Managing resistance: The contribution of transformational leadership on followers’ self-efficacy during incremental organisational change

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ABSTRACT,
Organisations regard change as major tasks for completing because successful change brings considerable benefits. However, most efforts failed because of employee’s resistance behaviours. Researchers have been examining reasons for resistance in recent years, they found rejection happens because of the subjective recognition of employees instead of managerial problems. Most followers have uncommitted attitudes to change because of mindful obstacles like low self-confidence or insecurity. From a psychological perspective, positive cognitions help with developing a right attitude. Self-efficacy is a concept derived from social-cognitive theory, it is defined as one’s perception of confidence in his or her abilities to cope with demanding tasks. Researchers claimed high self-efficacy positively effects on workers’ working attitude and results in better working performances, it also brings more change readiness during organisational change. Under this circumstance, improving followers’ self-efficacy is a practical way to flourish cooperation during improvement process. Transformational leadership style has become a popular term in dealing with individual’s resistance in recent decades. Transformational managers pay attention to the needs of followers, inspire followers’ motivation and advance their skills. Evidences showed such behaviours have a positive impact on employees’ self-efficacy. This paper has been carried out by examining the contribution of transformational leadership on followers’ self-efficacy during organisations’ change implementation. Data were collected from 178 respondents (96 females and 81 males) working in firms that have been enhancing business by engaging incremental change. Outcomes revealed there is a significant relationship between managers’ leadership style and followers’ self-efficacy in the context of incremental organisational change.

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organisation change, change resistance, overcome resistance, transformational leadership, self-efficacy, change commitment.
1. INTRODUCTION

1.1 Background

The development of technology, governance, and globalisation makes the business world ever more complex and unstable (Champy and Nohria, 1996). Due to the growing uncertainties in both internal and external environments, organisations engage themselves in new improvement processes actively to become more competitive. The demand for change, either incremental (such as new technology establishments) or disruptive (such as business re-engineering) is increasing in today’s business world (Washington and Hacker, 2004). Organisations have to manage change in a systematic way to achieve more successful results. Organisational change management is a relatively new discipline that contributes to groups with change aspirations. Researchers have called this management “a method of strategic management in the company” (Markiewicz, 2011), a collective term for all systematic processes of dealing with change. Constructing change is a long-term assignment that begins with establishing change initiations, forming leading coalitions, setting clear plans, until assessing the final results (Kotter, 1995). The implementation process can be very challenging.

Firms accomplish improvements conscientiously because successful change bring considerable benefits to them. Unfortunately, approximately 40% to 70% of transformation efforts failed (Burns, 2000). The main reason for failure is change resistance. Resistance behaviours appear in every change procedure (Zafar, 2016) and they are described as the emotional and behavioural refusal stakeholders displayed to accept the transformation ideas. There are manifold reasons of resistance such as change urgency (Kotter, 1979), blurry vision of the change, weak communication among stakeholders, unclear alteration plan or redundant position issues. Literature suggested, four essential factors are vital for diminishing resistance successfully: employees’ commitment for change plan, work involvement, tolerance of uncertainty, and individual motivation.

The main purpose of managing change is to ensure fruitful performances. To achieve successful implementation, leaders are exploring ways to prevent rejection behaviours. They found managers’ managerial style plays a significant role when coping with resistance problems. The relationship between leadership style and people’s change reaction has been studied extensively by investigators in recent years. Researchers have examined the effects of different leader style, such as transformational or transactional approach on people’s change reactions (Lines et al., 2015), finding that transformational (also called empowering) leadership results in better job involvement and job performance. As a new approach to managing people, this leading approach includes ‘broadening and elevating the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their self-interest for the good of the group’ (Bass, 1990, p. 21). Leaders employing a transformational style can efficiently create more favourable change performances for organisations. Pearce and Sims (2002) demonstrated that transformational leadership is ‘positively related team self-ratings of team effectiveness’ (Pearce and Sims, 2002, p. 184). Herold, Fedor, Caldwell and Liu (2008) declared that ‘transformational leadership and workers’ commitment to change were significantly positively related’ (Herold et al., 2008, p. 353). Moreover, Holten and Brenner (2015) found that transformational leadership positively impacts employees’ appraisals of change in the long term, including their working attitudes (p. 12). These findings indicate that transformational leader behaviours have the potential to overcome resistance to change.

1.2 Research question

Transformational leadership encourages employees to experience work as meaningful, which is the style’s distinguishing mark. Under this type of leadership, followers feel more valuable and willing to embrace challenging jobs. There is now much evidence to support the hypothesis that transformational leadership influence employee behavioural reactions. For example, Hayati, Charkhabi and Naami (2014) found transformational leaders’ manner have positive significant relationships with diverse components of work engagement; another study showed transformational leadership is a significant predictor of job performance (Jyoti and Bhau, 2015). Some reports have also discovered the impact of such a leadership style on employee psychological and cognitive perceptions during the change process. In Oreg’s (2006) opinion, employees’ perceptions influence their affective reactions and result in a work attitude that can have vital effects on change aspiration. In social-cognition theory, self-efficacy denotes an ‘individual’s perception of confidence in his or her abilities to cope with situational demands’ (Gerald and Mangan, 2008). This indicator reflects employees’ self-judgement, at the same time predicts their job attitude, which connects with their working performances too. For instance, Herold, Fedor, and Caldwell (2007) found that individual differences in self-efficacy affect one’s commitment to change. They stated that followers who are confident in their abilities to manage change are less affected by situational demands during the change. High self-efficacy makes individuals more supportive of change initiatives. According to Ashforth and Lee (1990), people with a high level of self-efficacy display more supportive behaviour towards change in comparison with those with a low level of self-efficacy (Verheijen, 2015). Therefore, using transformational leadership to promote employee psychological awareness and to encourage change seems a viable method. This study examines the relationship between transformational leadership and follower self-recognition during organisational change.

