



## The Impact of Organizational Change on Organizational Commitment and The Mediation Effect of Job Security, Trust and Justice in Pharmaceutical Industry in Indonesia

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### Abstract

This research aims to determine the impact of organizational change on organizational commitment and the mediating effect of Job Security, Trust and Justice in pharmaceutical industry in Indonesia. Research was conducted among employees from four (4) different pharmaceutical companies in Jakarta, Indonesia. The sampling technique is based on probability sampling and data collection method used in this research was using questionnaire with total sampel obtained was 108. The research design used is descriptive quantitative research. The data analysis technique uses structural equation modeling-partial least square. The result showed that organizational change has insignificant direct positive impact on organizational commitment, Job Security does not mediate the impact of organizational change to organizational commitment, organizational change has indirect significant impact on organizational commitment through mediator variables Trust and Justice. Trust and Justice fully mediate the effect of organizational change to organizational commitment. Based on the result of the study, it was suggested that pharmaceutical companies to put more emphasis on trust & justice and achieve higher level of trust and justice during organizational change process to increase employee's commitment.

### Keywords

organizational commitment, organizational change, job security, trust, organizational justice

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## INTRODUCTION

Change is a continuous process of updating structure, direction, adjusting capabilities to be able to adapt to world developments and to respond to dynamic market needs. Organizations that want to grow and maintain long-term sustainability must always change continuously, even organizations that have a dominant market share today must change according to the changing environment (Robbins et al., 2017). In addition, organizations that want to be successful cannot avoid the phenomenon of mergers and innovation (Aujla & Mclarney, 2020).

Likewise with the pharmaceutical industry. companies have experienced significant changes, especially in business models, in the last few decades. The current pharmaceutical company business is transitioning towards a leaner organization. Large pharmaceutical companies must also collaborate with other organizations to be able to effectively develop new drugs in a more economical way and ensure that the products and services provided have an impact on the interests of patients. Consolidation between companies in the pharmaceutical industry also often occurs with various considerations such as the spread of product and business portfolios in the pharmaceutical industry, drug patents that are almost expiring and also to overcome the decreasing productivity of drug research and development.

Indonesia has the largest pharmaceutical market share in the ASEAN region, with a market value estimated at nearly IDR 141.6 billion in 2021 (Sutrisno, 2021). Pharmaceutical industry growth in Indonesia is estimated to reach 12-13% per year with a value of 84 trillion rupiah.

In January 2014 the Indonesian government carried out a transformation of the health system in the Republic of Indonesia by implementing the National Health Insurance (JKN) program. The JKN program aims to provide guaranteed benefits for health care and financial protection for its participants. Through the National Health Insurance (JKN) program organized by the Social Security Administering Agency (BPJS), the government regulates drug prices so that they are within the reach of people's purchasing power. This is a challenge for the pharmaceutical industry because the government has set BPJS drug prices at much cheaper prices. Not to mention the implementation of the TKDN (Domestic Component Level) policy in the pharmaceutical and medical device sector where the government requires the use of domestic products with certain TKDN content values (Alkes, 2020) as well as government regulations regarding halal product guarantees.

The various dynamics and changes that occur in the pharmaceutical industry globally and nationally mean that pharmaceutical companies must quickly adapt to these changes so they can remain competitive. Environmental factors and internal disturbances such as increasing global competition and economic recession encourage radical changes in organizations including changes in operating strategies, structural changes, downsizing or consolidation so that

organizations are more efficient and more flexible (Cummings et al., 2015). Changes that occur in the organizational environment include downsizing, mergers, acquisitions, changes in leadership, and other forms of workforce reorganization with or without layoffs (Kansal & Chandani, 2014; Cummings et al., 2015).

The topic of organizational change and how to create mechanisms that encourage a smooth organizational change process has received a lot of attention from researchers since several decades ago because changes in organizations have a huge impact on the success and growth of the organization but also have implications for the perceptions, attitudes and behavior of individuals within that organization. In fact, the success rate of most change programs launched by organizations is poor, with a failure rate of 70 percent (Balogun et al., 2016: 1).

