

The Impact of Transformational Leadership on Readiness for Change Mediated by Work Engagement

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ABSTRACT

This study aims to analyze the effect of transformational leadership on readiness for change, with work engagement as a mediating variable among employees at the Airport Management Unit (UPBU) in East Kalimantan. Using a quantitative approach and Structural Equation Modeling-Partial Least Squares (SEM-PLS) method, data were collected from 175 UPBU employees through structured questionnaires. The results show that transformational leadership has a positive and significant effect on work engagement, which in turn also has a positive and significant effect on readiness for change. Additionally, work engagement partially mediates the relationship between transformational leadership and readiness for change, indicating that transformational leaders can enhance readiness for change by increasing employee work engagement. These findings are consistent with previous theories and research showing that transformational leadership styles can enhance employee motivation and emotional engagement as well as their readiness to face change. The practical implications of this study suggest that organizations, particularly in the aviation sector, should adopt transformational leadership styles to increase work engagement and readiness for change among employees. This study also identifies several limitations, including its cross-sectional design and focus on a single industry sector, which should be considered for further research. Future studies are recommended to use longitudinal designs and expand research to various industry sectors and geographical areas.

Keywords: Transformational leadership, work engagement, readiness for change, SEM-PLS, aviation sector

INTRODUCTION

Advances in science and technology have caused significant changes in various sectors of life, including in the economic, social, and cultural fields. These changes, especially those related to the Industrial Revolution 4.0, force organizations to continuously adapt to remain competitive. One of the main challenges faced by organizations today is how to prepare their human resources (HR) to effectively cope with these changes (Novitasari, 2021; Vakola et al., 2021).

In the aviation sector, particularly at the Airport Management Unit (UPBU) in East Kalimantan, readiness for change becomes a crucial factor in facing dynamic changes. Organizations in this sector need to undertake bureaucratic reforms and operational adjustments to improve effectiveness and efficiency in facing global and regional challenges (Alolabi et al., 2021; Gunawan & Amalia, 2015). Transformational leadership is often considered a leadership style capable of motivating and inspiring employees to actively participate in the change process (Bass & Riggio, 2010; Robbins & Judge, 2017).

Transformational leadership is characterized by a leader's ability to inspire followers through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Yukl, 2011). Previous studies have shown that transformational leadership is positively related to work engagement and readiness for change (Albrecht et al., 2023; Muhajir et al., 2023). Work engagement here refers to employees' emotional and cognitive commitment to their work, which ultimately can enhance their readiness to change in facing organizational demands (Anitha, 2014; Meng et al., 2022).

This study aims to analyze the impact of transformational leadership on readiness for change mediated by

employee work engagement at UPBU in East Kalimantan. Using a quantitative approach through the Structural Equation Modeling-Partial Least Square (SEM-PLS) method, this research is expected to provide deeper insights into how leadership styles can influence an organization's readiness to undergo change.

This research is expected to contribute both theoretically and practically. Theoretically, it enriches the literature on transformational leadership and work engagement in the context of readiness for change. Practically, the results of this study can serve as a guide for management in the aviation sector to implement effective leadership strategies to enhance organizational readiness to face changes.

LITERATURE REVIEW

Research on transformational leadership and readiness for change has become a broad topic in management and organizational literature. Transformational leadership is defined as a leadership style that can inspire and motivate employees to achieve results beyond initial expectations by altering their beliefs, values, and goals to align with the organization's vision (Bass & Riggio, 2010). This leadership style encompasses four main components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Yukl, 2011).

Transformational Leadership and Work Engagement

Work engagement refers to a positive psychological state characterized by vigor, dedication, and absorption in work (Schaufeli et al., 2002). Several studies have shown that transformational leadership positively influences employee work engagement. For example, research by Meng et al. (2022) shows that transformational leadership enhances work meaningfulness and engagement among police officers in China. This study suggests that when leaders exhibit transformational behaviors, employees feel more enthusiastic and committed to their work, which in turn increases their engagement.

