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Empowering Leadership and Team Change Capability:

The Mediating Effect of Team PsyCap

Purpose: Based on COR theory, this study explores the antecedent of team change capability, which consists of learning, process, and context dimensions and examines how, under the empowering leadership (EL) of middle managers, team change capability (TCC) can be built through team psychological capital (TPSyCap).

Design/methodology/approach: The study was conducted with 853 respondents, and 55 working teams from 11 leading autonomous higher education institutions (AHEIs) in Indonesia.

Findings: The results show that EL is positively related to TPsyCap, and TPsyCap mediates the relationship between EL and TCC, especially for TCC-learning capability. However, TPsyCap does not mediate the effect of EL on TCC- process capability and TCC- context capability.

Originality: This study enriches the existing leadership literature, which is considered relevant in building organizational change capabilities, especially at the team level. Further, the findings reveal the TPsyCap is an important intervention mechanism catalyzing the relationship between EL and TCC.

Keywords - Team change capability, empowering leadership, team psychological capital, higher education, Indonesia

Research Background

Organizational change is an integral part of the organizational life cycle (Gelaidan et al., 2018). To survive and succeed in making change, organizations must develop organizational change capabilities (Meyer and Stensaker, 2006) and improve their performance (Heckmann et al., 2016). However, change capabilities have been studied further at the organizational level (e.g., Soparnot, 2011). Very few studies have explored capability at the team level, referred to as the microfoundation approach (Salvato and Vassolo, 2018). More interestingly, the antecedents of TCC have not been examined in depth and, hence, are not well-explained.

On the team level, the process of change emerges through interactions between individuals within the team facilitated by middle managers (Nonaka et al., 2016). It has been recognized that middle managers play a central role in processes of change and, therefore, potentially have a key effect on the eventual success or failure of major change initiatives in organizations (Giangreco and Peccei, 2005). To successfully make a change, leaders need follower participation (Stouten et al., 2018), which depends greatly on the behavior of leaders - empowering leadership (EL) (Amundsen and Martinsen, 2014).

Changes can cause stress due to various consequences of implementing the change, one of which is the risk of losing resources (Bamberger et al., 2012). Referring to Resource Conservation (COR) theory, for leaders to deal most effectively and successfully with changes in building resources or capabilities (TCC), they will need to invest other resources (Hobfoll, 2001). First, on the team level, psychological capital (PsyCap) is a psychological source that can be important in countering potential dysfunctional attitudes and behaviors relevant for organizational change (Luthans and Youssef, 2007). Second, empowering leadership behaviors are positively related to employees' psychological resources (Srivastava et al., 2006).

Several studies concern themselves with research related to how leaders deal with change in the academic context (Bui et al., 2016). In recent decades, this sector has undergone many changes at the global level, including in Asia (Ganotice et al., 2017). This condition forces higher education institutions to focus beyond their competitors and most countries consider it a driving force to improve the quality of higher education (Marginson, 2006). As a country with a fifth of the world's population and a large number of young people, Indonesia also mandates the top 11 universities to enter the global ranking. The world class university program (WCU) began in late 2015 and generated mixed responses, both positive and negative, from stakeholders (Sukoco et al., 2021). Research related to change adaptation efforts at higher education, especially in Indonesia, is still very limited (Bui et al., 2016). Therefore, this research was conducted among 11 autonomous higher education institutions (AHEIs) in Indonesia which had experienced changes to encourage them to become world-class universities.

Several contributions are offered. First, this is the first attempt to explain the ability to deal with change at the team level (TCC) and its antecedent. Based on COR theory, Hobfoll (2011) described resources as "resource caravans"; that is, resources do not exist individually, but travel in caravans. This study proposes the leader role could be used as a team resource in building TCC through TPsyCap. Second, this research contributes to COR theory in change management by considering the role of leaders in obtaining organizational resources (TCC) through investments in other resources, namely TPsyCap (Hobfoll, 2011). Third, this research is related to higher education in dealing with changes at the team level in the Asian context, especially in Indonesia, which is culturally very different from the global context (Heckmann et al., 2016; Koo & Park, 2018).

Hypotheses Development

Empowering leadership and team change capability

Empowering leaders treat their team members fairly, and recognize their input as valuable (Srivastava et al., 2006). They value the contribution of ideas and information from team members as part of team learning capability (Pletsch and Zonatto, 2018). This policy enhances the feeling of empowerment in employees, and encourages them to be active - not passive - and involved in formal empowerment initiatives (Hassi, 2019). Group members can openly reflect and develop new methods to deal with change (Sukoco and Lee, 2017). The perceived meaningfulness of the opportunities provided and the capabilities of team members (in a HE context) are important, especially in dealing with change (Blazevic et al., 2015).

A leader has a role in building an organizational or team climate (Rego et al., 2017), including building a context or climate that supports change (Bouckenooghe et al., 2012). Empowering leadership (EL) shows openness to change by trusting employees and team members (Jada et al., 2019); for example, giving them the opportunity to provide ideas or proposals in discussions or meetings. EL also creates a climate that encourages team members to share their ideas with each other (Pletsch and Zonatto, 2018). These conditions are favorable toward the effort to support development and, eventually, change. Therefore,

H_1: Empowering leadership influences team change capability (a) learning, (b) process, and (c) context.

Empowering leadership and team psychological capital

Considering the centrality of leadership in the team and in the organizational context, the attitude and behavior of leaders have a very decisive role in the psychological condition of employees (Rego et al., 2017). Referring to the COR theory (Hobfoll, 2011), for leaders to be able

to handle change in building resources or capabilities to deal with changes that tend to be pressing, they need to invest another resource in the team in the form of TPsyCap (Heled et al., 2016). Luthans and Youssef (2017) conceptualized leadership as the predecessor of PsyCap within the conceptual framework, so that when a leader has a positive leadership approach that is not directed, but participatory, sometimes demanding active participation (Bass, 2000), the leader can positively influence the psychological resources of employees through PsyCap (Gyu Park et al., 2017).

Leaders who lead by example, participatory decision-making, coaching, informing, and showing concern manifest a form of autonomy and development support (Srivastava et al., 2006). Team members are likely to receive fair recognition from an empowering leader for their contribution of ideas and information, which motivates them to share their unique knowledge with one another (Amundsen and Martinsen, 2014). Similarly, participative decision-making and coaching behaviors of an empowering leader can also encourage knowledge sharing and increase interaction within teams. George (1990) found that work groups can develop affective tones, and, when most group members tend to experience a positive (or negative) emotional state, the overall affective tone of the group becomes positive (or negative) as well. This transmission process applies not only to emotions (Barsade, 2002), but also to cognition (Huy and Zott, 2019). When group members interact, and are interdependent to achieve common goals, they develop similar psychological structure, which represents cognitive, motivational or affective states (Marks et al., 2001). Therefore,

H_2: Empowering leadership (EL) has a positive influence on team psychological capital (TPsyCap)

Team psychological capital and team change capability

Hobfoll (2011) considered the possibility that those with more access to resources may be less negatively affected by resource depletion in the face of stressful situations due to change. Therefore, an additional resource is needed to be offered in this study, namely team psychological capital (TPsyCap). TPsyCap is a psychological resource (Luthans and Youssef, 2007) and shared mental capacity (Heled et al., 2016) needed to deal with change (Huy, 2011). TPsyCap can be considered to be part of emotional capability (Huy and Zott, 2019) but also part of the cognitive abilities needed by a team in building adaptation to change (LePine, 2003). Teams with high PsyCap who have confidence in trying different paths to achieve goals (hope) will be better able to learn from experience or knowledge from the outside (Luthans et al., 2007). Resilience will allow them to make adaptive changes after a failure episode, which will make it more likely that the team will repeatedly evaluate its performance (Rego et al., 2017). As team members will value the contribution of ideas and information from each other, so they will also be motivated to share their efficacy with each other (Hassi, 2019). In summary, when a team has higher PsyCap, then their learning capability to change is greater compared to a team who has lower PsyCap.

In general, team processes and circumstances involve the interaction of team members with other members and with the work environment (Marks et al., 2001). PsyCap also has a positive relationship with team relations, collaboration, and cohesion, which supports the communication process in teams (West et al., 2009). Furthermore, PsyCap encourages team members to more frequently experience positive emotional states, which, in turn, encourages positive movements (West et al., 2009). An individual who works in a team characterized by a high TPsyCap has a lot of optimism, and is encouraged to be more involved in solving organizational problems (Heled et al., 2016). During the process of change, TPsyCap encourages self-directed behavior change or

supports procedures that are built without the need for supervision or control (Choi, 2020). In short, when a team has a higher PsyCap, their change process capability is greater than a team that has a low PsyCap.

With additional role relationships and shared values that support change, it can be expected that the appropriate context for supporting change at the team level is developed (e.g., Jada et al., 2019). When team members share hopes and goals with each other, then it can be expected that the team creates a supportive environment to implement any changes necessary (Amundsen and Martinsen, 2014), wherein such environment facilitates a situation where every member of the team has the goal-directed energy and means to implement change successfully (Snyder et al., 1991). In summary, when a team has higher PsyCap, then the change in their change context capability is greater compared to the team who has lower PsyCap. Therefore,

H_3: Team psychological capital influences team change capability (a) learning, (b) process, and (c) context.

Mediating effect of team psychological capital

TPsyCap is a psychological resource (Luthans and Youssef, 2007) and a shared mental model needed to deal with change (Huy, 2011; Heled et al., 2016). Drawing on COR theory, this model can be explained by the concept of a resource caravan, namely that resources do not exist individually but travel in packages, or caravans, both for individuals and organizations (Hobfoll, 2011). In other words, the very process of developing resources will yield other resources. The leader as a team resource builds the team change capability. Change is a strategic problem faced at all levels of the organization including the team (Liu et al., 2012), Thereby, it takes the role of leader to build TCC, which is a team's capability to deal with change so that it can be sustainable (Heckmann et al., 2016).

As discussed previously, empowering leaders give authority and support to their employees and team members, thus slowly developing the team capability for change (Amundsen and Martinsen, 2014). However, when leaders empower their followers, it might not directly result to the capability for change if their followers do not have a shared mental model (Heled et al., 2016) needed to deal with such change (Huy, 2011). Since change requires extra energy and can even cause negative effects on employees and the organization, the empowerment from leaders should transform into collective psychological resources that gradually allow the organizational members to develop learning, process, and context for change capability (e.g., Heled et al., 2016). In addition, leaders should be able to conserve team members' resources to support the change (Hobfoll, 2011). However, with leaders that provide motivational and developmental support, teams in the organization could develop capabilities for change (Amundsen and Martinsen, 2014). TPsyCap is needed because change requires extra energy and can even cause negative effects for employees and the organization (Avey et al., 2008). In other words, leaders' empowerment of team members depends on TPsyCap before it can influence the team's capability for change. Therefore, *H_4: Team psychological capital mediates the influence of empowering leadership on team change capability (a) learning, (b) process, and (c) context.*

Research Methodology

Research context

Data were collected from 11 AHEIs among Indonesia's top tertiary institutions. In 2020, five AHEIs are targeted to enter the top 500 world-class university (WCU) rankings and the rest should enter the top 500 WCU rankings by 2025. In 2018, only three higher education institutions in Indonesia were included in the world's top 500. Every year, the government and each AHEI

renew their work contracts and the government provides a certain ranking target if the AHEI wants to continue to receive support from the government. This situation encourages each AHEI's top management to undertake incremental organizational change through the college leaders (deans as the middle managers) to improve the academic output related to the QS WUR criteria. Targets are given to the top management in the AHEIs, namely the dean who plans the activities at each college to be carried out by each faculty. The dean, as the team leader, directs each faculty on how to carry out the work.

Sample

Data for this study were collected from 11 AHEIs in Indonesia at the college level (team). The current study used a multisource approach. The targeted respondents in this study were team leaders or middle managers (deans and vice deans), and members of the college (head of departments, study program coordinators and lecturers). Questionnaires were sent to all deans, department heads, and heads of study programs at 11 AHEIs. The survey for lecturers was carried out using the convenience sampling method of at least 10 people per college. Surveys for the deans were designed to evaluate team change capability and provide demographic information, while the surveys for team members contained elements that assessed TPsyCap (lecturers) and empowering leadership (heads of departments, study programs and lecturers), as well as demographic information from team members.

The questionnaire was distributed to 4,267 faculty members from 11 AHEIs. Overall, 2,047 participants responded (47.97%). In this study, each AHEI faculty or college was treated as a team. Of the 166 teams surveyed, a total of 110 responded, but out of these, only 55 team surveys were complete and valid for processing. The occurrence of non-response bias was prevented by creating anonymous questionnaires, following up the questionnaire returns and providing alternatives to

online and offline questionnaires. The questionnaires were distributed online and offline, with 376 and 477 respondents, respectively. Online questionnaires were distributed via Google Form or email, while offline questionnaires were distributed via post. Different data collection methods were used to maximize response rates (Beatty et al., 2016). Online and offline questionnaires were compared to make sure that there were no differences in the way they were treated.

There was a total of as many as 853 respondents from 55 colleges with response rates for each group of respondents as follows: deans 5.86%; vice deans of 6.68%; department heads 14.07%; study program coordinators 32.59%; and 40.80% lecturers. Men formed 54.63% of respondents while 45.37% were women. Most respondents were between 40 and 50 years of age (35.87%), almost the same proportion as those between 51 and 60 years (31.87%), while those over 60 years of age formed 6.68% of the respondents. The participants with the longest tenure (above 15 years) formed 59.44% of the total. In terms of academic positions, 47.13% of respondents were assistant professor, 37.87% were associate professors, 20.28% were junior lecturers and 9.26% were professors.

Data Aggregation

This study conducted group level analysis using colleges as units of analysis. TCC is an aggregation of data from the surveys returned from the college leadership team, namely deans and vice deans. TPsyCap was aggregated from survey data filled out by faculty members, namely lecturers, and EL is an aggregation of data from surveys of team members, namely heads of departments, study program coordinators, and lecturers. The data collected were checked for the

value of intergroup agreements (*Rwg*) (Lebreton et al., 2003), with a minimum value of 0.70. All the values above the threshold.

TCC is a collection of data from a survey returned from the college leadership team, namely the dean and vice dean. TPsyCap is the sum of survey data filled in by faculty members, namely lecturers, and EL is the sum of survey data for team members, namely the head of the department, the study program coordinator, and lecturers. To assess the suitability of the aggregate individual scores to the team level, three measures are generally used: ICC(1), ICC(2) and *Rwg* (Lebreton et al., 2003). All the values satisfy the criteria.

Measurements

The multisource approach was used decrease the different constructs that might reduce CMV (Avolio et al., 1991). Team members provided a TPsyCap and EL rating, while the team leader (middle manager) assessed their team's change capability (TCC) – Table 1.

Team change capability (TCC)

TCC involves repetition and choice of patterns and routines that provide the ability for a team to intentionally move from the current state to the desired future state through learning, process. and context (Klarner et al., 2007) and were measured through a total of 40 items. The team leader evaluated the change capability of the team they led. Measurements used in the TCC variable have been adapted from various sources, namely Hsu and Fang (2009) and Bouckenooghe et al. (2012). All items were measured with ratings ranging from 1 ('strongly disagree') to 5 ('strongly agree'). As discussed previously, the TCC was conceptualized from the level of individual team leaders. Therefore, TCC was treated as a linear summary of individual TCC team leaders, who ignored individual team leader variances (Chen et al., 2004). Methodologically, the average scores of team leaders were calculated to represent the overall TCC.

To test the factor structure of TCC_LC, TCC_PC and TCC_CC, confirmatory factor analysis (CFA) was conducted. Several items that did not load substantially on the variable (loading factor <0.05) were excluded. Subfactor loadings ranged from 0.516 to 0.920 (Appendix), and the subsequent measurement model demonstrated a satisfactory fit.

Team psychological capital (TPsyCap)

Psychological capital of a team or a team's collective psychological capital can be defined as a group's psychological development characterized by hope, efficacy, resilience and optimism (Luthans et al., 2007; Walumbwa et al., 2011). TPsyCap was measured on a scale of eight items (α=0.960) with ratings ranging from 1 ('strongly disagree') to 5 ('strongly agree'), adapted from Walumbwa et al. (2011) using eight items from a recently validated Psychological Capital Questionnaire (PCQ; Luthans et al., 2007). An individual level two-factor CFA was conducted in order to test the factor structure of team psychological capital. This resulted in factor loadings ranging from 0.733 to 0.884 and demonstrated a satisfactory model fit.

Empowering leadership (EL)

EL is described as intrinsically motivating employees by sharing power and providing support for the personal and professional development of the employee (Amundsen and Martinsen, 2014) and was measured using eighteen items (α=0.970) with ratings ranging from 1 ('strongly disagree') to 5 ('strongly agree'). In order to test the factor structure of empowering leadership, CFA was conducted. This resulted in factor loadings ranging from 0.68 to 0.97 and produced a satisfactory fit. Table 1 displays the descriptive statistics, correlation, and reliability coefficients for the research variables.

Table 1 is about here

Control variables

This study used age, tenure, and academic position as relevant control variables for this study. Previous research by Franco-Santos and Doherty (2017) also considered age a related characteristic that can influence the context of higher education. The items in the questionnaire were arranged randomly so as to avoid leading questions. To test the research instrument, this study used a procedure similar to that used by Kleijnen et al. (2007), where reflective indicators were applied to all constructs. Reliability testing uses the reliability of a composite scale (CR) and average variance extracted (AVE) (Chin, 1998). Based on the results this test, the cut-off value is above 0.700, and AVE was more than the cut-off value of 0.500 (Fornell and Larcker, 1981). In addition, convergent validity was evaluated by examining the standard of loading value in each construct (Chin, 1998), and all actions showed loading values exceeding 0.500. Next, the validity of the discriminant act was assessed.

Results

This study used Mplus Version 8.5 (Muthén and Muthén, 1998; 2020) to confirm that the model had been identified properly and that it would fit the data. The overall hypothesized and mediated model (Model 1) shows acceptable suitability for the data: $\chi 2$ (55) =161.84, CFI=0.95, RMSEA=0.070, SRMR=0.050. In addition, the next proposed model was estimated and compared with alternative models. In order to assess whether the hypothesized model is the best representation of the data. Its suitability was then compared with the alternative model. First, Model 2 was assessed, which includes the direct pathways of EL and TPC. This model results showed an unsatisfactory fit.

Next, the non-mediated model (Model 3) was tested, which includes only the direct paths from EL to each of the TCC variables, namely TCC-LC, TCC-CP and TCC-CC. The results showed that the non-mediated model produced unsatisfactory fit models as well, as in Table 2, with less good CFI (<0.9) and RMSEA (> 0.800). Model 4 also examines the direct effect of TPC on each TCC variable, with the suitability of the model being unsatisfactory as well (CFI <0.9 and RMSEA> 0.8). Finally, a model was tested that determined the indirect path (Model 4) of EL to TCC. The results show that the two models (Model 5b and 5c) are quite equivalent to the model it should be (Model 1), but the $\chi 2$ number in Model 1 is better. Meanwhile, Model 5a which examines the indirect effect of EL on TPC_LC produces a less good model than Model 1 as seen from its fit indicator. From Table 2 it is evident that Model 1 has the best statistical suitability.

Table 2 is about here

Structural Model. After testing the measurement model, the hypotheses proposed were tested using Mplus. The results of the analysis are shown in Figure 1. As suggested by the results, EL affects TCC directly and indirectly. EL has a direct effect on TCC-PC (β=0.346; p=0.017), but EL does not have a direct effect on TCC-LC (β=-0.001; p=0.955) and TCC-CC (β=0.120; p=0.517), so H1b is supported, but H_{1a} and H_{1c} are not supported. EL has a direct influence on TPsyCap (β=0.565; p=0.000). Thus H_2 is accepted. Hypothesis 3 postulated that TPsyCap affects TCC. After testing, the value of β=0.400 and p=0.011 was obtained for the effect of TPsyCap on TCC-LC. TPsyCap does not affect TCC-PC (β=0.168; p=0.256) and TCC-CC (β=0.123; p=0.510), so H_{3b} and H_{3c} are rejected, but H_{3a} is accepted.

