responses to technological change. These studies focused on the need for employee development and organizational resilience to various types of changes. Moreover, Davis (1989) and Orlikowski (1992) looked for the influence of technology on workplaces. Along with all, Cashman (1976), Lazarus (1984), Evans (1986), Burns & Bass (1988), Avolio (1990), Barbuto (1990) and Tellegen (1999) have applied different theories such as job characteristics, expectancy and LMX (leader member exchange) theories to predict the relationship between employee motivation and organizational commitment.

Employee motivation and commitment are the main factors influencing the success of any organization (Meyer et al., 2007; Rahim et al., 2018; Nizam, 2015; Aziz Jalloh et al., 2016; Pancasila et al., 2020). Significant number of studies have been conducted to identify the causes that impact motivation and investigate the link between individual motivation and commitment. Bytyqi (2020) analyzed the relationship and showed that motivation at the workplace has a positive influence on employee commitment. The regression analysis illustrated motivation having a 36 per cent effect on commitment among employees.

Leadership is an important driver of organizational change and a key indicator of strong transformation along with communication and corporate culture (Gill, 2002). Among all other leadership styles, transformational leadership is best suited for complex innovations. A transformational leader prepares followers for change, communicates the vision, encourages and motivates them towards the accomplishments (Sellnow, 2005). This type of leader listens to followers, supports with help and provides a smooth shift for a new stage. Positive relationships create a huge value and competitiveness for an organization. Stewart (2007) defined the Leader Member Exchange (LMX) as “emotional support and exchange of valued resources between the leader and members" (p.532). Besides leadership, another influential factor of successful change is motivation and commitment of individuals (Beck, 2008; Choi, 2011). Positive employee reactions reduce stress and resistance to change, influencing organizational performance.

2.2. The Role of Leadership During Transformation

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2.3. Research Objectives

The current research objective is to suggest a model which identifies antecedents of employee intrinsic motivation (e.g. employee self-esteem, organizational citizenship behavior, leader member exchange) and together with change management and leader member exchange (in the future LMX) theories to analyze its influence on employee change commitment. The paper aims to establish the relationship between intrinsic motivation and affective commitment. The following research questions will be considered and explored during the course of the study to ensure a full understanding of the potential relationship between variables.

The main focus of the present research is on how employee affective commitment is influenced by intrinsic motivation during digital change. Consequently, sub questions are analyzing the effects of antecedents: employee self-esteem, OCB and LMX on employee intrinsic motivation. Based on this, the present research hypothesizes that employee intrinsic motivation has a significant impact on organizational change commitment; antecedents have a positive relationship with intrinsic motivation to deal with different types of challenges during the technological disruptions and transformation.

3. Future Research

The present paper utilizes literature review to provide an understanding of potential relationships between variables. The model concluded from the current research can be replicable to further the exploration of the issue of employee intrinsic motivation and affective commitment in different types of organizations and sectors. The concepts of change, individual intrinsic motivation and affective employee commitment are ingrained issues in private, public and other types of institutions. The findings serve to provide another perspective to both academic and business realms, that are studying motivation and commitment during the transformation. Consulting and training companies can apply the results in practice, at organizational contexts, especially during the stage of digitization initiation and implementation. Moreover, the study could be a fundamental base for the organizations planning to implement digital transformation.

4. Literature Review

4.1. Organizational Change- Digital Transformation

Fast-expanding disruptions of the 21st century have shifted the competitive positioning of organizations within the market (Handfield, 2017; Oke, 2019). Factors such as technological innovation, financial crises and global pandemics have resulted in both new challenges and opportunities for businesses. All these changes bring unpredictability within the organizations and drive them to adjust the organizational policies, procedures, values and mindsets of employees (Seeger,2005; Johansson, 2008). During such disruptions, effective change management is fundamental in handling modifications and maintaining competitive market position. Murthy (2007) defined Change Management as “managing the process of implementing major changes in information technology, business processes, organizational structures and job assignments to reduce the risks and costs of change and optimize its benefits” (p.22). Therefore, efficacious organizational change needs effective leadership, transparent communication, employee “openness to change”, and trust between leader and follower.

