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OPENNESS TO CHANGE, SELF-ENHANCEMENT, AND ATTITUDE TO CHANGE OF CHIEF EXECUTIVE OFFICER IN SOUTHERN SUMATRA, INDONESIA

Hadjri Muhammad Ichsan*, **Perizade Badia**, **Zunaidah**
Faculty of Economics, University of Sriwijaya, Inderalaya, Indonesia
*E-mail: ichsanhadjri@fe.unsri.ac.id

ABSTRACT
This study aimed to determine the influence of openness to change and self enhancement on the leader attitude to change. The population in this study were 334 large-scale manufacturing industries in Southern Sumatra, Indonesia, where a sample of 110 industries was selected and determined by the proportional stratified random sampling method. Respondents in this study amounted to 110 people consisting of CEOs of large-scale manufacturing industries in Southern Sumatra, Indonesia. The instrument in measuring variables in this study was questionnaires distributed to respondents. The results showed that the openness to change and self-enhancement had a significant effect on the leader attitude to change.

KEY WORDS
Openness to change, self-enchancement, attitude to change, large-scale industry.

Like other provinces in Indonesia, the provinces in Southern Sumatra pay attention to the development programs that are highly dependent on natural resources and human resources and how they manage all resources for the prosperity of the country. Therefore, the ability of managers as leaders is an important factor in supporting national development programs.

Within cultural groups, there are individual variations in value priorities due to the unique experiences and personalities of different individuals. However, the average priorities attributed to the different values by societal members reflect the central trust of their shared enculturation (Schwartz, 1992).

Among the many environmental challenges faced by 21st-century managers, the diversity of the workforce clearly has special advantages. This manager must be skilled in managing a workforce consisting of workers from various racial, ethnic, various age and genders. More and more entrepreneurs are training their managers to deal with new workplace diversity and are open to the talents of people of all cultures and demographic backgrounds (Woods et al., 1998). Furthermore, individual characteristics such as experience, abilities, skills, and attitudes have an impact on leadership including Chief Executive Officers (CEOs) as leaders of their organizations. Other individual factors are values, which affect their personality and behavior. Values are important for managers because of their potential to influence work attitudes, behavior, and output. In addition, values can influence through harmony values (Woods et al., 1998).

According to Petrick et al. (1999), companies that will survive in a new global competitive environment are those who can attract and retain leaders. Global leadership skills are the key intangible resources that will become sustainable competitive advantages in the twentieth century. If you want to be successful, you need to develop leadership skills (Lussier & Achua, 2001).

In the face of globalization, Southern Sumatra needs a strong and effective leader in developing the industrial sector. The good quality of the relationship between leaders and members is an important factor in increasing the company's competitive advantage. The Trade and Industry Office in the provinces in Southern Sumatra in 2014 officially registered 590 medium and large companies (Badan Pusat Statistik, 2016). Therefore, it is very important to know the values of leaders in the industrial sector in dealing with the current chaotic economy.

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The purpose of this study was to determine the influence of CEO values, namely openness to change and self-enhancement on executive officers' attitudes to changes in large-scale industries in Southern Sumatra, Indonesia. The study of attitude to change in the context of industrial and business sectors is very rare, especially in developing countries such as Indonesia. Therefore, this study will contribute to the industrial sector in Southern Sumatra in particular and Indonesia in general. This research is also beneficial for CEOs in facing the problem of globalization and economic uncertainty and at the same time the CEO values need to keep changing and adjusting to existing conditions. The values of leaders are important to share with their followers and how this can influence their attitude to change.

LITERATURE REVIEW

As social being, human must understand that there are five main factors that influence social interaction: (1) actions and other characteristics, cognitive (2) processes; (3) ecology variable; (4) cultural context; and biological aspects (5). Social behavior is strongly influenced by cultural norms, membership in various groups, and shifts in social values (Baron & Byrne, 1994).

Every nation has its own culture and in the era of globalization some cultures have been gradually influenced by other cultures who mainly have great influence and power in technology, business, and information. Cultural differences occur everywhere, therefore behavior and beliefs in one culture may no longer be appropriate. For example, in Indonesia that offers gifts to public officials are understood, but in other cultures it is not accepted and considered as a bribe.

