

The Influencing Factor of Individual Readiness for UAE privatization

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Abstract

Privatization involves the readiness of public to change from public into private sector. It is crucial for an organization to understand the readiness of each employee in the organization to change. Thus, the purpose of this paper is to investigate the factor that influence an individual readiness to change. The ADKAR model is presented as the current practice on change management. The factors influencing the individual readiness to change into private sector is categorized into core-self evaluation and contextual characteristic. This study believe that this research will provide positive results in modelling their employee readiness to change. It is expected that the government can improve in fulfilling the demand of their employee towards the implementation of privatization of public organizations in developed country.

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I. INTRODUCTION

Today's dynamic and turbulent environment has changed the political, social and economic landscape in the Middle East. The change management is perceived as not only necessary for economic growth but also a means of survival (Al-Darmaki, 2015). There is a need to deliver better services as the UAE is undergoing major social, demographic and economic changes. Further, the vision of 2021 has changed the current political and social change across the Middle East. Consequently, it has placed more pressure on organizations and government institutions to change their traditional systems specifically in job employment. Thus, successful change and innovation are necessary for organizations to increase the organizational

effectiveness and competitiveness (Holt & Vardaman, 2013).

To be competitive in the global economy, the UAE government has undertaken comprehensive institutional reforms by adopting privatization as strategy in shaping their economics landscape. The economic model that highly depending on natural resources especially oil is not sustain as it's lacking of local manpower diversity and skills, a growing need for public services, and inadequate innovation (Halaoui, Ghazaly, Aly, & Malek, 2017). They added that privatization leads to a skilful manpower and a broader-based economy less vulnerable to commodity price volatility.

Due to open economic policy and deregulation, the private sector in UAE is progressing well (Sarker & AlAthmay, 2017). However, the government faces a challenge related to local manpower with

high skills and their mind-set who prefer not to work in the private sector with lower-level positions. This development has big impact on the human resource function in the UAE and in particular in relation to its role towards improving organisational performance (Waal and Sultan, 2012; Iles et al., 2012; Mohamed et al., 2015; Zaitouni et al., 2011).

It is agreed that privatization is a way to get access of private know-how in many forms (Al Hashemi, 2016). Middle East countries do not see the need to make trade-offs between internal fund raising and long-term structural reforms. The privileged case of the Middle East is reflected in the situation of Abu Dhabi which makes it a good case for understanding the specific political, social, financial, legal and other attributes typical to the Middle East that informs the policy choices on privatization. However, many parts in the Middle East, privatization has limited support from stakeholders, characterized by anxiety among the local, employee resistance to change, and limited ministerial support (Halaoui et al., 2017).

Therefore, there are limited number of studies of readiness for change model of public organization towards private organization in United Arab Emirates context. To fill in this research gap, this research seeks to develop public readiness model for privatizing the public organization on common findings of available readiness model for public organization in determining its employee readiness for change.

II. METHODOLOGY

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III. LITERATURE REVIEW

A. The Change in the UAE's Employment Patterns

The most biggest size of employment (58% of labour force) in UAE are related to the service

sector, which includes restaurants, hotels, trade, transport, storage, insurance, real estate, communications, finance, business services, community, social and personal services. According to Employment Index, Banking, Financial Services and Insurance sector is currently being placed as the top-growth sector with a 17% year-on-year growth. It is followed by hospitality sector which plays a vital role in the economic growth and diversification in many parts of the UAE. Further, the service sector has exhibited significant growth in the UAE industrial analysis.

In 2012, the estimated total contribution of UAE travel and tourism to employment was 383,500 jobs, representing almost 11.3% of total employment, as compared to 363,100 jobs in 2011. Year by year, travel and tourism's share of the UAE's total private investments is increasing from 22.8% in 2013 to 23.2% in 2014.

Over the next 10 years (or by 2023), the UAE travel and tourism sector is predicted to create 245,000 jobs opportunity, registering an average annual growth rate of about 4.1% (Khaleej Times, 2014). Also, the capital investment in the sector is expected to rise annually by an average of 4.5%. This includes employment by travel agents, airlines, hotels and passenger transportation services. Also, it includes the activities of the restaurant and leisure industries directly supported by tourists.

The industrial sector in the UAE grew by 11% in 2011 continuing to maintain its position as second largest component of GDP, following the hydrocarbon sector. The chemicals segment is expected to be the fastest growing segment; growing at a CAGR of 11.3% from 2014 to 2020. The growth in this segment reflects the rapid industrialisation and upcoming business utilities in the UAE. Such high growth is the result of public and private investment in manufacturing projects (Transparency Market Research, 2014).

