The linkage of Leadership, Psychological Empowerment, and Employee Engagement with Affective Commitment to Change: A study at public/state-owned organization

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ABSTRACT

The objective of the study is to identify the significant impact of Leadership, people’s engagement, and empowerment on affective commitment to change. The research conducted at a Public/State-Owned Organization with 539 respondents. Data was collected using employee engagement inventory, psychological empowerment, and commitment to change inventory, and was analysed using descriptive analysis and SEM. Results showed that change leadership has a significant and positive impact on affective commitment to change through employee engagement, but not through psychological empowerment. The implications of this result are beneficial for management, especially change agents. In this regard, they should create a conducive climate to develop engagement and providing many programs to increase people’s competence to establish employee commitment to change, which will be resulted in a stronger affective commitment to change.

Keywords: Affective Commitment to Change, Change Leadership, Employee Engagement, Psychological Empowerment.

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INTRODUCTION

During the era of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) as well as Revolution 4.0, the demand for organizations to change and adapt to the environment is getting more and more pressure. This condition not only applies to private enterprises but also applies to the state/public organization. As a result, many organizational change and transformation programs conducted in many organizations, and this change program needs to be successful. Meanwhile, researches showed that change leadership and employee commitment to change were significantly determined the successful implementation of organizational change (Gao-Urhahn, 2016) According to leadership theory, the success of organizational change depends on effective Leadership that can motivate the team’s vision so that they work together toward the same goal and organizational change (Higgs, 2000). Employees’ attitudes toward organizational change and their affective commitment also have a strong influence on the practical implementation of organizational change (Herscovitch, 2002). Various researches about organizational change showed that leaders (Gilley, 2008) and people (Mangundjaya, 2019) were two of the critical variables in term of the success of the organizational change. A leader is essential as he or she prepares, plans, and implements the change effectively. Without a good leader, the organizational change would not be as effective as it should be. There are arguments about the role of a leader and the role of people in organizational change. Is it people’s confidence or employee engagement that matters during organizational change? The study aims to identify which variables between psychological empowerment and employee engagement have a higher impact as a mediator on affective commitment to change. Researchers (Ling, 2018) studied the relationship of change leadership and employees’ commitment to change with the mediators of collective identity and change self-efficacy.

LITERATURE REVIEW

Affective Commitment to Change

The concept of Commitment to Change by Herscovitch & Meyer (2002) was from the idea of organizational commitment of Meyer & Allen (1997) as an extension of the concept of organizational commitment at the unique condition of the organization, that is during the organizational change (Herscovitch, 2002). In this regard, Herscovitch & Meyer (2002) define commitment to change as a force (mindset) that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative. This mindset reflected in three dimensions: a) desire to provide support for the change based on a belief in its inherent benefits to change (affective commitment). b) a recognition that there are costs associated with failure to provide support for the change (continuance commitment to change), and c) sense of obligation to provide support for the difference (normative commitment to change. Moreover, Herscovitch & Meyer (2002) also stated that affective commitment to change is the most critical dimension in producing positive attitude and behaviour toward change, compare to the other two dimensions (normative and continuance commitment to change).

Change Leadership

Herold et al. (2008) and Liu (2010) stated that change leadership is the behaviours that target the specific change consist of visioning, enlisting, empowering, monitoring, and helping with individual adaptation. Liu (2010) finalized the concept of change leadership by mentioning that there are two factors in Change Leadership, namely: a) Leaders’ Change Selling Behaviour, which is an action that attempts to promote the change during the unfreezing stage, make it clear why the change was necessary. b) Leaders Change Implementing Behaviour, act to push a move
forward and consolidate success throughout the implementation. These two behaviours are essential for a leader in selling and directing employees toward organizational change. Change Leadership correlates significantly with employee commitment to change (Ling, 2018).

**Psychological Empowerment**

Spreitzer (2007) defined empowerment as ‘increased intrinsic task motivation manifested in a set of four cognitions reflecting an individual’s orientation to his or her work role: competence, impact, meaning, and self-determination.’ This perspective refers to empowerment as the personal beliefs that employees have about their role concerning the organization. There are four dimensions of psychological empowerment as follows: a) **Competence** refers to feelings of self-efficacy or personal mastery that one is capable of successfully performing a task (Spreitzer, 2007). Feeling of competence or self-efficacy is a belief in one’s capability to perform work activities (Spreitzer, 2007); b) **Meaning** refers to the weight individuals place on a given task based on an individual’s standards. Meaning involves a fit between the needs of one’s work role and one’s beliefs, values, and behaviors (Spreitzer, 2007); c) **Self-determination** is a sense of choice in initiating and regulating one’s actions (Spreitzer, 2007). It reflects a sense of autonomy in deciding work and processes (Spreitzer, 2007). d) **Impact** refers to the degree to which an individual’s work makes a difference in achieving the purpose of the task and the extent to which an individual believes he or she can influence organizational outcomes, or the degree to which one can influence strategic, administrative, or operating issues at work (Spreitzer, 2007).