2. CHANGE RESISTANCE

2.1 Change management

According to the well-known quote by Charles Darwin, ‘It is not the strongest or the most intelligent who will survive, but those who can best manage change (Charles Darwin)’. Organisations are compelled to adopt change for business and try hard to make change happen to be sustainable and survive in the dynamic business environment. Management of change refers to redefining organisational resources, values, norms, behaviours, and rebuilding business processes and organisational structures. According to Cameron and Green (2012), change usually happens on three levels: individual, group, and organisational. This study focuses on individual change reaction during the organisational change process. Three categories of organisational change are clarified by researchers: incremental change, transitional change, and transformational change. Incremental change is when organisations make continuous improvements; transitional change happens when organisations implement new, disruptive actions; and transformational change concerns rebuilding the organisation completely (e.g., organisation structure, culture, shareholders).

2.2 Resistance to change

To accomplish change successfully, managers anticipate and respond to daily challenges by continually modifying tasks and dealing with conflict when necessary. However, there remains a high failure rate when inspecting change results. From past experiences, organisations have realised that most unsuccessful transformations happen because of employee resistance and
uncooperative behaviours. Studies have provided plausible theoretical explanations of this issue. Lawrence (1954) stated that change resistance is the complex and uncontrollable challenge that organisations face. This problematic phenomenon is defined as the action or inaction of workers who try to prevent a change or interfere with the complete implementation of a change in its current pattern (Herscovitch, 2003). Elsewhere, change resistance is expressed as ‘people’s refusal to cooperate and adopt change (Yue, 2008). Employees display resistant behaviours by refusing to follow an organisation’s change path, displaying low change motivation, being uncooperative, delaying change tasks, as well as disrupting the prevailing assumptions and working plans (Folger and Skarlicki 1999, p. 36). Employees often demonstrate refusal actions during implementation (Amarantou et al., 2016), and these behaviours often lead to unfavorable change results. Thus, issues of change defiance need to be solved as much as possible (Thomas and Hardy, 2008).

Where does resistance happen? First, refusal behaviours happen at two different levels: organisational and individual. And these behaviours can be intentional or inadvertent, concealed or direct. For example, employees who do not agree with change proposal display intentional and direct resistant; those who admit changing proposal but feel unfamiliar with new technological skills normally show inadvertent and concealed resistance. Various studies have revealed factors that result in negative change outcomes. Pardo del Val and Martinez Fuentes (2003), for instance, introduced ‘change inertia’ into the formulation and implementation stages, including ‘wrong initial perception (e.g., information distortion)’, ‘poor creative response (e.g., inevitable obstacles)’ and ‘political and cultural barrier (e.g., organisation loyalty)’. From the organisational perspective, phenomena such as weak change management, poor communication from executive side, vague change schema, and low involvement among stakeholders easily lead to unsatisfactory reactions. On the other hand, reasons of personal resistance are mostly related to psychological elements (e.g., cognition, emotion). For example, Kotter and Schlesinger (2008) argued that a person having low confidence in their ability to change refuse it easily (Kotter and Schlesinger, 2008). Ford and Ford (2009) indicated that people who is deficient in recognizing evolution purpose do not involve themselves in change. Mohamed (2014) concluded various causes of resistance at the individual level, including personal fear of failure, insecurity feelings, and self-distrust. The underestimation of self-capability is also proposed in Pardo del Val and Martinez Fuentes’ paper (2003). Allen (2007) detected three general uncertainties that employees perceive during transformation actions, one of which is called ‘implementation uncertainty’. It says one’s insecurity about own capability and the job-related difficulty will trigger implementation issues (Allen et al., 2007).

2.3 Psychological resistance

It is not difficult to find psychological obstacles strongly influence the way employees react to change. Oreg (2006) divided resistance to change into three dimensions: affective, cognitive and behavioral resistance. Cognitive resistance happens when employees think change tasks are too difficult to achieve (in other words, the low perceived capability of themselves). Hede (2001) indicated employees’ irrational thoughts affect their emotions, which lead to negative attitudes and rejection behaviors to new tasks (Hede, 2001). Cornescu and Adam (2013) described employees’ irrational thinking as a disagreement between their self-importance and personal skills, creates hostile feelings such as fear and anxiety. Ford, Ford, and McNamara (2002) indicated that psychological resistance occurs when employees are insecure about executing unfamiliar tasks. Those prevalent feelings eventually lead to resist actions in the workplace.