B. Change Management: The ADKAR Model

The ADKAR model is developed by Jeff Hiatt, the founder of Prosci, a company that effectively manage the people side of change with their

research, training and enterprise solutions (Blomqvist, 2017). According to (Blomqvist, 2017), ADKAR represents the five pillars for individual change to be successful in organization: (1) Awareness; (2) Desire; (3) Knowledge; (4) Ability and (5) Reinforcement.

Every pillar must be in its place for change to be successful and to happen at all employees. Hiatt claims that ADKAR model is simple to understand and to follow whereby it serves to highlight some vital considerations associated with all major change processes such as planning and communication, involving every layer in the organisations, and leading by example (Boca, 2013). It is a result-oriented approach, but it focuses considerable attention on the process that facilitate employees to serve as agents of the change. Thus, the change teams should put their energy and effort in the right areas in order to increase the probability for success. Interestingly, the model has capability to identify the reason of failure to change. The change team easily identified the barrier of factor of failure. They can quickly do the corrective actions to maintain the success way to change.

C. Individual Readiness for Change.

Change is inevitable due to both anticipated and unexpected pressures that can push organizations to take corrective action in the form of alteration, modification or variation in organizations' structures, policies, strategies, approaches or culture (Shah, Irani, & Sharif, 2017). In general, change always associated with uncertainty can have harmful effects on employees' work experience, including their behaviours and performance (Cullen, Edwards, Casper, & Gue, 2014). As a result, the employee react to a planned change can have a considerable effect on implementation success (Lines, Wiezel, & Sullivan, 2015). In the strategic change initiative, the employees support is determined as the critical success factor. However, their resistance to change is the most substantial barrier for successful organizational change planned (Georgalis, Samaratunge, & Kimberley, 2015); (Jabbarian & Chegini, 2016).

The concept has direct relation to employee behaviours in accepting or opposing the organizational change. Also, it has impact towards the behavioural outcomes of change readiness with the actual success of organizational change efforts (Armenakis, Harris, & Mossholder, 1993); (Lines, Wiezel, & Sullivan, 2015). The readiness for change of employees involve collective attitudes, beliefs and intentions that exists among employees during the implementation of organizational change (Holt & Vardaman, 2013). According to Holt and Vardaman (2013), readiness is defined as the degree to which those involved individually and collectively primed, motivated and technically capable of executing the change. Readiness is critical concept for change practitioners. Suggested by (Lines, Wiezel, & Sullivan, 2015), the success of change was measured as employee's behaviour includes satisfaction, self-efficacy and comfort with the change effort. Therefore, literatures have long argued that factor influencing readiness should be taken into consideration prior to launching any initiatives to change. It is agreed that the identification of factors to change can foster greater readiness for change. Subsequently, organization may motivate employee acceptance and minimize resistance to change (Georgalis, Samaratunge, & Kimberley, 2015).

IV. FACTORS INFLUENCING INDIVIDUAL READINESS FOR CHANGE

The concept of readiness demonstrates the employees' reaction to change is a critical success factor in each organizational change (Saragih et al., 2013); (Oreg, Vakola, & Armenakis, 2011). The change organizational is the results of collective and integration activities of individual organizational members that take place in organizations (George & Jones, 2001). According to Vakola (2014), the concept of "readiness" has been used to reflect three different concepts: individual readiness to change, or confidence in one's abilities (self-efficacy), perceived organizational readiness to change, or confidence in the organization's ability to manage change; and the actual organizational readiness to

change, or the organization's ability to implement change.

Accomplishing a smooth progress relies upon adequate dimensions of preparation for change both previously and within the change procedure (Choi & Ruona, 2011). On the contrary, efforts to implement change when readiness is low are likely to meet resistance (Vakola, 2014). In literature, the importance of readiness for change has stimulated considerable interest in determining critical factors that support the individual readiness for change as well as developing strategies by which robust levels of readiness for change can be embedded throughout an organization (Choi & Ruona, 2011).