Organizational change has been examined on both micro and macro levels. Macro level refers to shifts within the physical working environments, including in leadership and in corporate culture of organizations (Brown 1997; Judge et al, 1999; Fugate, 2011). Micro level alterations are attributed to individual level, such as the worker’s ability to deal with the potential change, this can be influenced by persons’ personality traits, perceptions and commitment (Alfes et al, 2019; Neves, 2018; Wanberg, 2000; Judge, 1999). Human Resource
Management plays a pivotal role on both levels as if utilized it can become the driving force of transformation (Anderson, 2010). Bringing employees on individual, group and managerial levels on cooperative terms with the processes of change. According to Beck (2008) and Choi (2011) employee perceptions and their positive reactions are important factors in achieving the desired outcomes, thus, employee intrinsic motivation and their affective commitment are the cornerstones for influential change management.

4.2. Employee Commitment

Research on employee commitment during organizational change has been of interest to scholars and practitioners for the past four decades (Mathieu, 1990; Meyer, 1991). Commitment is associated with a sense of enthusiasm that drives employees to high performance and better results. Allen (1996) defined employee commitment “as a psychological link between employee and his or her organization that makes it less likely that individuals will voluntarily leave the organization” (p.252). Employee commitment consists of three components: affective, normative, and continuance (Allen & Meyer, 1990; Mathieu & Zajac, 1990).

Affective commitment (AC) refers to the desire to stay within an organization by demonstrating cooperation and loyalty (Allen & Meyer, 1990). Meyer, Stanley, Herscovitch & Topolnytsky (2002) defined normative commitment (NC) as a feeling of responsibility to remain with an organization. The continuance commitment (CC) is related to an understanding of employees about the existence of certain financial risks if they switch to another place (Natali, 1990; Mathieu, 1990). The affective commitment will have a positive impact on the change processes, while continuance commitment will influence organizational performance negatively (Herscovitch, 2002; Gellatly, Meyer, Luchak, 2006).

The literature exploring the commitment to organizational change states that work experience, job satisfaction, motivation, as well as team level social-bonds are important contributors to commitment (Sinclair et al, 2005; Meyer & Allen, 1991). Employees with clear responsibility, freedom of action, harmony in the team and the support of the leader feel job satisfaction and, therefore, are fully committed to their work. Shared values, beliefs, and corporate culture also play an important role in people's positive commitment (Schein, 1996; Kotter, 2008).

Employee commitment during organizational change is central. Recent advances in smart technology have changed job characteristics and heightened employee fears about future jobs and occupations (Vukšić, 2018; Westerman, 2014). According to Shin et al (2015), How leaders deliver information motivates their followers, prepares them for change, influences their commitment to change. Positive attitudes towards change during the initialization phase are to remain consistent (Meyer, Topolnytsky, 2010; Cady, 2001, Seo, 2012). In the context of organizational change, dedicated employees with affective commitment support change, put in more effort, and participate in the implementation of the plan (ibid.). Therefore, the current study aims to explore the factors that generate employee intrinsic motivation resulting in positive affective commitment [7].

4.3. Employee Intrinsic Motivation

Motivation within the organizational context has been studied as a component to organizational change, job performance, commitment and overall organizational wellbeing. Motivation is affected by internal and external factors, which tend to change based on individual and environmental differences. Significant amount of research has been conducted to interrelate motivation with the results of individual and organizational performance during the change (Kanfer, 2017; Herzberg, 2017). Specifically, the literature illustrates the existence of studies investigating the relationship between employee motivation with job satisfaction, task performance, employee commitment, work-family conflict and stress (Wigfield, 2006; Atkinson, 1964). Galetta (2013) defined motivation as internal energy and willingness to drive things forward to achieve the expected outcome. Therefore, highly motivated employees are target oriented, productive and committed individuals.

Psychological and business literature suggests that there are two types of employee motivation based on individual expectations related to achievement, reward systems, and task execution: extrinsic and intrinsic (McClelland, 1985; Maslow, 1987). Intrinsic motivation comes from a person's inner desire to work and create something for the organization. Internal promotions, new responsibilities, flexible working hours, emotional connections, and a degree of autonomy are examples of intrinsic motivation. On the contrary, people are
motivated to receive external incentives such as awards, prizes and bonuses (Ushioda, 2013; Locke, 1991; Elliot, 2005). Although these two factors can motivate employees, they can have different effects on personal opinion about tasks and the level of their performance (Jungert, 2018).