Chan introduced the concept of ‘employee adaptability’ which is defined as ‘the degree to which individual cope with or support changes that affect their role as individuals’ (Chan 2014, p.18). Adaptive behaviour is a function of subordinates’ ability or motivation (Chan, 2014). People have low psychological adjustment may perform more resistance behaviours. From the psychological perspective, rational beliefs help employees build better self-confidence, and high self-confidence brings individuals intrinsic motivation (Daniel, 2009). Investigation results showed that, ‘improved psychology makes employees more receptive towards imminent change and reduces the level of their resistance’ (Furst and Cable, 2008). Employees who carry a positive assessment of themselves are willing to cooperate with change and tend to work more proactively. Psychological resistance is a notable obstacle that commonly appears during organisational change. Increasing employees’ psychological empowerment during change is critical for completing tasks successfully. Thus, considering how to build up employees’ confidence and stimulate their desires to support the plans becomes the core mission of managers.

3. TRANSFORMATIONAL LEADERSHIP AND SELF-EFFICACY

3.1 Leadership behavior

Managers have been searching for different approaches to counter resistance issues. They found leadership style can help with solving these problems. The research topic of “leadership” analyse the behaviors, styles, and characteristics that managers exhibit when leading people or an organisation. Different leadership styles emphasise distinctive behaviors and features of managers. Accordingly to Burns (1978), leadership styles are divided into transactional leadership and transformational leadership. Transactional leadership style is task-oriented and using compensation incentive to get needed performance (Xie et al., 2018, p 2). And transformational leadership is demand-oriented, it puts employees’ values in the first place. In recent years, the well-known topic of ‘transactional leadership’ has been investigating the positive effects of leadership style on change. For example, Herold and peer researchers (2008) examined the impact of transformational leadership on a commitment to change. They found there is a significant positive relationship between the change and transformational leadership. Pillai and William (2004) claimed that transformational leadership bolsters followers’ change commitment. Moreover, Mozammel and Bahrain (2016) stated that transformational leadership is an active leadership style that engages more employees during work than other styles. In addition to managing employees, transformational leadership has gradually become a measure for fostering organisational development in general.

3.1.1 Transformational leadership

The way managers treat their employees influences their well-being (Skakon et al., 2010). The idea of transformational leadership reveals specific leadership behaviours when leaders work with followers, pay attention to their value and emotions, share objectives, and empower followers to accomplish those objectives (Yukl, 2002). The idea comes originally from Burns (1978). He introduced transformational leadership as a method for motivating people by appealing to their moral values to utilise their energy and resources for the organisation. This leadership style attempts to enrich employee motivation and morality, transform the norms and values of the followers, and motivate them to perform better (Wang, Demerouti, and Blanc, 2017). In its modern application, transformational leadership contributes
more to pragmatic task objectives instead of social reform. Managers who work with a transformational leading style communicate more frequently with their followers. They encourage their followers to participate in the decision-making process and help them develop skills and knowledge. The charisma of leaders is ‘positively related to task performance, work quality and alignment of the value system of subordinate’ (Aggarwal and Krishnan, 2013, p. 5).

Transformational leadership is now considered a practical approach to help organisations change, because it reframes employee change perceptions in an ideal direction (Wang, Demerouti and Blanc, 2017). Simons (1999, 2002) argued that this leadership style supports successful change by establishing trust and credibility among followers. Bass (1985) identified transformational leadership as an ideal leadership style for organisational change. The style is a systematic leading approach that requires managers to support and motivate people from a humanistic perspective. The core behaviours consist of four main elements: idealised influence, inspirational motivation, intellectual stimulation, and individual consideration. Bass (1985) identified a further attribute, and defined each as follows:

- **Attributed Charisma:** the degree to which the leader behaves with confidence, engenders respect and pride among subordinates, and seems to look beyond his or her self-interest.
- **Idealised Influence:** which transmits a higher sense of purpose that goes beyond the goals of the individual and focuses attention on the common good.
- **Inspirational Motivation:** which includes arousing courage and stimulating enthusiasm (Bass, 1985).
- **Intellectual Stimulation:** which focuses on practical problem-solving.
- **Individualised Consideration:** which develops employees and treats them as individuals.

The idea of transformational leadership as a useful notion appears to be embraced by managers who oversee organisational change. Under the context of change management, the core target is to motivate followers to put organization value on the first (Xie et al., 2018, p 2) and ‘to provide inspiration towards constant change’ (Helland et al., 2018, p. 89).

### 3.1.2 Self-efficacy

Self-efficacy is a decisive psychological factor for revising employees’ unfavorable opinions and eliminating their resistance behaviors. In social-cognitive theory, self-efficacy is an element defined as ‘one’s belief in one’s capability to perform a specific task’ (Aggarwal and Krishnan, 2013, p. 5). This idea comes originally from Bandura (1997). He states that self-efficacy is ‘the belief in one’s capabilities to organize and execute the courses of action required to achieve goals’ (Bandura, 1997, p. 3). This belief has three dimensions: magnitude, personal strength, and generality (Chen et al., 2001). Magnitude is ‘the level of task difficulty a person believes he/she can attain’; strength is how strong a person holds the magnitude; and generality means how the expectations are generalised in different situations (Aggarwal and Krishnan, 2013). People offer opinions about their self-efficacy based on these elements.