The result of analysis with control variables. The results of the analysis show that there are no control variables, namely team size, academic position, tenure and age, which have an effect on the TCC-LC, TCC-PC and TCC-CC variables, except for academic position on TCC-PC. However, the magnitude of the coefficient of the influence of the independent variable on the dependent variable changes, even though it shows the same number of significance.

Finally, the study examined the role of TPsyCap as a mediator between EL and TCC. Using Mplus 8.5, a mediation analysis was performed for each variable (e.g. LC, PC and CC). The data were analyzed to determine the indirect effects of each of the predictors on TCC via TPsyCap. The results showed that the relationship between EL and TCC-LC is fully mediated by TPsyCap as EL did not have a direct influence on the variable (β=0.228; p=0.027). At the same time, the influence of the EL on the TCC-PC and TCC-CC was not mediated by TPsyCap.

Figure 1 is about here

Discussion

This study explored whether team change capability can be fostered through empowering leadership and TPsyCap. The study proposes that EL influences TPsyCap, which, in turn, influences team capability in the form of TCC. Referring to the COR theory (Hobfoll, 2001), it is further suggested that TPsyCap acts as a mediator between EL and TCC. As such, TPsyCap is suggested as the "resource" generated by the leader in building the TCC.

The findings show that EL influences TPsyCap. One of the core behaviors of an empowering leader is sharing power by providing autonomy and development support to the team (Amundsen and Martinsen, 2014). This support gives employees' strength (hope) and confidence

(efficacy) to find new and different ways to achieve their goals and to overcome difficulties (resilience), while believing that leaders will give them whatever support they might need (Luthans et al., 2008). Thus far, leadership research has focused more on leaders, whereas leadership is a process that involves interactions between leaders and followers as reflected in EL. This study is also relevant in the context of HE institutions where team members are knowledgeable (Meister-Scheytt and Scheytt, 2005). Thus far, leadership in HE has only been examined with respect to transformational leadership (Abbasi and Miandashti, 2013) and distributed leadership (Karriker et al., 2006).

Previous studies that focused on change capabilities have shown that leadership affects change capabilities such as transformational leadership (Lei et al., 2019). Sukoco et al. (2020) also showed that middle managerial capability in higher education affects an organization's capacity to change. This study enriches the existing leadership literature, which is considered relevant in building organizational change capabilities, especially at the team level.

Another theoretical contribution of the study relates to the mediating effect of TPsyCap. The findings reveal the TPsyCap is an important intervention mechanism catalyzing the relationship between EL and TCC. The mediation analysis clearly shows that TPsyCap affects TCC - more specifically, TCC-LC - only when the team leader exhibits behaviors that empower team members. These findings complement previous research that TPsyCap mediates the influence of leaders in producing results (Rego et al., 2017; Robelo, et al., 2018), and this study enriches the results of change capabilities. This can be explained by the COR theory (Hobfoll, 2011), which is still limited to explaining how to deal with the pressures of change by building change capabilities. This leader's behavior is concerned with the team conserving resources by creating other resources, and the process by which the resource emerges can occur along the way. Faced with the pressures

of change, leaders build team change capabilities through learning, process, and context capabilities. This mechanism occurs when a leader can build a PsyCap collectively in his team, which is a personal resource for the team (Avey et al., 2008).

Finally, this study examined the antecedent effect of TCC in the context of a developing country, namely Indonesia, which has a different cultural context compared to the West. Communities and organizations in Asia tend to have a collectivist culture compared to Europeans or Americans, so they place more emphasis on group considerations and on collective goals rather than individual goals (Lam et al., 2012). Leadership expectations embedded in collectivism can make certain leadership styles or characteristics more prominent in this region; for example, empowering leaders who pay more attention and trust their followers more (Lam et al., 2012).

This study also has several practical implications for helping team leaders, especially in Asia. First, TCC can be built by developing EL and TPsyCap. Middle managers in higher education need to adopt empowering leader behavior related to the leader's focus in dealing with the problem of change. This behavior also fits the collectivist culture of Asian people, so they could attempt to emphasize group considerations and collective goals rather than individual goals (Lam et al., 2012). Nevertheless, the organization still needs to provide training that encourages leaders to pay attention and trust followers, while encouraging team members to participate in work and problem solving within the team (Li et al., 2015). This is not easy because Asian people have a high power distance (Lam et al., 2012). It also needs to be built through systems or procedures that provide authority; for example, in routine work or through a reward system.

Second, psychological capital is generated from the social interaction of team members (Heled et al., 2016). Organizational leaders in Asia, especially Indonesia, have to offer organizational policies that support and train middle managers to develop social interactions within

teams. It also means people with positive emotions toward their work and toward change can have a positive influence on the group. Leaders also need to practice fostering a cooperative work climate by stimulating team members to produce and share their ideas so that they produce positive emotional interactions between members or for their leaders (Li et al., 2015). This might be easier for Asian people who tend to have a collective culture (Koo and Park, 2018).

Conclusion

This research provides insight into how EL and TPsyCap build TCC so that organizations can face the pressure of constant change. Through leader behavior that is empowering, this research shows how leaders should play a role in protecting their team resources when changes occur by producing another resource, namely TPsyCap. Second, witnessing the mediation of TPsyCap in the relationship between EL and TCC deepens understanding that TPsyCap is a psychological resource that contributes substantially to building team capabilities in the face of change. This provides the basis for important future research and can drive the managerial practices of middle managers in dealing with change.

Despite the important implications discussed above, this study has several limitations. First, the use of cross-sectional data in organizational change research may not be able to capture the real capacity for change. Therefore, future studies with a qualitative or longitudinal approach will increase the depth of research. Although a multisource approach was used, this was still a single level study, whereas cross-level studies can provide more accurate results. Second, TCC is a variable that emerged in this study. Based on the validity test, only 23 of the 40 items were declared valid. Therefore, it is necessary to do a pre-test or Delphi method so that the items adopted are appropriate to the context.

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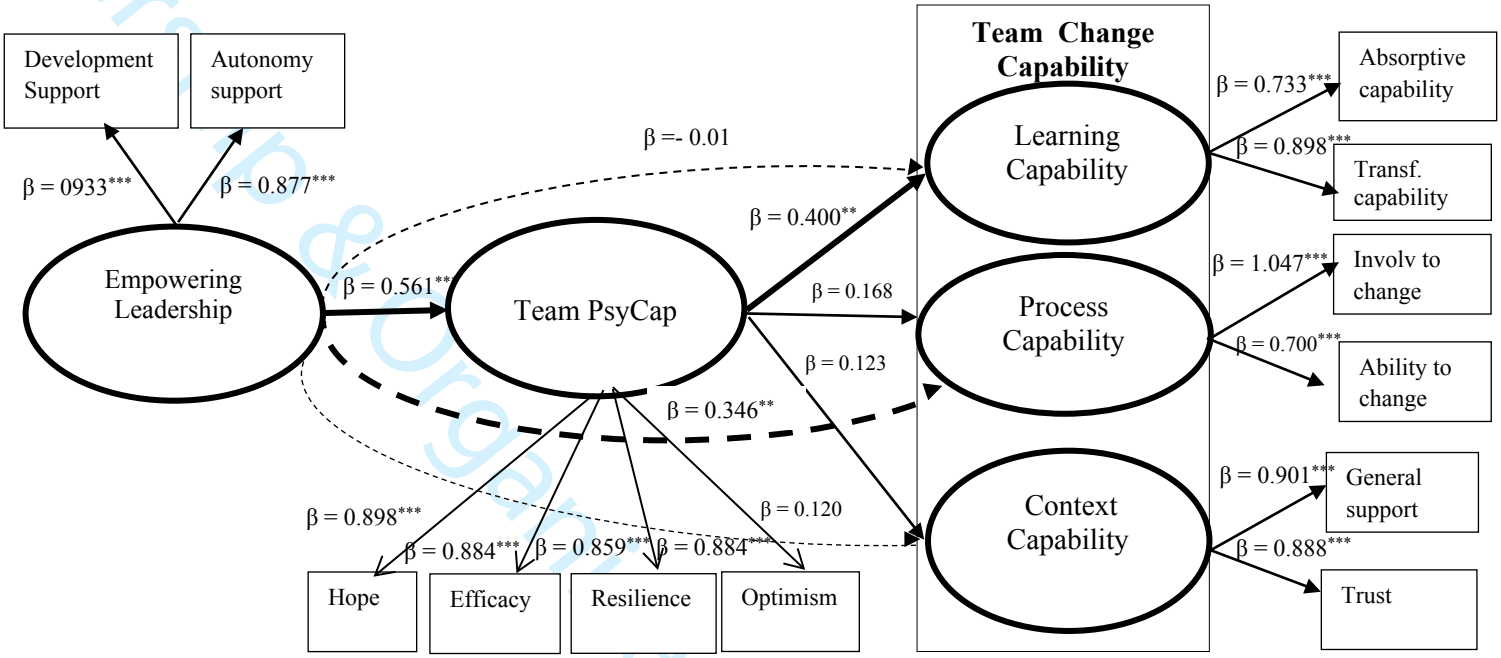

Figure 1 – Research model and analysis results

Note: + refers to $p < 0.10$, * refers to $p < 0.05$, ** refers to $p < 0.01$, *** refers to $p < 0.001$

Table 1.Descriptive Statistics and Matrix Correlations

Research variables	Mean	SD	1	2	3	4	5	6	7	8	9
) TCC-LC	4.470	0.305	**0.707**	*0.160*	*0.017*	*0.785*	*0.897*	*0.045*	*0.001*	*0.004*	*0.004*
2) TCC-CP	4.420	0.360	0.400**	**0.716**	*0.160*	*0.168*	*0.078*	*0.034*	*0.002*	*0.000*	*0.002*
3) TCC-CC	4.650	0.311	0.129	0.400**	**0.731**	*0.018*	*0.152*	*0.003*	*0.030*	*0.132*	*0.006*
4) EL	4.181	0.389	0.886**	0.410**	0.134	**0.760**	*0.260*	*0.040*	*0.010*	*0.003*	*0.011*
5) TPsyCap	4.149	0.268	0.947**	0.280**	0.390**	0.510**	**0.847**	*0.007*	*0.037*	*0.009*	*0.032*
6) Team size	15.400	7.460	-0.212	0.184	0.051	-0.200	0.086	**n.a**	*0.007*	*0.024*	*0.004*
7) Academic Positions	0.436	0.500	0.031	0.039	0.173	0.099	0.193	0.081	**n.a**	*0.358*	*0.340*
8) Tenure	0.728	0.214	0.060	0.015	0.364**	0.057	0.095	0.154	0.598**	**n.a**	*0.270*
9) Age	0.360	0.206	0.064	-0.048	0.078	0.103	0.179	0.060	0.583**	0.520**	**n.a**

Notes: Bold values on the diagonal are AVE. Values below the diagonal are inter-factor correlation. *Correlation values are significant at $p < 0.05$; **correlation values are significant at $p < 0.01$ TCC-LC = Learning Capability; TCC-PC = Change Process Capability; TCC-CC= Context Capability; EL= Empowering Leadership; TPsyCap = Team Psychological Capital

Table 2. Fit indices for nested structural models

Model	$\chi 2$	df	CFI	TLI	RMSEA	SRMR
Model 1	53.755	44	0.979	0.968	0.063	0.048
Model 2	25.294*	8	0.198	0.936	0.880	0.036
Model 3a	0.130	1	0	1	1	0.003
Model 3b	5.11	4	0.276	0.071	0.991	0.976
Model 3c	0.001	1	0	1	1	0
Model 4a	22.988*	8	0.185	0.938	0.883	0.034
Model 4b	22.449*	13	0.115	0.961	0.931	0.039
Model 4c	25.757*	8	0.201	0.93	0.868	0.038
Model 5a	30.427*	17	0.957	0.930	0.120	0.048
Model 5b	62.755	55	0.983	0.976	0.051	0.057
Model 5c	62.755	55	0.983	0.976	0.051	0.057

Notes: n=55. CFI, comparative fit index; TLI= Tucker Lewis Index; RMSEA, root-mean-square error of approximation; SRMR, standardized root-mean-square residual. *p<0.01

1. Bukti Decision Review
(1 Agustus 2023)

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elisabeth supriharyanti <elish.2003@gmail.com>

Fwd: Leadership & Organization Development Journal - Decision on Manuscript ID LODJ-07-2022-0331

badri feb-unair <badri@feb.unair.ac.id> Wed, Aug 2, 2023 at 9:21 AM
To: elisabeth supriharyanti <elish.2003@gmail.com>, "elisabeth-s@ukwms.ac.id" <elisabeth-s@ukwms.ac.id>

Pagi Bu Elis,

Ada 2 conflicting reviews yang harus kita konsolidasikan agar bisa segera accepted.

Jika dibutuhkan diskusi, saya siap via online.

Salaam,

Badri

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From: **Leadership & Organization Development Journal** <onbehalfof@manuscriptcentral.com>
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To: <badri@feb.unair.ac.id>

01-Aug-2023

Dear Prof. Sukoco:

Manuscript ID LODJ-07-2022-0331 entitled "Empowering Leadership and Team Change Capability: The Mediating Effect of Team PsyCap" which you submitted to the Leadership & Organization Development Journal, has been reviewed. The comments of the reviewer(s) are included at the bottom of this letter.

The reviewer(s) have indicated that your manuscript requires major revisions. Therefore, I invite you to respond to the reviewer(s)' comments and revise your manuscript.

To revise your manuscript, log into https://mc.manuscriptcentral.com/lodj and enter your Author Centre, where you will find your manuscript title listed under "Manuscripts with Decisions." Under "Actions," click on "Create a Revision." Your manuscript number has been appended to denote a revision.

You will be unable to make your revisions on the originally submitted version of the manuscript. Instead, revise your manuscript using a word processing program and save it on your computer. Please also highlight the changes to your manuscript within the document by using the track changes mode in MS Word or by using bold or coloured text.

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When submitting your revised manuscript, you will be able to respond to the comments made by the reviewer(s) in the space provided. You can use this space to document any changes you make to the original manuscript. In order to expedite the processing of the revised manuscript, please be as specific as possible in your response to the reviewer(s).

IMPORTANT: Your original files are available to you when you upload your revised manuscript. Please delete any redundant files before completing the submission.

Because we are trying to facilitate timely publication of manuscripts submitted to the Leadership & Organization Development Journal, your revised manuscript should be uploaded as soon as possible. If it is not possible for you to submit your revision in a reasonable amount of time, we may have to consider your paper as a new submission.

Once again, thank you for submitting your manuscript to the Leadership & Organization Development Journal and I look forward to receiving your revision.

Sincerely,
Dr. Martin McCracken
Associate Editor, Leadership & Organization Development Journal
m.mccracken@ulster.ac.uk

Reviewer(s)' Comments to Author:
Reviewer: 1

Recommendation: Major Revision

Comments:
Dear Authors: Appreciate your efforts in putting this study together. Please read through the comments carefully and revise the paper to make it worthy of publication. The rework is doable and requires you to to think about your work more deeply and they write it out.

Additional Questions:
1. Originality: Does the paper contain new and significant information adequate to justify publication?: Yes, The topic is interesting and good variables have been identified with ample data. The authors need to do a lot of rework. Have included detailed comments

2. Relationship to Literature: Does the paper demonstrate an adequate understanding of the relevant literature in the field and cite an appropriate range of literature sources? Is any significant work ignored?: This seems appropriate

3. Methodology: Is the paper's argument built on an appropriate base of theory, concepts or other ideas? Has the research or equivalent intellectual work on which the paper is based been well designed? Are the methods employed appropriate?: Methodology is fine, however needs better explanation and articulation. Please see detailed comments

4. Results: Are results presented clearly and analysed appropriately? Do the conclusions adequately tie together the other elements of the paper?: Discussion and Conclusions are weak. Needs significant rework. Please see comments.

5. Implications for research, practice and/or society: Does the paper identify clearly any implications for research, practice and/or society? Does the paper bridge the gap between theory and practice? How can the research be used in practice (economic and commercial impact), in teaching, to influence public policy, in research (contributing to the body of knowledge)? What is the impact upon society (influencing public attitudes, affecting quality of life)? Are these implications consistent with the findings and conclusions of the paper?: Needs significant improvement. Please see comments

6. Quality of Communication: Does the paper clearly express its case, measured against the technical language of the fields and the expected knowledge of the journal's readership? Has attention been paid to the clarity of expression and readability, such as sentence structure, jargon use, acronyms, etc.: The paper needs to be more coherently put together. Needs a complete careful proof reading and editing.

Reviewer: 2

Recommendation: Accept

Comments:
Thank you for the opportunity to review this research, compelling.

Additional Questions:
1. Originality: Does the paper contain new and significant information adequate to justify publication?: This is a very innovative paper that is conceptually and methodologically distinct. Universities are important organizational institutions and that means the context is very good. Overall, there is adequate justification to publish this paper.

2. Relationship to Literature: Does the paper demonstrate an adequate understanding of the relevant literature in the field and cite an appropriate range of literature sources? Is any significant work ignored?: This paper has an excellent grasp of the literature in the several streams that are woven together. There is a high degree of key relevant literature that is cited and no significant work ignored, no gaps.

3. Methodology: Is the paper's argument built on an appropriate base of theory, concepts or other ideas? Has the research or equivalent intellectual work on which the paper is based been well designed? Are the methods employed appropriate?: The theory base and hypotheses are well done and compelling. The multi-rater design and methods are well conceived and executed. These are clearly explained.

4. Results: Are results presented clearly and analysed appropriately? Do the conclusions adequately tie together the other elements of the paper?: The results flow well from the well-executed design and are not overinterpreted. Clearly and well presented.

5. Implications for research, practice and/or society: Does the paper identify clearly any implications for research, practice and/or society? Does the paper bridge the gap between theory and practice? How can the research be used in practice (economic and commercial impact), in teaching, to influence public policy, in research (contributing to the body of knowledge)? What is the impact upon society (influencing public attitudes, affecting quality of life)? Are these implications consistent with the findings and conclusions of the paper?: The Discussion does address tie theory and research to practice so that the wheels do meet the road, as discussed on page 17 for example. Not so clear on influence on public attitudes or quality of life, aside from quality of work life. The paper is, however, cohesive and well integrated throughout, consistent and well self-contained.

6. Quality of Communication: Does the paper clearly express its case, measured against the technical language of the fields and the expected knowledge of the journal's readership? Has attention been paid to the clarity of expression and readability, such as sentence structure, jargon use, acronyms, etc.: The quality of communication is excellent. This manuscript was easy to read with very appropriate use of constructs, key terms, etc. embedded in the literature but without jargon or confusing acronyms...no within-group speak. Very robust and clear writing...easy and compelling to read.
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With warm regards,

Prof. Badri Munir Sukoco, PhD
Director, Postgraduate School
Universitas Airlangga

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3. Bukti submit revisi respon kepada reviewer, dan artikel yang diresubmit

(25 September 2023)

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Manuscript ID	LODJ-07-2022-0331.R1
Title	Empowering Leadership and Team Change Capability: The Mediating Effect of Team PsyCap
Authors	Supriharyanti, Elisabeth Sukoco, Badri Munir Ubaidi, Abdillah Susanto, Ely

Widianto, Sunu
Nasution, Reza
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Empowering Leadership and Team Change Capability: The Mediating Effect of Team PsyCap

Journal:	*Leadership & Organization Development Journal*
Manuscript ID	LODJ-07-2022-0331.R1
Manuscript Type:	Research Paper
Keywords:	team change capability, empowering leadership, team psychological capital, higher education, Indonesia

Empowering Leadership and Team Change Capability:

The Mediating Effect of Team PsyCap

Purpose: Based on COR theory, this study explores the antecedent of team change capability, which consists of the dimensions of learning, process, and context and examines how, under the empowering leadership (EL) of middle managers, team change capability (TCC) may be built through team psychological capital (TPSyCap).