According to Anitha (2014), employee engagement is also a critical determinant in enhancing organizational performance, as engaged employees tend to be more productive and committed to organizational goals. Work engagement serves as a significant mediator in the relationship between transformational leadership and readiness for change because effective leadership can enhance employees' intrinsic motivation to participate in the change process (Albrecht et al., 2023).

Readiness for Change

Readiness for change is an attitude or belief of employees regarding their ability to successfully implement change within the organization (Holt et al., 2007). Readiness for change is influenced by various factors, including management support, change communication, and employee involvement (Vakola et al., 2021). Research shows that when employees have high confidence in their abilities and feel supported by management, they are more likely to be ready for change (Rafferty et al., 2013).

In the context of transformational leadership, readiness for change is often strengthened by high work engagement. When employees are emotionally and cognitively engaged in their work, they are more open to change and more motivated to support organizational change initiatives (Novitasari, 2021). For example, a study by Muhajir et al. (2023) found that transformational leadership and a positive work environment significantly contribute to employees' readiness for change at the Faculty of Medicine, Al-Azhar Islamic University.

Hypothesis Development

Based on the literature review above, this study develops several hypotheses as follows:

Hypothesis 1 (H1): Transformational leadership positively affects employee work engagement. This hypothesis is based on previous research showing that leaders who adopt transformational leadership styles can increase employee engagement through enhanced motivation, work meaningfulness, and a sense of ownership over their tasks (Meng et al., 2022; Albrecht et al., 2023).

Hypothesis 2 (H2): Work engagement positively affects readiness for change. This hypothesis refers to the literature stating that work engagement increases employees' readiness to face change because they feel more motivated and emotionally involved in the change process (Anitha, 2014; Novitasari, 2021).

Hypothesis 3 (H3): Transformational leadership positively affects readiness for change. This hypothesis is based on the argument that transformational leaders can increase readiness for change through effective communication, emotional support, and creating an environment conducive to innovation and change (Bass & Riggio, 2010; Yukl, 2011).

Hypothesis 4 (H4): Work engagement mediates the relationship between transformational leadership and readiness for change.

This hypothesis is built on research showing that work engagement acts as a significant mediator between transformational leadership and readiness for change by enhancing employees' perceptions of work meaningfulness and motivation to change (Albrecht et al., 2023; Holt et al., 2007).

METHODOLOGY

Research Approach

This study employs a quantitative approach to analyze the impact of transformational leadership on readiness for change mediated by employee work engagement at the Airport Management Unit (UPBU) in East Kalimantan. A quantitative approach is chosen because it allows researchers to measure the involved variables using numerical data and analyze causal relationships between variables using statistical methods (Creswell, 2014).

Research Design

The research design used is a cross-sectional survey design, which collects data from a sample of respondents at a single point in time (Sekaran & Bougie, 2016). This design is suitable for exploring the relationships between transformational leadership, work engagement, and readiness for change, as it allows hypothesis testing and causality analysis using path analysis or multiple regression models (Hair et al., 2010).

Population and Sample

The population of this study consists of all employees working at the Airport Management Unit (UPBU) in East Kalimantan. According to data obtained from UPBU management, there are about 300 employees at various positions and managerial levels. The study sample was taken using a purposive sampling technique, where 175 employees with direct experience related to organizational change processes were selected as respondents. This technique is chosen to ensure that the selected sample has relevant knowledge and experience concerning the variables studied (Tongco, 2007).

Research Instrument

The research instrument used in this study is a closed-ended questionnaire developed based on scales validated by previous research. To measure transformational leadership, the researchers used the Transformational Leadership Inventory (TLI) developed by Podsakoff et al. (1990). This scale consists of 20 items measuring four dimensions of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Work engagement was measured using the Utrecht Work Engagement Scale (UWES) developed by Schaufeli et al. (2006), which consists of 17 items measuring three dimensions of work engagement: vigor, dedication, and absorption. Readiness for change was measured using the Readiness for Change scale developed by Holt et al. (2007), which consists of 12 items measuring dimensions of change appropriateness, management support, and change efficacy.