**Employee Engagement**

Engagement, sometimes known as job engagement, is concerned with people and their work. It happens when people are caught up in, and interested in, even excited about, their jobs and are therefore prepared to exert discretionary effort in getting them done (Armstrong, 2007). Employee engagement is a positive, affective-motivational state of fulfilment that is characterized by vigour, dedication, and absorption (Schaufeli, 2004) Employee engagement, according to AON Hewitt (2011), is energy and passion that possesses by the employee to work according to their roles and status, which consisted of three dimensions. The three dimensions are: a) Stay, that is the willingness of the employee to continue as being part of the organization; b) Strive, the willingness of the employee to give maximum efforts to do things that increase the organization productivity and c) Say, the desire of the employee to express the pride of the organization. This study used the definition of employee engagement by AON Hewitt (2011).

**Change leadership, psychological empowerment on affective commitment to change.**

There are several types of research about the impact of psychological empowerment on affective commitment to change. However, there were plenty of studies done about psychological empowerment and organizational commitment (Malik, 2013; Hasmi, 2012; Ambad, 2012; Dehkordi, 2011) which have found that there was a positive and significant correlation between psychological empowerment and organizational commitment. Furthermore, the study conducted by Gunawan and Viyanita (2012) also showed that psychological empowerment has a positive and significant correlation with affective organizational commitment. Nikpour (2018), also revealed that psychological empowerment acted as a mediator for organizational commitment. Those findings based on the study between psychological empowerment and organizational commitment based on the concept of organizational commitment of Meyer & Allen (1997), and not based on the idea of commitment to change. However, based on the findings from Rashid & Zhao (2010) and Mangundjaya (2015), it showed that organizational commitment had a positive
and significant correlation with a commitment to change. Based on those discussions, the researcher proposes the following hypothesis as follows:

**H1:** There is a positive and significant impact of change leadership on affective commitment to change with psychological empowerment as mediators.

**Change leadership, affective commitment to change, and employee engagement**

Employee’s engagement with the organization showed a secure attachment to the organization (Frank, 2004; Gibbons, 2006; Shuck, 2010). This attachment consists of three types of behaviours, namely: a) Stay, that is, the willingness of the employee to continue as being part of the organization due to his/her love for the organization or because there is no other place that he/she can work; b) Strive, the willingness of the employee to give maximum efforts to do things that increase the organization productivity; and c) Say, the desire of the employee to express the pride of the organization (Loi, 20014; Baumruk, 2006; Heger, 2007). Discretionary behaviour refers to the choices that people at work often have on the way they do the job and the amount of effort, care, innovation, and productive behaviour they display. It can be positive when people ‘go the extra mile’ to achieve high levels of performance. Engagement and commitment are both states of being. From that discussion, it showed that employee engagement especially strives and say, might have a positive impact on affective commitment to change. Previous research showed that there was a positive correlation between employee engagement and affective organizational commitment (Alam, 2017; Saks, 2006; Albdour, 2014). Further, the study of Nazir and Islam (2017) also revealed that employee engagement as a mediator for organizational commitment. This correlation is between employee engagement and organizational commitment (including affective organizational commitment). However, according to previous research, it showed that there was a positive correlation between affective organizational commitment with affective commitment to change (Mangundjaya, 2012). Based on those discussions, the researcher proposes the following hypothesis as follows:

**H2:** There is a positive and significant impact of change leadership on affective commitment to change with employee engagement as mediators.

**Psychological empowerment and employee engagement on affective commitment to change**

An engaged person can be committed to the organization, as well as involved with their work. People can be involved with their work so far as it allows them to use and develop their skills (Armstrong, 2007). In other words, it is the feeling of empowered, and competence (psychological empowerment), had positively correlated employee engagement. Meanwhile, previous researches showed that there was a positive correlation between employee engagement and affective organizational commitment (saks, 2006; Albdour, 2014; Nazir, 2017). Employee Engagement also involves the interaction of the three factors, namely: cognitive commitment, emotional attachment, and behavioral outcomes. Those three factors arise from an employee’s relationship with his or her organization (Frank, 2004; Gibbons, 2006, Shuck, 2010). As a result, the feelings of meaning at work and impact on the environment (psychological empowerment) will develop a sense of emotional attachment for the people. Based on those above discussions, the followings hypothesis proposes:

**H3:** Psychological Empowerment had a positive impact on affective commitment to change through Employee Engagement as mediators.
METHODOLOGY

Sample and Sampling

The sample collected from 2 public/state-owned companies that had undergone some organizational changes, such as restructuring the organizational, development of strategic marketing, and changes in overall system and procedures. Participants for this study were employees who worked at two financial public/state-owned enterprises. Samples were chosen by convenience sampling. The characteristics of respondents were as follows: a) Permanent employee; b) They had been working in the company at least for two years; and c) The minimum educational background were senior high school.

