

## Change Management on Employee Performance in the Airlines Industry

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### ABSTRACT

This study examines the influence of change management practices on employee performance in the Indonesian airline industry by focusing on five key dimensions: organizational structure, leadership, organizational culture, communication, and technology. A quantitative explanatory research design was employed using primary data collected through structured questionnaires distributed to 120 employees of an airline company in Indonesia, with 100 valid responses analyzed. Statistical analysis using SPSS was conducted to test reliability, correlation, and regression relationships. The results indicate that organizational structure, leadership, organizational culture, and communication do not have a statistically significant effect on employee performance, while technology demonstrates a strong and positive influence, highlighting its important role in improving employee effectiveness in a highly dynamic and technology-driven aviation industry. Although this study is limited to a single airline company, the findings provide insights into the growing importance of technology-oriented change management in supporting organizational performance. Future research is recommended to involve multiple airlines and broader geographical coverage to improve generalizability and further explore employee adaptability in the evolving aviation sector.

**Keywords:** Change Management; Culture; Employee Performance; Leadership; Organizational Structure; Technology

## **INTRODUCTION**

The airline industry plays a strategic role in Indonesia's economic development and global connectivity. As one of the most dynamic service industries, aviation is highly sensitive to external pressures such as technological advancements, regulatory changes, market competition, and evolving customer expectations. In recent years, these pressures have intensified, compelling airline organizations to continuously adapt their internal processes and human resource practices in order to remain competitive and resilient.

Employee performance is widely recognized as a critical determinant of organizational success in the aviation sector, where safety, efficiency, and service quality rely heavily on human capability. Previous studies indicate that the effectiveness of airline operations is closely linked to employees' ability to respond to organizational changes, particularly in environments characterized by rapid digitalization and operational complexity (Bamber et al., 2013). Consequently, change management has emerged as an important managerial concern, especially in industries undergoing continuous transformation.

Change management refers to a systematic approach that enables organizations to transition from their current state to a desired future state by aligning organizational structures, leadership practices, culture, communication systems, and technological resources. Recent empirical studies suggest that effective change management improves employee adaptability, commitment, and performance, particularly in service-oriented and technology-driven industries (Alshahrani et al., 2022; Nguyen & Malik, 2023). In the airline industry, where operational reliability and service excellence are essential, the successful implementation of change initiatives is closely associated with employee performance outcomes.

Despite the growing importance of change management, empirical findings regarding its influence on employee performance remain inconsistent. Some studies report a positive relationship between change management practices and employee outcomes, while others reveal variations across different organizational contexts and industries. Furthermore, recent studies increasingly emphasize the dominant role of technology as a driver of performance improvement, particularly following the acceleration of digital transformation in the post-pandemic period (Widyastuti et al., 2024; Al-Dabbagh, 2021).

Managing organizational change is particularly challenging in industries that require high levels of operational precision, safety compliance, and service reliability. Organizations must respond rapidly to environmental changes while simultaneously managing internal complexities. This situation requires not only structural and technological adjustments but also alignment of human resources to ensure the successful implementation of organizational changes.

The airline industry exemplifies these challenges. Rapid technological innovations, including digital ticketing systems, automation, data analytics, and integrated operational platforms, have significantly transformed airline operations and employee work patterns. While these advancements provide efficiency improvements, they also require employees to continuously update their skills and adapt to new work processes. Studies within the aviation context highlight that resistance to change, insufficient leadership support, and ineffective communication often hinder the successful adoption of new systems and practices (Joußen & Scholl, 2016; Al-Dabbagh, 2021).

Recent research suggests that change management will become increasingly critical for the aviation industry due to ongoing developments in safety regulations, sustainability initiatives, and digital transformation (IATA, 2022; Nguyen & Malik, 2023). Poorly managed change processes may lead to employee disengagement, decreased performance, and operational inefficiencies. Conversely, effective change management practices can enhance employee readiness, motivation, and overall organizational performance.

In the Indonesian context, empirical studies related to the airline industry have largely focused on safety management, tourism, pricing strategies, and customer satisfaction. Limited attention has been given to internal organizational processes, particularly the role of change management in shaping employee performance. This gap is significant given Indonesia's rapidly growing aviation market and the increasing complexity of airline operations.

Moreover, most empirical studies examining the relationship between change management and employee performance have been conducted in manufacturing, banking, information technology, and public sector organizations. Although these studies generally report positive outcomes associated with effective change management, their findings may not be directly transferable to the airline industry due to its unique operational characteristics and regulatory environment (Sinaga et al., 2018; Handayani, 2019). Recent studies also suggest that contextual factors, such as industry characteristics and technological intensity, influence the effectiveness of change management practices (Alshahrani et al., 2022).

