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## Leadership, empowerment, and trust on affective commitment to change in state-owned organisations

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**Abstract:** State-owned/public organisations are faced with challenges to be effective, efficient and robust. Consequently, they have conducted many change programs to develop their organisations. Meanwhile, previous studies showed that many planned change programs failed, and one of the reasons is due to the low supports and commitment to change from the employees. This paper aims to analyse the role of change leadership on affective commitment to change, through psychological empowerment and organisational trust as mediators. This study is using the theory of commitment to change leadership; psychological empowerment and organisational trust. The research was conducted at two state owned organisations, which have undergone an organisational change. Data were gathered from 539 respondents using questionnaires for data collection, and SEM used for data analysis. The results showed that psychological empowerment and organisational trust as full mediators for the relationship between change leadership and affective commitment to change.

**Keywords:** affective commitment to change; change leadership; organisational trust; psychological empowerment.

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## **1 Introduction**

The issue of change is very significant to consider for organisations in Indonesia including in state owned organisation (BUMN), as they belong to the country, they have the responsibility and play a proactive role to provide the significant contribution for the country. In response to that, the Indonesian Government has been instructing the state-owned enterprise to conduct many transformational programs in response to the challenging demands of the environment. Consequently, state owned organisations are demanded to be more competitive and developed. Financial institution is considered to be one of the significant institutions that need to be transformed, as starting the open economy, many financial institutions due to MEA and globalisation will enter the business in Indonesia and tighten the competition with the financial institutions in Indonesia. As a result, to still exist and survive, state owned organisations needs to change and adapt to the environment. This condition makes the demand for conducting many changes to make the organisation more efficient and effective is required. Meanwhile, many organisations found change to be a real challenge (Rashid et al., 2004), as not every organisational change program was successful, and even more than 50% organisational change program was not succeeded. The change process itself in every organisation is unique, which is due to differences like types of organisation, the nature of a business, the values of work, organisational culture, management, leadership style, and the behaviour and attitude of the employees (Rashid et al., 2004). Previous researchers (Rashid et al., 2004; Herscovitch and Meyer, 2002) showed that the majority of the sources were related to people or the employees who work in the organisation. Therefore, managing the people in the organisation becomes a significant challenge in handling change processes in the organisation, since without the support of the employees, organisational change programs are challenging (Herscovitch and Meyer, 2002). The management people phenomenon also happened in state-owned enterprises in Indonesia, as they are aimed to be effective, efficient and robust organisations, as they belong to the government and their role is to support the nation's development and welfare, including the health of the country.

In general, people will follow and adapt to changes in the concept of 'able and want'. People will adjust and accept organisational change if they think that they have the knowledge and skills to fulfil the new requirements of organisational change (able). In another word, they should have the feeling of competence and confidence to face the organisational changes. In this regard, Spreitzer (2007) introduced the concept of psychological empowerment which can be used to meet the changes confidently. By mastering psychological empowerment people will have the confidence, determination, feeling of meaning about their work, competence, determination and most importantly, has the feeling of impact on the organisation (Spreitzer, 2007).

Meanwhile, leader as a change leader had an essential role in the success of organisational change. For example, Steve Jobs of Apple (Helft, 2010) whose leadership made the computer giant from Steve Jobs can achieve their position to be a number one computer company in the world. However, a leader can also be the sources of failure of organisational change failure, as with poor leadership will damage the organisation (Anderson, 2007).

The role of organisational trust during organisational change is also essential (Bruhn et al., 2001; Albrecht and Travaglione, 2003; Searle and Ball, 2004; Bibb and Kourdi, 2004; Elving, 2005; Kalyal and Saha, 2008; Li et al., 2011). Without trust people will not follow their leaders and management to adopt the organisational change. The objective of this paper is to test the model of the relationship between change leadership and affective commitment to change through psychological empowerment and organisational trust as the mediator, in two Indonesian financial state owned government institutions.

## **2 Literature review**

### *2.1 Affective commitment to change*

The concept of commitment to change based on Herscovitch and Meyer (2002) who defined as a force (mindset) that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative. Moreover, Herscovitch and Meyer (2002) also stated that the commitment to change has three dimensions namely: affective commitment to change, normative commitment to change, and continuance commitment to change. Meanwhile, the dimension of affective commitment to change or a desire to provide support for the change based on a belief in its inherent benefits to change. This behaviour is categorised as discretionary behaviour and predicted as the best supportive behaviour during organisational change, which had the highest impact on the positive attitude and behaviour of the person (Herscovitch and Meyer, 2002).