Shah et al. (2017) focused on sets of employees' expectation that can affect their job satisfaction during change situation (Shah et al., 2019). They believe that the employee expectations are influenced by his/her orientation and experience to the working environment. The expectation of employee to change are salary, job promotion, organizational loyalty and organizational identity influences on employee job satisfaction. The findings of this study shows that the economic rewards and individual's satisfaction has positive employee attitudes towards change. Also, the employee satisfaction will increase with the sense of belonging and quality relationship with the organization. In return, the top management should pay attention on both the psychological and behavioural factors to influence positively employees' attachment in terms of willingness and desire to stay longer in the organizational during change.

Similarly, Hameed et al. (2017) examine the employee readiness behaviour and the underlying mechanism through the internal changes within organizations in a developing country context (Hameed et al., 2017). They explore another dimension of readiness for change that contribute toward successful change management namely communication. The results demonstrate that communication has positive role in developing employees' readiness for change.

Qureshi et al (2018) highlighted the importance of commitment on employees behaviour which leads to level of readiness of change during the restructuring phase of higher education in Pakistan (Qureshi et al., 2018). It seen that the employees' commitment towards change is vital concept that serves to bridge between people and changes' goal. The commitments are affective, normative and continuance. Based on the structural equation modelling conducted, affective and continuance commitment (CC) have a significant influence on the readiness for change whereas, normative commitment does not significantly influence the employee readiness for change in higher education institutions of Pakistan.

In a study conducted at Jordan Healthcare organizations, in promoting the readiness for change they are required to enhance leadership competencies and quality of work among nurses (Al-Hussami et al., 2017). The dimension includes education program, quality of work, leadership competencies, gender, age, years of experience and yearly income. The study shows that nurse managers should be competent leaders to match with employees' satisfaction. The nurse managers can increase their leadership skills by providing leadership program development and helps other nurses to adopt the change process.

It is argued that employee is the most important factor to change in literature. However, the implementation of planned organizational change is critical and required authentic leader to make the employee understand the change situation and committed to change. (Bakari et al., 2017) in their study present the impact of well-needed authentic leadership on employee perceptions during change. Based on data collected at five health organizations in Pakistan, they suggest that for successful implementation of planned change, authentic leaders need to create employees' readiness for change (unfreezing) that will in turn develop their commitment to change (moving) and behavioural support for change (refreezing).

Another interesting study in the area of local government by (Yousef & Yousef, 2018). They

investigate investigates the direct and indirect relationships among job satisfaction, organizational commitment, and attitudes toward organizational change and their dimensions in the context of UAE. Their dimension of change readiness are various dimension on satisfaction that includes satisfaction with working conditions (swc), satisfaction with pay (spa), satisfaction with promotion (spr), satisfaction with supervision (ssu), satisfaction with coworkers (sc), and satisfaction with security (ss). Results indicated that employees in the local organization are highly satisfied with supervision and co-workers, whereas they are slightly satisfied with work conditions and job security, however they have low satisfaction with pay and promotion facets of the job. Also, due to culture setting in UAE, employee tends to work in a organization for a long duration as they feel comfortable with the working environment.

Sharma et al. (2014) present a study on how to measure organizational readiness to implement nutrition and physical activity programme for early childhood education settings (Sharma, Upadhyaya, Schober, & Byrd-Williams, 2014). The dimensions

influencing readiness of early childhood education categorized into structural and external factors. They are resources, policies, professional growth and training, communication, parent engagement, staff attributes, staff cohesion, stress, staff authority, openness to change, clarity of goals, self-efficacy, motivation, perceived authority, and trust in leadership. Resources in the study refers to the financial, infrastructural and human resource. Staff cohesion refers to interconnection and network of relationships in organization and how well the staff members work with each other. The results of the study showed that, such program can be successful only when staff is at a high level of trustworthiness to achieve the goal of the program.

Based on the review conducted, this study identifies the most common antecedents found in literature as shown in Table 2-2. There are main five antecedents of readiness include self-esteem, self-efficiency, communication, management support and leadership competencies that can be used in this study.

TABLE I. . ANTECEDENTS OF READINESS FOR CHANGE OF PUBLIC ORGANIZATION TOWARDS JOB PRIVATIZATION

Authors	Antecedents of readiness for change														
	self-esteem	self-efficacy	locus of control	emotional stability	trust	Communication	job satisfaction	human development	clarity and purpose	management support	adaptability and progress	learning culture	quality of work	leadership competencies	demography
(Vakola, 2014)	/	/	/	/	/	/	/								
(Wang & Hwang, 2012)								/							
(Buick et al., 2015)									/	/	/				
(Hameed et al., 2017)						/									
(Slack & Singh, 2016)						/									
(Choi & Ruona, 2011)												/			
(Andrew & Mohankumar, 2016)							/								
(Al-Hussami et al., 2017)													/	/	/
(Bakari et al., 2017)														/	
(Shah et al., 2019)							/								
(Yousef & Yousef, 2018)														/	/
(Kirrane, et al., 2016)										/					
(Gigliotti et al., 2018)					/		/			/				/	