Due to the differences between intrinsic (self-motivation) and extrinsic (external regulations) elements, in order to explore what type of motivation is either displayed or required at any specific time period, Self-Determination Theory (SDT) could be employed. By considering the driving factor for individuals in the context of transformational change, SDT provides another perspective to motivation (Deci and Ryan, 2000). Deci and Ryan, (1985) first introduced SDT to define and differentiate the main motives (e.g. competence, autonomy and relatedness), that influence human behavior at a workplace. According to the authors, SDT supports the notion “work environment entails conditions that direct and energize employee behavior. It focuses on indicating the motives and conditions encouraging individuals to behave in a certain way within organization” (Deci and Ryan, 2000, p.68; 2012, p.416). This includes the psychological needs of the employees such as need for relatedness, need for autonomy, need for competence that are the constituents of self-motivation during the transformational change.

Employee motivation is not a constant phenomenon and is responsive to internal and external factors (Herzberg, 2017; Amabile, 1993). Technological disruptions, organizational restructuring, work characteristics, job security, new process requirements affect people’s motivation. Digital transformation replaces old procedures, introduces new technology-driven practices, and influences employee behavior. The key to successful change is recognizing individual responses and motivating them throughout the implementation process (Herzberg, 2017). Taking into account that digital transformation is accomplished effectively when employees are internally motivated and satisfied with the process and the benefits obtained at the end (ibid.). The current research paper attempts to investigate the effects of intrinsic motivation on affective commitment of employees.

Intrinsically motivated employees are committed to goals and achieve better organizational outcomes. Recent studies have attempted to establish a relationship between motivation and job performance. To predict the positive or negative state of employee motivation, many authors have identified antecedents (Woo, 2013; Miller, 1992; Perry, 2008). They argued that employee self-esteem, organizational citizenship behavior (OCB) and LMX directly affect workplace motivation.

4.4. Organizational Citizenship Behavior

OCB is one of the most extensively researched issues in organizational behavior during the last recent years (Podsakoff et al., 1993; Emmerik et al., 2005; Zeuars et al., 2000’ Lievens and Anseel, 2004). Organizational Citizenship Behavior (OCB) describes all types of positive and supportive employee attitudes that are not part of their official responsibilities, as a matter of someone’s own choice. Behavior is done voluntarily to help and assist individuals, co-workers, team members and enterprise as a whole (Organ, 1993, 1988; Podsakoff, McKenzie, 1997). These types of efforts are not rewarded, but increase effectiveness of the organization. Organ (1988) classified OCB into 5 categories (five dimensions’ framework): altruism, courtesy, sportsmanship, conscientiousness and civic virtue.

OCB reduces stress, creates a supportive environment, improves interactions among co-workers, motivates people and influences their job performance. Previous literature illustrates the positive relationship between OCB and employee outcomes (Smith, 1983; Graham, 1991; Morrison, 1994; Dyne, 1994). Binnewiess et al (2009) discussed the positive impact of individual drive and willingness to help others (OCB) on the performance of common tasks. In addition, Karambayya (1989), Podsakoff & McKenzie (1994) searched for the main influences of OCB on teamwork and organizational unit levels. The authors found the positive relationship between all five OCB elements, employee and organizational performance.

Digital transformation brings uncertainty, ambiguity about job characteristics, and new technological challenges in the workplace. For this reason, employees might feel stressed and become helpless in front of up-to-date standards and requirements. The role of collaborative, helpful, caring and sincere teammates is essential to motivate employees and increase their ability to deal with change. OCB provides free access to resources, information, community and allows participants to collectively use limited assets to achieve efficiency. These
extra-role behaviors of colleagues and supervisors creates harmony within the team, inspires individuals, builds trust and boosts self-confidence to adapt to new realities (requirements, practices at workplace).