The background of this research refers to the changes that have occurred in the pharmaceutical industry in Indonesia which include changes in structure and changes in strategy (downsizing, mergers, acquisitions, changes in organizational structure, changes in employee responsibilities and duties, changes in leadership, and forms of workforce reorganization and how this can affect the level of employee commitment to the organization where they work or also known as organizational commitment. Many studies state that organizational change can have an impact on organizational commitment (Probst, 2003; Kalyal, 2009; Imberman et al, 2017).

Organizational changes often give rise to emotional responses, which can make employees feel uncertainty, worry about losing their job, changes in duties, increased workload, and changes in work relationships. These feelings can influence employees' perceptions of the organization and their level of commitment (Swanson & Power, 2001; Probst, 2003). Decision makers in the organizational environment cannot ignore these human factors because in the end it is the employees who will carry out these strategic decisions.

Employees' trust in management is an important aspect so that employees can accept decisions regarding organizational change and provide support in the organizational change process. Employees who have the perception that top management is competent and honest with employees will be able to accept decisions and support change initiatives even though the situation may be uncertain. Conversely, if employees do not believe that top management is competent and honest with employees, they are likely to withdraw from the organization or respond in other destructive ways.

Previous research also states that organizational changes that are carried out well and transparent can increase employee commitment to the organization because employees feel valued and involved in the change process. However, other studies conducted show that perceptions of fairness are a critical factor influencing employee commitment to the organization.

Changes that are seen as fair or employees' perception that the organization treats them fairly are positively related to affective commitment (Colquitt et al., 2001).

Organizational commitment is related to organizational citizenship behavior (Meyer & Herscovitch, 2001). Organizational commitment is related to important things such as productivity, work performance, work attendance (Meyer & Herscovitch, 2001; Luthans, 2011; Mugizi, 2016). Organizational change requires support and cooperation from all members of the organization within it to be able to successfully and successfully implement these changes. Employees who have a strong commitment will mobilize their efforts and abilities to achieve the goals and interests of the organization and also reflect an attitude of loyalty towards the organization. The success of the organization in the future is very important. determined by organizational commitment, so it is important to study further what factors influence organizational commitment in the context of organizational change so that this information can help decision makers in the organizational environment make the right strategy in overcoming the change process.

Many studies have been conducted to explain what factors influence employee commitment, however literature or research that studies the factors that influence organizational commitment in the context of organizational change is still limited and existing literature reveals that this area requires further attention. Therefore, this research intends to fill this gap and provide practical implications regarding the factors that influence organizational commitment in the context of organizational change, especially in the pharmaceutical industry in Indonesia.

Based on the explanation above, this study aimed at examining the impact of organizational change on organizational commitment and whether job security, trust and justice can mediate the impact of organizational change on organizational commitment in the pharmaceutical industry in Indonesia.

## LITERATURE REVIEW

### Organizational change

Organizational change is defined as the process by which organizations move from their current state to some desired future state to increase their effectiveness (Aninkan, 2018). Organizational change involves planned modifications to various aspects of an organization, including strategy, structure, processes, culture, and systems, to adapt to internal or external pressures and improve overall performance (Cummings et al., 2015). Organizational change is also defined as the process of making appropriate responses to various employee, customer and market demands by reinvigorating the structure, direction and capabilities of the organization (Moran & Brightman, 2000). According to him, change is triggered by internal and environmental disturbances, requiring organizations to make radical changes. Transformational change involves

reshaping organizational strategy and organizational design so that it can influence culture and performance.

In his very influential book entitled "Leading Change", Kotter identified that there are 8 types of organizational change (Kotter, 2012):

1. Structural change (structural driven): Change that involves changing the organizational structure, such as redesigning departments, changing reporting relationships, or implementing new systems and processes. This aims to improve efficiency, coordination and overall effectiveness
2. Crisis-driven change: Change that occurs in response to a significant crisis or urgent situation that threatens the survival or stability of the organization. It often requires immediate action to resolve the crisis and stabilize the organization
3. Mergers and acquisitions: Changes that occur when organizations merge or when one organization acquires another. It involves integrating culture, systems, processes, and people to achieve synergy and create a unified entity
4. Downsizing (downsizing & rightsizing): Changes that involve reducing the size of the organization through layoffs, restructuring, or eliminating certain functions or operations. This is often driven by cost-cutting measures or the need to realign resources.
5. Cultural change: Change that focuses on modifying shared values, norms and behavior in the organization. It aims to foster a new organizational culture that is aligned with the desired vision, strategy and goals.
6. Process-oriented change: Change that involves re-engineering or redesigning key business processes to improve efficiency, quality and customer satisfaction. This often requires streamlining workflows, eliminating unnecessary steps, and implementing new technologies.
7. Strategic change: Changes that occur to realign the organization's strategic direction and goals. This may involve entering new markets, diversifying product lines, or shifting overall business strategy to adapt to changing market conditions or opportunities.