Therefore, this study aims to examine the impact of change management on employee performance in the Indonesian airline industry by focusing on five key dimensions: organizational structure, leadership, organizational culture, communication, and technology. By addressing this research gap, the study contributes empirical evidence to the limited literature on change management practices within the aviation sector and provides insights into how organizational changes influence employee performance in a dynamic service environment.

## **LITERATURE REVIEW**

### **Concept of Change Management**

Change management refers to a structured and systematic approach used by organizations to prepare, support, and guide employees through organizational transitions in order to achieve desired outcomes (Du Plessis, 2007). In increasingly dynamic business environments, effective change management enables organizations to remain competitive while maintaining employee stability and performance. Contemporary perspectives emphasize that successful change management focuses not only on processes and structures but also on employee readiness, engagement, and adaptability (Al-Dabbagh, 2021).

Recent studies argue that organizational change is no longer episodic but continuous, particularly in technology-intensive industries such as aviation (Nguyen & Malik, 2023). Airline organizations face constant pressure from digital transformation, safety regulations, and market competition, making effective change management essential. Although classical models such as Lewin's three-stage model (unfreeze–change–refreeze) provide a foundational understanding of change processes, scholars note that these models require adaptation to address ongoing and overlapping changes in modern organizations (Burnes, 2020; Alshahrani et al., 2022).

### **Organizational Structure and Employee Performance**

Organizational structure defines the formal allocation of roles, responsibilities, and authority within an organization. An effective structure facilitates coordination, clarifies job expectations, and supports efficient decision-making. During periods of organizational change, structure plays a critical role in determining how information flows and how employees respond to new work arrangements.

Empirical studies suggest that flexible and decentralized structures may enhance employee performance by reducing bureaucratic barriers and improving responsiveness (Ahmed et al., 2021). However, findings remain inconsistent across industries. In highly regulated sectors such as aviation, standardized procedures and compliance requirements may limit the direct influence of structural changes on individual employee performance (Rahman & Hossain, 2022). As a result, the effectiveness of organizational structure in improving performance appears to be context-dependent.

H1: Organizational structure has a positive relationship with employee performance.

### **Leadership and Employee Performance**

Leadership is widely recognized as a critical factor in guiding organizations through change. Leaders influence employee attitudes, motivation, and commitment by articulating a clear vision and providing support during periods of transition. Effective leadership has been associated with higher employee performance, particularly in environments characterized by uncertainty and change.

Recent studies highlight that transformational and adaptive leadership styles positively influence employee performance by fostering trust and reducing resistance to change (Hassan et al., 2023). However, in the airline industry, leadership influence may be constrained by strict operational standards and safety regulations that limit managerial discretion (Nguyen & Malik, 2023). This suggests that leadership effectiveness during change depends on its alignment with organizational systems and technological infrastructure.

H2: Leadership has a positive influence on employee performance.

### **Organizational Culture and Employee Performance**

Organizational culture refers to shared values, beliefs, and norms that shape employee behavior within an organization. Culture influences how employees perceive organizational change and determines their willingness to adapt to new practices. A supportive and adaptive culture can promote collaboration, learning, and innovation (Alonso & Lewis, 2022).

Nevertheless, cultural change is often gradual and may not produce immediate performance outcomes. In aviation organizations, where safety and compliance are prioritized, cultural influences on employee performance may be less visible in the short term (Ibrahim et al., 2023). This may explain why previous studies report mixed results regarding the relationship between organizational culture and employee performance.

H3: Organizational culture has a positive relationship with employee performance.

### **Communication and Employee Performance**

Communication plays a vital role in change management by ensuring that employees understand the objectives, processes, and implications of organizational change.

Effective communication reduces uncertainty, builds trust, and enhances employee engagement (Ouedraogo & Ouakouak, 2021).

Empirical evidence indicates that transparent and timely communication positively influences employee performance during change initiatives (Temitayo et al., 2022). However, communication alone may not be sufficient to improve performance unless it is supported by leadership commitment, training, and adequate technological systems (Hassan et al., 2023). In complex operational environments such as airlines, communication effectiveness is closely linked to system reliability and workflow integration.

H4: Communication has a positive relationship with employee performance.

### Technology and Employee Performance

Technology has emerged as a dominant driver of organizational change and employee performance. The adoption of digital systems, automation, and integrated platforms significantly alters work processes and employee roles. When supported by adequate training and change management, technology can enhance efficiency, accuracy, and service quality (Alshahrani et al., 2022).