Self-efficacy is an incentive trait tool that affects how people think, feel and motivate themselves (Erdem, 2015). People who view themselves as competent of accomplishing act more enthusiastic to their duties and believe they can reach challenging targets. Previous studies have reported self-efficacy help workers frame their positive emotion. High self-efficacy as an intrinsic motivational state positively related to working attitude. Researchers also found anxiety or failure feelings will negatively influence the way people makes efforts to solve issues (Erdem, 2015), those who have a high sense of self-efficacy will have a certain notion, and participate in work more actively (Schunk, 1996). Moreover, researchers believe a better belief in personal capabilities, a greater willingness employee has to expend energy and put effort on completing organisation’s assignments, involving tasks as well as absorbing new things (Ouweneel et al., 2011). Perceptions regarding one’s competence of handling work in a particular context directly influence on his or her goal striving (Chan, 2014, p 20-21). Chan (2014) indicated that one of the primary motivational states, namely self-efficacy, has been found positively promote adaptability in different settings (Chan, 2014, p 21). According to Ouweneel’s findings, self-efficacy is a more consistent predictor of behavioral outcomes compare with other motivational constructs (Ouweneel, Schaufeli and Le Blanc, 2013). This is because motivation and attitude are inner states that influence individual’s choices of activities (Senemoglu, 2000). Shamir (1993) claimed working performance and job commitment are enhanced by high competence cognitions. Bandura (1997) demonstrated that employees’ self-efficacy positively influences goal achievement performance. Furthermore, Bowen and Lawler (1992) claimed that self-efficacy equates to high productivity in the workplace. It is realized that, an increase in self-efficacy not only improves worker enthusiasm and vigour, but also increases appealing work-related results for organisations.

#### 3.1.3 Transformational leadership on self-efficacy

According to Chan (2014), contextual factor such as leadership influence motivational states like self-efficacy, eventually link to their adaptability (see Figure 1). Regarding overcoming psychological resistance, managers first must help employees eliminate uncertainty feelings and frame a positive self-judgement. Transformational leadership style seems like a workable approach to reach this purpose. In recent studies, researchers have focused on presenting the proof of transformational leadership effects on worker self-efficacy. Progressive and repeated cognitive experiences help people acquire noticeable enhancement in self-efficacy (Aggarwal and Krishnan, 2013). Boamah et al. (2017) demonstrated that transformational leadership helps construct better working attitudes of employees. Nandal and Krishnan (2000) claimed that transformational leadership positively related to self-efficacy. Aggarwal and Krishnan (2013) concluded that transformational leadership plays a vital role in enhancing subordinates’ feelings about their ability to complete tasks. Leaders who motivate and take care of their employees can improve their confidence (Tims, Bakker, and Xanthopoulou, 2011).

![Figure 1](image-url)  
**Figure 1. Integrative Framwork of Motivation and Adaptability retrieved from Chan (2014).**
Subordinate confidence is advanced by their repeated practices, rewarding experiences, and affirmative feedback. Likewise, confidence comes from leaders’ inspirational behaviours. When coping with subordinates, charismatic leaders regard people as individuals, providing them with more authority, developing competence, and supporting their personal development. Such leaders act as a ‘supporters’ instead of ‘supervisors’. By continuously receiving cognitive stimulation, intellectual help, and emotional incitement, followers who work with this type of leadership appear to have greater faith in their ability to perform demanding tasks.

Aggarwal and Krishnan (2013) identified the following four attributes that influence the building of self-efficacy: enactive mastery, vicarious experience, verbal persuasion, and emotional arousal. Enactive mastery demonstrates self-efficacy is achieved by constant practicing and performing assignments; vicarious experience also called modeling, it means people usually gain self-efficacy by watching the model perform tasks; and the cue of verbal persuasion is by which people are told they can achieve goals (Aggarwal and Krishnan, 2013). For example, employees who receive positive encouragement frequently tend to have more confidence; and those who improve their skills by practicing everyday would also have a high self-efficacy. As mentioned previously, transformational leaders empower followers based on four main aspects: idealised influence, inspirational motivation, intellectual stimulation, and individual consideration. There are plentiful inputs from managers within these four fields. For example, leaders arouse employees’ courage by giving rewards (inspirational motivation) or cultivate their practical skills by offering training (intellectual stimulation). Leaders disseminate an organisation’s vision to workers (idealised influence) and behave confidently as role models (attributed charisma). Moreover, charismatic managers usually create a working environment that possesses likable feedback, supportiveness and optimistic mood internally (Aggarwal and Krishnan, 2013). These actions act as the core cues of vicarious experience, enactive mastery, and verbal persuasion to bolster workers’ perceived abilities.