Today there are many changes in human life whether they are in the family, groups in social organizations or business life. But still, the success of groups or organizations depends largely on leaders. Suppose you surveyed people belonging to various groups (Businesses, sports teams, charities, social clubs) and asked them to name of the single most important factor in determining the success of their group. Perhaps most will answer "effective leadership". This answer reflects the widespread belief that leadership is the key in group activities. For social psychologists, however, leadership has a clear focus: influence (Baron and Byrne, 1994). They also mentioned that leadership is a process in which one group member (leader) influences the other group members toward achieving certain group goals (Yukl, 2002). According to Robbins, there are several approaches to leadership learning: the nature of theory, behavioral theories, contingency theories and Neo-charismatic theories (Robbins, 2001).

One of the initial approaches to leadership learning is the characteristic approach. Underlying this approach is the assumption that some people have characteristics and abilities that make them seek and reach leadership positions and become effective in this position. The term characteristic refers to various individual attributes, including aspects of personality, temperament, needs, motives, and values (Yukl, 2002).

Values are global beliefs that guide action and judgment in a variety of situations, which are usually influenced by parents, friends, teachers, and external reference groups. Further other values gradually begin the process of cognitive transformation into beliefs and finally assumptions. When values begin to be taken for granted, they gradually become beliefs, assumptions, and disconnections of consciousness, such as habits of being unconscious and automatic (Jossey & Bass, 1993). Leaders must understand their own values and how they influence their style and behavior and values of their followers (Nahavandi, 2000).

Gordon (1975) stated that the values of common beliefs or behaviors that are considered by an individual or group are important. The relationship between leaders and organizational members is based on shared values. How is the leader; Ethical values influence organizational behavior and subject performance based on leadership values. Employees learn about values by paying attention to leaders. The role of leaders in advocating and upholding ethical behavior, the stages of moral development and how they influence an individual's ability to translate values into behavior, a framework for

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understanding global culture values of differences and implications for leadership practice are the topics studied (Lussier & Achua, 2001).

Empirical study conducted by Frederich and J. Weber in 1990 about the rating of executive values, union members, and activists: instrumental executive rank values honest, responsible, capable, ambitious, and independent while for other members: responsible, honest, brave, independent, and capable (Robbins, 2001).

Management of change theory considers values as a very important factor for developing an organization. The change process is far more likely to succeed when they are governed by a strong vision, based on efforts to change collective awareness and organizational identity. The vision of management of change must be honest and convincing. This is possible when it is interesting for ethics and conceptualization of the good and purpose of the organization. In addition, the management of value change implies that the world is open and indeterminate and that there is no image of a standard bureaucratic reality of an organization can communicate new values and deal with the complexity in changing organizations.

Relations among values can be summarized in terms of some higher-order value types, i.e.openness to change and self-enhancement. Openness to change combines stimulation and self-direction values. Self-enhancement combines hedonism, achievement, and power. Schwartz treats the higher-order types as a way to describe the value structure more simply. Nevertheless, he and others sometimes use these higher-order value types to predict behavior and attitudes (Schwartz & Boehnke, 2004).

In thinking about the future of the organization to deal with the uncertain 21st century, managers cannot escape the necessity of change. In addition, Miller (1994) stated that effective managers must manage change as an integral responsibility and not as a side. Leading change is one of the most important and difficult leadership responsibilities (Yukl, 2002). According to Peter Drucker, many large companies are not prepared to face "surprises". Not just being unprepared, they don't even reject the changes that arise from the "surprise". Drucker argued that the global financial crisis that occurred was the result of the inability of many large companies to adapt to the changing conditions of the times (Drucker, 1999).

Segal argued that every organizational leader will experience a vortex experience, namely the experience experienced due to a crisis in their leadership practices so that the leaders are forced to re-question all of their leadership concepts and styles. This is supported by Drucker who stated that the critical attitude of the leadership of the organization led to change, and whether or not an organization can respond to changes determines the life of the organization (Drucker, 1999).