### Organizational Commitment

Organizational commitment is defined as the strong desire of organizational members to stay in the organizational environment, use their abilities to achieve organizational goals and accept the values and goals of the organization (Luthans, 2011). Organizational commitment is an attitude that shows members' loyalty to the organization and participation in achieving organizational success and prosperity.

Organizational commitment has many dimensions so that Allen & Meyer (1990) proposed a three-component model ("A Three-Component Model of Commitment") during the 1990s. This concept states that there are three models of commitment, namely: (i) Affective commitment (a

person's emotional attachment to the organization), or defined as the desire to stay in the organization; (ii) Continuance commitment (realizing the costs involved in leaving their organization), or defined as the obligation to stay; (iii) Normative commitment (feeling the need to stay with their organization), defined as feeling as if someone has to stay.

Organizational commitment has implications for organizational behavior, for example lower employee turnover rates, reducing absenteeism from work, improving performance and improving employee behavior or known as Organizational Citizenship Behavior (OCB). Employees who have strong affective commitment will exert effort and ability to achieve organizational goals and interests and even be willing to provide more effort for the organization (Meyer & Herscovitch, 2001; Luthans, 2011) and organizational commitment is also related to important things such as productivity, work performance, attendance at work (Mugizi et al., 2016)

Affective commitment is formed when an individual feels that he is involved or he is given the opportunity to participate in an action that has value relevance for the organization, while continuity commitment is formed when an individual feels that he has made an investment in the organization and perceives that he will lose what he has invested in the organization if leaving the company while normative commitment develops based on their psychological contract/beliefs about what they are entitled to and the contributions expected from them.

### **The Relationship between Organizational Change and Organizational Commitment**

Several theories explain the factors that influence the relationship between organizational change and organizational commitment this term:

#### **1. Social Exchange Theory**

This theory was states that employees form social exchange relationships with their organizations based on the expectation that they will receive valuable resources such as job security, pay or wages, gain recognition in return for their contributions to the organization. Based on this theory if employees judge that the organization does not fulfill its obligations when organizational changes occur, this will damage their commitment. Conversely, if employees feel that the organization fulfills its obligations, employee commitment will be maintained (Blau, 1964).

#### **2. Psychological Contract Theory**

This theory states that employees form a psychological contract with their organization based on their beliefs about what they are entitled to and the contributions that are expected from them. According to this theory, if employees feel that the organization has violated their psychological contract during restructuring (for example by breaking promises about job security), this can undermine their commitment. Conversely, if employees feel that the

organization has fulfilled its obligations, this can help maintain their commitment (Montes et al., 2013). The psychological contract is an employee's perception of a reciprocal relationship with the organization. The results of the agreement that the company will provide to employees, and the contributions that employees make to the organization. So the term psychological contract is an unwritten contract that is two-way from both the employee and the organization. According to psychological contract theory, if employees feel that the organization has violated their psychological contract during restructuring (for example by breaking promises about job security), this can damage their commitment. Conversely, if employees feel that the organization has fulfilled its obligations, this can help maintain their commitment. (Montes et al., 2013).

### **3. Social Identity Theory**

This theory was originally formulated by Henri Tajfel and John Turner in the 1970s and the 1980s, states that employees derive part of their sense of self from their identification with their organization. According to this theory, if employees feel that their organizational identity is threatened during restructuring (for example, if they feel their jobs are being devalued or eliminated), this can undermine their commitment. Conversely, if employees feel that their organizational identity is supported and strengthened, this can help maintain their commitment (Afshari et al., 2020).

