Mediating Role of Work Engagement and Trust in Leadership: The Influence of Transformational Leadership on Championing Behavior

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ABSTRACT

This article aims to explain the effect of transformational leadership on championing behavior with work engagement and trust in leadership as mediators. A literature review is conducted to determine the variables that build the conceptual model. The expected findings are a positive relationship between transformational leadership and championing behavior, as well as the mediating role of work engagement and trust in leadership. This study explains whether the presence of championing behavior will make employees want to be invited to change during the period of organizational change. This study provides an alternative conceptual model in the field of human resources, especially employee behavior. Researchers hope that this research can provide an understanding of the importance of championing behavior to employees and organizations when organizational change occurs. This paper is also expected to contribute theoretically, practically, and may be used for future studies.

Keywords: Championing Behavior, Transformational Leadership, Trust in Leadership, Work Engagement.

I. INTRODUCTION

Change management in an organization is the capability to lead employees involved in the process of organizational change, because employees are the source and tool of transformation (Robbins & Judge, 2008). The importance of employee functions in the change process, so employees must be more open to changes made by the organization and employees are ready for change. The highest form of change behavior is the creation of championing behavior, as one of the variables that determine the success of organizational change (Islam et al., 2020).

Championing behavior describes employee attitudes towards change. The existence of championing behavior in employees will result in a high level of aggressive behavior in change, this certainly encourages the organization to develop to achieve a new vision and mission. Islam et al., (2020) revealed that transformational leadership can increase championing behavior. Leaders who have transformational behavior play an important role in shaping positive reactions towards change (Busari et al., 2020). The existence of positive reactions from employees means that championing behavior has begun to form. However, organizational change can increase demands on organizational leaders who play an important role in implementing change.

Ghadi et al. (2013) emphasized that transformational leadership can influence work engagement. Faupel & Süß (2019) revealed that work engagement can increase championing behavior during the organizational change process. It also emphasizes that transformational leadership affects work engagement, and work engagement can increase employee championing behavior (Islam et al., 2020). The increase in championing behavior during the change period is also influenced by the variable of trust in the leader. Organizational trust is a key factor in organizational success, goodwill, and how to establish relationships between employees and their organizations (Zainab et al., 2022). Transformational leadership substantially affects employee trust in leaders and championing behavior during organizational change. Also, revealing the mediating effect of trust in leaders in the relationship between transformational leadership and championing behavior during organizational change that occurs in banking in Bangladesh (Islam et al., 2021). The main behavioral highlight during the change period is the championing behavior of employees (Islam et al., 2021). However, in the service industry there is still limited research on the effect of how championing behavior attitudes on organizational change (Islam et al., 2021). The financial services industry is one of the pillars of a country's income. The financial services sector contributes 4.4% to Indonesia's economic growth including the banking sector (Katadata, 2022). The banking sector is currently experiencing accelerated digital change to improve the quality of product lines, optimize IT systems, artificial intelligence, environmentally friendly banking systems and improve banking supervision (Islam et al., 2020).

Banking operations are becoming more operationally agile with digital transformation. The shift from conventional to digital banking services has reduced the
number of bank branch offices. Based on data from the Otoritas Jasa Keuangan (OJK), the number of bank branch offices has decreased by an average of 1,055 units per year over the last seven years until July 2022 (Infobanknews, 2022). The decreasing number of traditional bank branches each year indicates that each branch has fewer employees who are transitioning to digital transformation.

The uncertain phase of change in the organization allows employees to recognize their role. A leader's role is needed to implement change more effectively. Digital transformation can influence culture and improve employee skills (Bernini et al., 2022). This is shown by the actions taken by the bank, because it is a manifestation of the digitalization plan that has been and is being planned in the future.

Based on the background explanation, the authors will conduct research on bank employees in Indonesia who experience organizational change in order to have a championing behavior attitude influenced by transformational leadership and mediated by work engagement and trust in leadership.

II. LITERATURE REVIEW

A. Transformational Leadership

Leadership is a social process in organizations that a person consciously uses to influence others and structure their actions. At the same time, leaders urge their followers to increase their confidence through the stage of inspirational motivation (Sivanathan et al., 2012).

B. Work Engagement

Work engagement is described as enthusiasm, strength, passion, commitment, strong focus, and positive work-oriented thinking. Work engagement is an important concept that reflects employee involvement in carrying out work (Nazir & Islam, 2017).

C. Trust in Leadership

Trust is an important factor in organizational change (Yasir et al., 2016). According to Islam et al., (2021), trust in leaders is the willingness of employees to make themselves vulnerable to their organization but actions based on the belief that the organization has high integrity, trustworthiness, and competence.

D. Championing Behavior

Championing behavior is an optimistic and distinctive attitude of an employee (Islam et al., 2020). Championing Behavior is extreme enthusiasm for change, going beyond what is formally required to ensure the success of change and encouraging change in others (Herscovitch & Meyer, 2002).

III. FRAMEWORKS AND HYPOTHESIS

The next step in this research is to describe the research hypothesis and problem solving to be more focused. Transformational leadership attitudes have been shown to help behavior change and provide full support to employees during organizational change (Islam et al., 2020). According to Faupel and Süß (2019), there is a positive correlation between the relationship between transformational leadership and championing behavior during change. This leadership quality is able to maintain change-friendly behavior among employees who effectively change for the better. Therefore, this research suggests:

H1: Transformational leadership has a positive effect on championing behavior in the context of organizational change.