All data were collected and administered on-site during work time. The profile of respondents consist of age is between 21–56 years old, male (61.97%), range of age between 25–44 years old (78.29%), bachelor’s degree (74.77%), staff (43.42%), length of works more than ten years (51.95%).

Data Collection

Data collected through 4 types of questionnaires, namely: 1) Affective Commitment to Change Inventory (Herscovitch and Meyer, 2002), consists of 6 items. 2) Change Leadership, developed by Liu (2010) consists of two dimensions, Selling and Implementing of 14 items. 3) Psychological Empowerment (Spreitzer, 1995) consists of 4 dimensions of 16 items, namely a) Competence; b) Meaning; c) Determination; and d) Impact of 16 items; and 4) Employee Engagement consists of 3 dimensions of 15 items. All the instruments translated and modified into Bahasa Indonesia with a 6 scale. The results of validity and reliability significances which were tested using Cronbach Alpha and Confirmatory Factor Analysis are shown in Table 1 and shown all the variables are valid and reliable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of items</th>
<th>Reliability (Alpha Cronbach)</th>
<th>Validity (CFA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment to Change</td>
<td>6</td>
<td>0.83</td>
<td>0.55 – 0.81</td>
</tr>
<tr>
<td>Change Leadership</td>
<td>14</td>
<td>0.96</td>
<td>0.96 – 0.97</td>
</tr>
<tr>
<td>Psychological Empowerment</td>
<td>16</td>
<td>0.91</td>
<td>0.68 – 0.92</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>15</td>
<td>0.81</td>
<td>0.92 – 0.94</td>
</tr>
</tbody>
</table>

*Chi Square=7.41; df=6, p value=0.28442 (p-value>0.05); RMSEA=0.021, t >1.96

**Chi Square=52.74; df=38, p value=0.05640 (p-value>0.05); RMSEA=0.028, t >1.96

RESULTS AND DISCUSSION

Intercorrelation Analysis

To check whether there is a relationship of Change Leadership, Affective Commitment to Change, Psychological Empowerment and Employee Engagement; the results of intercorrelation analysis are shown in Table 2.
Table 2. Mean, SD, Correlation Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>AC2C</th>
<th>CL</th>
<th>PE</th>
<th>EE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment to Change</td>
<td>4.87</td>
<td>.65</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(AC2C)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change Leadership (CL)</td>
<td>4.40</td>
<td>.73</td>
<td>.31*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Psychological Empowerment (PE)</td>
<td>4.60</td>
<td>.54</td>
<td>.40*</td>
<td>.46*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(CL)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Engagement (EE)</td>
<td>4.69</td>
<td>.52</td>
<td>.38*</td>
<td>.41*</td>
<td>.32*</td>
<td>-</td>
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</tbody>
</table>

**1**.o.s. = p<0.01

Notes: SD = Standard Deviation; AC2C = Affective Commitment to Change; CL = Change Leadership; PE = Psychological Empowerment; EE = Employee Engagement.

Table 2 shows that there are positive correlations among Change Leadership, Affective Commitment to Change, Change Leadership, Psychological Empowerment, and Employee Engagement, with the relationship between Change Leadership and Psychological Empowerment is the strongest.

Results of SEM Analysis

Chi-Square = 30.92, df=22, p-value = 0.9768, RMSEA = 0.027

Legend: CL = Change Leadership; PE = Psychological Empowerment,

Fig. 1. The result of SEM analysis
Based on the results SEM analysis above, it shows that Change Leadership had no significant impact on Affective Commitment to Change with Psychological Empowerment as mediator, as there is no significant impact between Psychological Empowerment on Affective Commitment to Change (t-value between PE to AC2C = <1.96). Hypothesis 1 was not supported.

1. Change Leadership had no significant impact on Affective Commitment to Change, with Psychological Empowerment as a mediator, as there is no significant impact between Psychological Empowerment on Affective Commitment to Change (t-value between PE to AC2C = <1.96). Hypothesis 1 was not supported.
2. Change Leadership had a positive and significant impact on Affective Commitment to Change with Employee Engagement as a mediator, Hypothesis 2 was supported.
3. Psychological Empowerment had a positive impact on Affective Commitment to Change through Employee Engagement as a mediator, Hypothesis 3 was supported.

Descriptive Analysis

The descriptive analysis statistics shows that a) age, position, and lengths of works had a positive and significant correlation with Psychological Empowerment (l.o.s. p<0.001), but no positive relationship with Affective Commitment to Change, Change Leadership, or Employee Engagement. It shows that the older persons, the higher of the position, and the longer they work in the company will result in the more top of their Psychological Empowerment.