Design/methodology/approach: The study was conducted with 853 respondents and 55 teams from 11 leading autonomous higher education institutions (AHEIs) in Indonesia.

Findings: The results show that EL is positively related to TPsyCap, which mediates the relationship between EL and TCC, particularly for TCC-learning capability. However, TPsyCap does not mediate the effect of EL on TCC- process capability and TCC- context capability.

Originality: This study enriches existing leadership literature, which is considered relevant in building organizational change capabilities, particularly on a team level. Furthermore, the findings reveal the TPsyCap is an important intervention mechanism in catalyzing the relationship between EL and TCC.

Keywords - Team change capability, empowering leadership, team psychological capital, higher education, Indonesia

Research Background

Organizational change is an integral component of the organizational life cycle (Gelaidan et al., 2018). Unfortunately, large-scale organizational change tends to fail (Hughes, 2011). Organizations must develop organizational change capabilities to survive, successfully implement change (Meyer and Stensaker, 2006), and improve their performance (Heckmann et al., 2016). Though change capability has been extensively studied at the organizational/macro level (Soparnot, 2011; Sukoco et al., 2021) and individual/micro level (Harden et al., 2020), research exploring capabilities on a team level has yet to receive attention, referred to as a micro foundation approach (Salvato and Vassolo, 2018). Letierce et al. (2023) emphasize that middle managers as team leaders are not only passive "translators" of change, but also real agents in the organizational change process. Organizations with strong team change capabilities are able to quickly realign their teams to take advantage of new opportunities or change strategies in the face of environmental change (Eisenhardt & Martin, 2000).

Team change capability (TCC) is defined as the repetitive, patterned, and routine ability of a team in the organization, consisting of learning capability, change process capability, and change context capability to deliberately move from a present state to the desired future state (change) in the face of continuous environmental change (Supriharyanti and Sukoco, 2023). On a team level, the process of change emerges through interactions between individuals in a team facilitated by middle managers (Nonaka et al., 2016). Middle managers play a central role in processes of change and, therefore, potentially have a significant effect on the eventual success or failure of major change initiatives in organizations (Giangreco and Peccei, 2005). The antecedents of TCC have not been examined in depth and, hence, are not well-explained.

To successfully make change, leaders require follower participation (Stouten et al., 2018), which depends significantly on the behavior of leaders in the form of empowering leadership (EL) (Amundsen and Martinsen, 2014). Moreover, change may cause stress because of the consequences of implementing changes, one of which is the risk of losing resources (Bamberger et al., 2012). According to Resource Conservation (COR) theory, for leaders to deal effectively and successfully with changes in building resources or capabilities (TCC), they must invest other resources (Hobfoll, 2001). Firstly, on a team level, psychological capital (PsyCap) is a psychological source that maybe important in countering potential dysfunctional attitudes and behaviors relevant to organizational change (Luthans and Youssef, 2007; Han et al., 2021). Secondly, empowering leadership behaviors are positively related to employees' psychological resources (Srivastava et al., 2006).

Several studies have discussed how leaders deal with change in an academic context (Bui et al., 2016). In recent decades, this sector has undergone many changes on a global level, including in Asia (Ganotice et al., 2017). This condition forces higher education institutions to focus beyond their competitors, and most countries consider it a driving force to improve the quality of higher education (Marginson, 2006). As a country with a fifth of the world's population and a large number of young people, Indonesia mandates the top 11 universities to enter the global ranking. The world class university program (WCU) was launched in late 2015 and generated mixed responses from stakeholders (Sukoco et al., 2021). Research related to change adaptation efforts in higher education, particularly in Indonesia, is still limited (Bui et al., 2016). This research was conducted among 11 autonomous higher education institutions (AHEIs) in Indonesia which had experienced changes to encourage them to become world-class universities.

Several contributions are offered. Firstly, this research is the first attempt to explain the ability to deal with change on a team level (TCC) and its antecedent. Based on COR theory, Hobfoll (2011) describes resources as "resource caravans;" that is, resources do not exist individually, but travel in caravans. This study proposes that the leader role could be used as a team resource in building TCC through TPsyCap. Secondly, this research contributes to COR theory in change management by considering the role of leaders in obtaining organizational resources (TCC) through investments in other resources such as TPsyCap (Hobfoll, 2011). Thirdly, this research is related to higher education in dealing with changes on a team level in the Asian context, particularly in Indonesia, which is culturally different from the global context (Heckmann et al., 2016; Koo & Park, 2018).

Literature Review

Team change capability (TCC)

Teece et al. (1997) outline how organizations articulate, restructure, and create processes and routines to successfully adapt to environmental change. The capabilities that organizations utilise to manage and implement are diverse, such as the dynamic capabilities of management, innovation, and marketing (Corrêa et al., 2019). More specifically, on a team level, these capabilities can take the form of team change capability (TCC). In this study, TCC is defined as the repetitive, patterned, and routine ability of a team in the organization, consisting of learning ability, change process capability, and change context capability to deliberately move from a present state to the desired future state (change) in the face of continuous environmental change (Supriharyanti and Sukoco, 2023). A TCC framework consists of three dimensions, namely the dimensions of learning capability (TCC-LC), change process capability (TCC-CP), and change

context capability (TCC-CC) (Klarner et al., 2007; Soparnot, 2011). TCC-LC describes the team capability to absorb and change knowledge and apply it to achieve a competitive advantage (Hsu & Fang, 2009). TCC-CP is a way of implementing changes specifically (Bouckenooghe et al., 2012). Capability in the context of change (TCC-CC) is defined as the capability to develop a climate that supports change (Bouckenooghe et al., 2012).

Empowering leadership (EL)

Empowering leadership (EL) is a process that involves influencing team members through the distribution of power, motivation support, and development support with the aim of promoting experience of independence, motivation, and an ability to work independently (Amundsen & Martinsen, 2014). EL is a leadership behaviour that empowers employees or team members where power is shared with them so as to increase their intrinsic motivation level (Srivastava et al., 2006). When leaders exhibit empowering behaviour and employees experience psychological empowerment (Lorinkova and Perry, 2017), it reduces the negative impact of cynicism about organizational change (Sabar et al., 2022). When employees are empowered, they become self-motivated and committed individuals who put a maximum effort into their work (Idris et al., 2018; Ke and Zhang, 2011).

Team psychological capital (TPsyCap)

Psychological capital (PsyCap) is an individual's positive psychological state of development characterized by hope, self-efficacy, resilience, and optimism (HERO) (Luthans and Youssef, 2007; Sukoco and Lee, 2017). Initially, PsyCap was conceptualized as an individual resource, but recent research has shown that it can also emerge as a group resource (Walumbwa et

al., 2011). Heled et al. (2016) found that every construction of HERO that makes up PsyCap collectively occurs through shared mental model mechanisms. As such, this study integrated and defined TPsyCap as a collective team's positive psychological state of development characterized by hope, self-efficacy, resilience, and optimism (HERO) (Braithwaite, 2004; Benet et al., 2010; Bandura, 1997; Mckenny and Short, 2018).

Hypothesis Development

Empowering leadership and team change capability

Empowering leaders treat team members fairly and recognize their input as valuable (Srivastava et al., 2006). These leaders value the contribution of ideas and information from team members as part of team learning capability (Pletsch and Zonatto, 2018). This policy enhances the feeling of empowerment in employees, and encourages them to be active, rather than passive, and involved in formal empowerment initiatives (Hassi, 2019). Group members can openly reflect and develop new methods to deal with change (Sukoco and Lee, 2017). The perceived meaningfulness of the opportunities provided and capabilities of team members (in a HE context) are important, particularly in dealing with change (Blazevic et al., 2015).

A leader plays a role in building an organizational or team climate (Rego et al., 2017), including building a context or climate that supports change (Bouckenooghe et al., 2012). Empowering leadership (EL) shows openness to change by trusting employees and team members (Jada et al., 2019), by giving them the opportunity to provide ideas or proposals in discussions or meetings. Organizational leaders who are able to build interpersonal trust will be able to increase good knowledge sharing (Jain, 2022). EL also creates a climate that encourages team members to share their ideas with one another (Pletsch and Zonatto, 2018). These conditions are favorable

toward the effort to support development and, eventually, change. Therefore, the following hypothesis is posited:

H_1. Empowering leadership influences team change capability (a) learning, (b) process, and (c) context.

Empowering leadership and team psychological capital

Considering the centrality of leadership in the team and in an organizational context, the attitude and behavior of leaders play a decisive role in the psychological condition of employees (Rego et al., 2017). Referring to the COR theory (Hobfoll, 2011), for leaders to be able to handle change in building resources or capabilities to deal with changes that tend to be pressing, they must invest another resource in the team in the form of TPsyCap (Heled et al., 2016). Luthans and Youssef (2017) conceptualize leadership as the predecessor of PsyCap within the conceptual framework as when a leader has a positive leadership approach that is not directed, but participatory, sometimes demanding active participation (Bass, 2000). In this relationship, the leader can positively influence the psychological resources of employees through PsyCap (Gyu Park et al., 2017).

Leaders who lead by example, participatory decision making, coaching, informing, and showing concern manifest a form of autonomy and development support (Srivastava et al., 2006). Leaders who show concern for followers' skill development and focus on their learning, abilities, and growth increase their creative self-efficacy (Yang et al., 2017; Iqbal et al., 2023). Team members are likely to receive fair recognition from an empowering leader for their contribution in the form of ideas and information, which motivates them to share their unique knowledge with one another (Amundsen and Martinsen, 2014). Similarly, the participative decision making and

coaching behaviors of an empowering leader may also encourage knowledge sharing and increase interactions within teams. George (1990) found that work groups can develop affective tones, and, when most group members experience a positive (or negative) emotional state, the overall affective tone of the group also becomes positive (or negative). This transmission process applies not only to emotions (Barsade, 2002), but also to cognition (Huy and Zott, 2019). When group members interact and are interdependent to achieve common goals, they develop similar psychological structures, representing cognitive, motivational, or affective states (Marks et al., 2001). Therefore, the following hypothesis is posited:

H_2. Empowering leadership (EL) has a positive influence on team psychological capital (TPsyCap)

Team psychological capital and team change capability

Hobfoll (2011) considers the possibility that those with more access to resources may be less negatively affected by resource depletion in the face of stressful situations caused by change. Therefore, an additional resource should be offered in this study, namely team psychological capital (TPsyCap). TPsyCap is a psychological resource (Luthans and Youssef, 2007) and shared mental capacity (Heled et al., 2016) required to deal with change (Huy, 2011). TPsyCap may be considered to be part of emotional capability (Huy and Zott, 2019) and part of the cognitive abilities needed by a team in building adaptation to change (LePine, 2003). Teams with high PsyCap with confidence in trying different paths to achieve goals (hope) will be more effectively able to learn from experience or knowledge from the outside (Luthans et al., 2007). Resilience will allow these individuals to make adaptive changes after a failure episode, which will make it more likely that the team will repeatedly evaluate its performance (Rego et al., 2017). As team members

value the contribution of ideas and information from each other, they will also be motivated to share their efficacy with one another (Hassi, 2019). In summary, when a team has higher PsyCap, their learning capability to change is greater compared to a team with lower PsyCap.

In general, team processes and circumstances involve the interactions of team members with other members and the work environment (Marks et al., 2001). PsyCap also has a positive relationship with team relations, collaboration, and cohesion, supporting the communication process in teams (West et al., 2009; Abu Bakar and Connaughton, 2022). Furthermore, PsyCap encourages team members to more frequently experience positive emotional states, which, in turn, encourages positive movement (West et al., 2009). An individual who works in a team characterized by a high TPsyCap has a lot of optimism and is encouraged to be more involved in solving organizational problems (Heled et al., 2016). During the process of change, TPsyCap encourages self-directed behavior change or supports procedures built without the need for supervision or control (Choi, 2020). In short, when a team has a higher PsyCap, its change process capability is greater than a team that has a low PsyCap.

With additional role relationships and shared values that support change, it may be expected that the appropriate context for supporting change at the team level is developed (Jada et al., 2019). When team members share hopes and goals with one another, it is expected that the team creates a supportive environment to implement change (Amundsen and Martinsen, 2014), wherein this environment facilitates a situation where every member of the team has the goal-directed energy and means of implementing change successfully (Snyder et al., 1991). In summary, when a team has higher PsyCap, the change in their change context capability is greater compared to the team who has lower PsyCap. Therefore, the following hypothesis is posited:

H_3. Team psychological capital influences team change capability (a) learning, (b) process, and (c) context.

Mediating effect of team psychological capital

TPsyCap is a psychological resource (Luthans and Youssef, 2007) and a shared mental model required to deal with change (Huy, 2011; Heled et al., 2016). Drawing on COR theory, this model can be explained by the concept of a resource caravan, in which resources do not exist individually but travel in packages, or caravans, both for individuals and organizations (Hobfoll, 2011). In other words, the process of developing resources will yield other resources. The leader, as a team resource, builds team change capability. Change is a strategic problem faced at all levels of the organization, including the team (Liu et al., 2012). Thereby, it requires the role of leader to build TCC, which is a team's capability to deal with change so that it can be sustainable (Heckmann et al., 2016).

Empowering leaders provide authority and support to their employees and team members, slowly developing the team capability for change (Amundsen and Martinsen, 2014). However, when leaders empower their followers, it may not directly result to the capability for change if their followers do not have the shared mental model (Heled et al., 2016) required to deal with said change (Huy, 2011). Since change requires extra energy and may even have negative effects on employees and the organization, empowerment from leaders should transform into collective psychological resources that gradually allow the organizational members to develop learning, process, and context for change capability (Heled et al., 2016). In addition, leaders should be able to conserve team members' resources to support the change (Hobfoll, 2011). However, with leaders that provide motivational and developmental support, teams in the organization could

develop capabilities for change (Amundsen and Martinsen, 2014). TPsyCap is required because change requires extra energy and may even cause negative effects for employees and the organization (Avey et al., 2008). In other words, leaders' empowerment of team members depends on TPsyCap before it is able to influence the team's capability for change. Yoon et al. (2021) demonstrate the role of TPsyCap as a mediator at the team level in the relationship between leadership and team performance. Therefore, the following hypothesis is posited:

H_4. Team psychological capital mediates the influence of empowering leadership on team change capability (a) learning, (b) process, and (c) context.

Methodology

Research context

The number of higher education institutions in Indonesia has reached 4,593 units, comprising state (122) and private (3,044) institutions under Ministry of Education, Culture, Research and Technology (MECRT) (Higher Education Statistics, 2020), whereas the rest are managed by Ministry of Religious Affairs (1,240 institutions) and other ministries (187 institutions). Since 2014, the government of Indonesia, through MECRT, has changed the status of 11 state universities to AHEIs, namely Universitas Indonesia (UI), Bandung Institute of Technology (ITB), Gadjah Mada University (UGM), Airlangga University (UNAIR), Bogor Agricultural Institute (IPB), Padjadjaran University (UNPAD), Diponegoro University (UNDIP), Institute of Technology Sepuluh Nopember (ITS), Brawijaya University (UB), Hasanuddin University (UNHAS) and Sebelas Maret University (UNS). Data were collected from 11 state universities that have Autonomous Higher Education Institutions (AHEI) status. AHEI status guarantees autonomy for these universities so that they can manage academic and non-academic activities,

including financial affairs, more independently, transparently, and accountably. Autonomous status also gives control to 11 AHEIs in managing their human resources, both academic and non-academic staff, as business entities, through endowment funds, as well as academic appointments, including managing the opening and closing of study programs. In accordance with the mandate of the Indonesian government ratified through the Decree of the Ministry of Research, Technology, and Higher Education Number 522b/M/Kp/IX/2015, in 2019, there were 11 AHEIs who were given targets to be included in the ranking. Of the 500 Best World Class Universities (Sukoco et al., 2021), in 2018, there were only three universities in Indonesia included. Every year, the government and each AHEI renew work contracts, and the government provides certain ranking targets if AHEI wants to continue to receive support from the government. To boost academic production related to QS WUR requirements, this situation requires every level of AHEI leadership (chancellor) to carry out progressive organizational reforms together with the Dean. At an AHEI, the Dean who organizes the activities to be carried out by each faculty is given a target. Each Lecturer is given direction by the Dean in his position as Team Leader. This demanding situation requires the Dean to have an empowering leadership approach to not only encourage lower-level management to achieve targets, but also ensure that the team is developed and given autonomy to achieve these goals. In this way, faculty members and lower-level management have team resources (i.e., team PsyCap) that in turn, develop team change capability.

Sample

The data for this research were collected from 11 AHEI in Indonesia at the faculty (college) as a team level using a multi-source approach. Respondents targeted in this study were team leaders or middle managers (Deans and Vice Deans), and college members (Heads of Departments, Study

Program Coordinators, and Lecturers) at 11 AHEI. The lecturer survey was conducted using the convenience sampling method of at least 10 people per college. The survey for Deans and Vice Deans were designed to evaluate team change capability and provide demographic information, whereas the survey for team members assessed TPsyCap (Lecturers) and empowering leadership (Heads of Departments, Study Program Coordinators, and Lecturers), as well as demographic information from team members.

In this study, each college was treated as a team. Questionnaires were distributed to 4,267 respondents from 11 AHEIs, 2,047 participants answered (47.97%), belonging to 110 team. Of these, only 55 teams (colleges) were completely filled in and could be processed with a total of 853 respondents. The occurrence of non-response bias was prevented by creating anonymous questionnaires, following up on returned questionnaires, and providing alternative online and offline questionnaires. Questionnaires were distributed online and offline, with 376 and 477 respondents, respectively. Online questionnaires were distributed via Google Forms or email, whereas offline questionnaires were distributed via post. Different data collection methods were used to maximize the response rate (Beatty et al., 2016). Online and offline questionnaires were compared to ensure that there was no difference in how they were treated.

Respondents were comprised of 853 individuals from 55 teams with the following characteristics of the respondents: Dean 5.86%; Deputy Dean 6.68%; Head of Service 14.07%; Study Program Coordinator 32.59%; and Lecturers 40.80%. Male respondents comprised 54.63%, whereas female respondents comprised 45.37%. Most of the respondents were aged between 40 and 50 years (35.87%), almost the same proportion as those aged between 51 and 60 years (31.87%), while those aged over 60 years comprised 6.68% of the respondents. Participants with the longest tenure (above 15 years) comprised 59.44% of the total. In terms of academic positions,

47.13% of the respondents were Assistant Professors, 37.87% were Associate Professors, 20.28% were Junior Lecturers and 9.26% were Professors.

Data aggregation

This study conducted a group-level analysis using faculty as a unit of analysis. TCC is an aggregation of data from the surveys returned from the faculty leadership team, namely Deans and Vice Deans. TPsyCap was aggregated from survey data filled out by faculty members, namely Lecturers, and EL is an aggregation of data from surveys of team members, namely Heads of Departments, Study Program Coordinators, and Lecturers. The data collected were checked for the value of intergroup agreements (*Rwg*) (Lebreton et al., 2003), with a minimum value of 0.70. All the values were above the threshold.

TCC is a collection of data from a survey returned from the faculty leadership team, namely the Dean and Vice Dean. TPsyCap is the sum of survey data filled in by faculty members, namely lecturers, and EL is the sum of survey data for team members, namely the Head of Department, the Study Program Coordinator, and Lecturers. To assess the suitability of the aggregate individual scores to the team level, three measures are generally used: ICC(1); ICC(2); and *Rwg* (Lebreton et al., 2003). All of the values satisfy the criteria.

Measurements

The multisource approach was used to decrease the different constructs that might reduce CMV (Avolio et al., 1991). Team members provided a TPsyCap and EL rating, whereas the team leader (middle manager) assessed their team's change capability (TCC) – Table 1.

Team change capability (TCC)

TCC involves the repetition and choice of patterns and routines that provide the ability for a team to intentionally move from the current state to the desired future state through learning, process, and context (Klarner et al., 2007), using a total of 40 items. The team leader evaluated the change capability of the team that they led. Measurements used in the TCC variable have been adapted from various sources, namely Hsu and Fang (2009) and Bouckenooghe et al. (2012). All items were measured with ratings ranging from 1 ("strongly disagree") to 5 ("strongly agree"). The TCC was conceptualized from the level of individual team leaders. Therefore, TCC was treated as a linear summary of individual TCC team leaders, who ignored individual team leader variances (Chen et al., 2004). Methodologically, the average scores of team leaders were calculated to represent overall TCC.