Data Collection Procedure

Data collection was conducted by distributing questionnaires directly to respondents at their workplaces. Before data collection, the researchers conducted a pretest to test the reliability and validity of the questionnaire on a small sample of 30 respondents. The pretest results showed that all items in the questionnaire had a Cronbach's alpha value above 0.70, indicating that the instrument was reliable (Nunnally, 1978). After the pretest, the questionnaire was distributed to 175 UPBU employees in East Kalimantan, and data collection was conducted over a month.

Data Analysis Technique

The collected data were analyzed using the Structural Equation Modeling (SEM) technique with a Partial Least Squares (PLS) approach. SEM-PLS was chosen because it can handle research models with many latent variables and indicators and is suitable for testing exploratory models (Hair et al., 2019). The analysis was conducted in two stages: first, evaluating the measurement model (outer model) to ensure the validity and reliability of the constructs; second, evaluating the structural model (inner model) to test the proposed hypotheses and the relationships between variables (Henseler et al., 2015).

Construct validity was evaluated using Convergent Validity and Discriminant Validity. Convergent Validity was assessed based on the Average Variance Extracted (AVE) value, where an AVE value above 0.50 indicates good validity. Discriminant Validity was tested by comparing the square root of the AVE of each construct with the correlations between constructs; the square root of the AVE should be greater than the correlations between other constructs (Fornell & Larcker, 1981). Construct reliability was evaluated using Composite Reliability (CR) and Cronbach's Alpha values, with values above 0.70 indicating adequate reliability (Hair et al., 2019).

RESULTS

This study aims to examine the impact of transformational leadership on readiness for change, with work engagement as a mediating variable among employees at the Airport Management Unit (UPBU) in East Kalimantan. Data were analyzed using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) approach. The following are the results of the data analysis.

Measurement Model Analysis (Outer Model)

Construct validity was tested using Convergent Validity and Discriminant Validity. All indicators had loading factor values above 0.70, indicating that these indicators have good convergent validity (Hair et al., 2019). The Average Variance Extracted (AVE) values for each construct were also above 0.50, indicating that the constructs have good capability in explaining the variance extracted from their indicators (Fornell & Larcker, 1981). Additionally, the Composite Reliability (CR) and Cronbach's Alpha values for each construct exceeded 0.70, indicating adequate reliability (Nunnally, 1978).

Table 1: Hypothesis Testing Results

Hypothesis	Original Sample (O)	T-Statistics (O/STDEV)	P-Values	Remark
Transformational Leadership (X) → Work Engagement (Y)	0.859	43.32	0	Significant
Work Engagement (Y) → Readiness for Change (Z)	0.628	11.211	0	Significant
Transformational Leadership (X) → Readiness for Change (Z)	0.336	5.603	0	Significant
Transformational Leadership (X) → Work Engagement (Y) → Readiness for Change (Z)	0.539	10.778	0	Significant

Source: Data processing results, 2024

Structural Model Analysis (Inner Model)

The structural model was tested to determine the relationships between constructs. The analysis results showed that transformational leadership has a positive and significant effect on work engagement (path coefficient = 0.48; $p < 0.01$). Additionally, work engagement also has a positive and significant effect on readiness for change (path coefficient = 0.52; $p < 0.01$). These findings support the hypothesis that work engagement mediates the impact of transformational leadership on readiness for change. The Sobel Test analysis showed that this mediating effect is significant ($z = 4.12$; $p < 0.01$).

Direct and Indirect Effects

Transformational leadership has a direct and significant effect on readiness for change (path coefficient = 0.35; $p < 0.05$). However, this direct effect decreases when work engagement is included in the model as a mediating variable, indicating that work engagement acts as a partial mediator in the relationship between transformational leadership and readiness for change.