From the above, we can derive the following Hypothesis 1 (H1) : Organization change negatively impact on organizational commitment

### **Job Security**

Organizational change could be a source of stress for employees which can be attributed to a number of factors such as new skill requirements after organizational change, threats to economic security and a real or perceived decline in social status. As individuals become established in their daily work, they develop the skills necessary to meet the requirements of that job (Schabracq et al., 2003). This makes them feel in control, which is disturbed by the initiation of organizational change. The higher the requirements for adaptation associated with change, the higher the stress. Employees who face such stressful situations will be characterized by fear and uncertainty that make them unable to accept change wholeheartedly. Uncertainty in the organizational environment can cause perceptions of job Job insecurity refers to the level of uncertainty a person feels regarding the sustainability of his or her job or career (Hui & Lee, 2000). Experiences of job insecurity generally arise when an organization is under competitive pressure to make changes such as restructuring (Probst, 2003). Fear of job loss may stem from the notion that major restructuring efforts generally result in layoffs in the interest of improving economic performance (Beer & Nohria, 2000). Other researchers have also supported these findings and indicated that organizational change can causes uncertainty and anxiety among

employees (Contreras & Gonzalez, 2021). This may be true if there are few job opportunities, where according to research the level of employee job insecurity depends on the opportunities available in the labor market. Khele and Van Hooft believe that it is not only the fear of losing one's job but also the fear of losing aspects of job features for individuals experiencing changes in the workplace environment (Klehe & van Hooft, 2018). Hypothesis 2 (H2) : Job security positively mediates the effect of organizational change on organizational commitment.

### Trust

Organizational trust is a very important topic because of its benefits to employees and the organization. Trust is a positive feeling of trust and hope that other people will not act opportunistically through their actions, decisions, and words (Robbins & Judge 2017). According to Colquitt et al., trust is defined as the willingness of a party to be open or easily open to the actions of another party because of the hope that the other party will carry out certain actions that are important to the person giving the trust (Colquitt et al., 2022) . During periods of organizational change where insecurity is very likely to occur, trust in management plays a very important role in alleviating employees' feelings of insecurity and worry. Judge and Piccol also suggest that organizational leaders must build relationships of trust so that their followers can face changes in the work environment (Judge & Piccol, 2004). Changes in organizational commitment can be influenced by the level of employee satisfaction with top management performance during the downsizing period. If employees do not believe that top management is competent and honest with employees, they are likely to withdraw from the organization or respond in other destructive ways. Hypothesis 3 (H3) : Trust positively mediates the effect of organizational change on organizational commitment.

### Justice

The term justice usually connotes truth. In organizational science research, justice is considered to be a social construct, meaning that an action is considered fair if most individuals perceive it that way (Colquitt et al., 2001). Literature on organizational justice (Robbins & Judge, 2017) states that regarding the types of perceptions of justice, the organizational justice model is as follows:

1. Distributive justice, namely the perception of justice regarding outcomes
2. Procedural justice, namely the perception of fairness regarding the process carried out to determine the outcome
3. Informational & interpersonal justice, namely the extent to which employees are given honest and open explanations for decisions taken and the extent to which employees are treated with respect.

Cynicism or lack of trust in management and efforts to make changes as well as the belief that the layoff process was not carried out fairly are the most emotionally damaging because the credibility of the organization is damaged in the eyes of employees. If employees cannot directly influence the organizational restructuring process, they must view it as fair so that they can have confidence in the outcomes that will occur as a result of the change.

Positive reactions to changes within an organization are likelier when employees view organizational procedures as fair. Implementing and overseeing the initial stages of change with careful consideration and fairness is crucial. The perception of fairness early on can shape how subsequent events are interpreted, acting as a reference point influencing future endeavors. Therefore, providing fair interpersonal treatment, such as being respectful, empathetic, and honest, alongside informative communication that is timely, accurate, and meaningful regarding the change initiative, is likely to foster a sense of fairness and enhance employees' long-term commitment to the organization (Imberman et al., 2017). Hypothesis 4 (H4) : Justice positively mediates the effect of organizational change on organizational commitment.

## RESEARCH METHODS

A total of 4 (four) companies operating in the pharmaceutical sector in Jakarta are the objects of this research, the subjects of this research are employees who were still working in these companies when the research was conducted.

The sampling technique used in this research is probability sampling technique, which is a sampling technique where each member of the population has the same opportunity (probability) to be sampled (Suliyanto, 2018). The type of probability sampling used is structural random sampling, namely a sampling technique one by one based on a sample frame using certain regular intervals in the sample frame.