In conclusion, transformational leadership behaviours provide followers with a psychological focal point (Bass and Riggio, 2006) by offering them a role model who demonstrates desired actions, articulates a vision of the future task, stimulates employee intelligence, and provides individualised support to followers (Wang, Demerouti and Blanc, 2017). It has potential to overcome cognitive dissonance and gives impetus to organisational change by helping employees build higher self-efficacy (Boamah et al., 2017). Thus, it has been quoted that transformational leadership help employees build a positive self-efficacy, in turn flourishing job performance (Bommer et al., 2005). Previous studies examined the impact of this type of leading behaviour on individuals’ self-efficacy under a general condition, few checked it under an organisational change circumstance. Therefore, this paper will examine the relationship between transformational leadership and self-efficacy during originations’ change progress (See Figure 2). The hypothesis is:

H1: Transformational leadership is significantly related to followers’ self-efficacy during organisational change.

4. METHODOLOGY

4.1 Research design and data collection

This cross-sectional study comprises research by the mean of a web-based self-completion survey. A survey is one of the methodological ways for collecting data. To reach a high response rate and ensure respondents can answer sensitive questions, an online survey measuring employees’ opinions towards managers’ leadership style, self-assessment, and their demographic information was constructed. This study aims to explore transformational leading style effects on employee self-efficacy. Thus, sampling was only focused on people that are at the working level. Data were collected from frontline personnel in four different organizations, the overall leadership behaviours, and self-efficacy were measured by the final rates respondents given.

4.2 Description of organizations

The four subject organizations were located in the Netherlands, Hong Kong and the United States, they all exist more than 10 years, and they are undertaking incremental change at this moment. Three firms were private organizations including a logistics company and two business trading firms. And one organization was the largest non-profit youth-run organization in Europe. The size of each participating organization ranged from 38 to 173. Firstly, the logistics firm has approximately 140 employees and 7 senior managers who control over tasks and employees’ performance on daily bases. The firm has been updating operational systems for more than two years in four different departments. Those systems are including Warehouse Management System (WMS), Express Courier and Transportation System (ECS), Freight Forwarding System (FFS), E-Forwarding and Trans-shipping System, Transporting Management System (TMS) and Customer Relationship System. All employees have been engaging in using new technologies during the updating process in this firm. For the two trading companies, both were located in Hong Kong. Company A has 31 employees and 4 line-managers responsible for employees’ performances. Employees in this organization are adapting mergers and acquisition (M and A) jobs which for example refer to asset consolidation or tender offers with another digital business company right now. Company B has 47 work-level employees and 6 managers charging in different departments, and it has innovated through introducing new products line and developing projects in other Asian countries. Managers from the two firms interacted with workers every day and conducted meeting at least one time per month to talk about change affairs. Lastly, the non-governmental and non-profit organization is the worlds’ largest youth-run organization that provides young people with international experiences. In the Netherlands, there are 13 local committees and 4 committees (Nijmegen, Tilburg, Amsterdam, and Groningen) helped with this study. In total there are 41 board members in the four committees. Members work together with their leaders and have a group meeting to advance

![Figure 2. Hypothesis model](image-url)
working process every Tuesday. In this organization, managers are including continuous improvement of their working process and always trying to offer a better service to customers (e.g. offer more qualified international internship programs). Altogether, the four organizations provide suitable data for this study.

4.3 Sample information

The survey was sent to 259 employees, and a total of 178 respondents replied. Hence, a response rate of 68.7%. Out of 178 respondents who completed the survey, there are 2 employees did not fill in all items. Thus, removing these 2 replies, 176 had valid responses to all items from of the survey.

In each organization, managers firstly get the survey and check its content, then they sent the questionnaire link to their employees. The survey was fully anonymous, and it consists of three parts: 3 questions about respondents’ personal information (i.e. gender, age.), 7 questions related to managers’ leadership behaviours during change and eight questions about employees’ self-evaluation during their work. To reinforce the anonymity of responses, the demographic information was ranged instead of specific values. The whole data collecting process lasted 3 weeks after respondents completed the online survey, all information has been saved automatically to the online database. Results showed, 53.9% of the respondents are females, 45.5% are males; 35.4% of the repliers are from 26 years to 35 years old, and the mean score of age is 2.51, which means on average respondents have working experiences more than 5 years, the mean score was 2.78, which means an average job tenure of 1 - 3 years. Table 1 showed the sample distribution of each firm, and Table 2.1 and Table 2.2 gave the descriptive statistics and frequency content of demographic information.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Survey size</th>
<th>Responded</th>
<th>Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading firm A</td>
<td>31</td>
<td>27</td>
<td>87.1</td>
</tr>
<tr>
<td>Trading firm B</td>
<td>47</td>
<td>21</td>
<td>44.6</td>
</tr>
<tr>
<td>Logistics firm</td>
<td>140</td>
<td>104</td>
<td>74.2</td>
</tr>
<tr>
<td>NGO</td>
<td>41</td>
<td>26</td>
<td>63.4</td>
</tr>
<tr>
<td>Total</td>
<td>259</td>
<td>178</td>
<td>68.7</td>
</tr>
</tbody>
</table>

Table 1. Sample distribution of each organization

Table 2.1. Descriptive statistics of respondents’ demographics

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Gender</th>
<th>Age</th>
<th>WorkingYears</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td>177</td>
<td>177</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mean</td>
<td>1.46</td>
<td>2.51</td>
<td>2.78</td>
</tr>
<tr>
<td>Mode</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>0.50</td>
<td>1.075</td>
<td>1.258</td>
</tr>
</tbody>
</table>