To test the factor structure of TCC_LC, TCC_PC and TCC_CC, a confirmatory factor analysis (CFA) was conducted. Items that did not load substantially on the variable (loading factor <0.05) were excluded. Subfactor loadings ranged from 0.516 to 0.920 (Appendix), and the subsequent measurement model demonstrated a satisfactory fit.

Team psychological capital (TPsyCap)

The psychological capital of a team or a team's collective psychological capital is defined as a group's psychological development characterized by hope, efficacy, resilience, and optimism (Luthans et al., 2007; Walumbwa et al., 2011). TPsyCap was measured on a scale of eight items (α=0.960) with ratings ranging from 1 ("strongly disagree") to 5 ("strongly agree"), adapted from Walumbwa et al. (2011) using eight items from a recently validated Psychological Capital Questionnaire (PCQ) (Luthans et al., 2007). An individual level two-factor CFA was conducted to

test the factor structure of team psychological capital, resulting in factor loadings ranging from 0.733 to 0.884 and demonstrating a satisfactory model fit.

Empowering leadership (EL)

EL intrinsically motivates employees by sharing power and providing support for personal and professional development (Amundsen and Martinsen, 2014). This variable was measured using 18 items (α=0.970) with ratings ranging from 1 ("strongly disagree") to 5 ("strongly agree"). In order to test the factor structure of empowering leadership, CFA was conducted, resulting in factor loadings ranging from 0.68 to 0.97 and produced a satisfactory fit. Table 1 presents the descriptive statistics, correlation, and reliability coefficients for the research variables.

Table 1 is about here

Control variables

This study used age, tenure, and academic position as relevant control variables. Franco-Santos and Doherty (2017) also consider age a relevant characteristic in influencing the context of higher education. The items in the questionnaire were arranged randomly as to avoid leading questions. To test the research instrument, this study used a procedure similar to that used by Kleijnen et al. (2007), in which reflective indicators were applied to all constructs. Reliability testing used the reliability of a composite scale (CR) and average variance extracted (AVE) (Chin, 1998). Based on the results of this test, the cut-off value was above 0.700, and AVE was more than the cut-off value of 0.500 (Fornell and Larcker, 1981). In addition, convergent validity was evaluated by examining the standard of the loading value of each construct (Chin, 1998), and all

actions showed loading values exceeding 0.500. The validity of the discriminant act was then assessed.

Results

This study used Mplus Version 8.5 (Muthén and Muthén, 1998; 2020) to confirm that the model had been identified properly and that it would fit data. The overall hypothesized and mediated model (Model 1) showed acceptable suitability for the data: $\chi 2$ (55) =161.84, CFI=0.95, RMSEA=0.070, SRMR=0.050. In addition, the following proposed model was estimated and compared with alternative models in order to assess whether the hypothesized model was the most accurate representation of the data. The model's suitability was then compared with the alternative model. Firstly, Model 2 was assessed, including the direct pathways of EL and TPC. This model results showed an unsatisfactory fit.

The non-mediated model (Model 3) was then tested, which includes only the direct paths from EL to each of the TCC variables, namely TCC-LC, TCC-CP and TCC-CC. The results show that the non-mediated model produced unsatisfactory fit models, as in Table 2, with less effective CFI (<0.9) and RMSEA (> 0.800). Model 4 also examined the direct effect of TPC on each TCC variable, with the suitability of the model being unsatisfactory (CFI <0.9 and RMSEA> 0.8). Finally, a model was tested that determined the indirect path (Model 4) of EL to TCC. The results show that the two models (Model 5b and 5c) are equivalent to the model required (Model 1), though the $\chi 2$ number in Model 1 is more appropriate. Meanwhile, Model 5a, which examines the indirect effect of EL on TPC_LC produced a less effective model than Model 1 as seen from its fit indicator. From Table 2 it is evident that Model 1 has the most appropriate statistical suitability.

Table 2 is about here

Structural model

After testing the measurement model, the hypotheses were tested using Mplus. The results of the analysis are presented in Figure 1. As suggested by the results, EL directly and indirectly affected TCC. EL had a direct effect on TCC-PC (β=0.346; p=0.017), but EL did not have a direct effect on TCC-LC (β=-0.001; p=0.955) and TCC-CC (β=0.120; p=0.517). Therefore, H1b is supported, but H_{1a} and H_{1c} are not supported. EL had a direct influence on TPsyCap (β=0.565; p=0.000). Therefore, H_2 is accepted. H_3postulated that TPsyCap affects TCC. After testing, the value of β=0.400 and p=0.011 was obtained for the effect of TPsyCap on TCC-LC. TPsyCap did not affect TCC-PC (β=0.168; p=0.256) and TCC-CC (β=0.123; p=0.510), so H_{3b} and H_{3c} are rejected, whereas H_{3a} is accepted.

The result of analysis with control variables

The results of the analysis show that there are no control variables, namely team size, academic position, tenure and age, with an effect on the TCC-LC, TCC-PC and TCC-CC variables, except for academic position on TCC-PC. However, the magnitude of the coefficient of the influence of the independent variable on the dependent variable varies, though it shows the same number of significance.

The study also examined the role of TPsyCap as a mediator between EL and TCC. Using Mplus 8.5, a mediation analysis was performed for each variable (LC, PC, and CC). The data were analyzed to determine the indirect effects of each predictor on TCC via TPsyCap. The results show that the relationship between EL and TCC-LC is fully mediated by TPsyCap as EL did not have a

direct influence on the variable (β=0.228; p=0.027). Moreover, the influence of the EL on the TCC-PC and TCC-CC was not mediated by TPsyCap.

Figure 1 is about here

Discussion

This study explores whether team change capability may be fostered through empowering leadership and TPsyCap. The study proposes that EL influences TPsyCap, which, in turn, influences team capability in the form of TCC. Referring to the COR theory (Hobfoll, 2001), it is suggested that TPsyCap acts as a mediator between EL and TCC. As such, TPsyCap is suggested to be the "resource" generated by the leader in building the TCC.

The initial findings show that EL influences TPsyCap. One of the core behaviors of an empowering leader is sharing power by providing autonomy and development support to the team (Amundsen and Martinsen, 2014). This support provides employees with strength (hope) and confidence (efficacy) to find new and different ways to achieve their goals and overcome difficulties (resilience), while believing that leaders will give them whatever support they might need (Luthans et al., 2008). Participative decision making and coaching behaviors of an empowering leader may also encourage knowledge sharing and increase interaction within teams. George (1990) found that work groups may develop affective tones, and, when most group members experience a positive (or negative) emotional state, the overall affective tone of the group also becomes positive (or negative). This transmission process applies not only to emotions (Barsade, 2002), but also to cognition (Huy and Zott, 2019). When group members interact and are interdependent to achieve common goals, they develop similar psychological structure, which represents cognitive, motivational, or affective states (Marks et al., 2001)

Secondly, TPsyCap influences TCC-LC and mediates the influence of EL on TCC-LC. These findings complement existing research, which has found that TPsyCap mediates the influence of leaders in producing results (Rego et al., 2017; Robelo, et al., 2018). This finding can be explained by the COR theory (Hobfoll, 2011), which is still limited to explaining how to deal with the pressures of change by building change capabilities. The leader's behavior is concerned with the team conserving resources by creating other resources, and the process through which resource emergence can occur along the way. Faced with the pressure of change, leaders build team change capabilities through learning, process, and context capabilities (Sukoco et al., 2021). This mechanism occurs when a leader is able to build a PsyCap collectively as part of a team, which is a personal resource for said team (Avey et al., 2008).

However, TPsyCap does not mediate the influence of EL on TCC-CP and TCC-CC, and it seems that EL has a direct influence on TCC-CP and TCC-CC. In the context of higher education institutions, where team members tend to be knowledgeable and quite confident (Meister-Scheytt and Scheytt, 2005), the autonomy given to team members enables them to be involved in decision making regarding change to build a culture of innovation (Naqshbandi et al , 2017). A leader plays a role in building an organizational or team climate (Rego et al., 2017), including building a context or climate that supports change (Bouckenooghe et al., 2012). EL also creates a climate that encourages team members to share ideas with one another (Pletsch and Zonatto, 2018). Group members openly reflect and develop new methods to deal with change (Sukoco and Lee, 2017). The perceived meaningfulness of the opportunities provided and the capabilities of team members in a higher education context are important, particularly in dealing with change (Blazevic et al., 2015).

In Indonesia, external factors such as government regulations related to AHEI are driving factors that dominate change (Sukoco et al., 2021). Although these institutions' status as autonomous institutions means that there is greater flexibility in academic and non-academic issues, to a certain extent, these institutions are dependent on the government in relation to public funding, which is in line with the concept of regulatory stakeholders (Mainardes et al., 2012). The findings of Sukoco et al. (2021) also show that organizational change capability is built serially starting from learning capability, process capability, and then context capability. Therefore, PC and CC are mediated by previously built capabilities.

Theoretical implications

The findings of this study indicate that EL affects TPsyCap. This behavior is appropriate in higher education, which emphasizes the importance of autonomy in leadership in higher education (Bryman, 2007). A bibliometric analysis conducted by Maheshwari and Kha (2023) found that leadership studies in higher education are dominated by transformational leadership, whereas empowering leadership is still limited.

This study enriches existing leadership literature, which is considered relevant in building organizational change capabilities, particularly on a team level. Previous studies that have focused on change capabilities have found that leadership affects change capabilities such as transformational leadership (Lei et al., 2019). Sukoco et al. (2020) found that middle manager capability in higher education affects an organization's capacity to change but on an individual level. The process of change emerges through interactions between individuals within the team facilitated by middle managers (Nonaka et al., 2016).

Another theoretical contribution relates to the mediating effect of TPsyCap. The findings reveal that TPsyCap is an important intervention mechanism of how EL may affect TCC. This finding complements previous research, which has found that TPsyCap mediates the influence of leaders in producing results (Rego et al., 2017; Robelo, et al., 2018). This research enriches the results of change capability, as explained by the COR theory (Hobfoll, 2011), which is still limited in explaining how to deal with the pressures of change by building change capabilities.

Finally, this research was conducted in the context of a developing country, namely Indonesia, which has a different cultural context from the West. Communities and organizations in Asia tend to have a collectivist culture compared to those in Europe or North America, placing a greater emphasis on group considerations and collective goals rather than individual goals (Lam et al., 2012). The leadership expectations embedded in collectivism may certain leadership styles or characteristics more prominent in this area, such as empowering leaders who pay more attention to and trust their followers (Lam et al., 2012).

Practical implications

The study also has practical implications for helping team leaders, particularly in Asia. Firstly, TCC may be built by expanding EL and TPsyCap. Middle managers in higher education should adopt empowering leader behavior related to their focus in dealing with change. This behavior is also consistent with the collectivist culture of Asian societies, and leaders may seek to emphasize group considerations and collective goals over individual goals (Lam et al., 2012). However, organizations should still provide training related to leadership, such as through talent management or pools so that it is clear which leaders are truly capable of empowering subordinates. The practice of leadership development in HEIs is still largely based on academic

positions. Meanwhile, leadership is a competency that must be trained formally and informally (experience). Another method may be to develop a special performance assessment for middle managers that encourages leaders to empower team members to ensure that they participate in work and problem solving within the team (Li et al., 2015). The performance appraisal system may be linked to other compensation or benefit systems.

Secondly, psychological capital is generated from the social interactions of team members (Heled et al., 2016). Organizational leaders in Asia, particularly Indonesia, must offer organizational policies that support and train middle managers to develop productive social interactions in teams related to task relations (e.g., meetings, seminars, and joint training). Furthermore, people with positive emotions toward their work and change may have a positive influence on the group. Leaders also need to practice fostering a cooperative work climate by stimulating team members to produce and share ideas so that they produce positive emotional interactions between members or for leaders (Li et al., 2015). This approach may be easier for Asian people who tend to have a collective culture (Koo and Park, 2018).

Conclusion

This study answered the question of how EL and TPsyCap build TCC so that organizations may face the pressure of constant change. By empowering leader behavior, this research demonstrated how leaders should play a role in protecting their team's resources when changes occur by producing other resources, namely TPsyCap. Furthermore, witnessing the mediation of TPsyCap in the EL and TCC relationship deepened the understanding that TPsyCap is a psychological resource that contributes significantly to building the team's ability to face change, providing a

basis for future research and encouraging the managerial practices of middle managers during change.

Despite these important implications, this study has several limitations. Firstly, the unit of analysis for this research was team-based with a fairly large sample. However, cross-sectional data used in organizational change research may not be able to capture true change capacity. Therefore, further research with a qualitative or longitudinal approach should add depth to the findings of this research. Although a multisource approach was used, this research was still single-level research, whereas cross-level research may provide more accurate results.

Secondly, TCC appeared in this research as a complex variable. Based on the validity test, only 23 of the 40 items were valid. Therefore, it is necessary to carry out a pre-test or Delphi method so that the questions asked are appropriate to the context.

Finally, this research was conducted in the context of AHEIs' change towards WCU. Future research should use the magnitude to change variable (Groves, 2005; Supriharyanti and Sukoco, 2023) as a moderating variable to measure how the strength of change influences TCC development.

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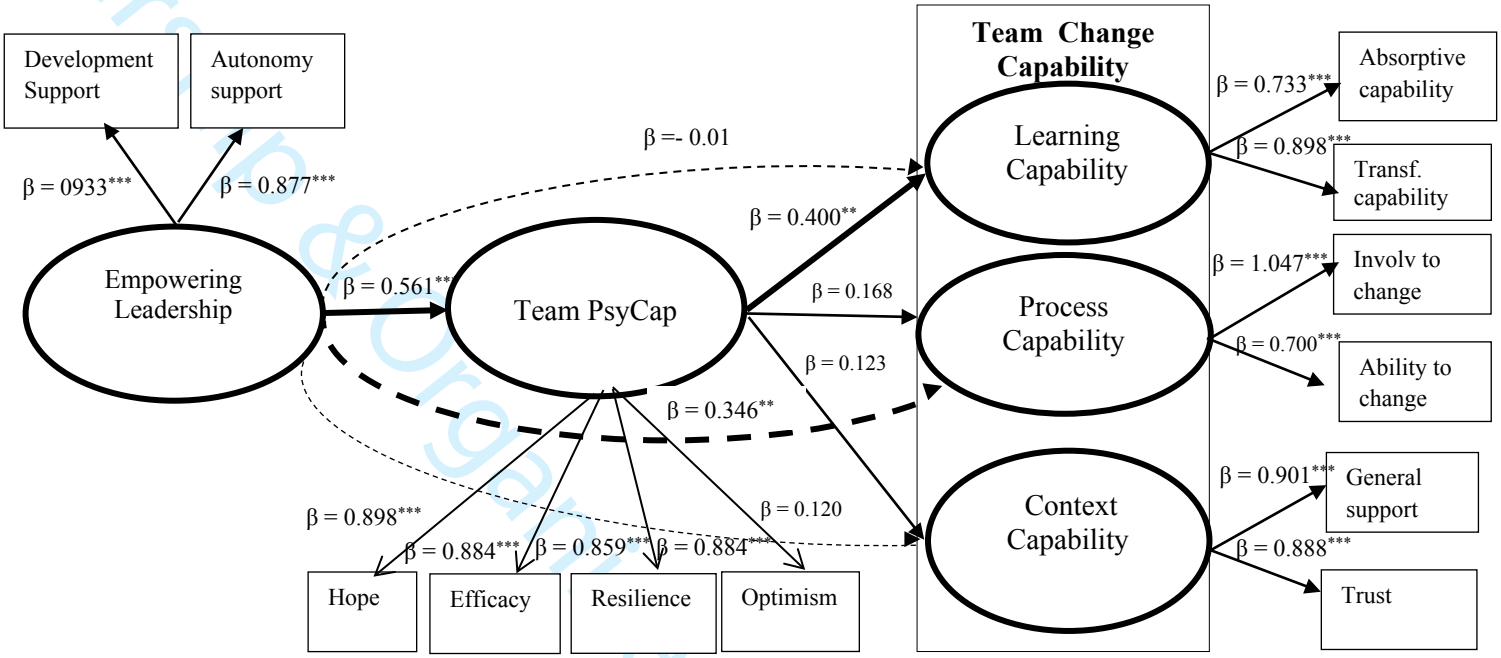

Figure 1 – Research model and analysis results
Note: + refers to $p < 0.10$, * refers to $p < 0.05$, ** refers to $p < 0.01$, *** refers to $p < 0.001$

Table 1.Descriptive Statistics and Matrix Correlations

Research variables	Mean	SD	1	2	3	4	5	6	7	8	9
) TCC-LC	4.470	0.305	**0.707**	*0.160*	*0.017*	*0.785*	*0.897*	*0.045*	*0.001*	*0.004*	*0.004*
2) TCC-CP	4.420	0.360	0.400**	**0.716**	*0.160*	*0.168*	*0.078*	*0.034*	*0.002*	*0.000*	*0.002*
3) TCC-CC	4.650	0.311	0.129	0.400**	**0.731**	*0.018*	*0.152*	*0.003*	*0.030*	*0.132*	*0.006*
4) EL	4.181	0.389	0.886**	0.410**	0.134	**0.760**	*0.260*	*0.040*	*0.010*	*0.003*	*0.011*
5) TPsyCap	4.149	0.268	0.947**	0.280**	0.390**	0.510**	**0.847**	*0.007*	*0.037*	*0.009*	*0.032*
6) Team size	15.400	7.460	-0.212	0.184	0.051	-0.200	0.086	**n.a**	*0.007*	*0.024*	*0.004*
7) Academic Positions	0.436	0.500	0.031	0.039	0.173	0.099	0.193	0.081	**n.a**	*0.358*	*0.340*
8) Tenure	0.728	0.214	0.060	0.015	0.364**	0.057	0.095	0.154	0.598**	**n.a**	*0.270*
9) Age	0.360	0.206	0.064	-0.048	0.078	0.103	0.179	0.060	0.583**	0.520**	**n.a**

Notes: Bold values on the diagonal are AVE. Values below the diagonal are inter-factor correlation. *Correlation values are significant at $p < 0.05$; **correlation values are significant at $p < 0.01$ TCC-LC = Learning Capability; TCC-PC = Change Process Capability; TCC-CC= Context Capability; EL= Empowering Leadership; TPsyCap = Team Psychological Capital

Table 2. Fit indices for nested structural models

Model	$\chi 2$	df	CFI	TLI	RMSEA	SRMR
Model 1	53.755	44	0.979	0.968	0.063	0.048
Model 2	25.294*	8	0.198	0.936	0.880	0.036
Model 3a	0.130	1	0	1	1	0.003
Model 3b	5.11	4	0.276	0.071	0.991	0.976
Model 3c	0.001	1	0	1	1	0
Model 4a	22.988*	8	0.185	0.938	0.883	0.034
Model 4b	22.449*	13	0.115	0.961	0.931	0.039
Model 4c	25.757*	8	0.201	0.93	0.868	0.038
Model 5a	30.427*	17	0.957	0.930	0.120	0.048
Model 5b	62.755	55	0.983	0.976	0.051	0.057
Model 5c	62.755	55	0.983	0.976	0.051	0.057

Notes: n=55. CFI, comparative fit index; TLI= Tucker Lewis Index; RMSEA, root-mean-square error of approximation; SRMR, standardized root-mean-square residual. *p<0.01

Manuscript ID LODJ-07-2022-0331 entitled "Empowering Leadership and Team Change Capability: The Mediating Effect of Team PsyCap" which you submitted to the Leadership & Organization Development Journal, has been reviewed. The comments of the reviewer(s) are included at the bottom of this letter.

The reviewer(s) have indicated that your manuscript requires major revisions. Therefore, I invite you to respond to the reviewer(s)' comments and revise your manuscript.