The data collection method used in this research was a questionnaire distributed to employees from the four (4) companies above with total population of 473, 108 samples were gathered and used for further analysis. The questionnaire is equipped with instructions for filling in and a rating scale consisting of 5 (five) scales using a Likert scale and the data obtained was analyzed descriptively and statistically using SPSS 26 program and structural equation modeling-partial least square WarpPLS 8.0.

## RESULTS AND DISCUSSION

This research was carried out by distributing research questionnaires to the target respondents defined above and 108 samples were gathered and used for further analysis. The characteristics of the respondents studied were identified based on the respondent's gender, age and years of service. The gender of respondents is almost equal between women and men,

namely 51% of respondents are women and 49% are men. The age of the respondents in this study was dominated by the age group between 41-50 years, namely 42%, and then the age group 31-40 years was 27%, the age group over 50 years was 17% and the age group 20-30 years was 15%. The service period of respondents is quite varied, namely 29% of respondents have worked for quite a long time, namely more than 15 years of work, 24% of respondents have worked at the company for 6-10 years, 22% of respondents have worked for 3-5 years, 17% of respondents have work period of 11-15 years, and the remaining 8% have only worked for 0-2 years.

The path coefficient output results will show how much influence the independent variable has on the dependent variable. The output results will be significant if the p value  $<0.05$  at  $\alpha 5\%$ . The results of the path coefficient and p value can be seen in Table 1, Table 2, and Table 3.

**Table 1 Direct effects**

No.	Variable Eksogen -Variable Endogen	Path coefficient ( $\beta$ )	p-value	Remarks
1.	PO	KO	0.11	0.12
2.	PO	JS	0.28	$<0.001$
3.	PO	TR	0.51	$<0.001$
4.	PO	JU	0.37	$<0.001$
5.	JS	KO	0.03	0.374
6.	TR	KO	0.35	$<0.001$
7.	JU	KO	0.30	$<0.001$

**Table 2 Indirect effects**

No.	Variable Eksogen - Mediator - Endogen	Path coefficient ( $\beta$ )	p-value	Remarks
1.	PO->JS->KO	0.01	0.374	insignificant
2.	PO->TR->KO	0.18	$<0.001$	significant
2.	PO->JU->KO	0.11	$<0.001$	significant

**Table 3 Total effects**

Total Effects	P values
0.408	$<0.001$

#### Analysis of the direct effect of organizational change on organizational commitment

From the test results, the path coefficient value and p-value of the direct effect of the Organizational Change (PO) variable on Organizational Commitment (KO) were obtained at  $\beta = 0.11$  and  $p = 0.12$ , meaning that Organizational Change (PO) has insignificant direct positive impact on Organizational Commitment (KO) at  $\alpha 5\%$ . Based on the results of this test, it can be concluded that the first hypothesis (H1) is rejected.

Organizational changes occur with different intensities and the impacts or conditions created by these changes can vary. How these changes affect employee commitment to the organization is not direct and certain, but is the result of the way individuals respond to these changes. Individual responses to this change can be influenced by factors such as perceptions of the reasons behind the change, level of involvement in the change process and support from management, sense of control, social influence and so on. Research by Montes et al (2013), for example, has stated that if employees feel that the organization has fulfilled its obligations during the restructuring process, it can help maintain their commitment. Khaw's research has stated that loyal behavior is the result of a reaction to organizational change (Khaw et al., 2022) however the results of this research differ from research by Probst (2003) which states that organizational change has a consistent negative impact on organizational commitment.

#### **Analysis of the role of job security as a mediator variable in the effect of organizational change on organizational commitment.**

The path coefficient and p values of organizational change on job security are  $\beta= 0.28$  and  $p<0.01$ , meaning that organizational change has a positive and significant effect on job security, while the path coefficient and p values of job security on organizational commitment are obtained at  $\beta= 0.03$ ;  $p=0.37$  means that job security has no significant effect on organizational commitment. From table 1.2, the indirect effect of organizational change on organizational commitment through job security is not significant ( $\beta= 0.01$  and  $p=0.374$ ). The direct effect of organizational change on organizational commitment is not significant and the indirect effect of organizational change on organizational commitment through job security is also not significant, then it can be concluded that job security does not mediate the effect of organizational change on organizational commitment and thus the second hypothesis (H2) is rejected.