In the airline industry, technology is critical due to its impact on safety, scheduling, and customer service operations. Recent studies consistently report a strong positive relationship between technological readiness and employee performance, particularly in service-based industries (Widyastuti et al., 2024; Nguyen & Malik, 2023). However, inadequate technological support may lead to resistance and performance decline (Al-Dabbagh, 2021).

H5: Technology has a positive relationship with employee performance.

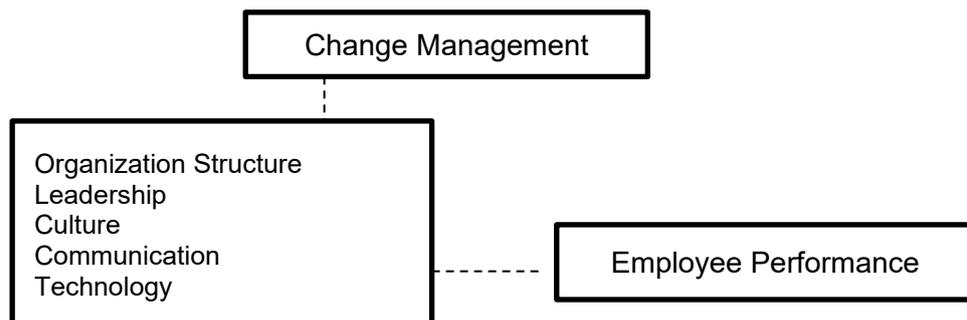
### Employee Performance

Employee performance refers to the extent to which employees successfully carry out their job responsibilities in line with organizational objectives. It includes task performance, adaptability, and contextual behaviors that contribute to organizational effectiveness. In aviation organizations, employee performance is closely linked to operational reliability, safety compliance, and service quality (Ibrahim et al., 2023).

### Conceptual Framework

Based on the existing literature review findings and after critically analysing some key models, this study proposes the conceptual framework illustrated below. Besides, as this study is based on the Indonesian Airline Industry, the components in the framework will be modified due to cultural differences.

Figure 1. Research Framework



## RESEARCH METHOD

### Research Design

This study employs an explanatory research design to examine the relationship between change management practices and employee performance in the airline industry. An explanatory approach is appropriate because the study aims to test hypothesized relationships among variables and identify causal influences (Saunders et al., 2009). A quantitative methodology was adopted to enable objective measurement and statistical analysis.

### Data Collection Instrument

Primary data were collected using a structured questionnaire developed based on prior studies on change management and employee performance (Al-Jaradat et al., 2013; Sinaga et al., 2018). The questionnaire consisted of two sections: demographic information and measurement items related to organizational structure, leadership, organizational culture, communication, technology, and employee performance.

All items were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). To ensure clarity and accessibility, the questionnaire was prepared in both English and Bahasa Indonesia.

### Pilot Testing

A pilot study was conducted to assess the clarity, reliability, and consistency of the questionnaire. Pilot testing helps identify ambiguous wording and ensures respondents interpret items consistently. The pilot results indicated acceptable reliability values, confirming the suitability of the instrument for the main survey.

### Population, Sample Size, and Sampling Technique

The study population comprised employees of an airline company operating in Papua, Indonesia. From a total population of 120 employees, 100 respondents provided usable data. A convenience sampling technique was employed due to accessibility and organizational constraints. Although this method limits generalizability, it is commonly used in organizational research where access to respondents is restricted.

### Data Analysis Technique

Data analysis was conducted using the Statistical Package for Social Sciences (SPSS). Descriptive statistics were used to summarize respondent characteristics. Reliability analysis was performed using Cronbach's alpha to assess internal consistency. Pearson correlation analysis examined the relationships between variables, while multiple regression analysis was applied to test the proposed hypotheses and determine the predictive power of change management dimensions on employee performance.

## RESULTS

### Demographic Analysis

The demographic profile of respondents shows a relatively balanced gender distribution, with male and female employees represented in nearly equal proportions. Most respondents were between 26 and 35 years old, indicating that the workforce is predominantly composed of young professionals. Regarding educational background, the majority of respondents held either a diploma or a bachelor's degree. In terms of work experience, most employees had less than five years of experience, suggesting that the workforce is largely in the early stages of career development. These characteristics indicate that the respondents are generally adaptable and potentially

receptive to organizational changes, particularly those related to technological developments.

### **Reliability Analysis**

The reliability of the research constructs was evaluated using Cronbach's alpha to measure internal consistency. All variables obtained Cronbach's alpha values exceeding the recommended threshold of 0.70, indicating acceptable reliability. Communication and technology recorded the highest reliability scores among the constructs, demonstrating strong measurement consistency. These results confirm that the questionnaire items are reliable and suitable for further statistical analysis.