Authors	Antecedents of readiness for change															
	self-esteem	self-efficacy	locus of control	emotional stability	trust	Communication	job satisfaction	human development	clarity and purpose	management support	adaptability and progress	learning culture	quality of work	leadership competencies	demography	salary
(Prianto, 2016)	/	/						/		/						
(Bank et al., 2018)		/							/	/				/		
(Parzefall & Kuppelwieser, 2012)																
(Zayim & Kondakci, 2014)	/	/	/	/	/											
(Almaamari et al., 2018)								/				/		/		
(Mueller, Jenny, & Bauer, 2012)	/	/														
(Win & Chotiyaputta, 2018)	/	/	/	/	/	/	/								/	
(Mangundjaya et al., 2015)														/		
(Imam et al., 2013)									/	/	/					
(Almaamari et al., 2018)												/	/	/		
(Haffar et al., 2014)																
(Farahana et al., 2017)					/	/				/				/		
(Jones et al., 2018)	/	/														
(Mcknight & Glennie, 2019)									/					/		
(Benzer et al., 2017)										/						
(Feldt et al., 2016)	/	/	/			/						/				
(Saragih et al., 2013)	/	/	/	/										/		
Total	8	10	5	4	5	6	5	3	4	8	2	4	2	10	3	1

This study proposes to overcome the gaps through proposing a readiness for change model of public organization. This readiness for change model will employ the concept of readiness for change model design as per described in Section IV. Figure 1 shows the conceptual framework proposed for this study. The readiness change model for job privatisation includes self-esteem, self-efficiency, communication, management support, leadership competencies and salary.

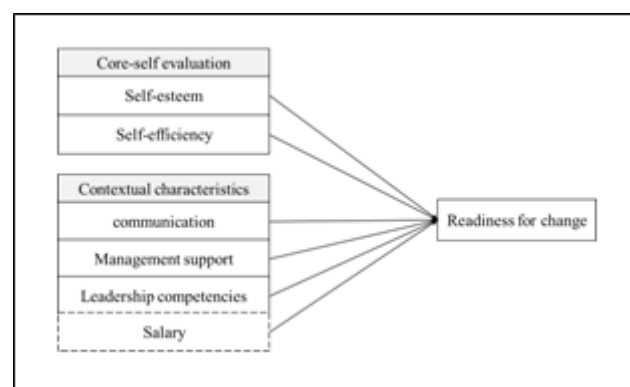


Fig. 1. Proposed conceptual framework.

The research hypotheses based on the literature gap have been set up in this study. Hence, this has led to the prediction that benchmarking initiatives'

success factors will positively enhance the relationship with the individual readiness for change as specified in the following hypotheses:

Hypothesis 1: There is a positive relationship between self-esteem and readiness for change.

Hypothesis 2: There is a positive relationship between self-efficiency and readiness for change.

Hypothesis 3: There is a positive relationship between communication and readiness for change.

Hypothesis 4: There is a positive relationship between management support and readiness for change.

Hypothesis 5: There is a positive relationship between leadership competencies and readiness for change.

Hypothesis 6: There is a positive relationship between salary and readiness for change.

V. CONCLUSION

This study is in line with the UAE Vision of 2021 and aiming to be best countries in the world by 2021. It seeks to do so as a cohesive, resilient economy, bounded by its identity, with the highest standards of living in a nurturing and sustainable environment. The vision identifies four thematic areas: "United in Responsibility; United in Destiny; United in Knowledge and United in Prosperity. Thus, it is important to examine and understand the problem and challenge facing by the government in relation with readiness to change among the employee of public organizations in one of the government missions of privatisation.

There are limited number of researches in the context of readiness for change among public organization towards privatisation in UAE. This study aims to bring new landscape in Middle East specially UAE into effective management of the change process for public. Therefore, enhancing the

literature for future research as well as informing and raising awareness of decision-makers on change readiness.

This study believe that this research will provide positive results which will have significant contributions for public organization to model their employee readiness to change. With this new model, it is believed that the government can improve in fulfilling the demand of their employee towards the implementation of privatization of public organizations.

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