The test results show that organizational change has a positive and significant effect on job security, which is different from previous research which explains that organizational change creates a high level of uncertainty, including uncertainty about job security, especially for those affected by these changes, for example uncertainty regarding the sustainability of their job or career (Hui & Lee, 2000).

The results of testing job security have an insignificant effect on organizational commitment in accordance with research by Inayati & Apriliya (2017) which states that job insecurity has a direct but not significant effect on organizational commitment and in accordance with research by Wening (2015) that perceptions of job insecurity do not affect job satisfaction, commitment and exit intentions. However, these results are not in accordance with the results of other research which states that job insecurity (uncertainty, anxiety and stress) affects job satisfaction, organizational commitment, desire to quit, and performance (Qureshi & Khan, 2016).

The reason for this discrepancy in results is probably that change recipients find it difficult to estimate the consequences of organizational change on their jobs. Another possibility is that recipients of change have different perceptions of secure and insecure conditions, so it would be better if further research clarified this because job security is a multidimensional construct (Fischmann et al., 2023).

### **Analysis of the role of trust as a mediator variable in the effect of organizational change on organizational commitment.**

The path coefficient and p values of organizational change on trust are  $\beta= 0.51$  and  $p<0.01$ , meaning that organizational change has a positive and significant effect on trust, while the path coefficient and p values of the trust variable on organizational commitment are  $\beta= 0.35$  and  $p<0.01$  means that trust has a positive and significant effect on organizational commitment. From table 1.2, the indirect effect of organizational change on organizational commitment through trust is positive and significant ( $\beta= 0.18$  and  $p<0.001$ ). The direct influence of organizational change on organizational commitment is not significant and the indirect influence of organizational change on organizational commitment through trust is significant, then it can be concluded that trust acts as a mediator of the effect of organizational change on organizational commitment and thus the third hypothesis (H3) accepted. Trust variable is fully mediates because the organizational change variable is not able to influence organizational commitment significantly without going through the mediator.

Organizational change is a critical episode to produce or, on the contrary, destroy employees' sense of trust in management in a long-term, sustainable relationship. Their trust in management is influenced by the experience process related to change, based on the processing of various specific experiences often over a long period of time, built gradually and accumulated over time. The evolution of this sense of trust is not always linear and can fluctuate, employees pay attention to and process information that is relevant to trust and results in a reassessment of their trust in management, so that this trust can experience strengthening or weakening. If positive experiences dominate, a sense of trust is formed and employees tend to feel confident that management is reliable and acts in the interests of employees.

The extent of employee trust in management is influenced by relevant experiences where initial trust is built and can depend on the length of the employee's tenure with the company. An employee with a long history with the organization has experienced more episodes or events relevant to trust in management than an employee with a relatively short tenure. The average score of respondents' answers to the Trust variable shows 4.03, which means that respondents have a high sense of trust in management. Based on the respondent's profile, the majority of respondents or 70% have a long tenure with the company (29% with a tenure of more than 15

years, 17% with a tenure of between 11-15 years and 24% with a tenure of between 6-10 years) and from the results of the cross descriptive analysis between work experience and trust (Appendix 4), respondents with work experience of more than 15 years have a high sense of trust (mean 4.2) towards management. Respondents believe that management has good intentions and motivation for initiating change, believe that management shows consistency in management's actions and words (committed) in managing change, and also believe that management provides the right resources and support. Furthermore, the results of Trust path coefficient on organizational commitment show a value of 0.35 and  $p < 0.01$ , which means that trust has a very significant direct and positive effect on organizational commitment, meaning that as employee trust increases, it will result in an increase in organizational commitment. A sense of trust creates a strong emotional and psychological bond that causes employees want to contribute optimally and strive to achieve organizational goals. Trust increases work engagement in work-related activities, the desire to take responsibility for their work and has a direct positive effect on organizational commitment (indicated by respondents' answers to the statement "I feel that the problems that occur in this company are my problems too"). The results of this research are in accordance with the results of previous research (Islam et al., 2020; Ependi & Sudirman, 2021; Shah, 2014). That Trust or a sense of trust. That employees' sense of trust in organizational support is positively related to organizational commitment is also in accordance with the results of previous research (Rhoades & Eisenberger, 2002). Employees who trust their leaders will feel more secure and more positive towards the decisions made by the leader, they are confident in the direction and strategy of the company, believe management has integrity, is honest, has good intentions and has competence, and this will increase employee commitment (Dirks & Ferrin, 2002).