### **Descriptive Statistics**

The descriptive statistical analysis indicates that leadership recorded the highest mean score among the change management dimensions, suggesting that employees perceive leadership practices within the organization positively. Employee performance also obtained a relatively high mean value, indicating that respondents generally consider their performance to be satisfactory. Meanwhile, technology, communication, and organizational structure showed moderate mean scores, reflecting varying levels of implementation and effectiveness across the organization.

### **Correlation Analysis**

Pearson correlation analysis was conducted to examine the relationships between change management variables and employee performance. The results reveal that communication and technology have strong and statistically significant positive correlations with employee performance. In contrast, organizational structure, leadership, and organizational culture exhibit weak and statistically insignificant relationships. The strong correlation between technology and employee performance indicates that technological tools and digital systems play a critical role in improving employee efficiency and effectiveness within the airline industry.

### **Regression Analysis**

Multiple regression analysis was performed to evaluate the combined effect of change management variables on employee performance. The regression model explains approximately 61.9 percent of the variance in employee performance, indicating substantial explanatory power. Among the five independent variables, technology emerged as the only factor that significantly influences employee performance. Organizational structure, leadership, organizational culture, and communication did not show statistically significant effects in the regression model. These findings indicate that technology plays a dominant role in shaping employee performance within the airline industry.

## **DISCUSSION**

The findings of this study reveal that technology is the only change management dimension that significantly influences employee performance in the airline industry. This result suggests that technological infrastructure and digital systems are critical components in supporting employee productivity, operational efficiency, and service quality in aviation organizations.

In contrast, organizational structure, leadership, organizational culture, and communication do not show significant effects on employee performance. These results differ from several previous studies conducted in manufacturing and banking sectors, which often report positive relationships between these variables and employee

outcomes. One possible explanation for this discrepancy is the unique operational characteristics of the airline industry. Aviation organizations operate within highly standardized procedures and strict regulatory environments, which may limit the direct influence of managerial and structural factors on employee performance.

The significant role of technology highlights its importance in facilitating operational efficiency, reducing workload, and improving task accuracy. In the post-pandemic era, airline companies increasingly rely on digital systems, automation, and integrated operational platforms to maintain operational continuity and competitiveness. As a result, technological readiness becomes a crucial determinant of employee performance in the aviation sector.

Overall, these findings emphasize the growing importance of technology-driven change management in modern organizations, particularly within industries characterized by high operational complexity and rapid technological advancement.

## **CONCLUSION**

This study examined the impact of change management practices on employee performance in the Indonesian airline industry by focusing on five key dimensions: organizational structure, leadership, organizational culture, communication, and technology. Using a quantitative explanatory approach, the findings reveal that organizational structure, leadership, organizational culture, and communication do not have a statistically significant influence on employee performance. These results suggest that although these dimensions are frequently emphasized in change management literature, their direct influence may be limited in the airline industry, where standardized procedures, regulatory compliance, and operational routines shape employee performance outcomes. In contrast, technology demonstrates a strong and significant positive effect on employee performance, highlighting the crucial role of technological systems in supporting efficiency, accuracy, and adaptability among employees in a technology-intensive service environment. The increasing reliance on digital platforms, automation, and integrated operational systems has positioned technology as a key driver of performance within airline organizations.

Overall, this study emphasizes the importance of technology-oriented change management strategies in improving employee performance in the airline industry. While traditional change management dimensions remain relevant, their effectiveness may depend on how well they are integrated with technological advancement. However, this study is limited to a single airline company in Papua, Indonesia, which may restrict the generalizability of the findings. Future research is therefore recommended to involve multiple airline companies across different regions or countries in order to provide broader insights into change management practices in the aviation sector. In addition, future studies may adopt mixed-method approaches by combining quantitative analysis with qualitative methods to explore employee perceptions of change management more comprehensively. Further research may also examine additional variables such as employee resilience, digital competence, change readiness, and organizational support as potential mediating or moderating factors in the relationship between change management and employee performance. Longitudinal studies are also suggested to better understand the long-term impact of change management initiatives in the rapidly evolving aviation industry.

### **LIMITATION**

This study has several limitations that should be acknowledged. First, the sample size is relatively small, which may limit the generalizability of the findings. Second, the research was conducted in a single airline company located in Papua, Indonesia, which may not fully represent the broader airline industry in Indonesia. Future studies are therefore recommended to involve larger samples and include multiple airline organizations across different regions in order to provide more comprehensive insights into the relationship between change management and employee performance.

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### **DECLARATION OF CONFLICTING INTERESTS**

The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

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