Intrinsically motivated employees tend to support the process, put in more effort and stick to corporate digital change strategy (Blumberg, Pringle, 1992; Pangastuti, Kristanti, 2021). A sense of fulfillment based on people's help and support allows followers to do more than is expected of them and influence both employees and organizational results. The author suggests that OCB will have a positive impact on employee motivation and therefore commitment to change during digital transformation.

4.5. Leader Member Exchange (LMX)

Leader Member Exchange theory describes the relationship between managers and individuals (Uhl-Bien, 1995; Liden, 1997; Graen, 1980; Scandura, 1987). Leaders treat their followers differently and their behaviors depend on how much influence, autonomy, and benefits they receive from their superiors. Positive relationships create a huge value and competitiveness for an organization. Stewart (2007) defined the Leader Member Exchange (LMX) as “an emotional support and exchange of valued resources between the leader and members” (p.532). Employees, possessing a strong exchange base with their leaders, have access to information, continuous feedback, technical support, guidance and encouragement (Sparrowe & Liden, 1997; Wayne et al., 1997). Leader-follower relationships play an important role in determining organizational outcomes. As strong manager-subordinate interactions add value into the work process, boost motivation and develop employee commitment (Wayne, 1997; Le Blanc, 2006).

Personal traits, behaviors of a leader and follower are the main antecedents of LMX. High quality LMX is associated with positive work attitudes (OCB), satisfaction, motivation, commitment and performance. Therefore, followers with positive LMX are more engaged and show a more positive attitude than those with poor quality LMX. The leader-follower relationships are very influential during times of change as well and are expected to influence employee and organizational performance (Le Blanc, 2006).

According to Harden et al (2020), social exchange factors influence the behavior and adaptation of employees. More precisely, the leader-member exchange supports the individual’s ability to deal with change, reduces the negative impact of transformation and its influences on motivation, commitment, trust, OCB and employee turnover (Harris, 2009; Eisenberger, 2001, Aryee, 2002, Gerstner, 1997; Liu, 2020). High quality LMX is described with best levels of trust, respect and support between leaders and followers (Cummings, 1989; Caldwell, 2004; Maslyn,1998). Employees with good relationships with their managers, communicate frequently and receive up-to-date information which improves confidence, reduces stress and manages the change process (Thomas and Lankau, 2009; Van Dyne et al.,2002). Overall, LMX will positively impact employee intrinsic motivation, their ability to deal with change, and affective commitment. (Harden, Ford, Pattie, Lanier, 2020).

Figure 1.1 depicts the relationship between employee intrinsic motivation and employee affective commitment to achieve the efficient implementation of digital transformation and change management within the organizations. Two key factors affecting the degree of motivation towards the digitalization have been identified as OCB and LMX. LMX set the foundation for efficient change management and is a composite of available knowledge, past experiences and a clear communication. LMX has identified in the literature review motivates the employees through strengthened relationships between the leadership and the employees which turns into commitment to long term change management strategies and digital transformation processes. OCB
builds upon the motivation through improved team dynamics, improved understanding of norms and empathy within the company context.

4.6. Research Limitations

Given the importance of the impact of digital transformation on employees, further research is needed to explore the social context. Organizations are trying to achieve effective digital strategy integration at the cost of little resistance to change. Employees with a transformed mindset will be more engaged and will show positive results. Assuming that transformation will be a long-term process, future research is needed to explore the impact of employee satisfaction and motivation on employee performance once digital integration is completed.

4.7. Other Recommendations

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5. Conclusion

Digital change requires the participation of all employees at the individual, team and managerial levels. Intrinsic Motivation is an influential factor pushing leaders and subordinates to achieve the desired organizational outcomes. The leader’s motivation influences the followers’ motivation during the times of change. Strong LMX opens up opportunities for efficient use of resources, communication and information sharing. Thus, positive relationships between leaders and members build trust and make employees believe in good results of change, ensure team harmony, encourage employees, inspire them to engage in organizational citizenship behavior and lead to increased productivity. When employees envision that digital change can bring advantage and prosperity for the organization, they become a better team member and work towards one and common goal (OCB). Consequently, antecedents of motivation (OCB and LMX) have a direct relationship with individual motivation, influencing employee commitment during the change.

6. References