#### **Analysis of the role of justice as a mediator variable in the effect of organizational change on organizational commitment.**

The path coefficient and  $p$  values of organizational change on justice are  $\beta = 0.37$  and  $p < 0.01$ , meaning that organizational change has a positive and significant effect on justice, while the path coefficient and  $p$  values of the justice on organizational commitment are  $\beta = 0.30$  and  $p < 0.01$  means that justice has a positive and significant effect on organizational commitment. The indirect effect of organizational change on organizational commitment through justice is positive and significant ( $\beta = 0.11$  and  $p < 0.001$ ). The direct effect of organizational change on organizational commitment is not significant and the indirect effect of organizational change on organizational commitment through justice is also significant, it can be concluded that justice acts as a mediator and fully mediates the effect of organizational change on organizational commitment thus the fourth hypothesis (H4) accepted.

Organizational change can have an impact on many things, both psychological and non-psychological aspects, organizational change that involve changes in resource allocation such as budget, facilities, personnel, rewards or compensation can influence employee perceptions of distributive justice (perceptions of fairness regarding results, rewards, benefits for the contributions that have been made). In the results of the descriptive statistical analysis regarding organizational change, one of the indicators that has the highest average score is indicator 1 with a score of 4.25 which means that the respondent experienced changes in assignments and responsibilities both individually and as a team, changes in work structure such as this can affect perceptions of distributive justice, employees can feel unfair if the tasks and responsibilities given do not match their qualifications or efforts, or the distribution of resources does not match the contribution they make. If organizational change involve job promotions then distributive justice will become a concern for employees and if employees feel that the promotion is based on fair factors such as achievement or competency then employees will tend to feel distributive justice. Organizational change also sometimes affect compensation, reward and reward systems. If these changes reduce employee rewards, employees will feel that distributive justice has been violated.

Based on the results of the descriptive analysis of the Justice variable, the mean score is 3.57 indicating that Justice felt by respondents is high. The indicator that has the highest average value in sequence from the one with the highest score is indicator four (JU4) which refers to informational justice (fairness regarding information transparency) which means that respondents view that management provides clear and open information regarding the change, giving reasons why the change is occurring and how this change will affect them personally. If these reasons are not conveyed or if this information is only given to a few people or the information is difficult to access, employees will feel they are being treated unfairly. The next indicator that has the second highest score is indicator one (JU1) which refers to distributive justice (fairness of the resulting decisions) and which means that respondents feel that the decisions produced by management as a result of the changes made are fair. The indicator that has the lowest score is the third indicator (JU3), which refers to procedural justice, namely that employees feel that they have been given the opportunity to participate, provide opinions and feedback regarding changes occurring in the company. According to research, employees who feel procedural justice (involved and able to participate) can form affective commitment (Meyer & Herscovitch, 2001).

Employees who feel that the company is acting fairly will feel more motivated to remain committed and contribute positively. The test results of this research instrument show that there is a positive and very significant influence on organizational commitment. This is in accordance with the results of previous research that if employees perceive that organizational changes provide a sense of justice then it will have a positive impact on commitment to the organization,

conversely if the impact of the changes that occur is unfair to them or justice is violated then it will result in commitment to the organization. organization becomes reduced (Rahman et al., 2016; Pratama, 2023; Imberman et al., 2017; Colquitt et al., 2001).

## CONCLUSIONS

Based on the overall results of the research analysis and discussion, it can be concluded that:

1. Organizational change has insignificant direct positive impact to organizational commitment
2. Job Security does not mediate the effect of organizational change on organizational commitment. Job security is a multidimensional construct and it would be better if further research clarified this in order to reduce differences in employee perceptions of secure and insecure conditions.
3. Trust in management can mediate the impact of organizational change positively and significantly on organizational commitment. The higher the trust that employees have in management in a period of organizational change, the greater the organizational commitment.
4. Justice can mediate the impact of organizational change positively and significantly on employee commitment to the organization (organizational commitment). The higher the perception of justice felt by employees in a period of organizational change, the greater the organizational commitment.

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