### *2.2 Change leadership*

Leaders are essential factors in the success of organisational change (Kotter, 2007). Thus leaders should be able to initiate, direct replacement, and promote change as well as implementing change. On the other hand, Anderson (2007) stated that leaders could also become the sources of change failures of initiatives for change if they only focus only on change's result and not on the process. The concept of change leadership in this research based on Liu (2010) who stated that change leadership is behaviours that target at the specific change and it consists of visioning, enlisting, empowering, monitoring, and helping in with individual adaptation. Two dimensions of change leadership are as follows, first change-selling behaviour, which is the behaviour that focuses focus on how the leader will sell the organisational change to its members, by explaining the reason why the organisational change is needed. Second, change-implementing behaviour, which is the behaviour of a leader during the implementation of corporate change by consolidation and other responses to achieve the change's objective (Liu, 2010).

### *2.3 Psychological empowerment*

Organisational change creates an ambiguous situation that makes people feel discomfort and even creates a stressful condition (Pritchett et al., 1997). Due to that situation, there is a need for a feeling of competence, confidence, and empowerment, to face the

organisational change. Psychological empowerment according to Spreitzer (2007) is a set of mental states that are necessary for people to have a feeling of control over their work. According to Spreitzer (2007), psychological empowerment is a motivational construct that has four dimensions, namely:

- a meaning
- b competence
- c determination
- d impact.

Spreitzer (2007) further stated that psychological empowerment is not a trait, but a cognitive collection that has been developed by the organisational environment. This empowerment results from the interaction between individual characteristics and the perceptions of the leader during organisational change (Spreitzer, 2007).

#### *2.4 Organisational trust*

Cummings and Bromiley (in Darrough, 2006) define organisational trust as the expectation that another individual or group will make: one, a good faith effort to behave by commitments, both explicit or implicit. Two, be honest in whatever negotiations preceding preceded those commitments. Three, not take undue advantage of others even when the opportunity exists [Cummings and Bromiley in Darrough (2006)]. The dimensions of organisational trust such as predictability; integrity and benevolence are some of the behaviours that need to be there during organisational change. In their research, Kalyal and Saha (2008) and Darrough (2006) showed that trust to the management has positive effects on the people's reaction toward change, as well as to affective commitment to change. Mangundjaya (2012) studies also showed that organisational trust is crucial during the large-scale organisational change.

#### *2.5 Change leadership and affective commitment to change*

Many factors that influence the development of affective commitment to change, and one of them it is a leader and his/her their leadership style. Previous research (Herold et al., 2008) showed that change leadership had a significant and direct impact on affective commitment to change. However, results of the study conducted by Liu (2010) showed only one dimension of change leadership that had a significant effect on affective commitment to change. Further, research by Mangundjaya (2013), found that change leadership had no significant correlation with affective commitment to change. Based on that, this research will test the relationship between change leadership and affective commitment to change. Based on the importance of a leader in the development of people's (Mehta et al., 2014) (including affective commitment to change), the Hypothesis 1 formulates as follow:

H1 Change leadership has a positive impact on affective commitment to change.

### *2.6 Change leadership, affective commitment to change with psychological empowerment as mediator*

Organisational change can create chaos and feeling of insecurity among employees, hence, as a leader should be able to motivate and empower people. To success, leader as a change leader should be aware of the psychological state of the employees (Blanchard, 2006) since the perceptions of the people about change leadership can influence their psychological empowerment. About change leadership, Kotter (2007) stated that one of the stages that should be done by the leader is empowering the organisational member's. Many researchers (Liu, 2010; Anderson and Anderson, 2010) mentioned that one of the behaviours of a leader during the implementation of organisational change is assisting employees in facing the organisational change (Kotter, 2007; Liu, 2010). Further, a leader should also empowering them (Kotter, 2007; Karp and Helgo, 2009; Liu, 2010; Anderson and Anderson, 2010). This empowerment is not only on developing competencies, but there is also a need to establish the psychological climate to create the mental empowerment (Wallace et al., 2011). In other words, organisational members should have self-confidence and feeling of self-efficacy to face the organisational change. Research about psychological empowerment and commitment to change showed that psychological empowerment had a significant impact on commitment to change (Rindang and Mangundjaya, 2013). Based on the above, the following is the Hypothesis 2:

H2 Change leadership has an indirect impact on affective commitment to change through psychological empowerment.