Table 2.2. Respondents’ demographics information

4.4 Measures

4.4.1 Transformational leadership

To measure if a leader is transformational, employees needed to respond to a survey about their leaders’ management behaviours. Transformational leadership was assessed with seven items from the Global Transformational Leadership (GTL) scale developed by Carless, Wearing and Mann (2000). It is a short scale which shows high reliability as well as convergent and discriminant validity. Sample items are such as ‘Encourages thinking about problems in new ways and questions assumptions’ ‘Give encouragement and recognition to staff’. All the items were based on a 5-point Likert-type answering scale ranging from ‘1 = strongly disagree’ to ‘5 = strongly agree’. The Cronbach’s α was 0.907 in this study. Cronbach’s α for sub-category variable “Attribute charisma” was 0.815 and for “Inspirational motivation” was 0.745.

4.4.2 Self-efficacy

Self-efficacy was measured using the 8-item scale NGSE (new general self-efficacy) adapted from the research by Chen, Gully, and Eden (2001). The concept of general self-efficacy is defined as ‘individuals’ perception of their ability to perform across a variety of different situations’ (Judge, Erez et al., 1998, p. 170). This scale includes cognitive ability, goal orientation and motivation, self-efficacy and self-evaluation. It has been shown validity. Sample items are ‘When facing difficult tasks, I am certain that I will accomplish them.’ ‘I am confident that I can perform effectively on many different tasks.’ All items were stated based on a 5-point Likert-type scale ranging from ‘1 = strongly disagree’ to ‘5 = strongly agree’. Cronbach’s α coefficient in this study was 0.916.

4.5 Data analysis

4.5.1 Reliability and validity

Cronbach’s alpha was used to check the internal consistency among items. As mentioned before, the Cronbach’s alpha of scale GTL was 0.907, and NGSE had a Cronbach’s alpha of 0.916 in this study. It means, both of the two scales have right internal consistency, those questions are reliable for further measuring. All items from the survey were adapted from previous researches. Multiple validities were already proved. In this study, the construct validity of each variable was checked using the confirmatory factor analysis (CFA).

4.5.2 Descriptive statistics

Transformational leadership was composed of seven questions and self-efficacy contained eight items, the means and standard deviation of both variables was presented in the result section.
According to Bass (1985) model, transformational leadership was surrounded by five dimensions. So, in the study, seven items were also categorised into inspirational motivation, idealised influence, individual consideration, attributed charisma and intellectual stimulation separately. Besides the correlation between leadership style and self-efficacy, the outcome variable was also computed within each category. Moreover, both measurement scales were answered based on 5-point Likert items. Because Likert items were ordinal scales, each question is non-parametric and provides a discrete variable (Clason and Dormody, 1994), the test was not normally distributed and showed inhomogeneity of variance. Thus, Spearman’s correlation was used to analyse the relationship between two variables in this non-parametric test. Regression coefficient was adopted to investigate the change in the value of self-efficacy corresponding to scores change in leadership behaviours and each sub-dimension.

5. RESULTS

The rank scores of variables were presented in Table 3. The result of Spearman’s correlation can be found in Table 4 and the results of linear regression were showed in Table 5 and Table 6.

5.1 Correlation

Table 3 and Table 4 showed the correlation between leadership behaviours and employees’ self-efficacy under the context of developmental implementation. The mean value for transformational leadership was 3.85 and for self-efficacy was 3.92, which means an average of respondents held ‘Neutral’ to ‘Agree’ attitudes according to their managers’ transformational leading style, and at the meantime, an average of employees chose ‘Neutral’ to ‘Agree’ as well when assessing their self-efficacy. It can be also found from the result, the lowest mean value under each sub-category of transformational leadership was ‘Intellectual stimulation’ (score 3.75), and highest one was ‘Idealised influence’ (score 3.96). There was a positive relationship between each dimension of leadership and self-efficacy. For example, the correlation index of individual consideration was r=0.318 and P<0.01, and intellectual stimulation had a r=0.335 and P<0.01. Both items predicted a positive association with the outcome variable. The main correlation equation was transformational leadership and self-efficacy, the value of r=0.372 with the P value less than 0.01 (2-tailed) was presented in the result. Table 4 gave the coefficient number r=0.372, P=0.000 under a 2-tailed assumption. At the 0.01 level of significance, transformational leadership style was found significantly associated with self-efficacy. Thus, the alternative hypothesis was accepted.