In terms of Commitment to Change, the results show that male and female have significant differences, in which male has a higher Commitment to Change than female. The results also show that the older persons, the higher the position, and the longer they work in the company, the more committed they are to the Organizational Change. At the educational level, the results show that the bachelor’s degree level of education had the lowest Committed to Change, and employees with diploma degree had the highest score. The results also revealed that Change Leadership alone could not directly be impacted by Affective Commitment to Change, but it should be mediated by Employee Engagement. As a result, change leaders should be able to inspire and motivate his/her subordinate to increase their engagement, which in return will also have a significant impact on Affective Commitment to Change.

Concerning Psychological Empowerment, the results show that males and females have no significant differences. It also shows that the older the persons, the higher the position, and the longer they work in the company will have resulted in the higher the score of their Psychological Empowerment. It also shows that bachelor’s degrees had the lowest score on Psychological Empowerment, and employees with a master’s degree have the highest score.

Discussion

Overall, Employee Engagement was the critical variable on the development of Affective Commitment to Change. Findings showed that Change Leadership had no significant impact on Affective Commitment to Change with Psychological Empowerment as a mediator. This finding was not supported the previous results of the substantial role of Psychological Empowerment as a mediator between Change Leadership and Affective Commitment to Change (Mangundjaya, 2019). This finding is quite surprising as previous research showed that Psychological Empowerment had a significant impact on Affective Commitment to Change (Mangundjaya, 2019). It assumed that Employee Engagement has a stronger effect on Affective Commitment to Change. Future studies recommended.

Findings also showed that Change Leadership had a positive and significant impact on Affective Commitment to Change with Employee Engagement as a mediator. The results showed that Employee Engagement plays a vital role in developing Affective Commitment to Change,
feeling of attachment with the organization will create a feeling of commitment to the organization, including the affective commitment to change.

Results showed that Psychological Empowerment had a positive impact on Affective Commitment to Change through Employee Engagement as a mediator. In this regard, the leader should be able to foster the acceptance of change aimed at promoting change to be accepted by their subordinates. Organizational change, in general, make people feel stress, anxious, insecure, which then harms their commitment to change (Kalyal, 2008; Mangundjaya, 2015, Mangundjaya, 2012). Spreitzer (2007) stated that people with high psychological empowerment would have high self-confidence and high self-efficacy, which, as a result, they can influence and have an impact on their working environment. Consequently, they do not have a fear of changes that happened in their organization. However, in this study psychological empowerment had no significant contribution to the affective commitment to change with the mediator of employee engagement, psychological empowerment will have an impact on affective commitment to change. In other words, the psychological empowerment could have a significant effect on affective commitment only through employee engagement. As a result, people who had high psychological empowerment will develop a sense of engagement to the organization, and it will build their affective commitment to change.

To conclude, employee engagement is a critical variable on developing affective commitment to change, as people with high employee engagement, whether direct or with mediating variables, will have an impact on affective commitment to change. Furthermore, according to Amstrong (2007), although highly engaged and committed people are motivated, people who are motivated are not necessarily engaged or committed. They may be pursuing their ends, not that of their job or the organization.

The study also showed that a feeling of competence is essential during organizational change. This feeling of power will overcome fear and anxiety during the process of organizational change (Cartwright & Cooper, 1993), as the feeling of expertise at work similar to the opinions of self-efficacy (Robbins, 2010). Moreover, the study also showed that the sense of Say, the ability to say something about the organization will have a significant impact on the commitment to change, compares with the other two sub dimensions.

Studying about commitment to change is essential, as through employee’s commitment to change it will lead to the implementation of change success and increasing performance (Parish, Et al, 2008). This study not only for the development of knowledge about the commitment to change but also for practical benefit. In this regard, the results of the study are beneficial for management in implementing change management in their organization.

Limitations of the study as follows: the data collections tool used questionnaires, which is self-report and quickly to have common method biases (Podsakoff, et.al, It recommends that a future study using many different kinds of data gathering tools.

CONCLUSION

Explicitly, this study fills the gap in the literature of employees’ engagement and commitment and their impact on overall organizational performance. The followings are the implications of this study for management and organizations involved in change implementation. In this regard, activities such as training, coaching, mentoring, and counselling, as well as developing a proper channel of communication during the process of organizational change will help to build trust between employees and organizations.

This study held at state-owned organizations that conducted organizational change in terms of organizational structures, strategy, and operating procedures. However, it was not a large scale and basic types of organizational change. Further studies should be conducted in many kinds of organizations as well as in other types of organizational change, with different kinds of approach in data collection.
REFERENCES