### *2.7 Change leadership, and affective commitment to change with organisational trust as the mediator*

People need to feel secure about their future during organisational change. As a result, leaders should be able to develop confidence, as people must have trust on their leaders, management, and organisation; they must have the belief that their management will act according to their promises. Change leadership is essential in developing organisational trust; Mangundjaya (2014) found that organisational trust has an impact on commitment to change. Based on the concept of change leadership by Liu (2010), it shows that one of the roles of the leader is in selling the change through communicating and socialising it. The effectiveness of change communication is vital as this will have impacts on the effectiveness of organisational change (Chawla and Kelloway, 2004). Information received make organisational members know and understand the process of change and how the management will implement it. With excellent communication about organisational change, ambiguity and feeling of insecurity minimise, and consequently, this condition will increase corporate trust. The way of communicating change, such as by leading and motivating employees, enhances the employee's psychological empowerment as well as improving their organisational trust (Travaglione and Albrecht, 2003; Elving, 2005). With these excellent communications, people will accept the organisational change (Kalyal and Saha, 2008). Meanwhile, change implementation, consist o: first, the way a leader assist the employees in solving some problems about the process of organisational change (Kotter, 2007, Liu, 2010). Second, monitoring and communicating the progress (Liu, 2010). Third, is empowering the members of the organisation (Kotter, 2007; Liu, 2010; Anderson and Anderson, 2010). Hence, as a

change leader, he/she should be able to develop organisational trust to gain affective commitment to change from the organisational members. Based on that, change leadership has an indirect positive impact on affective commitment to change through an organisational trust as the mediator which will be tested in this research. The hypothesis that will be tested as follows:

H3 Change leadership had an indirect impact on affective commitment to change through organisational trust.

### **3 Methodology**

#### *3.1 Sample and data collection*

The sample was from two financial state-owned companies that have undergone organisational change. There were 539 respondents (61.9% males) selected from two financial state own companies (enterprises) that had undergone organisational change. The criteria for inclusion were permanent employees, minimum of two years of working in the company, graduate of at least minimum senior high school graduates, within the age range between of 21–56 years old, and had aware that there were significant changes in the organisation. The amount numbers of respondents (539 respondents) are representing about 95% of the population of those who satisfy the mentioned criteria, and they consisted from non-staff up to management who are all involved and had the impact of the organisational changes.

#### *3.2 Measures*

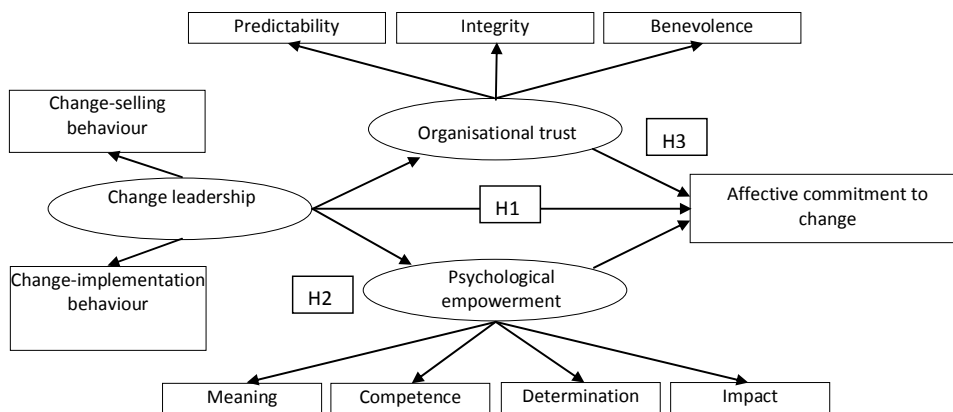
Affective commitment to change was measured using Herscovitch and Meyer (2002). The whole concept of commitment to change consists of three dimensions with six items in each dimension. However, Herscovitch and Meyer (2002) stated that affective commitment to change is the highest predictor of productive behaviour, and creates discretionary behaviour. In this study, the researcher used only one dimension (affective commitment to change). The instruments were translated into Bahasa Indonesia and modified into the six-point scale, with reliability score by Cronbach alpha 0.828. Change leadership measurement based on Liu (2010), consisting of 14 items and two dimensions: first, leaders' change selling behaviour, which is an action that attempts to promote the change during the unfreezing stage by making it clear why the change was necessary. Second, leaders' change implementing behaviour, is an action to push a change forward and consolidate success throughout the implementation. The scale was translated into Bahasa Indonesia and modified with six-point scales. The reliability score of leaders' change selling behaviour by Cronbach alpha is 0.958 and leaders' change implementing behaviour's score is 0.958. The instruments were also modified and translated and modified into Bahasa Indonesia with six-point scales (1 to 6). Psychological empowerment, adapted from Spreitzer (2007), has four dimensions: first, meaning, involves a fit between the needs of one's work role and one's beliefs, values, and behaviours [Hackman and Oldham in Spreitzer (2007)], consists of four items with the score of Cronbach alpha 0.837. Second, competence refers to self-efficacy specific to one's work, or a belief in one's capability to perform work activities with skill [Bandura,