Once again, thank you for submitting your manuscript to the Leadership & Organization Development Journal and I look forward to receiving your revision.

Sincerely,
Dr. Martin McCracken
Associate Editor, Leadership & Organization Development Journal
m.mccracken@ulster.ac.uk
Answer: We could not help remarking among ourselves how much the quality of our paper has benefited by the editor and reviewer comments. The feedback has proved invaluable to us in our revision efforts, and indeed, we have found the review process very constructive and developmental. Thank you for all your efforts.

Above all, thank you for giving us the opportunity to finally revise our work for your reputable journal. Hopefully, the revised manuscript could make a significant contribution to the research and development literature and worth publishing in the *Leadership and Organization Development Journal*.

Reviewer(s)' Comments to Author:
Reviewer: 1

Recommendation: Major Revision

Comments:
Dear Authors: Appreciate your efforts in putting this study together. Please read through the comments carefully and revise the paper to make it worthy of publication. The rework is doable and requires you to think about your work more deeply and they write it out.

Answer: Thank you for your feedback and suggestions. We could not help remarking among ourselves how much the quality of our paper has benefited from your comments. The feedback has proved invaluable to us in our revision efforts, and indeed, we have found the review process very constructive and developmental. Thank you for all your efforts.

Above all, thank you for giving us the opportunity to finally revise our work for your reputable journal. Hopefully, the revised manuscript could make a significant contribution to the research and development literature and worth publishing in the *Leadership and Organization Development Journal*.

Additional Questions:
1. Originality: Does the paper contain new and significant information adequate to justify publication?: Yes, The topic is interesting and good variables have been identified with ample data. The authors need to do a lot of rework. Have included detailed comments.

Answer: Thank you for your kind feedback and detailed suggestions. We replied your feedback and suggestions one by one as per your requests.

2. Relationship to Literature: Does the paper demonstrate an adequate understanding of the relevant literature in the field and cite an appropriate range of literature sources? Is any significant work ignored?: This seems appropriate

Answer: Thank you for your kind appreciation.

3. Methodology: Is the paper's argument built on an appropriate base of theory, concepts or other ideas? Has the research or equivalent intellectual work on which the paper is based been well designed? Are the methods employed appropriate?: Methodology is fine, however needs better explanation and articulation. Please see detailed comments

Answer: Thank you for your suggestions. We have revised accordingly and please refer to our answer in the following pages.

4. Results: Are results presented clearly and analysed appropriately? Do the conclusions adequately tie together the other elements of the paper?: Discussion and Conclusions are weak. Needs significant rework. Please see comments.

Answer: Thank you for your suggestions. We have revised accordingly and please refer to our answer in the following pages.

5. Implications for research, practice and/or society: Does the paper identify clearly

any implications for research, practice and/or society? Does the paper bridge the gap between theory and practice? How can the research be used in practice (economic and commercial impact), in teaching, to influence public policy, in research (contributing to the body of knowledge)? What is the impact upon society (influencing public attitudes, affecting quality of life)? Are these implications consistent with the findings and conclusions of the paper?: Needs significant improvement. Please see comments
Answer: Thank you for your suggestions. We have revised accordingly and please refer to our answer in the following pages.

6. Quality of Communication: Does the paper clearly express its case, measured against the technical language of the fields and the expected knowledge of the journal's readership? Has attention been paid to the clarity of expression and readability, such as sentence structure, jargon use, acronyms, etc.: The paper needs to be more coherently put together. Needs a complete careful proof reading and editing.
Answer: Thank you for your kind feedback and concerns. We carefully re-read again our manuscript and checked many grammatical errors as well as unsuitable expressions. In addition, we invited a native proofreader to check the grammar as well as provide copy editing services, so that it is near native speaker standard as you requested.

Additional Comments
The authors have picked up a good area to work, 'team change capability', 'team psychological capital' and 'empowering leadership' certainly research worthy together

1. Introduction/Research Background

- **The beginning of the paper is slightly weak. The authors may like to start with the outcome variable i.e 'team change capability' and its importance. Establishing the importance of what you are studying in today's organizational context is crucial.**
- **The rationale or gap may come in the last para of the introduction.**
- **The introduction on the whole needs to be rewritten, it fails to capture the essence of the study and is not coherent**
- **For example, para two page 1, line 22-36. All 3 sentences used in the paragraph are standing out like independent sentences without any reason to be together in the sequence or flow.**

Answer: Thank you for your comments. We hope that our revised manuscript that incorporates your valuable feedback and concern now meets and exceeds the standards of the *Leadership and Organization Development Journal*. Please refer to page 1-3 of our revised manuscript.

Research Background
Organizational change is an integral component of the organizational life cycle (Gelaidan et al., 2018). Unfortunately, large-scale organizational change tends to fail (Hughes, 2011). Organizations must develop organizational change capabilities to survive, successfully implement change (Meyer and Stensaker, 2006), and improve their performance (Heckmann et al., 2016). Though change capability has been extensively studied at the organizational/macro level (Soparnot, 2011; Sukoco et al., 2021) and individual/micro level (Harden et al., 2020), research exploring capabilities on a team level has yet to receive attention, referred to as a micro foundation approach (Salvato and Vassolo, 2018). Letierce

et al. (2023) emphasize that middle managers as team leaders are not only passive "translators" of change, but also real agents in the organizational change process. Organizations with strong team change capabilities are able to quickly realign their teams to take advantage of new opportunities or change strategies in the face of environmental change (Eisenhardt & Martin, 2000).

Team change capability (TCC) is defined as the repetitive, patterned, and routine ability of a team in the organization, consisting of learning capability, change process capability, and change context capability to deliberately move from a present state to the desired future state (change) in the face of continuous environmental change (Supriharyanti and Sukoco, 2023). On a team level, the process of change emerges through interactions between individuals in a team facilitated by middle managers (Nonaka et al., 2016). Middle managers play a central role in processes of change and, therefore, potentially have a significant effect on the eventual success or failure of major change initiatives in organizations (Giangreco and Peccei, 2005). The antecedents of TCC have not been examined in depth and, hence, are not well-explained.

To successfully make change, leaders require follower participation (Stouten et al., 2018), which depends significantly on the behavior of leaders in the form of empowering leadership (EL) (Amundsen and Martinsen, 2014). Moreover, change may cause stress because of the consequences of implementing changes, one of which is the risk of losing resources (Bamberger et al., 2012). According to Resource Conservation (COR) theory, for leaders to deal effectively and successfully with changes in building resources or capabilities (TCC), they must invest other resources (Hobfoll, 2001). Firstly, on a team level, psychological capital (PsyCap) is a psychological source that maybe important in countering potential dysfunctional attitudes and behaviors relevant to organizational change (Luthans and Youssef, 2007; Han et al., 2021). Secondly, empowering leadership behaviors are positively related to employees' psychological resources (Srivastava et al., 2006).

Several studies have discussed how leaders deal with change in an academic context (Bui et al., 2016). In recent decades, this sector has undergone many changes on a global level, including in Asia (Ganotice et al., 2017). This condition forces higher education institutions to focus beyond their competitors, and most countries consider it a driving force to improve the quality of higher education (Marginson, 2006). As a country with a fifth of the world's population and a large number of young people, Indonesia mandates the top 11 universities to enter the global ranking. The world class university program (WCU) was launched in late 2015 and generated mixed responses from stakeholders (Sukoco et al., 2021). Research related to change adaptation efforts in higher education, particularly in Indonesia, is still limited (Bui et al., 2016). This research was conducted among 11 autonomous higher education institutions (AHEIs) in Indonesia which had experienced changes to encourage them to become world-class universities.

Several contributions are offered. Firstly, this research is the first attempt to explain the ability to deal with change on a team level (TCC) and its antecedent. Based on COR theory, Hobfoll (2011) describes resources as "resource caravans;" that is, resources do not exist individually, but travel in caravans. This study proposes that the leader role could be used as a team resource in building TCC through TPsyCap. Secondly, this research contributes to COR theory in change management by considering the role of leaders in obtaining organizational resources (TCC) through investments in other resources such as TPsyCap (Hobfoll, 2011). Thirdly, this research is related to higher education in dealing with changes on a team level in the Asian context, particularly in Indonesia, which is culturally different from the global context (Heckmann et al., 2016; Koo & Park, 2018).

2. Context The authors may need to add a paragraph or two on the Indonesian Higher Education context before they jump to hypothesis development. This can be a part of the introduction or a separate section. In the methodology section the authors have included a section on the research context (pg 8, line 45), which can be brought forward to this section. In addition, some more information about the Indonesian higher education system and data points need to be included.

Answer: Thank you for your kind feedback. We have added your suggestion in our manuscript (Please refer to page 11-12 of our revised manuscript).

Research context

The number of higher education institutions in Indonesia has reached 4,593 units, comprising state (122) and private (3,044) institutions under Ministry of Education, Culture, Research and Technology (MECRT) (Higher Education Statistics, 2020), whereas the rest are managed by Ministry of Religious Affairs (1,240 institutions) and other ministries (187 institutions). Since 2014, the government of Indonesia, through MECRT, has changed the status of 11 state universities to AHEIs, namely Universitas Indonesia (UI), Bandung Institute of Technology (ITB), Gadjah Mada University (UGM), Airlangga University (UNAIR), Bogor Agricultural Institute (IPB), Padjadjaran University (UNPAD), Diponegoro University (UNDIP), Institute of Technology Sepuluh Nopember (ITS), Brawijaya University (UB), Hasanuddin University (UNHAS) and Sebelas Maret University (UNS). Data were collected from 11 state universities that have Autonomous Higher Education Institutions (AHEI) status. AHEI status guarantees autonomy for these universities so that they can manage academic and non-academic activities, including financial affairs, more independently, transparently, and accountably. Autonomous status also gives control to 11 AHEIs in managing their human resources, both academic and non-academic staff, as business entities, through endowment funds, as well as academic appointments, including managing the opening and closing of study programs. In accordance with the mandate of the Indonesian government ratified through the Decree of the Ministry of Research, Technology, and Higher Education Number 522b/M/Kp/IX/2015, in 2019, there were 11 AHEIs who were given targets to be included in the ranking. Of the 500 Best World Class Universities (Sukoco et al., 2021), in 2018, there were only three universities in Indonesia included. Every year, the government and each AHEI renew work contracts, and the government provides certain ranking targets if AHEI wants to continue to receive support from the government. To boost academic production related to QS WUR requirements, this situation requires every level of AHEI leadership (chancellor) to carry out progressive organizational reforms together with the Dean. At an AHEI, the Dean who organizes the activities to be carried out by each faculty is given a target. Each Lecturer is given direction by the Dean in his position as Team Leader. This demanding situation requires the Dean to have an empowering leadership approach to not only encourage lower-level management to achieve targets, but also ensure that the team is developed and given autonomy to achieve these goals. In this way, faculty members and lower-level management have team resources (i.e., team PsyCap) that in turn, develop team change capability.

3. Hypothesis Development:

- **The section needs to begin with a theoretical background, at least an opening paragraph.**
- **There has been no mention of what exactly do we mean by 'Team Change Capability" neither is a definition or explanation of the other two variables included.**

Answer: Thanks for your corncerns.We have revise it according your suggestion. (Please refer to page 4-6 of our revised manuscript).

Literature Review

Team change capability (TCC)

Teece et al. (1997) outline how organizations articulate, restructure, and create processes and routines to successfully adapt to environmental change. The capabilities that organizations utilise to manage and implement are diverse, such as the dynamic capabilities of management, innovation, and marketing (Corrêa et al., 2019). More specifically, on a team level, these capabilities can take the form of team change capability (TCC). In this study, TCC is defined as the repetitive, patterned, and routine ability of a team in the organization, consisting of learning ability, change process capability, and change context capability to deliberately move from a present state to the desired future state (change) in the face of continuous environmental change (Supriharyanti and Sukoco, 2023). A TCC framework consists of three dimensions, namely the dimensions of learning capability (TCC-LC), change process capability (TCC-CP), and change context capability (TCC-CC) (Klarner et al., 2007; Soparnot, 2011). TCC-LC describes the team capability to absorb and change knowledge and apply it to achieve a competitive advantage (Hsu & Fang, 2009). TCC-CP is a way of implementing changes specifically (Bouckenooghe et al., 2012). Capability in the context of change (TCC-CC) is defined as the capability to develop a climate that supports change (Bouckenooghe et al., 2012).

Empowering leadership (EL)

Empowering leadership (EL) is a process that involves influencing team members through the distribution of power, motivation support, and development support with the aim of promoting experience of independence, motivation, and an ability to work independently (Amundsen & Martinsen, 2014). EL is a leadership behaviour that empowers employees or team members where power is shared with them so as to increase their intrinsic motivation level (Srivastava et al., 2006). When leaders exhibit empowering behaviour and employees experience psychological empowerment (Lorinkova and Perry, 2017), it reduces the negative impact of cynicism about organizational change (Sabar et al., 2022). When employees are empowered, they become self-motivated and committed individuals who put a maximum effort into their work (Idris et al., 2018; Ke and Zhang, 2011).

Team psychological capital (TPsyCap)

Psychological capital (PsyCap) is an individual's positive psychological state of development characterized by hope, self-efficacy, resilience, and optimism (HERO) (Luthans and Youssef, 2007; Sukoco and Lee, 2017). Initially, PsyCap was conceptualized as an individual resource, but recent research has shown that it can also emerge as a group resource (Walumbwa et al., 2011). Heled et al. (2016) found that every construction of HERO that makes up PsyCap collectively occurs through shared mental model mechanisms. As such, this study integrated and defined TPsyCap as a collective team's positive psychological state of development characterized by hope, self-efficacy, resilience, and optimism (HERO) (Braithwaite, 2004; Benet et al., 2010; Bandura, 1997; Mckenny and Short, 2018).

- **Usually this section includes the theoretical background and that leads to hypothesis development. The authors might like to see a few papers published in LODJ for this section. Have include two references below, just for the authors to see how this section needs to emerge. Please feel free to look up other papers.**

- **Iqbal, A., Ahmad, M.S. and Nazir, T. (2023), "Does servant leadership predict innovative behaviour above and beyond transformational leadership? Examining the role of affective commitment and creative self-efficacy", *Leadership & Organization Development Journal*, Vol. 44 No. 1, pp. 34-51. https://doi.org/10.1108/LODJ-01-2022-0016**
- **Jain, P. (2023), "Spiritual leadership and innovative work behavior: the mediated relationship of interpersonal trust and knowledge sharing in the hospitality sector of India", Leadership & Organization Development Journal, Vol. 44 No. 1, pp. 1-17. https://doi.org/10.1108/LODJ-03-2022-0128**

- **The connections with the hypothesis development section are adequate and are well articulated.**

Answer: Thanks for your feedback. We have added an explanation about it. (Please refer to page 6-10 of our revised manuscript).

Empowering leadership and team change capability

Empowering leaders treat team members fairly and recognize their input as valuable (Srivastava et al., 2006). These leaders value the contribution of ideas and information from team members as part of team learning capability (Pletsch and Zonatto, 2018). This policy enhances the feeling of empowerment in employees, and encourages them to be active, rather than passive, and involved in formal empowerment initiatives (Hassi, 2019). Group members can openly reflect and develop new methods to deal with change (Sukoco and Lee, 2017). The perceived meaningfulness of the opportunities provided and capabilities of team members (in a HE context) are important, particularly in dealing with change (Blazevic et al., 2015).

A leader plays a role in building an organizational or team climate (Rego et al., 2017), including building a context or climate that supports change (Bouckenooghe et al., 2012). Empowering leadership (EL) shows openness to change by trusting employees and team members (Jada et al., 2019), by giving them the opportunity to provide ideas or proposals in discussions or meetings. Organizational leaders who are able to build interpersonal trust will be able to increase good knowledge sharing (Jain, 2022). EL also creates a climate that encourages team members to share their ideas with one another (Pletsch and Zonatto, 2018). These conditions are favorable toward the effort to support development and, eventually, change. Therefore, the following hypothesis is posited:

H_1. Empowering leadership influences team change capability (a) learning, (b) process, and (c) context.

Empowering leadership and team psychological capital

Considering the centrality of leadership in the team and in an organizational context, the attitude and behavior of leaders play a decisive role in the psychological condition of employees (Rego et al., 2017). Referring to the COR theory (Hobfoll, 2011), for leaders to be able to handle change in building resources or capabilities to deal with changes that tend to be pressing, they must invest another resource in the team in the form of TPsyCap (Heled et al., 2016). Luthans and Youssef (2017) conceptualize leadership as the predecessor of PsyCap within the conceptual framework as when a leader has a positive leadership approach that is not directed, but participatory, sometimes demanding active participation (Bass, 2000). In this relationship, the leader can positively influence the psychological resources of employees through PsyCap (Gyu Park et al., 2017).

Leaders who lead by example, participatory decision making, coaching, informing, and showing concern manifest a form of autonomy and development support (Srivastava et al., 2006). Leaders who show concern for followers' skill development and focus on their learning, abilities, and growth increase their creative self-efficacy (Yang et al., 2017; Iqbal et al., 2023). Team members are likely to receive fair recognition from an empowering leader for their contribution in the form of ideas and information, which motivates them to share their unique knowledge with one another (Amundsen and Martinsen, 2014). Similarly, the participative decision making and coaching behaviors of an empowering leader may also encourage knowledge sharing and increase interactions within teams. George (1990) found that work groups can develop affective tones, and, when most group members experience a positive (or negative) emotional state, the overall affective tone of the group also becomes positive (or negative). This transmission process applies not only to emotions (Barsade, 2002), but also to cognition (Huy and Zott, 2019). When group members interact and are interdependent to achieve common goals, they develop similar psychological structures, representing cognitive, motivational, or affective states (Marks et al., 2001). Therefore, the following hypothesis is posited:

H_2. Empowering leadership (EL) has a positive influence on team psychological capital (TPsyCap)

Team psychological capital and team change capability

Hobfoll (2011) considers the possibility that those with more access to resources may be less negatively affected by resource depletion in the face of stressful situations caused by change. Therefore, an additional resource should be offered in this study, namely team psychological capital (TPsyCap). TPsyCap is a psychological resource (Luthans and Youssef, 2007) and shared mental capacity (Heled et al., 2016) required to deal with change (Huy, 2011). TPsyCap may be considered to be part of emotional capability (Huy and Zott, 2019) and part of the cognitive abilities needed by a team in building adaptation to change (LePine, 2003). Teams with high PsyCap with confidence in trying different paths to achieve goals (hope) will be more effectively able to learn from experience or knowledge from the outside (Luthans et al., 2007). Resilience will allow these individuals to make adaptive changes after a failure episode, which will make it more likely that the team will repeatedly evaluate its performance (Rego et al., 2017). As team members value the contribution of ideas and information from each other, they will also be motivated to share their efficacy with one another (Hassi, 2019). In summary, when a team has higher PsyCap, their learning capability to change is greater compared to a team with lower PsyCap.

In general, team processes and circumstances involve the interactions of team members with other members and the work environment (Marks et al., 2001). PsyCap also has a positive relationship with team relations, collaboration, and cohesion, supporting the communication process in teams (West et al., 2009; Abu Bakar and Connaughton, 2022). Furthermore, PsyCap encourages team members to more frequently experience positive emotional states, which, in turn, encourages positive movement (West et al., 2009). An individual who works in a team characterized by a high TPsyCap has a lot of optimism and is encouraged to be more involved in solving organizational problems (Heled et al., 2016). During the process of change, TPsyCap encourages self-directed behavior change or supports procedures built without the need for supervision or control (Choi, 2020). In short, when a team has a higher PsyCap, its change process capability is greater than a team that has a low PsyCap.

With additional role relationships and shared values that support change, it may be expected that the appropriate context for supporting change at the team level is developed (Jada et al., 2019). When team members share hopes and goals with one another, it is expected that

the team creates a supportive environment to implement change (Amundsen and Martinsen, 2014), wherein this environment facilitates a situation where every member of the team has the goal-directed energy and means of implementing change successfully (Snyder et al., 1991). In summary, when a team has higher PsyCap, the change in their change context capability is greater compared to the team who has lower PsyCap. Therefore, the following hypothesis is posited:

H_3. Team psychological capital influences team change capability (a) learning, (b) process, and (c) context.