Opinions about transformational leadership and work engagement often assume a positive relationship between leaders and followers (Salanova et al., 2011). Ghadi et al. (2013) obtained a strong and positive correlation between transformational leadership and work engagement. It is also found in Islam et al. (2020) that the attitude of transformational leadership can increase employee work engagement during organizational change. So, the following hypothesis is proposed:

H2: There is a positive influence between perceived transformational leadership and work engagement in the context of organizational change.

Work engagement is work-related motivation and positive thinking, characterized by drive, dedication and personal responsibility (Schaufeli & Bakker, 2004). Research by Islam et al. (2020) rationalized the relationship between work engagement and defensive behavior through the lens of psychological contract theory. This creates a positive effect between transformational leadership and work engagement. From the research that has been done, it produces hypotheses in the form of:

H3: Work engagement has a positive effect on championing behavior in the context of organizational change.

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<th>H1</th>
<th>Transformational leadership</th>
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<td>H2</td>
<td>Work Engagement</td>
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<td>H3</td>
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<td>H4</td>
<td>Trust in Leadership</td>
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Fig. 1. Conceptual Framework.

Employee work engagement can vary, and change leaders have the opportunity to increase employee engagement, which ultimately increases employee advocacy during organizational change (Faupel & Süß, 2019). Islam et al. (2020) present the mediating role of work engagement between transformational leadership and championing behavior during organizational change. In other words, when transformational leaders increase employee work engagement in the process of organizational change and psychological attachment committed employees increase championing behavior during organizational change.
So, the research proposes the hypothesis:

**H4:** Work engagement mediates the relationship between transformational leadership and championing behavior in the context of organizational change.

Trust is the ability to take risks in accordance with the actions of leaders and the positive results expected from leadership initiatives. Islam *et al.* (2021) showed that there is a positive correlation between transformational leadership and trust in leadership. Trust depends largely on how employees perceive a leader's competence, caring, honesty, and feelings toward others (Dirks & Ferrin, 2002). Such a bond between leaders and followers develops a relationship of trust and strengthens employees' psychological ownership and encourages them to act as advocates for organizational change (Islam *et al.* 2021). In addition, there is a positive relationship between trust in leadership and championing behavior in organizational change (Islam *et al.* 2021). Therefore, this study proposes:

**H5:** Transformational leadership has a positive effect on trust in leadership in the context of organizational change.

**H6:** There is a positive influence between trust in leadership and championing behavior in organizational change.

The psychological effect of an individual's level of trust influences the relationship between transformational leadership and employee championing behavior in the context of organizational change in psychological contract theory (Rousseau, 2000). Trust in leaders mediates between transformational leaders and championing behavior (Islam *et al.* 2021). Against this background, it can be assumed that trust can act as a potential mediator in the relationship between transformational leadership and championing behavior.

**H7:** Trust in leadership has a mediating role in the relationship between transformational leadership and championing behavior in organizational change.

**IV. METHODS**

This research is included in quantitative research. Population is a combination of elements in the form of events, characteristics or similar individuals that become the focus of research because it is considered a research phenomenon (Ferdinand, 2016). The population in this study were employees of 46 banks in Indonesia listed on the Indonesia Stock Exchange (IDX). Samples are elements that are part of the population (Cooper & Schindler, 2014). Sampling in this study using purposive sampling technique. This method was chosen to get a representative or representative sample in accordance with the research objectives. Sampling in this study uses considerations (1) respondents are permanent employees; (2) respondents have experienced or are experiencing a change process.

The types of data in this study are primary data and secondary data. Primary data is obtained from distributing questionnaires via google form to respondents. Secondary data supports primary data needs such as books, journals, websites, literature and various readings related to research (Sekaran & Bougie, 2016).

Variable measurement using a Likert scale. The Likert scale is used to assess the attitudes, opinions, and perceptions of individuals or groups of individuals about social phenomena. The 5-point Likert scale is given for the results of each question and is scored 1 for "strongly disagree" and 5 for "strongly agree" (Sekaran & Bougie, 2016).

This study uses the SEM-PLS or Structural Equation Model analysis model with the SmartPLS application. The first step taken in this analysis is to design the outer model and inner model. Designing an outer model to measures indicators and paths that connect latent variables. Outer model criteria by measuring convergent validity, discriminant validity, and construct reliability.

The inner model or structural model is determined through the research hypothesis. The criteria in the inner model are the coefficient of determination (R²) and the path coefficient. According to Sekaran and Bougie (2016), hypothesis testing is carried out by comparing the probability value of significance with the alpha (α) value in the previously determined path coefficient results. Hypothesis testing is done by comparing the alpha (α) value used in this study is 5% with the t-statistic value of 1.96. If the significance probability value ≤ 5% or the t-statistic value> 1.96, the hypothesis is supported.

**V. CONCLUSIONS**

Theoretical and practical implications are based on this research as a consideration for further research. The conceptual model of this study provides an alternative model that is different from previous research where there is mediation of work engagement and trust in leadership in one study on the effect of transformational leadership on championing behavior.

This conceptual model is a role model that can be used as a reference and applied to organizational changes that occur in bank employees in Indonesia. With the role of transformational leadership, it is hoped that the organization can take steps when changes occur by making employees believe in their leaders and the attachment between employees and the organization which will ultimately lead to championing behavior.

**REFERENCES**