1989 in Spreitzer (2007)], consists of four items, with the score of Cronbach alpha 0.828. Third, self-determination is a sense of choice in initiating and regulating one's actions (Spreitzer, 2007) and consists of four items, with reliability score 0.78. Fourth, impact, is the degree to which one can influence strategic, administrative, or operating outcomes at work [Ashforth, 1989 in Spreitzer (2007)], with a score of reliability 0.858. The instrument has modified and translated and modified into Bahasa Indonesia with six-point scales (1 to 6). Organisational trust, derived from the concept of Cummings and Bromiley (in Darrough, 2006), consists of three dimensions, and 15 items: first, predictability, that is the keeping commitments; consists of five question with reliability score by Cronbach alpha 0.890. Second, integrity, or negotiating honestly, consists of five items, with reliability score is 0.885. Third, benevolence, that is the avoidance of avoiding taking excessive advantage behaviours that consist of five elements of questions, with the reliability score of Cronbach alpha 0.880. The instruments were modified and translated and modified into Bahasa Indonesia with six-point sales.

### 3.3 Analysis

Data were analysed using descriptive analysis and structural equation model (SEM), as shown in Figure 1.

**Figure 1** Research model



## 4 Results and discussion

### 4.1 Results of descriptive analysis

The profile of respondents shown in Table 1 indicates that the profile of the respondents constitutes of 61.97% male respondents from the total; 78.29% of the respondents are within the age range of age between 25–44 years old; 74.77% are bachelor's degree holder. Further, the respondents consist of 43.42% staff; and 51.95% worked in their company for more than ten years' length of works, and all the respondents have the awareness that there are organisational changes.

**Table 1** Mean, SD of the respondents

Demographic variable	N (%)	AC2C		Org. trust		Change leadership		Psy. empowerment	
		Mean	SD	Mean	SD	Mean	SD	Mean	SD
Gender		-	-						
Male	334 (62.0)	4.51	0.52	4.63	0.67	4.46	0.75	4.64	0.57
Female	205 (38.0)	4.40	0.48	4.49	0.62	4.33	0.68	4.53	0.49
Age		-	-						
< 25 years old	12 (2.2)	4.11	0.35	4.37	0.54	3.99	0.73	4.46	0.35
25–44 years old	422 (78.3)	4.46	0.51	4.55	0.66	4.43	0.72	4.57	0.53
> 44–56 years old	105 (19.5)	4.55	0.52	4.71	0.63	4.38	0.77	4.72	0.59
Education									
Senior high	7 (1.3)	4.53	0.28	4.74	0.34	4.70	0.28	4.57	0.48
Diploma	36 (6.7)	4.59	0.42	4.78	0.58	4.52	0.74	4.62	0.52
Bachelor's	403 (74.8)	4.43	0.51	4.53	0.63	4.39	0.68	4.53	0.53
Master's	93 (17.2)	4.58	0.55	4.67	0.77	4.41	0.93	4.91	0.51
Position									
Non-staff	78 (14.5)	4.53	0.42	4.67	0.59	4.53	0.42	4.56	0.47
Staff	234 (43.4)	4.37	0.53	4.45	0.67	4.28	0.76	4.48	0.52
Section head	79 (14.7)	4.46	0.50	4.51	0.59	4.20	0.73	4.60	0.53
Depts. head	100 (18.5)	4.49	0.52	4.69	0.67	4.54	0.69	4.71	0.57
Division head	44 (8.2)	4.87	0.49	4.91	0.50	4.73	0.73	5.02	0.40
Management	4 (0.7)	4.93	1.04	5.67	0.47	4.93	1.04	5.72	0.47
Duration									
2–10 years	259 (48.1)	4.38	0.50	4.47	0.67	4.35	0.72	4.52	0.54
> 10 years	280 (51.9)	4.55	0.50	4.67	0.63	4.46	0.73	4.67	0.54