Mediating effect of team psychological capital

TPsyCap is a psychological resource (Luthans and Youssef, 2007) and a shared mental model required to deal with change (Huy, 2011; Heled et al., 2016). Drawing on COR theory, this model can be explained by the concept of a resource caravan, in which resources do not exist individually but travel in packages, or caravans, both for individuals and organizations (Hobfoll, 2011). In other words, the process of developing resources will yield other resources. The leader, as a team resource, builds team change capability. Change is a strategic problem faced at all levels of the organization, including the team (Liu et al., 2012). Thereby, it requires the role of leader to build TCC, which is a team's capability to deal with change so that it can be sustainable (Heckmann et al., 2016).

Empowering leaders provide authority and support to their employees and team members, slowly developing the team capability for change (Amundsen and Martinsen, 2014). However, when leaders empower their followers, it may not directly result to the capability for change if their followers do not have the shared mental model (Heled et al., 2016) required to deal with said change (Huy, 2011). Since change requires extra energy and may even have negative effects on employees and the organization, empowerment from leaders should transform into collective psychological resources that gradually allow the organizational members to develop learning, process, and context for change capability (Heled et al., 2016). In addition, leaders should be able to conserve team members' resources to support the change (Hobfoll, 2011). However, with leaders that provide motivational and developmental support, teams in the organization could develop capabilities for change (Amundsen and Martinsen, 2014). TPsyCap is required because change requires extra energy and may even cause negative effects for employees and the organization (Avey et al., 2008). In other words, leaders' empowerment of team members depends on TPsyCap before it is able to influence the team's capability for change. Yoon et al. (2021) demonstrate the role of TPsyCap as a mediator at the team level in the relationship between leadership and team performance. Therefore, the following hypothesis is posited:

H_4. Team psychological capital mediates the influence of empowering leadership on team change capability (a) learning, (b) process, and (c) context.

We've added references as follows:

- Han, J., Yoon, J., Choi, W. and Hong, G. (2021), "The effects of shared leadership on team performance", *Leadership & Organization Development Journal*, Vol. 42 No. 4, pp. 593-605. https://doi.org/10.1108/LODJ-01-2020-0023
- Iqbal, A., Ahmad, M.S. and Nazir, T. (2023), "Does servant leadership predict innovative behaviour above and beyond transformational leadership? Examining the role of affective commitment and creative self-efficacy", *Leadership & Organization Development Journal*, Vol. 44 No. 1, pp. 34-51. https://doi.org/10.1108/LODJ-01-2022-0016
- Jain, P. (2023), "Spiritual leadership and innovative work behavior: the mediated relationship of interpersonal trust and knowledge sharing in the hospitality sector of

India", *Leadership & Organization Development Journal*, Vol. 44 No. 1, pp. 1-17. https://doi.org/10.1108/LODJ-03-2022-0128

4. Research Methodology

- **Research Context can be taken to an earlier section for more clarity.**
- **How many HEIs are there in Indonesia? Why were these 11 AHEIs included? Were they similar in number of students, legacy, infrastructure? The authors might want to clarify the logic in choosing these 11.**

Answer: Thanks for your feedback. We have added an explanation about it. (Please refer to page 11-12 of our revised manuscript).

Research context

The number of higher education institutions in Indonesia has reached 4,593 units, comprising state (122) and private (3,044) institutions under Ministry of Education, Culture, Research and Technology (MECRT) (Higher Education Statistics, 2020), whereas the rest are managed by Ministry of Religious Affairs (1,240 institutions) and other ministries (187 institutions). Since 2014, the government of Indonesia, through MECRT, has changed the status of 11 state universities to AHEIs, namely Universitas Indonesia (UI), Bandung Institute of Technology (ITB), Gadjah Mada University (UGM), Airlangga University (UNAIR), Bogor Agricultural Institute (IPB), Padjadjaran University (UNPAD), Diponegoro University (UNDIP), Institute of Technology Sepuluh Nopember (ITS), Brawijaya University (UB), Hasanuddin University (UNHAS) and Sebelas Maret University (UNS). Data were collected from 11 state universities that have Autonomous Higher Education Institutions (AHEI) status. AHEI status guarantees autonomy for these universities so that they can manage academic and non-academic activities, including financial affairs, more independently, transparently, and accountably. Autonomous status also gives control to 11 AHEIs in managing their human resources, both academic and non-academic staff, as business entities, through endowment funds, as well as academic appointments, including managing the opening and closing of study programs. In accordance with the mandate of the Indonesian government ratified through the Decree of the Ministry of Research, Technology, and Higher Education Number 522b/M/Kp/IX/2015, in 2019, there were 11 AHEIs who were given targets to be included in the ranking. Of the 500 Best World Class Universities (Sukoco et al., 2021), in 2018, there were only three universities in Indonesia included. Every year, the government and each AHEI renew work contracts, and the government provides certain ranking targets if AHEI wants to continue to receive support from the government. To boost academic production related to QS WUR requirements, this situation requires every level of AHEI leadership (chancellor) to carry out progressive organizational reforms together with the Dean. At an AHEI, the Dean who organizes the activities to be carried out by each faculty is given a target. Each Lecturer is given direction by the Dean in his position as Team Leader. This demanding situation requires the Dean to have an empowering leadership approach to not only encourage lower-level management to achieve targets, but also ensure that the team is developed and given autonomy to achieve these goals. In this way, faculty members and lower-level management have team resources (i.e., team PsyCap) that in turn, develop team change capability.

- **Data Size is good and seems appropriate.**
- **The section on sample needs some attention as pointed above and also in terms of readability. It is slightly challenging to visualize the data flow for now.**
- **A visual representation of the sample in terms of sampling units (since there are**

multiple sources as well as some associations between teams) maybe useful here.

Answer: Thanks for your reading carefully. We have revised about it . (Please refer to page 12-13 of our revised manuscript).

Sample
The data for this research were collected from 11 AHEI in Indonesia at the faculty (college) as a team level using a multi-source approach. Respondents targeted in this study were team leaders or middle managers (Deans and Vice Deans), and college members (Heads of Departments, Study Program Coordinators, and Lecturers) at 11 AHEI. The lecturer survey was conducted using the convenience sampling method of at least 10 people per college. The survey for Deans and Vice Deans were designed to evaluate team change capability and provide demographic information, whereas the survey for team members assessed TPsyCap (Lecturers) and empowering leadership (Heads of Departments, Study Program Coordinators, and Lecturers), as well as demographic information from team members.
In this study, each college was treated as a team. Questionnaires were distributed to 4,267 respondents from 11 AHEIs, 2,047 participants answered (47.97%), belonging to 110 team. Of these, only 55 teams (colleges) were completely filled in and could be processed with a total of 853 respondents. The occurrence of non-response bias was prevented by creating anonymous questionnaires, following up on returned questionnaires, and providing alternative online and offline questionnaires. Questionnaires were distributed online and offline, with 376 and 477 respondents, respectively. Online questionnaires were distributed via Google Forms or email, whereas offline questionnaires were distributed via post. Different data collection methods were used to maximize the response rate (Beatty et al., 2016). Online and offline questionnaires were compared to ensure that there was no difference in how they were treated.
Respondents were comprised of 853 individuals from 55 teams with the following characteristics of the respondents: Dean 5.86%; Deputy Dean 6.68%; Head of Service 14.07%; Study Program Coordinator 32.59%; and Lecturers 40.80%. Male respondents comprised 54.63%, whereas female respondents comprised 45.37%. Most of the respondents were aged between 40 and 50 years (35.87%), almost the same proportion as those aged between 51 and 60 years (31.87%), while those aged over 60 years comprised 6.68% of the respondents. Participants with the longest tenure (above 15 years) comprised 59.44% of the total. In terms of academic positions, 47.13% of the respondents were Assistant Professors, 37.87% were Associate Professors, 20.28% were Junior Lecturers and 9.26% were Professors.

5. **The section on results and discussion needs significant work. While the authors have been able to describe the results, the discussion is weak. The authors have mostly included the contributions of the work in discussion, while readers and reviewers would first want to read about what the authors found? The authors might like to refer to the follwoing or any other paper to see how discussion and contributions need to be written out.**

- **Abu Bakar, H. and Connaughton, S.L. (2022), "Ethical leadership, perceived leader–member ethical communication and organizational citizenship behavior: development and validation of a multilevel model", Leadership & Organization Development Journal, Vol. 43 No. 1, pp. 96-110. https://doi.org/10.1108/LODJ-07-2021-0356**

Answer: Thanks for your kind suggestion. We have revised about it .
(Please refer to page 18-22 of our revised manuscript).

Discussion

This study explores whether team change capability may be fostered through empowering leadership and TPsyCap. The study proposes that EL influences TPsyCap, which, in turn, influences team capability in the form of TCC. Referring to the COR theory (Hobfoll, 2001), it is suggested that TPsyCap acts as a mediator between EL and TCC. As such, TPsyCap is suggested to be the "resource" generated by the leader in building the TCC.

The initial findings show that EL influences TPsyCap. One of the core behaviors of an empowering leader is sharing power by providing autonomy and development support to the team (Amundsen and Martinsen, 2014). This support provides employees with strength (hope) and confidence (efficacy) to find new and different ways to achieve their goals and overcome difficulties (resilience), while believing that leaders will give them whatever support they might need (Luthans et al., 2008). Participative decision making and coaching behaviors of an empowering leader may also encourage knowledge sharing and increase interaction within teams. George (1990) found that work groups may develop affective tones, and, when most group members experience a positive (or negative) emotional state, the overall affective tone of the group also becomes positive (or negative). This transmission process applies not only to emotions (Barsade, 2002), but also to cognition (Huy and Zott, 2019). When group members interact and are interdependent to achieve common goals, they develop similar psychological structure, which represents cognitive, motivational, or affective states (Marks et al., 2001)

Secondly, TPsyCap influences TCC-LC and mediates the influence of EL on TCC-LC. These findings complement existing research, which has found that TPsyCap mediates the influence of leaders in producing results (Rego et al., 2017; Robelo, et al., 2018). This finding can be explained by the COR theory (Hobfoll, 2011), which is still limited to explaining how to deal with the pressures of change by building change capabilities. The leader's behavior is concerned with the team conserving resources by creating other resources, and the process through which resource emergence can occur along the way. Faced with the pressure of change, leaders build team change capabilities through learning, process, and context capabilities (Sukoco et al., 2021). This mechanism occurs when a leader is able to build a PsyCap collectively as part of a team, which is a personal resource for said team (Avey et al., 2008).

However, TPsyCap does not mediate the influence of EL on TCC-CP and TCC-CC, and it seems that EL has a direct influence on TCC-CP and TCC-CC. In the context of higher education institutions, where team members tend to be knowledgeable and quite confident (Meister-Scheytt and Scheytt, 2005), the autonomy given to team members enables them to be involved in decision making regarding change to build a culture of innovation (Naqshbandi et al , 2017). A leader plays a role in building an organizational or team climate (Rego et al., 2017), including building a context or climate that supports change (Bouckenooghe et al., 2012). EL also creates a climate that encourages team members to share ideas with one another (Pletsch and Zonatto, 2018). Group members openly reflect and develop new methods to deal with change (Sukoco and Lee, 2017). The perceived meaningfulness of the opportunities provided and the capabilities of team members in a higher education context are important, particularly in dealing with change (Blazevic et al., 2015).

In Indonesia, external factors such as government regulations related to AHEI are driving factors that dominate change (Sukoco et al., 2021). Although these institutions' status as autonomous institutions means that there is greater flexibility in academic and non-

academic issues, to a certain extent, these institutions are dependent on the government in relation to public funding, which is in line with the concept of regulatory stakeholders (Mainardes et al., 2012). The findings of Sukoco et al. (2021) also show that organizational change capability is built serially starting from learning capability, process capability, and then context capability. Therefore, PC and CC are mediated by previously built capabilities.

Theoretical implications

The findings of this study indicate that EL affects TPsyCap. This behavior is appropriate in higher education, which emphasizes the importance of autonomy in leadership in higher education (Bryman, 2007). A bibliometric analysis conducted by Maheshwari and Kha (2023) found that leadership studies in higher education are dominated by transformational leadership, whereas empowering leadership is still limited.

This study enriches existing leadership literature, which is considered relevant in building organizational change capabilities, particularly on a team level. Previous studies that have focused on change capabilities have found that leadership affects change capabilities such as transformational leadership (Lei et al., 2019). Sukoco et al. (2020) found that middle manager capability in higher education affects an organization's capacity to change but on an individual level. The process of change emerges through interactions between individuals within the team facilitated by middle managers (Nonaka et al., 2016).

Another theoretical contribution relates to the mediating effect of TPsyCap. The findings reveal that TPsyCap is an important intervention mechanism of how EL may affect TCC. This finding complements previous research, which has found that TPsyCap mediates the influence of leaders in producing results (Rego et al., 2017; Robelo, et al., 2018). This research enriches the results of change capability, as explained by the COR theory (Hobfoll, 2011), which is still limited in explaining how to deal with the pressures of change by building change capabilities.

Finally, this research was conducted in the context of a developing country, namely Indonesia, which has a different cultural context from the West. Communities and organizations in Asia tend to have a collectivist culture compared to those in Europe or North America, placing a greater emphasis on group considerations and collective goals rather than individual goals (Lam et al., 2012). The leadership expectations embedded in collectivism may certain leadership styles or characteristics more prominent in this area, such as empowering leaders who pay more attention to and trust their followers (Lam et al., 2012).

Practical implications

The study also has practical implications for helping team leaders, particularly in Asia. Firstly, TCC may be built by expanding EL and TPsyCap. Middle managers in higher education should adopt empowering leader behavior related to their focus in dealing with change. This behavior is also consistent with the collectivist culture of Asian societies, and leaders may seek to emphasize group considerations and collective goals over individual goals (Lam et al., 2012). However, organizations should still provide training related to leadership, such as through talent management or pools so that it is clear which leaders are truly capable of empowering subordinates. The practice of leadership development in HEIs is still largely based on academic positions. Meanwhile, leadership is a competency that must be trained formally and informally (experience). Another method may be to develop a special performance assessment for middle managers that encourages leaders to empower team members to ensure that they participate in work and problem solving within the team (Li et al., 2015). The performance appraisal system may be linked to other compensation or benefit systems.

Secondly, psychological capital is generated from the social interactions of team members (Heled et al., 2016). Organizational leaders in Asia, particularly Indonesia, must offer organizational policies that support and train middle managers to develop productive social interactions in teams related to task relations (e.g., meetings, seminars, and joint training). Furthermore, people with positive emotions toward their work and change may have a positive influence on the group. Leaders also need to practice fostering a cooperative work climate by stimulating team members to produce and share ideas so that they produce positive emotional interactions between members or for leaders (Li et al., 2015). This approach may be easier for Asian people who tend to have a collective culture (Koo and Park, 2018).

6. **Appreciate the efforts and authors have put in organizing the large data collection from multiple sources, however they need to now work on what the data is saying not just in numbers but what it means?**

Answer: Thanks for your feedback. We have revised our Discussion section as presented above (please refer to page 18-22 of our revised manuscript).

Reviewer: 2

Recommendation: Accept

Comments:
Thank you for the opportunity to review this research, compelling.
Answer: Thank you for your feedback and suggestions. We could not help remarking among ourselves how much the quality of our paper has benefited from your comments. The feedback has proved invaluable to us in our revision efforts, and indeed, we have found the review process very constructive and developmental. Thank you for all your efforts.
Above all, thank you for giving us the opportunity to finally revise our work for your reputable journal. Hopefully, the revised manuscript could make a significant contribution to the research and development literature and worth publishing in the *Leadership and Organization Development Journal*.

Additional Questions:
1. Originality: Does the paper contain new and significant information adequate to justify publication?: This is a very innovative paper that is conceptually and methodologically distinct. Universities are important organizational institutions and that means the context is very good. Overall, there is adequate justification to publish this paper.
Answer: Thank you for your kind appreciation.

2. Relationship to Literature: Does the paper demonstrate an adequate understanding of the relevant literature in the field and cite an appropriate range of literature sources? Is any significant work ignored?: This paper has an excellent grasp of the literature in the several streams that are woven together. There is a high degree of key relevant literature that is cited and no significant work ignored, no gaps.
Answer: Thank you for your kind appreciation.

3. Methodology: Is the paper's argument built on an appropriate base of theory, concepts or other ideas? Has the research or equivalent intellectual work on which the paper is based been well designed? Are the methods employed appropriate?: The theory base and hypotheses are well done and compelling. The multi-rater design and methods are well conceived and executed. These are clearly explained.
Answer: Thank you for your kind appreciation.

4. Results: Are results presented clearly and analysed appropriately? Do the conclusions adequately tie together the other elements of the paper?: The results flow well from the well-executed design and are not overinterpreted. Clearly and well presented.
Answer: Thank you for your kind appreciation.

5. Implications for research, practice and/or society: Does the paper identify clearly any implications for research, practice and/or society? Does the paper bridge the gap between theory and practice? How can the research be used in practice (economic and commercial impact), in teaching, to influence public policy, in research (contributing to the body of knowledge)? What is the impact upon society (influencing public attitudes, affecting quality of life)? Are these implications consistent with the findings

and conclusions of the paper?: The Discussion does address tie theory and research to practice so that the wheels do meet the road, as discussed on page 17 for example. Not so clear on influence on public attitudes or quality of life, aside from quality of work life. The paper is, however, cohesive and well integrated throughout, consistent and well self-contained.
Answer: Thank you for your kind appreciation.

6. Quality of Communication: Does the paper clearly express its case, measured against the technical language of the fields and the expected knowledge of the journal's readership? Has attention been paid to the clarity of expression and readability, such as sentence structure, jargon use, acronyms, etc.: The quality of communication is excellent. This manuscript was easy to read with very appropriate use of constructs, key terms, etc. embedded in the literature but without jargon or confusing acronyms...no within-group speak. Very robust and clear writing...easy and compelling to read.
Answer: Thank you for your kind appreciation.

4. Bukti konfirmasi penerimaan Revisi

(25 September 2023)

Gmail

Elisabeth Supriharyanti <elisabeth-s@ukwms.ac.id>

Fwd: Leadership & Organization Development Journal - LODJ-07-2022-0331.R1

badri feb-unair <badri@feb.unair.ac.id> Mon, Sep 25, 2023 at 11:08 AM
To: elisabeth supriharyanti <elish.2003@gmail.com>, "Elisabeth Supriharyanti, SE., M.Si." <elisabeth-s@ukwms.ac.id>, Fitri Nurmalasari <fitri.v3p@gmail.com>

Semoga ada kabar baik untuk paper ini, Bu Elisabeth. Aamiin YRA

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Date: Mon, Sep 25, 2023 at 11:07 AM
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To: <badri@feb.unair.ac.id>

25-Sep-2023

Dear Prof. Sukoco:

Your manuscript entitled "Empowering Leadership and Team Change Capability: The Mediating Effect of Team PsyCap" has been successfully submitted online and is presently being given full consideration for publication in the Leadership & Organization Development Journal.

Your manuscript ID is LODJ-07-2022-0331.R1.

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Thank you for submitting your manuscript to the Leadership & Organization Development Journal.

Sincerely,
Heather Brown
Leadership & Organization Development Journal

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With warm regards,

Prof. Badri Munir Sukoco, PhD
Director, Postgraduate School
Universitas Airlangga

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5. Bukti konfirmasi artikel accepted
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29-Apr-2024

Dear Supriharyanti, Elisabeth; Sukoco, Badri Munir; Ubaidi, Abdillah; Susanto, Ely; Widianto, Sunu; Nasution, Reza; Fauzi, Anas; Wu, Wann-Yih

It is a pleasure to accept your manuscript LODJ-07-2022-0331.R1, entitled "Empowering Leadership and Team Change Capability: The Mediating Effect of Team PsyCap" in its current form for publication in Leadership & Organization Development Journal. Please note, no further changes can be made to your manuscript.