5.2 Regression

The regression analysis was presented in Table 5 and Table 6. Results showed, again, there was a significant relationship

| Table 3. Ranks scores of leaderships style and self-efficacy |
|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Variables       | Mean | SD  | 1   | 2   | 3   | 4   | 5   | 6   |
| 1 Transformational Leadership | 3.85 | 0.74 | ** | ** | ** | ** | ** | ** |
| 2 Inspirational Motivation     | 3.85 | 0.83 | 0.856** | ** | ** | ** | ** | ** |
| 3 Idealised Influence          | 3.96 | 0.85 | 0.730** | 0.659** | ** | ** | ** | ** |
| 4 Individual Consideration     | 3.93 | 0.95 | 0.786** | 0.687** | 0.575** | ** | ** | ** |
| 5 Attributed Charisma          | 3.79 | 0.85 | 0.841** | 0.624** | 0.525** | 0.619** | ** | ** |
| 6 Intellectual Stimulation     | 3.75 | 0.92 | 0.720** | 0.506** | 0.557** | 0.513** | 0.635** | ** |
| 7 Self-Efficacy               | 3.92 | 0.62 | 0.372** | 0.306** | 0.319** | 0.318** | 0.324** | 0.336** |

**. Correlation is significant at the 0.01 level (2-tailed).

| Table 4. Spearman’s correlation of leadership style and self-efficacy |
|----------------------|-------------------|------------------|
| Spearman’s rho       | Transformational Leadership | Self-efficacy |
|                      | Correlation Coefficient | 1.000 | 0.372** |
| Sig. (2-tailed)       | . | 0.000 |
| Self-efficacy         | Correlation Coefficient | 0.372** | 1.000 |
| Sig. (2-tailed)       | 0.000 | . |
The adequate number β=0.458. During organizational change, hypothesis proposed that a larger than 0.05, which, organisational leadership style effects followers' variables are transformational leadership style is significantly related to significantly associated with the dependent variable self improvement.
incremental change by disclosing a result within organisations that are carrying out in this study. This study considered a more exhaustive situation style. Following previous research, a positive result was expected subordinate self in this dimension and self-efficacy, it can be rejected in this study. The three factors do not directly correspond to people's ideas of their abilities. Similarly, 'idealized influence' behaviour is significant enough to make people believe there is possibly a relationship between this dimension and self-efficacy.

6. DISCUSSION
The findings revealed that manager leadership style is significantly associated with employee self-efficacy in four organisational changes cases. Earlier studies that mentioned a charismatic leadership style referred to individuals' cognitive reactions, such as self-motivation, self-competence, and personal empowerment. It seems that the right leadership style has an important constructive effect on workers' recognition of themselves. Aggarwal and Krishnan (2013) claimed that subordinate self-efficacy is positively related to transformational style. Following previous research, a positive result was expected in this study. This study considered a more exhaustive situation by disclosing a result within organisations that are carrying out incremental change including operational systems replacement, asset consolidation, new products launch and service quality improvement. It can be seen from the correlation analysis the score between leadership style and self-efficacy was 0.372 and the p value is 0.01. Meaning managers' leadership style is significantly associated with the dependent variable self-efficacy on the quantity of 0.372. Hypothesis proposed that a transformational leadership style is significantly related to follower self-efficacy, and the result revealed that the two variables are positively significantly correlated with each other, which means the more charismatic leading behaviors employees received, the more self-confidence they will perceive. When employees continuously improved their self-efficacy, it is concluded that leaders' help and supportiveness play critical roles. Another interesting finding is the sub-dimensions of leadership style ('individual consideration', 'intellectual stimulation', and 'inspirational motivation') had a value larger than 0.05, which means that if there were a hypothesis about the significant relationship between each dimension and self-efficacy, it can be rejected in this study. The three factors do not directly correspond to people's ideas of their abilities. Similarly, 'idealized influence' behaviour is significant enough to make people believe there is possibly a relationship between this dimension and self-efficacy.

7. CONCLUSION
Self-efficacy is a social-cognition-type term that has been emphasised in business research in recent years. This cognitive factor reflects people's belief about their own abilities. Scientists conclude that self-efficacy brings people better working attitude, and this attitude in turn affecting their behaviours including job performance and achievement. During organizational change, employees easily deny new things and do not involve themselves in change because of the negative working attitude caused by inaccurate self-cognition. To dispel followers' anxiety and make them willing to embrace change, managers are supposed to help them build a positive self-realisation and working attitude. Transformational leadership is the process of inspiring, assisting and directing recipients for meeting their demands and desired targets (Ahmad et al., 2014). Previous researchers gave examples about how this new leadership style impacts on employees work engagement, change commitment, job satisfaction, work motivation etc. This study is in different scenario (Ahmad et al., 2014) with transformational leadership style effects followers' self-efficacy. The goal of this study was to discover whether this leadership style can be a tool for solving the resistance problem.

Table 5: Regression statistics

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>Constant</td>
<td>2.431</td>
<td>0.224</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.386</td>
<td>0.057</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Self-Efficacy

Table 6: Regression analysis of leadership style and self-efficacy

<table>
<thead>
<tr>
<th></th>
<th>Self-Efficacy</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>Sig.</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.210</td>
<td>0.458</td>
</tr>
<tr>
<td>R²</td>
<td>0.249</td>
<td></td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>-0.078</td>
<td>0.482</td>
</tr>
<tr>
<td>Idealised Influence</td>
<td>0.293</td>
<td>0.003</td>
</tr>
<tr>
<td>Individual Consideration</td>
<td>0.021</td>
<td>0.833</td>
</tr>
<tr>
<td>Associated Charisma</td>
<td>0.229</td>
<td>0.037</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>0.093</td>
<td>0.355</td>
</tr>
</tbody>
</table>