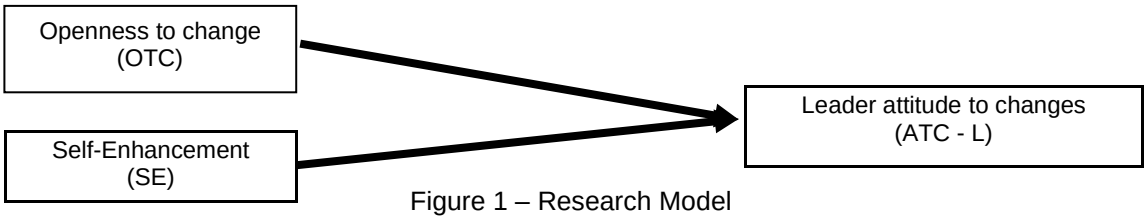

Figure 1 – Research Model

In addition, Bennis (1969) defined "organizational development" as a response to change, a complex educational exercise intended to change organizational beliefs, attitudes, values, and structures so that they can better adapt to new technologies, markets, and challenges, and the dizzying level of change itself. It is easy to change employee attitudes when it changes not very significant and is not very committed to it, employees are most likely to respond to changes in efforts made by someone who is liked, credible and convincing (Robbins, 2001).

If employees don't trust managers, they will not accept themselves or order or change attitudes. Like the communicator can cause an attitude to deal with change, because people try to identify with a communicator who is liked and tend to adopt the attitude and behavior of the person they like (Ivancevich & Matteson, 1999).

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Attitudes are also attached to mental categories. Mental orientation towards concepts is generally referred to as values. Attitude consists of four components: cognition, influence, intention, and evaluation behavior. The affective component refers to our feelings regarding the focus on objects such as fear, desire or anger (Scholl, 2002).

Based on the literature review, the hypotheses built from this research are:

- Openness to change influenced the leader attitude to change;
- Self-enhancement influenced the leader attitude to change.

METHODS OF RESEARCH

This research is a quantitative research that analyzes the relationship between independent and dependent variables. The research location consisted of 5 (five) provinces in Southern Sumatra including the Provinces of South Sumatra, Jambi, Bengkulu, Lampung, and Bangka Belitung Islands. The object of research was a large-scale manufacturing industry, namely the manufacturing industry which has a number of employees over 100 people.

The population in this study were 334 large-scale manufacturing companies. The number of samples taken was 30% of the population. The sampling technique used was proportional stratified random sampling. The number of samples per province is presented in table 1 below:

Table 1 – Population and Sample

No	Province	Population	Number of Sample
1.	Bengkulu	15	5
2.	Jambi	70	23
3.	South Sumatra	103	34
4.	Lampung	110	36
5.	Bangka Belitung	36	12
Total		334	110

Respondents in this study were Chief Executive Officers (CEOs) of each sample company and their subordinates. Each CEO will be assessed by 5 of the subordinates. Thus, the total number of respondent samples in this study were 660 people, with details of the CEO of the company as many as 110 people and subordinates as many as 550 people.

The data were analyzed using the Statistical Package for the Social Science (SPSS). The instruments used to measure research variables are as follows:

1. Leader Values: The instrument used to measure leader values was a questionnaire developed by Schwartz & Boehnke (2004) about basic values of leader composed of openness to change variables (OTC) which consists of 2 basic values and self-enhancement (SE) which consists of 3 basic values. Questionnaires were measured using a seven-point Likert scale (1-7). As for the details of the basic values on the variable dimensions of leader values, namely:

- Openness to change (OTC): Direction of self; Stimulation;
- Self-enhancement (SE): Hedonism; Achievement; Power;
- Leader attitude to change (ATC-L): The instrument for measuring job satisfaction was a questionnaire developed by Woods et al. (1998) and Robbins (2001) as many as 10 questions. Questionnaires were measured using a seven-point Likert scale (1-7).

RESULTS AND DISCUSSION

Of the 110 companies that became the unit of analysis, only 107 companies responded and returned the research questionnaire or 97% of the target. The number of respondents who returned the questionnaire was 642 respondents. Based on Table 2, the type of company that was the object of the study mostly came from the food industry (35.51%).

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Furthermore, 17.76% of the rubber industry, 12.15% of the beverage industry, and 8.41% of the pulp and paper industry, the remaining 26.17% of other industries.

Table 2 - Number of Sample Companies by Type of Industry

No	Type of Industry	Number of Company	Percentage
	Industry:	*107*	*100*
1	Food	38	35.51
2	Beverage	13	12.15
3	Textile	7	6.54
4	Wood	6	5.61
5	Pulp and paper	9	8.41
6	Chemical material	1	0.93
7	Rubber	19	17.76
8	Animal food	2	1.87
9	Furniture	1	0.93
10	Machine repair	6	5.61
11	Mining	5	4.67

Source: processed data, 2017.