#### 4.2 Inter-correlation

Based on the results shown in Table 2, the four variables (affective commitment to change, change leadership, organisational trust, psychological empowerment) are correlated, and the highest correlation is between change leadership and organisational trust.

**Table 2** Intercorrelation analysis

Variable	Affective commitment to change	Change leadership	Organisational trust	Psychological empowerment
Affective commitment to change	-	-	-	-
Change leadership	0.306**	-	-	-
Organisational trust	0.417**	0.606**	-	-
Psychological empowerment	0.396**	0.463**	0.300**	-

Note: \*\*1.o.s at  $p < 0.01$ .



### 4.3 *The impact of change leadership, psychological empowerment and organisational trust on affective commitment to change*

From the Figure 2 and Table 3 showed that change leadership is not significantly related to affective commitment to change (Hypothesis 1 rejected). The results showed that organisational trust and psychological empowerment act as full mediators. Change leadership had a significant impact on affective commitment to change through psychological empowerment as the mediator of psychological empowerment (Hypothesis 2 not rejected or supported). The results related with Spreitzer (2007) concepts that stated psychological empowerment has developed by the interaction between work environment and individual's personality characteristics, thus change leader through their behaviour during socialising and implementing change enable to build psychological empowerment. In general, there are two ways in developing psychological empowerment:

- a direct, by arranging many empowerment activities to establish employees 'competency (Karp and Helgo, 2009; Anderson and Anderson, 2010)
- b in-direct, through developing psychological climate (Wallace et al., 2011).

With favourable organisational climate, the members of the organisation will feel comfortable and will support the organisation by expressing affective commitment to change.

**Table 3** The results of path analysis by SEM

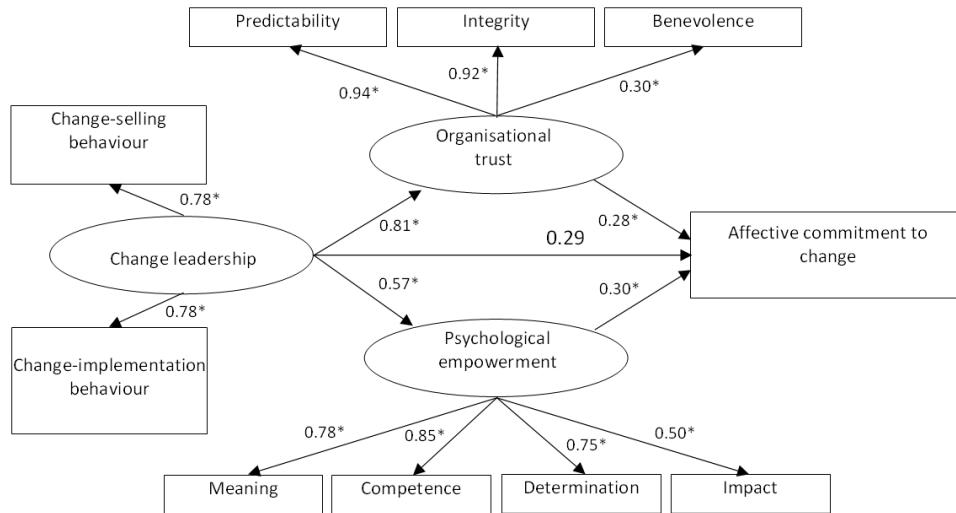
<i>Path analysis</i>	<i>Standardised</i>	<i>SE</i>	<i>t-value</i>	<i>Significant (t-value &gt; 1.96)</i>
CL → AC2C	0.29	0.0	0.76	Not significant
Mediation effect of PE				
CL → PE → AC2C	0.1695			Significant
Mediation effect of OT				
CL → OT → AC2C	0.2271			Significant

Notes: df = 39; chi-square = 54.00; P-value = 0.05557; RMSEA = 0.027; GFI = 0.984.