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Thank you for your contribution. On behalf of the Editors of Leadership & Organization Development Journal, we look forward to your continued contributions to the Journal.

Sincerely,
Dr. STEFANIE JOHNSON
Associate Editor, Leadership & Organization Development Journal
stefanie.johnson@colorado.edu

Tell us how we're doing! We'd love to hear your feedback on the submission and review process to help us to continue to support your needs on the publishing journey.

Simply click this link https://eu.surveymonkey.com/r/F8GZ2XW to complete a short survey and as a thank you for taking part you have the option to be entered into a prize draw to win £100 in Amazon vouchers. To enter the prize draw you will need to provide your email address.

6. Bukti Revisi minor

(2 Mei 2024)

Gmail **elisabeth supriharyanti <elish.2003@gmail.com>**

Fwd: Leadership & Organization Development Journal

badri feb-unair <badri@feb.unair.ac.id> Fri, May 3, 2024 at 7:53 AM
To: "Elisabeth Supriharyanti, SE., M.Si." <elisabeth-s@ukwms.ac.id>, elisabeth supriharyanti <elish.2003@gmail.com>

Bu Elisabeth,

Tolong dibantu handle pertanyaan ini (nambah keterangan table ini dibuat oleh peneliti).

Berikut adalah file yang ter-submit terakhir.

Salaam,

Badri

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02-May-2024

LODJ-07-2022-0331.R1 - Empowering Leadership and Team Change Capability: The Mediating Effect of Team PsyCap

Dear Prof. Sukoco,

Congratulations on having your paper accepted for publication.

I am writing to you with regard to the Figure /Tables provided by you. In order for us to be able to publish these Figure /Tables, please include a credit line (source) for Figure /Tables even if you have been given permission to use it. This credit line (source) is still required even if the Figure /Tables are your own work. Please provide it through this email.

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Please do not hesitate to contact me should you have any further questions. I look forward to hearing from you.

Sincerely,

Prashant Bangera
Leadership & Organization Development Journal

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With warm regards,

Prof. Badri Munir Sukoco, PhD
Director, Postgraduate School
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Empowering leadership and team change capability: the mediating effect of team PsyCap

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Abstract

Purpose – Based on Resource Conservation (COR) theory, this study explores the antecedent of team change capability, which consists of the dimensions of learning, process and context and examines how, under the empowering leadership (EL) of middle managers, team change capability (TCC) may be built through team psychological capital (TPSyCap).

Design/methodology/approach – The study was conducted with 853 respondents and 55 teams from 11 leading autonomous higher education institutions (AHEIs) in Indonesia.

Findings – The results show that EL is positively related to TPsyCap, which mediates the relationship between EL and TCC, particularly for TCC learning capability. However, TPsyCap does not mediate the effect of EL on TCC process capability and TCC- context capability.

Originality/value – This study enriches existing leadership literature, which is considered relevant in building organizational change capabilities, particularly on a team level. Furthermore, the findings

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reveal TPsyCap is an important intervention mechanism in catalyzing the relationship between EL and TCC.

Keywords Team change capability, Empowering leadership, Team psychological capital, Higher education, Indonesia

Paper type Research paper

Research background

Organizational change is an integral component of the organizational life cycle (Gelaidan *et al.*, 2018). Unfortunately, large-scale organizational change tends to fail (Hughes, 2011). Organizations must develop organizational change capabilities to survive, successfully implement change (Meyer and Stensaker, 2006) and improve their performance (Heckmann *et al.*, 2016). Though change capability has been extensively studied at the organizational/macro level (Soparnot, 2011; Sukoco *et al.*, 2021) and individual/micro level (Harden *et al.*, 2021), research exploring capabilities on a team level has yet to receive attention, referred to as a micro foundation approach (Salvato and Vassolo, 2018). Letierce *et al.* (2023) emphasize that middle managers as team leaders are not only passive "translators" of change, but also real agents in the organizational change process. Organizations with strong team change capabilities are able to quickly realign their teams to take advantage of new opportunities or change strategies in the face of environmental change (Eisenhardt and Martin, 2000).

Team change capability (TCC) is defined as the repetitive, patterned and routine ability of a team in the organization, consisting of learning capability, change process capability and change context capability to deliberately move from a present state to the desired future state (change) in the face of continuous environmental change (Supriharyanti and Sukoco, 2023). On a team level, the process of change emerges through interactions between individuals in a team facilitated by middle managers (Nonaka *et al.*, 2016). Middle managers play a central role in processes of change and, therefore, potentially have a significant effect on the eventual success or failure of major change initiatives in organizations (Giangreco and Peccei, 2005). The antecedents of TCC have not been examined in depth and, hence, are not well-explained.

To successfully make change, leaders require follower participation (Stouten *et al.*, 2018), which depends significantly on the behavior of leaders in the form of empowering leadership (EL) (Amundsen and Martinsen, 2014). Moreover, change may cause stress because of the consequences of implementing changes, one of which is the risk of losing resources (Bamberger *et al.*, 2012). According to Resource Conservation (COR) theory, for leaders to deal effectively and successfully with changes in building resources or capabilities (TCC), they must invest other resources (Hobfoll, 2001). Firstly, on a team level, psychological capital (PsyCap) is a psychological source that maybe important in countering potential dysfunctional attitudes and behaviors relevant to organizational change (Luthans and Youssef, 2007; Han *et al.*, 2021). Secondly, EL behaviors are positively related to employees' psychological resources (Srivastava *et al.*, 2006).

Several studies have discussed how leaders deal with change in an academic context (Bui *et al.*, 2016). In recent decades, this sector has undergone many changes on a global level, including in Asia (Ganotice *et al.*, 2017). This condition forces higher education institutions to focus beyond their competitors, and most countries consider it a driving force to improve the quality of higher education (Marginson, 2006). As a country with a fifth of the world's population and a large number of young people, Indonesia mandates the top 11 universities to enter the global ranking. The world class university program (WCU) was launched in late 2015 and generated mixed responses from stakeholders (Sukoco *et al.*, 2021). Research related to change adaptation efforts in higher education, particularly in Indonesia, is still limited (Bui *et al.*, 2016). This research was conducted among 11 autonomous higher education institutions (AHEIs) in Indonesia which had experienced changes to encourage them to become world-class universities.

Several contributions are offered. Firstly, this research is the first attempt to explain the ability to deal with change on a team level (TCC) and its antecedent. Based on COR theory,

Hobfoll (2011) describes resources as "resource caravans;" that is, resources do not exist individually, but travel in caravans. This study proposes that the leader role could be used as a team resource in building TCC through TPsyCap. Secondly, this research contributes to COR theory in change management by considering the role of leaders in obtaining organizational resources (TCC) through investments in other resources such as TPsyCap (Hobfoll, 2011). Thirdly, this research is related to higher education in dealing with changes on a team level in the Asian context, particularly in Indonesia, which is culturally different from the global context (Heckmann *et al.*, 2016; Koo and Park, 2018).

Literature review

Team change capability (TCC)

Teece *et al.* (1997) outline how organizations articulate, restructure and create processes and routines to successfully adapt to environmental change. The capabilities that organizations utilize to manage and implement are diverse, such as the dynamic capabilities of management, innovation and marketing (Corrêa *et al.*, 2019). More specifically, on a team level, these capabilities can take the form of TCC. In this study, TCC is defined as the repetitive, patterned and routine ability of a team in the organization, consisting of learning ability, change process capability and change context capability to deliberately move from a present state to the desired future state (change) in the face of continuous environmental change (Supriharyanti and Sukoco, 2023). A TCC framework consists of three dimensions, namely the dimensions of learning capability (TCC-LC), change process capability (TCC-CP) and change context capability (TCC-CC) (Klarner *et al.*, 2007; Soparnot, 2011). TCC-LC describes the team capability to absorb and change knowledge and apply it to achieve a competitive advantage (Hsu and Fang, 2009). TCC-CP is a way of implementing changes specifically (Bouckenooghe *et al.*, 2012). Capability in the context of change (TCC-CC) is defined as the capability to develop a climate that supports change (Bouckenooghe *et al.*, 2012).

Empowering leadership (EL)

EL is a process that involves influencing team members through the distribution of power, motivation support and development support with the aim of promoting experience of independence, motivation and an ability to work independently (Amundsen and Martinsen, 2014). EL is a leadership behavior that empowers employees or team members where power is shared with them so as to increase their intrinsic motivation level (Srivastava *et al.*, 2006). When leaders exhibit empowering behavior and employees experience psychological empowerment (Lorinkova and Perry, 2017), it reduces the negative impact of cynicism about organizational change (Sabar *et al.*, 2022). When employees are empowered, they become self-motivated and committed individuals who put a maximum effort into their work (Idris *et al.*, 2018; Ke and Zhang, 2011).

Team psychological capital (TPsyCap)

Psychological capital (PsyCap) is an individual's positive psychological state of development characterized by hope, self-efficacy, resilience and optimism (HERO) (Luthans and Youssef, 2007; Sukoco and Lee, 2017). Initially, PsyCap was conceptualized as an individual resource, but recent research has shown that it can also emerge as a group resource (Walumbwa *et al.*, 2011). Heled *et al.* (2016) found that every construction of HERO that makes up PsyCap collectively occurs through shared mental model mechanisms. As such, this study integrated and defined TPsyCap as a collective team's positive psychological state of development characterized by HERO (Bandura, 1997).

Hypothesis development

Empowering leadership and team change capability

Empowering leaders treat team members fairly and recognize their input as valuable (Srivastava *et al.*, 2006). These leaders value the contribution of ideas and information from team members as part of team learning capability (Pletsch and Zonatto, 2018). This policy enhances the feeling of empowerment in employees and encourages them to be active, rather than passive and involved in formal empowerment initiatives (Hassi, 2019). Group members can openly reflect and develop new methods to deal with change (Sukoco and Lee, 2017). The perceived meaningfulness of the opportunities provided and capabilities of team members (in a higher education (HE) context) are important, particularly in dealing with change (Blazevic *et al.*, 2015).

A leader plays a role in building an organizational or team climate (Rego *et al.*, 2017), including building a context or climate that supports change (Bouckenooghe *et al.*, 2012). EL shows openness to change by trusting employees and team members (Jada *et al.*, 2019), by giving them the opportunity to provide ideas or proposals in discussions or meetings. Organizational leaders who are able to build interpersonal trust will be able to increase good knowledge sharing (Jain, 2023). EL also creates a climate that encourages team members to share their ideas with one another (Pletsch and Zonatto, 2018). These conditions are favorable toward the effort to support development and, eventually, change. Therefore, the following hypothesis is posited:

H1. EL influences TCC (a) learning, (b) process and (c) context.

Empowering leadership and team psychological capital

Considering the centrality of leadership in the team and in an organizational context, the attitude and behavior of leaders play a decisive role in the psychological condition of employees (Rego *et al.*, 2017). Referring to the COR theory (Hobfoll, 2011), for leaders to be able to handle change in building resources or capabilities to deal with changes that tend to be pressing, they must invest another resource in the team in the form of TPsyCap (Heled *et al.*, 2016). Luthans and Youssef-Morgan (2017) conceptualize leadership as the predecessor of PsyCap within the conceptual framework as when a leader has a positive leadership approach that is not directed, but participatory, sometimes demanding active participation (Bass, 2000). In this relationship, the leader can positively influence the psychological resources of employees through PsyCap (Gyu Park *et al.*, 2017).

Leaders who lead by example, participatory decision making, coaching, informing and showing concern manifest a form of autonomy and development support (Srivastava *et al.*, 2006). Leaders who show concern for followers' skill development and focus on their learning, abilities and growth increase their creative self-efficacy (Iqbal *et al.*, 2023). Team members are likely to receive fair recognition from an empowering leader for their contribution in the form of ideas and information, which motivates them to share their unique knowledge with one another (Amundsen and Martinsen, 2014). Similarly, the participative decision making and coaching behaviors of an empowering leader may also encourage knowledge sharing and increase interactions within teams. George (1990) found that work groups can develop affective tones and, when most group members experience a positive (or negative) emotional state, the overall affective tone of the group also becomes positive (or negative). This transmission process applies not only to emotions (Barsade, 2002), but also to cognition (Huy and Zott, 2019). When group members interact and are interdependent to achieve common goals, they develop similar psychological structures, representing cognitive, motivational, or affective states (Marks *et al.*, 2001). Therefore, the following hypothesis is posited:

H2. EL has a positive influence on team psychological capital (TPsyCap).

Team psychological capital and team change capability

Hobfoll (2011) considers the possibility that those with more access to resources may be less negatively affected by resource depletion in the face of stressful situations caused by change. Therefore, an additional resource should be offered in this study, namely TPsyCap. TPsyCap is a psychological resource (Luthans and Youssef, 2007) and shared mental capacity (Heled *et al.*, 2016) required to deal with change (Huy, 2011). TPsyCap may be considered to be part of emotional capability (Huy and Zott, 2019) and part of the cognitive abilities needed by a team in building adaptation to change (LePine, 2003). Teams with high PsyCap with confidence in trying different paths to achieve goals (hope) will be more effectively able to learn from experience or knowledge from the outside (Luthans *et al.*, 2007). Resilience will allow these individuals to make adaptive changes after a failure episode, which will make it more likely that the team will repeatedly evaluate its performance (Rego *et al.*, 2017). As team members value the contribution of ideas and information from each other, they will also be motivated to share their efficacy with one another (Hassi, 2019). In summary, when a team has higher PsyCap, their learning capability to change is greater compared to a team with lower PsyCap.

In general, team processes and circumstances involve the interactions of team members with other members and the work environment (Marks *et al.*, 2001). PsyCap also has a positive relationship with team relations, collaboration and cohesion, supporting the communication process in teams (West *et al.*, 2009; Abu Bakar and Connaughton, 2022). Furthermore, PsyCap encourages team members to more frequently experience positive emotional states, which, in turn, encourages positive movement (West *et al.*, 2009). An individual who works in a team characterized by a high TPsyCap has a lot of optimism and is encouraged to be more involved in solving organizational problems (Heled *et al.*, 2016). During the process of change, TPsyCap encourages self-directed behavior change or supports procedures built without the need for supervision or control (Choi, 2020). In short, when a team has a higher PsyCap, its change process capability is greater than a team that has a low PsyCap.

With additional role relationships and shared values that support change, it may be expected that the appropriate context for supporting change at the team level is developed (Jada *et al.*, 2019). When team members share hopes and goals with one another, it is expected that the team creates a supportive environment to implement change (Amundsen and Martinsen, 2014), wherein this environment facilitates a situation where every member of the team has the goal-directed energy and means of implementing change successfully (Snyder *et al.*, 1991). In summary, when a team has higher PsyCap, the change in their change context capability is greater compared to the team who has lower PsyCap. Therefore, the following hypothesis is posited:

H3. TPSyCap influences TCC (a) learning, (b) process and (c) context.

Mediating effect of team psychological capital

TPsyCap is a psychological resource (Luthans and Youssef, 2007) and a shared mental model required to deal with change (Huy, 2011; Heled *et al.*, 2016). Drawing on COR theory, this model can be explained by the concept of a resource caravan, in which resources do not exist individually but travel in packages, or caravans, both for individuals and organizations (Hobfoll, 2011). In other words, the process of developing resources will yield other resources. The leader, as a team resource, builds TCC. Change is a strategic problem faced at all levels of the organization, including the team (Liu *et al.*, 2012). Thereby, it requires the role of leader to build TCC, which is a team's capability to deal with change so that it can be sustainable (Heckmann *et al.*, 2016).

Empowering leaders provide authority and support to their employees and team members, slowly developing the team capability for change (Amundsen and Martinsen, 2014). However, when leaders empower their followers, it may not directly result to the capability for change if their followers do not have the shared mental model (Heled *et al.*, 2016) required to deal with said change (Huy, 2011). Since change requires extra energy and may even have negative effects on

employees and the organization, empowerment from leaders should transform into collective psychological resources that gradually allow the organizational members to develop learning, process and context for change capability (Heled *et al.*, 2016). In addition, leaders should be able to conserve team members' resources to support the change (Hobfoll, 2011). However, with leaders that provide motivational and developmental support, teams in the organization could develop capabilities for change (Amundsen and Martinsen, 2014). TPsyCap is required because change requires extra energy and may even cause negative effects for employees and the organization (Avey *et al.*, 2011). In other words, leaders' empowerment of team members depends on TPsyCap before it is able to influence the team's capability for change. Han *et al.* (2021) demonstrate the role of TPsyCap as a mediator at the team level in the relationship between leadership and team performance. Therefore, the following hypothesis is posited:

H4. TPSyCap mediates the influence of EL on TCC (a) learning, (b) process and (c) context.

Methodology

Research context

The number of higher education institutions in Indonesia has reached 4,593 units, comprising state (122) and private (3,044) institutions under Ministry of Education, Culture, Research and Technology (MECRT) (Higher Education Statistics, 2020), whereas the rest are managed by Ministry of Religious Affairs (1,240 institutions) and other ministries (187 institutions). Since 2014, the government of Indonesia, through MECRT, has changed the status of 11 state universities to AHEIs, namely Universitas Indonesia (UI), Bandung Institute of Technology (ITB), Gadjah Mada University (UGM), Airlangga University (UNAIR), Bogor Agricultural Institute (IPB), Padjadjaran University (UNPAD), Diponegoro University (UNDIP), Institute of Technology Sepuluh Nopember (ITS), Brawijaya University (UB), Hasanuddin University (UNHAS) and Sebelas Maret University (UNS). Data were collected from 11 state universities that have Autonomous Higher Education Institutions (AHEI) status. AHEI status guarantees autonomy for these universities so that they can manage academic and non-academic activities, including financial affairs, more independently, transparently and accountably. Autonomous status also gives control to 11 AHEIs in managing their human resources, both academic and non-academic staff, as business entities, through endowment funds, as well as academic appointments, including managing the opening and closing of study programs. In accordance with the mandate of the Indonesian Government ratified through the Decree of the Ministry of Research, Technology and Higher Education Number 522b/M/Kp/IX/2015, in 2019, there were 11 AHEIs who were given targets to be included in the ranking. Of the 500 Best World-Class Universities (Sukoco *et al.*, 2021), in 2018, there were only three universities in Indonesia included. Every year, the government and each AHEI renew work contracts, and the government provides certain ranking targets if AHEI wants to continue to receive support from the government. To boost academic production related to Quacquarelli Symonds World university Ranking (QS WUR) requirements, this situation requires every level of AHEI leadership (chancellor) to carry out progressive organizational reforms together with the Dean. At an AHEI, the Dean who organizes the activities to be carried out by each faculty is given a target. Each Lecturer is given direction by the Dean in his position as Team Leader. This demanding situation requires the Dean to have an EL approach to not only encourage lower-level management to achieve targets, but also ensure that the team is developed and given autonomy to achieve these goals. In this way, faculty members and lower-level management have team resources (i.e. team PsyCap) that, in turn, develop TCC.

Sample

The data for this research were collected from 11 AHEI in Indonesia at the faculty (college) as a team level using a multisource approach. Respondents targeted in this study were team leaders or

middle managers (Deans and Vice Deans) and college members (Heads of Departments, Study Program Coordinators and Lecturers) at 11 AHEI. The lecturer survey was conducted using the convenience sampling method of at least 10 people per college. The survey for Deans and Vice Deans were designed to evaluate TCC and provide demographic information, whereas the survey for team members assessed TPsyCap (Lecturers) and EL (Heads of Departments, Study Program Coordinators and Lecturers), as well as demographic information from team members.

In this study, each college was treated as a team. Questionnaires were distributed to 4,267 respondents from 11 AHEIs, 2,047 participants answered (47.97%), belonging to 110 team. Of these, only 55 teams (colleges) were completely filled in and could be processed with a total of 853 respondents. The occurrence of non-response bias was prevented by creating anonymous questionnaires, following up on returned questionnaires and providing alternative online and offline questionnaires. Questionnaires were distributed online and offline, with 376 and 477 respondents, respectively. Online questionnaires were distributed via Google Forms or email, whereas offline questionnaires were distributed via post. Different data collection methods were used to maximize the response rate (Beatty *et al.*, 2016). Online and offline questionnaires were compared to ensure that there was no difference in how they were treated.