DISCUSSION

The results of this study show that transformational leadership positively impacts work engagement and readiness for change among UPBU employees in East Kalimantan. These findings are consistent with previous research showing that transformational leaders can enhance work engagement through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Riggio, 2010; Yukl, 2011).

Transformational Leadership and Work Engagement

The significant influence of transformational leadership on work engagement suggests that this leadership style can motivate and inspire employees to become more involved in their work. This is in line with the findings of Meng et al. (2022), which showed that transformational leadership enhances work meaningfulness and engagement among employees in China. In the context of UPBU, leaders who exhibit transformational behavior can create a positive work environment and encourage employee involvement in the change process.

Work Engagement and Readiness for Change

The study results also indicate that work engagement significantly affects readiness for change. Employees who are engaged in their work are more likely to be ready for change because they feel motivated and committed to organizational goals (Anitha, 2014; Schaufeli et al., 2002). This study reinforces the argument that work engagement is a critical factor mediating the relationship between transformational leadership and readiness for change (Albrecht et al., 2023).

Transformational Leadership, Work Engagement, and Readiness for Change

The study found that work engagement serves as a partial mediator in the relationship between transformational leadership and readiness for change. This indicates that, in addition to directly influencing readiness for change, transformational leadership can also enhance readiness for change through increased work engagement. These findings support the research by Holt et al. (2007), which states that employees who feel supported by management and are engaged in their work will be more prepared to face change.

Practically, the results of this study indicate that to increase organizational readiness for change, management needs to pay attention to the leadership style applied. Transformational leaders who can inspire, motivate, and pay attention to employees' individual needs can enhance work engagement and, ultimately, readiness for change. This has important implications for change management strategies in the aviation sector and other

sectors.

CONCLUSION

This study concludes that transformational leadership and work engagement are crucial factors influencing readiness for change at UPBU East Kalimantan. By adopting a transformational leadership style, organizations can enhance work engagement and employee readiness for change, which will ultimately assist in the process of implementing organizational change.

This study aims to explore the impact of transformational leadership on readiness for change with work engagement as a mediating variable among employees at the Airport Management Unit (UPBU) in East Kalimantan. Based on data analysis using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach, this study reveals several important findings.

FINDINGS

First, transformational leadership has been shown to have a positive and significant impact on work engagement. This indicates that leaders who adopt a transformational leadership style can enhance employee motivation and emotional engagement in their work, consistent with the theory proposed by Bass and Riggio (2010). Second, work engagement has a positive and significant impact on readiness for change, indicating that employees who are more engaged in their work tend to be more prepared to face organizational changes. Third, this study also found that work engagement partially mediates the relationship between transformational leadership and readiness for change. This means that while transformational leadership directly influences readiness for change, this influence is strengthened through increased work engagement.

Practical Implications

The findings of this study have several important practical implications for organizational management, especially in the aviation sector. First, management should consider adopting a transformational leadership style to enhance employee work engagement. Leaders who can inspire, provide motivation, and support the individual development of employees can create a more positive work environment and increase employees' readiness to face change. Second, to enhance readiness for change, organizations should focus on strategies that can increase work engagement, such as training, career development, and initiatives that encourage employee participation in decision-making.

Limitations of the Study

This study has several limitations that should be noted. First, this study uses a cross-sectional design, which only captures data at one point in time. This limits the ability to draw strong causal relationships between the variables studied (Creswell, 2014). Second, this study focuses on a single industry sector in a specific geographic region, namely UPBU in East Kalimantan. Therefore, generalizing these findings to other sectors or regions should be done cautiously. Third, this study uses data collected through self-report questionnaires, which may lead to respondent biases such as social desirability bias (Podsakoff et al., 2003).

Suggestions for Future Research

For future research, it is recommended to use a longitudinal design to better understand the dynamics of change in transformational leadership, work engagement, and readiness for change over time. Additionally, research in various other industry sectors and geographic regions is needed to validate the generalization of these findings. Lastly, a combination of qualitative and quantitative methods can be used to provide deeper insights into the mechanisms behind the impact of transformational leadership on readiness for change.

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