The study also showed that change leadership had a significant impact on affective commitment to change through an organisational trust as the mediator of organisational trust (Hypothesis 3 not rejected or supported). In this regard, the behaviour of change leadership during socialisation and implementation of organisational change will establish trust and support to management. This kind of support not only in managing day to day operation but also during organisational change, by expressing affective commitment to change. With this kind of support, the employee will obey the management's direction and instructions (Wilson, 2009), and has a positive impact on their affective commitment to change (Kalyal and Saha, 2008).

Further, results showed that the impact of change leadership through an organisational trust as the mediator is slightly higher compares to psychological empowerment on affective commitment to change. In other words, the effect of organisational trust on affective commitment to change was stronger compares with psychological empowerment. Results also showed that both change selling and change implementation behaviours have the same value of indicators on change leadership. Moreover, results also showed that competence dimension has the highest amount as an indicator of psychological empowerment.

**Figure 2** Results of SEM analysis



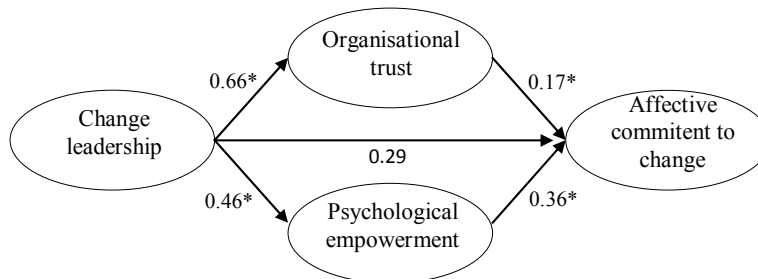
4.4 Results of each organisation

This study conducted at two financial institutions, with very similar characteristics. The similarities are as follows: first, both organisations are state-owned organisation. Second, both are financial institutions which their business is in insurance for a specific purpose, engaged in the insurance of soft loan for small enterprises, based on the assignment by the President of Republic Indonesia. Third, both organisations are the only organisations that have this particular type of business in Indonesia and d) both organisations have conducted many organisational changes to be more effective and efficient. Based on that, the researcher did the model testing for both organisations to identify whether the grand model also applied in each organisation (organisation A and organisation B).

4.4.1 Results of organisation A and B

Organisation A

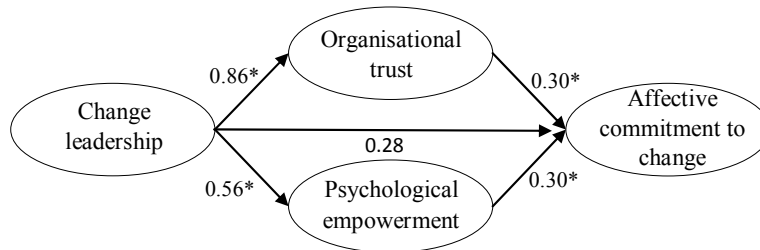
**Figure 3** The result of organisation A



Notes: df = 13; chi-square = 20.79; p-value = 0.7728; RMSEA = 0.033; GFI = 0.99.

Organisation B

Figure 4 The result of organisation B



Notes: df = 19; Chi-Square = 27.70; p-value = 0.893; RMSEA = 0.029; GFI = 0.99.

To get the clearer picture about the differences result between company A and B, the following Table 4 shows the differences.

Results from each of the organisation (Figures 3 and 4, and Table 4) showed similar results between each organisation, and both the total (two) organisations showed that change leadership had a positive impact on affective commitment to change through psychological empowerment and organisational trust. These can be explained due to the similar conditions of the companies, as both of them are the only companies which engaged in the insurance of soft loan for small enterprises as directed by the President.

Table 4 Path analysis of two organisations

Company	Path analysis	Standardised	SE	t-value	Significant (t-value > 1.96)
Company A	CL → AC2C	0.29	0.0	0.76	Not significant
Company B	CL → AC2C	0.28	0.0	0.77	Not significant
Company A	CL → PE	0.46			-
Company B	CL → PE	0.56			-
Company A	CL → OT	0.66			-
Company B	CL → OT	0.86			-
<i>Mediation effect of PE</i>					
Company A	CL → PE → AC2C	0.11			Significant
Company B	CL → PE → AC2C	0.17			Significant
<i>Mediation effect of OT</i>					
Company A	CL → OT → AC2C	0.29			Significant
Company B	CL → OT → AC2C	0.26			Significant

Notes: df = 13; chi-square = 20.79; p-value = 0.7728; RMSEA = 0.033; GFI = 0.99 (company A).  
 df = 19; chi-square = 27.70; p-value = 0.893; RMSEA = 0.029; GFI = 0.99 (company B).