Table of data numbers and percentages:
by improving followers’ self-efficacy when new tasks. The first finding is that transformational leader behavior helps with individuals’ self-determination when facing new jobs during organisational change implementations. This result is the same as the discussion of Aggarwal and Krishnan (2013), who also used a questionnaire to examine the same topic in an IT organisation. In their findings, both the correlation and the regression indicators are significant when there are high job-focused and other-focused impression management strategies (Aggarwal and Krishnan, 2013). The result of this study supports the existing literature that stated that transformational leadership promotes employees’ perceptions of themselves. When dealing with change cases, this leadership style gives positive emotional arousal and expectation to employees, motivates them to value themselves as compatible people, and brings them confidence so that they can finish challenging jobs such as using unfamiliar technological systems or designing new products.

Employee self-efficacy is a qualification of executive power. ‘Charismatic leadership style’ became a popular term due to its effective managerial outcomes. Use of this leadership style to help encourage follower self-efficacy during organisational change seems realistic and workable from the result of this study. It is worthwhile applying those leading behaviours to reduce resistance that seems to be caused by employee fear or incompetence-type feelings.

8. LIMITATIONS AND DIRECTIONS FOR FURTHER RESEARCH

8.1 Limitations

This study is not without limitations. First, the study only focused on the relationship between leadership style and subordinate self-efficacy. The study could be extended to investigate how transformational leadership impacts self-efficacy or other variables and the influence of those factors on change results. This limitation derives from not finding an appropriate organisation that had already accomplished improvements as a research object. Second, the sample comprised only 178 respondents due to time restrictions and the difficulties finding appropriate firms. This is a limited sample size compared with other similar studies, which means the study result cannot be generalised to the entire population. The respondents come from four different countries and industries. This sample may be too general and not representative for one industry within a specific cultural context. For example, Kirkman et al. (2009) indicated that power distance moderate follower reactions to transformational leadership. According to Hofstede’s five cultural dimensions (Hofstede, 2011), Western people’s individualist attribute may influence the judgement of the managers’ leading behaviours. The third limitation is that using survey as a data collection method has the potential for response bias. Respondents may not completely understand the meaning of each question, or they may choose an answer that was not truthful. Also, although the respondents were asked to offer their opinions related to new tasks, they could still answer the questions from a general perspective. Moreover, there was a typically low response rate for the survey.

8.2 Further research

Results from this research showed that sub-factors of leadership style, such as ‘idealized influence’ or ‘intellectual stimulation’, revealed different relationships with self-efficacy. Further studies can extend questions regarding each dimension and investigate how the sub-category variables affect self-efficacy. Also, this study can be broadened by asking respondents specific change performances and assessing the relationship between this variable and self-efficacy. Another suggestion is future investigation can focus on how the two variables relate to each other under a specific cultural context (either Western culture or Eastern culture) or witness how things are different in different organisations or one industries (e.g. bank sector, health sector). Alternative methods are recommended for future studies.

As mentioned before, there are three theories regarding to motivational states mentioned by Chan (2014). Besides self-efficacy, intrinsic motivation and psychological empowerment are also effective predictors for goal striving (Chan, 2014). Psychological empowerment including four dimensions which are ‘impact’, ‘competence’, ‘meaningfulness’ and ‘choice’. From previous studies, these four dimensions are positively related to work-related outcomes (Chan, 2014). Future study can check the relationship between leadership style on follower’s intrinsic motivation based on ‘self-determination theory’ (Deci and Ryan, 1985) or psychological empowerment theory (Spreitzer, 1995).

For the methodology, in addition to using online survey, more accurate data might be provided by gathering offline survey data or holding interviews with employees.

9. ACKNOWLEDGEMENTS

Hereby I would like to express my appreciation to Prof. dr. Celeste Wilderom for her most kind supervision and helpful feedback. She guided the investigation of this paper and gave valuable suggestions to me. She was always kind to my personal circumstances. I also want to thank another member of University of Twente’s bachelor circle, Marius Danish. We discussed the content and writing progress and he gave me good suggestions. Moreover, I would like to appreciate the supportiveness from Mr. Lo, Mrs. Bian, Fleur, Dylaan, Daan and Momo. With their enthusiastic cooperation, I got permission to collect data from their organizations. And thanks for all employees who filled in the survey. The data is a vital part in this study. Last but not least, I want to say many thanks to my parents and friends. I could not have hold out to the last without them.

10. REFERENCES


11. **APPENDIX A:**

**Questionnaire Examples**

During the process of implementing change, my manager…

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Communicates a clear and positive vision of the future.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

| 2. Fosters trust, involvement and cooperation among team. | ○ | ○ | ○ | ○ | ○ |


| 4. Is clear about his/her values and practices what he/she preaches | ○ | ○ | ○ | ○ | ○ |
When dealing with change tasks, I feel….

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I will be able to achieve most of the goals that I have set for myself.</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>2.</td>
<td>I think I can obtain outcomes that are important to me.</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>3.</td>
<td>Even when things are tough, I can perform quite well.</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
</tbody>
</table>