Based on Table 3, sample companies that have 101-200 employees were 41.12% of the total sample, companies with 201-300 employees were 20.56%, and those with more than 300 employees were 38.32%.

Table 3 – Characteristic of Sample Companies

No	Characteristic of Companies	Total	Percentage
	Number of Employees		
1	101-200	44	41.12
2	201-300	22	20.56
3	> 300	41	38.32
	Company age (years)		
1	<10	11	10.28
2	10-19	22	20.56
3	20 – 29	42	39.25
4	≥ 30	32	29,91

Source: processed data, 2017.

Based on the age of the company, companies with less than 10 years old were 10.28% of the total sample, the companies aged 10-19 years were 20.56%, the companies aged 20-29 years were 39.25%, and the companies which more than 30 years old were 29.91% of the total sample. The next step was to test the reliability of the research instrument. Reliability testing was performed to test whether the instrument used is reliable and reliable. The instrument is said to be reliable if the Cronbach's Alpha value from each item of the questionnaire question is greater than 0.6. Table 4 illustrates the results of the reliability tests conducted on the variable of leader values.

Table 4 – The results of the reliability test instruments are the basic values of the variables

No	Basic Value	Cronbach's Alpha	Remarks
1	Direction of self	0.78	Reliable
2	Stimulation	0.65	Reliable
3	Hedonism	0.65	Reliable
4	Achievement	0.71	Reliable
5	Power	0.63	Reliable

Source: Processed data, 2017.

Table 4 shows that all basic value are reliable. Reliability test was continued with the variables contained in this study, as presented in table 5 below.

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Table 5 – Reliability Test on Research Variable

Variable	Cronbach's Alpha
OPENNESS TO CHANGE (*OTC*): • Direction of self • Stimulation	0.79
SELF-ENHANCEMENT (*SE*): • Hedonism • Achievement • Power	0.75
LEADER ATTITUDE TO CHANGES (*ATC-L*)	0.85

Source: Processed data, 2017.

Table 5 shows that the cronbach's alpha value of all dimensions and variables in this study was greater than 0.60 so that the instrument was considered reliable and reliable. Then proceed to the hypothesis testing stage with multiple linear test.

Hypotesis Testing. The hypothesis in this study is the leader values consisting openness to change and self-enhancement influence the leader attitude to change. The details of each test result for the first group hypothesis are:

- Openness to change influenced the leader attitude to change. As a result of multiple regression analysis, the variable of openness to change (OTC) influenced the leader' attitude to change with a significance level of $p = 0.00$ and has a positive coefficient of $\beta 1 = 0.49$. With this level of significance, the hypothesis is accepted. As stated by Bennis (1969), attitudes to change are the implementation of changes in beliefs, attitudes, and values in the face of change, such as organizational development. Openness to change is one of the important values that must be possessed by a leader in dealing with changes that occur continuously;
- Self-enhancement influenced the leader attitude to change. Self-enhancement variable (SE) influenced the leader attitude to change with a significance level of $p = 0.04$ ($p < 0.05$). It also had a positive relationship ($\beta 3 = 0.278$). Therefore, this hypothesis is accepted. In the face of a change, leaders need to handle these changes with self-enhancement. Self-enhancement is one of the ways that leaders do to improve achievement and power. With self-enhancement, leaders can better adapt to technology, markets, and new challenges. The critical attitude of the leader will determine whether the organization can respond to changes in the life of an organization (Drucker, 1999).

CONCLUSION

The results of the study support some of the hypotheses that have been formulated previously. The hypothesis in this study is the leader values consisting openness to change and self-enhancement influenced the leader attitude to change. The results showed that the dimensions of openness to change (OTC) and self-enhancement dimensions (SE) had significant influence on the leader attitude to change (ATC-L) with a significance level of 0.00 and 0.04. This research is expected to be a reference for other researchers who are interested in leadership values. This study has limitations in terms of the number of provinces that are the analysis units and respondents. Further research is expected to involve more industrial fields, as well as increase the number of other variables.

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