However, there are some differences between the two results as follows: at the company A, change leadership had a positive impact on organisational trust at 0.66, but at company B at 0.86. These results are assumed to correlate with the sources of changes in each the organisation. Changes were more complicated in company A compares to

company B. Changes in vision and mission were admitted at 74.81% (company A) and 35.9% in (company B); remuneration policy is 45.47% in (company A) while and 25.27% in (company B); business accusation is 12.03% in (company A) and while 1.47% in (company B). These differences are assumed to have influenced the perception of the member of the organisation about change leadership which at the end the results of the impact of change leadership on organisational trust in company A is not as high as company B.

Furthermore, there are also differences between the positive impact of change leadership on psychological empowerment, which is 0.46 at company A and 0.56 at company B. Those differences were assumed to correlate with the attention of the management to facilities and conditions of the work units. The research also shows that perceived attention to facilities by of the management was viewed as higher in company B (41.03%) than in somewhat at company A (24.06%). The attention to the facilities makes employees feel more meaningful in their work, which serves as one of the dimensions of psychological empowerment (dimension meaning).

Moreover, there are also some other differences between the two companies. The total mediation effect at company A is 25%, with the impact of psychological empowerment is 17% is higher than of organisational trust which is 8% (17% compares to 8%). Meanwhile, at company B the total mediation effect is 43%, with organisational trust impact is at 26% than psychological empowerment which is 17% (26% compares to 17%). This condition implies in developing affective commitment to change. Thus, to conclude psychological empowerment is more critical in company A while organisational trust is more important in company B. This was assumed has the connection with the condition of the employees, the types of organisational changes and some of the variables which are not studied in this research. From the results it can be concluded that change leadership had the indirect effect to affective commitment to change through organisational trust and psychological empowerment. However, if the result is analysed further the impact is not the same, which might be due to the context of the organisation itself, such as organisational climate and organisational culture.

## **5 Discussion**

The objective of the study is to test the model of the relationship between change leadership and affective commitment to change through psychological empowerment and organisational trust as mediator. The results of this study showed that change leadership does not directly impact on affective commitment to change. These results do not conform to the previous findings (Herold et al., 2008; Liu, 2010) that showed change leadership had a significant impact on affective commitment to change.

However, these findings conform to the conclusions from Mangundjaya (2013). This present study also supported the research conducted by Kempster et al. (2013) which showed that change leadership could be applied to help engender commitment to change and to learn, as well as contextualising the change to cope with the complexities of the situation, through the distribution of information. The context of the organisations, as well as types of changes and types of organisations, are assumed to be the reasons for these differences.

The study also showed that feeling of competence is essential during an organisational change to develop a commitment to change, this feeling of meaningful will overcome the fear and anxiety during the process of organisational change (Mangundjaya, 2012). Moreover, the results also showed that a sense of competence had the highest role in psychological empowerment. In this regard, people who think and feel that they have the competency and efficacy will, in turn, have high self-confidence in facing organisation, including meeting the uncertainty during organisational change. The findings also supported the research in India by Mehta et al. (2014) that identified leader with a focus on people has resulted in organisational change.

Furthermore, the study also showed that organisational trust as the mediator has the higher results compare to psychological empowerment as mediator. Psychological empowerment concept enables to explain this phenomenon. Psychological environment is the results of the interaction between organisational context and characteristics of an individual. In other words, the psychological empowerment is a result of the interaction between organisational trust and the characteristics of the person. Thus psychological empowerment was influenced by the organisational trust (Spreitzer, 2007).

Based on this discussion, further studies are recommended to conduct similar studies in many types of organisations and in other kinds of organisation which has conducting different types of transformation. Further, subsequent studies are also recommended for different types of organisations such as private, government, and non-government organisations are needed. The study also showed that the feeling of competence is significant during an organisational change to develop a commitment to change. Also, the sense of meaning is essential, this feeling of meaningful will overcome the overcoming fear, anxiety, and stress during the process of organisational change (Cartwright and Cooper, 1993; Mangundjaya, 2012). Moreover, the results also showed that the feeling of competence had the highest role in psychological empowerment. People who think and feel that they have the competency and efficacy will, in turn, have high self-confidence in facing organisational change including facing the uncertainty and accompanying it during organisational change.

Furthermore, the study results also showed that as a mediator organisational trust has the higher effects compared to psychological empowerment. This condition can be explained by the concept of psychological empowerment, where the psychological environment is the results of the interaction between organisational environment and the characteristics of the persons. Thus psychological empowerment was being influenced by the organisational trust (Spreitzer, 2007). Limitations of the study are as follows: first, the study used a scale of affective commitment to change and not inclusive normative commitment to change, and continuance commitment to change, which might have different types of results if used. Second, the study used scales and self-report for data collection, which might have been potentially having affected by subjective bias (Podsakoff et al., 1996); further research using different types of data collection is needed. Third, the study conducted only at state-owned organisations which have undertaken organisational changes but not large models of organisational change. Thus, future research can be done at different types of organisation that has undergone organisational changes as well as various types of organisational changes is needed.

These results enhanced the understanding of the role of change leadership, organisational trust and psychological empowerment on the development of a commitment to change. The findings of this the study can be used by for management in

handling in managing change management, by paying attention to the psychological state of the employees, as well as in creating a trust during organisational change.

The study still needs to be replicated to have a consistent result. However, from the effects some of the suggestions for practical implementation are given as follows: first, management should identify, what are the kind of variables that can develop psychological empowerment, and organisational trust as these variables play an important role in promoting affective commitment to change. Second, since change and transformation will create many anxieties (Cartwright and Cooper, 1993; Galpin, 1996), developing the feelings of competence, meaning, and self-efficacy will enable people to build their self-confidence to face the organisational change, fears, and anxieties. Third, the study showed that psychological empowerment, or feeling of self-confidence and self-efficacy in their work, as well as feeling of competence in their work environment is essential to create affective commitment to change. In this regard, an organisation is recommended to develop many activities such as training, coaching, mentoring, and counselling to develop a high sense of psychological empowerment. Fourth, change leader and management should be able to create a sense of trust among their members of the organisation, as this sense of trust enabling the organisation to develop an understanding of security feelings.

## **6 Conclusions**

The results of the study showed that change leadership during organisational change is essential on developing affective commitment to change. However, the impact is not direct but mediated by psychological empowerment and organisational trust. This condition supported by Anderson (2007) and Blanchard (2006) that stated, leader with their leadership style can also become the sources of failures in organisational change failures, if they only focus on the results of the change, and not pay attention to psychological circumstances state of the individual. Thus, develop psychological empowerment is essential. Results also showed that change leadership has a significant impact on affective commitment to change through organisational trust. Organisational trust is vital in managing organisational change, thus. As a result, change leadership is recommending to develop organisational trust to establish affective commitment to change.

## **7 Recommendations**

Based on the results, there are some recommendations herein as follows: first, further research should be done, using different types of methods not just using self-report (questionnaire) in data gathering. Second, the concept of commitment to change in this study used the terminology of affective commitment to change by Herscovitch and Meyer (2002). Third, to widen and deepen the concept of commitment to change, grounded research about commitment to change is recommended to be conducted. Fourth, research about change leadership is still limited, and mostly use the present concept, consequently is recommended to research perceived change leadership. Fifth, this study used organisational trust as one of the variables, to get the complete picture of the model,

analysis about trust on leaders should also be studied. Sixth, this study conducted at Financial non-banking state-owned institutions, to have a more general picture, further research should be done on private enterprises, NGO, and multi-national companies. Seventh, this study used four variables, new research can study other variables that might have an impact on affective commitment to change.

Moreover, based on the results, some practical recommendations can be implemented as follows: first, developing excellent interpersonal skills for leaders especially change leaders are vital to persuade, achieve and establish a psychological climate in the organisation. Second, forming organisational trust is a must, as without trust people will not follow the change leader. Third, developing a sense of competence and confidence (psychological empowerment) should be taken into consideration. Coaching, mentoring, training are some activities that can be used to enhance the feeling of competence and confidence. Furthermore, since developing psychological empowerment is not only growing competence, in this regard, a leader should also improve a cohesive psychological climate by promoting a good relationship, togetherness, and tolerance (Meshinko, 2013; Williams, 2015). With the favourable psychological environment, this will create significant psychological empowerment among the employees.

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