Respondents were comprised of 853 individuals from 55 teams with the following characteristics of the respondents: Dean 5.86%; Deputy Dean 6.68%; Head of Service 14.07%; Study Program Coordinator 32.59%; and Lecturers 40.80%. Male respondents comprised 54.63%, whereas female respondents comprised 45.37%. Most of the respondents were aged between 40 and 50 years (35.87%), almost the same proportion as those aged between 51 and 60 years (31.87%), while those aged over 60 years comprised 6.68% of the respondents. Participants with the longest tenure (above 15 years) comprised 59.44% of the total. In terms of academic positions, 47.13% of the respondents were Assistant Professors, 37.87% were Associate Professors, 20.28% were Junior Lecturers and 9.26% were Professors.

Data aggregation

This study conducted a group-level analysis using faculty as a unit of analysis. TCC is an aggregation of data from the surveys returned from the faculty leadership team, namely Deans and Vice Deans. TPsyCap was aggregated from survey data filled out by faculty members, namely Lecturers, and EL is an aggregation of data from surveys of team members, namely Heads of Departments, Study Program Coordinators, and Lecturers. The data collected were checked for the value of intergroup agreements (*Rwg*) (Lebreton *et al.*, 2003), with a minimum value of 0.70. All the values were above the threshold.

TCC is a collection of data from a survey returned from the faculty leadership team, namely the Dean and Vice Dean. TPsyCap is the sum of survey data filled in by faculty members, namely lecturers, and EL is the sum of survey data for team members, namely the Head of Department, the Study Program Coordinator and Lecturers. To assess the suitability of the aggregate individual scores to the team level, three measures are generally used: ICC(1); ICC(2); and *Rwg* (Lebreton *et al.*, 2003). All of the values satisfy the criteria.

Measurements

The multisource approach was used to decrease the different constructs that might reduce CMV (Avolio *et al.*, 1991). Team members provided a TPsyCap and EL rating, whereas the team leader (middle manager) assessed their team's change capability (TCC) – Table 1.

Team change capability (TCC)

TCC involves the repetition and choice of patterns and routines that provide the ability for a team to intentionally move from the current state to the desired future state through learning,

Table 1.
Descriptive statistics and matrix correlations

Research variables	Mean	SD	1	2	3	4	5	6	7	8	9
1) TCC-LC	4.470	0.305	*0.707*	*0.160*	*0.017*	*0.785*	*0.897*	*0.045*	*0.001*	*0.004*	*0.004*
2) TCC-CP	4.420	0.360	0.400**	*0.716*	*0.160*	*0.168*	*0.078*	*0.034*	*0.002*	*0.000*	*0.002*
3) TCC-CC	4.650	0.311	0.129	0.400**	*0.731*	*0.018*	*0.152*	*0.003*	*0.030*	*0.132*	*0.006*
4) EL	4.181	0.389	0.886**	0.410**	0.134	*0.760*	*0.260*	*0.040*	*0.010*	*0.003*	*0.011*
5) TPsyCap	4.149	0.268	0.947**	0.280**	0.390**	0.510**	*0.847*	*0.007*	*0.037*	*0.009*	*0.032*
6) Team size	15.400	7.460	−0.212	0.184	0.051	−0.200	0.086	*n.a*	*0.007*	*0.024*	*0.004*
7) Academic Positions	0.436	0.500	0.031	0.039	0.173	0.099	0.193	0.081	*n.a*	*0.358*	*0.340*
8) Tenure	0.728	0.214	0.060	0.015	0.364**	0.057	0.095	0.154	0.598**	*n.a*	*0.270*
9) Age	0.360	0.206	0.064	−0.048	0.078	0.103	0.179	0.060	0.583**	0.520**	*n.a*

Note(s): Italic values on the diagonal are AVE. Values below the diagonal are inter-factor correlation. *Correlation values are significant at $p < 0.05$; **correlation values are significant at $p < 0.01$ TCC-LC = Learning Capability; TCC-PC = Change Process Capability; TCC-CC = Context Capability; EL = Empowering Leadership; TPsyCap = Team Psychological Capital

Source(s): Authors' work

process and context (Klarner *et al.*, 2007), using a total of 40 items. The team leader evaluated the change capability of the team that they led. Measurements used in the TCC variable have been adapted from various sources, namely Hsu and Fang (2009) and Bouckenooghe *et al.* (2012). All items were measured with ratings ranging from 1 ("strongly disagree") to 5 ("strongly agree"). The TCC was conceptualized from the level of individual team leaders. Therefore, TCC was treated as a linear summary of individual TCC team leaders, who ignored individual team leader variances (Chen *et al.*, 2004). Methodologically, the average scores of team leaders were calculated to represent overall TCC.

To test the factor structure of TCC_LC, TCC_PC and TCC_CC, a confirmatory factor analysis (CFA) was conducted. Items that did not load substantially on the variable (loading factor <0.05) were excluded. Subfactor loadings ranged from 0.516 to 0.920 and the subsequent measurement model demonstrated a satisfactory fit.

Team psychological capital (TPsyCap)

The psychological capital of a team or a team's collective psychological capital is defined as a group's psychological development characterized by hope, efficacy, resilience and optimism (Luthans *et al.*, 2007; Walumbwa *et al.*, 2011). TPsyCap was measured on a scale of eight items ($\alpha = 0.960$) with ratings ranging from 1 ("strongly disagree") to 5 ("strongly agree"), adapted from Walumbwa *et al.* (2011) using eight items from a recently validated Psychological Capital Questionnaire (PCQ) (Luthans *et al.*, 2007). An individual level two-factor CFA was conducted to test the factor structure of TPSyCap, resulting in factor loadings ranging from 0.733 to 0.884 and demonstrating a satisfactory model fit.

Empowering leadership (EL)

EL intrinsically motivates employees by sharing power and providing support for personal and professional development (Amundsen and Martinsen, 2014). This variable was measured using 18 items ($\alpha = 0.970$) with ratings ranging from 1 ("strongly disagree") to 5 ("strongly agree"). In order to test the factor structure of EL, CFA was conducted, resulting in factor loadings ranging from 0.68 to 0.97 and produced a satisfactory fit. Table 1 presents the descriptive statistics, correlation and reliability coefficients for the research variables.

Control variables

This study used age, tenure and academic position as relevant control variables. Franco-Santos and Doherty (2017) also consider age a relevant characteristic in influencing the context of higher education. The items in the questionnaire were arranged randomly as to avoid leading questions. To test the research instrument, this study used a procedure similar to that used by Kleijnen *et al.* (2007), in which reflective indicators were applied to all constructs. Reliability testing used the reliability of a composite scale (CR) and average variance extracted (AVE) (Chin, 1998). Based on the results of this test, the cut-off value was above 0.700, and AVE was more than the cut-off value of 0.500 (Fornell and Larcker, 1981). In addition, convergent validity was evaluated by examining the standard of the loading value of each construct (Chin, 1998), and all actions showed loading values exceeding 0.500. The validity of the discriminant act was then assessed.

Results

This study used Mplus Version 8.5 (Muthén and Muthén, 2012) to confirm that the model had been identified properly and that it would fit data. The overall hypothesized and mediated model (Model 1) showed acceptable suitability for the data: χ^2 (55) = 161.84, comparative fit index (CFI) = 0.95, root mean square error of approximation (RMSEA) = 0.070 and

standardized root mean square residual (SRMR) = 0.050. In addition, the following proposed model was estimated and compared with alternative models in order to assess whether the hypothesized model was the most accurate representation of the data. The model's suitability was then compared with the alternative model. Firstly, Model 2 was assessed, including the direct pathways of EL and TPsyCap. This model results showed an unsatisfactory fit.

The non-mediated model (Model 3) was then tested, which includes only the direct paths from EL to each of the TCC variables, namely TCC-LC, TCC-CP and TCC-CC. The results show that the non-mediated model produced unsatisfactory fit models, as in Table 2, with less effective CFI (<0.9) and RMSEA (>0.800). Model 4 also examined the direct effect of TPC on each TCC variable, with the suitability of the model being unsatisfactory (CFI <0.9 and RMSEA> 0.8). Finally, a model was tested that determined the indirect path (Model 4) of EL to TCC. The results show that the two models (Model 5b and 5c) are equivalent to the model required (Model 1), though the χ^2 number in Model 1 is more appropriate. Meanwhile, Model 5a, which examines the indirect effect of EL on TPC_LC produced a less effective model than Model 1 as seen from its fit indicator. From Table 2 it is evident that Model 1 has the most appropriate statistical suitability.

Structural model

After testing the measurement model, the hypotheses were tested using Mplus. The results of the analysis are presented in Figure 1. As suggested by the results, EL directly and indirectly affected TCC. EL had a direct effect on TCC-PC ($\beta = 0.346$; $p = 0.017$), but EL did not have a direct effect on TCC-LC ($\beta = -0.001$; $p = 0.955$) and TCC-CC ($\beta = 0.120$; $p = 0.517$). Therefore, H1b is supported, but H1a and H1c are not supported. EL had a direct influence on TPsyCap ($\beta = 0.565$; $p = 0.000$). Therefore, H2 is accepted. H3 postulated that TPsyCap affects TCC. After testing, the value of $\beta = 0.400$ and $p = 0.011$ was obtained for the effect of TPsyCap on TCC-LC. TPsyCap did not affect TCC-PC ($\beta = 0.168$; $p = 0.256$) and TCC-CC ($\beta = 0.123$; $p = 0.510$), so H3b and H3c are rejected, whereas H3a is accepted.

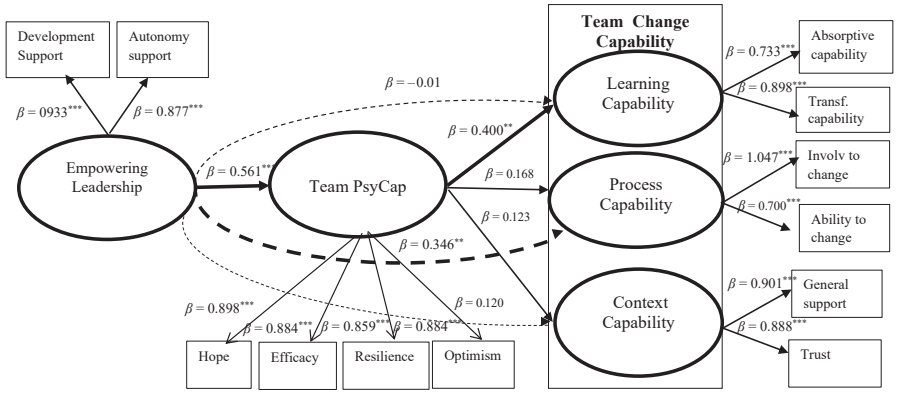
The result of analysis with control variables

The results of the analysis show that there are no control variables, namely team size, academic position, tenure and age, with an effect on the TCC-LC, TCC-PC and TCC-CC variables, except for academic position on TCC-PC. However, the magnitude of the coefficient

Model	χ^2	df	CFI	TLI	RMSEA	SRMR
Model 1	53.755	44	0.979	0.968	0.063	0.048
Model 2	25.294*	8	0.198	0.936	0.880	0.036
Model 3a	0.130	1	0	1	1	0.003
Model 3b	5.11	4	0.276	0.071	0.991	0.976
Model 3c	0.001	1	0	1	1	0
Model 4a	22.988*	8	0.185	0.938	0.883	0.034
Model 4b	22.449*	13	0.115	0.961	0.931	0.039
Model 4c	25.757*	8	0.201	0.93	0.868	0.038
Model 5a	30.427*	17	0.957	0.930	0.120	0.048
Model 5b	62.755	55	0.983	0.976	0.051	0.057
Model 5c	62.755	55	0.983	0.976	0.051	0.057

Table 2.
Fit indices for nested structural models

Note(s): $n = 55$. CFI, comparative fit index; TLI = Tucker Lewis Index; RMSEA, root-mean-square error of approximation; SRMR, standardized root-mean-square residual. *$p < 0.01$
Source(s): Authors' work



Note(s): + refers to $p < 0.10$, * refers to $p < 0.05$, ** refers to $p < 0.01$, *** refers to $p < 0.001$
Source(s): Authors work

Figure 1.
Research model and analysis results

of the influence of the independent variable on the dependent variable varies, though it shows the same number of significance.

The study also examined the role of TPsyCap as a mediator between EL and TCC. Using Mplus 8.5, a mediation analysis was performed for each variable (LC, PC and CC). The data were analyzed to determine the indirect effects of each predictor on TCC via TPsyCap. The results show that the relationship between EL and TCC-LC is fully mediated by TPsyCap as EL did not have a direct influence on the variable ($\beta = 0.228$; $p = 0.027$). Moreover, the influence of the EL on the TCC-PC and TCC-CC was not mediated by TPsyCap.

Discussion

This study explores whether TCC may be fostered through EL and TPsyCap. The study proposes that EL influences TPsyCap, which, in turn, influences team capability in the form of TCC. Referring to the COR theory (Hobfoll, 2001), it is suggested that TPsyCap acts as a mediator between EL and TCC. As such, TPsyCap is suggested to be the "resource" generated by the leader in building the TCC.

The initial findings show that EL influences TPsyCap. One of the core behaviors of an empowering leader is sharing power by providing autonomy and development support to the team (Amundsen and Martinsen, 2014). This support provides employees with strength (hope) and confidence (efficacy) to find new and different ways to achieve their goals and overcome difficulties (resilience), while believing that leaders will give them whatever support they might need (Luthans *et al.*, 2008). Participative decision making and coaching behaviors of an empowering leader may also encourage knowledge sharing and increase interaction within teams. George (1990) found that work groups may develop affective tones, and, when most group members experience a positive (or negative) emotional state, the overall affective tone of the group also becomes positive (or negative). This transmission process applies not only to emotions (Barsade, 2002), but also to cognition (Huy and Zott, 2019). When group members interact and are interdependent to achieve common goals, they develop similar psychological structure, which represents cognitive, motivational, or affective states (Marks *et al.*, 2001).

Secondly, TPsyCap influences TCC-LC and mediates the influence of EL on TCC-LC. These findings complement existing research, which has found that TPsyCap mediates the influence of leaders in producing results (Rego *et al.*, 2017; Rebelo *et al.*, 2018). This finding can be explained

by the COR theory (Hobfoll, 2011), which is still limited to explaining how to deal with the pressures of change by building change capabilities. The leader's behavior is concerned with the team conserving resources by creating other resources and the process through which resource emergence can occur along the way. Faced with the pressure of change, leaders build team change capabilities through learning, process and context capabilities (Sukoco *et al.*, 2021). This mechanism occurs when a leader is able to build a PsyCap collectively as part of a team, which is a personal resource for said team (Avey *et al.*, 2011).

However, TPsyCap does not mediate the influence of EL on TCC-CP and TCC-CC, and it seems that EL has a direct influence on TCC-CP and TCC-CC. In the context of higher education institutions, where team members tend to be knowledgeable and quite confident (Meister-Scheytt and Scheytt, 2005), the autonomy given to team members enables them to be involved in decision making regarding change to build a culture of innovation (Naqshbandi and Kamel, 2017). A leader plays a role in building an organizational or team climate (Rego *et al.*, 2017), including building a context or climate that supports change (Bouckenooghe *et al.*, 2012). EL also creates a climate that encourages team members to share ideas with one another (Pletsch and Zonatto, 2018). Group members openly reflect and develop new methods to deal with change (Sukoco and Lee, 2017). The perceived meaningfulness of the opportunities provided and the capabilities of team members in a higher education context are important, particularly in dealing with change (Blazevic *et al.*, 2015).

In Indonesia, external factors such as government regulations related to AHEI are driving factors that dominate change (Sukoco *et al.*, 2021). Although these institutions' status as autonomous institutions means that there is greater flexibility in academic and non-academic issues, to a certain extent, these institutions are dependent on the government in relation to public funding, which is in line with the concept of regulatory stakeholders (Mainardes *et al.*, 2012). The findings of Sukoco *et al.* (2021) also show that organizational change capability is built serially starting from learning capability, process capability and then context capability. Therefore, PC and CC are mediated by previously built capabilities.

Theoretical implications

The findings of this study indicate that EL affects TPsyCap. This behavior is appropriate in higher education, which emphasizes the importance of autonomy in leadership in higher education (Bryman, 2007). A bibliometric analysis conducted by Maheshwari and Kha (2023) found that leadership studies in higher education are dominated by transformational leadership, whereas EL is still limited.

This study enriches existing leadership literature, which is considered relevant in building organizational change capabilities, particularly on a team level. Previous studies that have focused on change capabilities have found that leadership affects change capabilities such as transformational leadership (Lei *et al.*, 2019). Sukoco *et al.* (2020) found that middle manager capability in higher education affects an organization's capacity to change but on an individual level. The process of change emerges through interactions between individuals within the team facilitated by middle managers (Nonaka *et al.*, 2016).

Another theoretical contribution relates to the mediating effect of TPsyCap. The findings reveal that TPsyCap is an important intervention mechanism of how EL may affect TCC. This finding complements previous research, which has found that TPsyCap mediates the influence of leaders in producing results (Rego *et al.*, 2017; Rebelo *et al.*, 2018). This research enriches the results of change capability, as explained by the COR theory (Hobfoll, 2011), which is still limited in explaining how to deal with the pressures of change by building change capabilities.

Finally, this research was conducted in the context of a developing country, namely Indonesia, which has a different cultural context from the West. Communities and organizations in Asia tend to have a collectivist culture compared to those in Europe or North America, placing

a greater emphasis on group considerations and collective goals rather than individual goals (Lam *et al.*, 2012). The leadership expectations embedded in collectivism may certain leadership styles or characteristics more prominent in this area, such as empowering leaders who pay more attention to and trust their followers (Lam *et al.*, 2012).

Practical implications

The study also has practical implications for helping team leaders, particularly in Asia. Firstly, TCC may be built by expanding EL and TPsyCap. Middle managers in higher education should adopt empowering leader behavior related to their focus in dealing with change. This behavior is also consistent with the collectivist culture of Asian societies, and leaders may seek to emphasize group considerations and collective goals over individual goals (Lam *et al.*, 2012). However, organizations should still provide training related to leadership, such as through talent management or pools so that it is clear which leaders are truly capable of empowering subordinates. The practice of leadership development in HEIs is still largely based on academic positions. Meanwhile, leadership is a competency that must be trained formally and informally (experience). Another method may be to develop a special performance assessment for middle managers that encourages leaders to empower team members to ensure that they participate in work and problem solving within the team (Li *et al.*, 2015). The performance appraisal system may be linked to other compensation or benefit systems.

Secondly, psychological capital is generated from the social interactions of team members (Heled *et al.*, 2016). Organizational leaders in Asia, particularly Indonesia, must offer organizational policies that support and train middle managers to develop productive social interactions in teams related to task relations (e.g. meetings, seminars and joint training). Furthermore, people with positive emotions toward their work and change may have a positive influence on the group. Leaders also need to practice fostering a cooperative work climate by stimulating team members to produce and share ideas so that they produce positive emotional interactions between members or for leaders (Li *et al.*, 2015). This approach may be easier for Asian people who tend to have a collective culture (Koo and Park, 2018).

Conclusion

This study answered the question of how EL and TPsyCap build TCC so that organizations may face the pressure of constant change. By empowering leader behavior, this research demonstrated how leaders should play a role in protecting their team's resources when changes occur by producing other resources, namely TPsyCap. Furthermore, witnessing the mediation of TPsyCap in the EL and TCC relationship deepened the understanding that TPsyCap is a psychological resource that contributes significantly to building the team's ability to face change, providing a basis for future research and encouraging the managerial practices of middle managers during change.

Despite these important implications, this study has several limitations. Firstly, the unit of analysis for this research was team-based with a fairly large sample. However, cross-sectional data used in organizational change research may not be able to capture true change capacity. Therefore, further research with a qualitative or longitudinal approach should add depth to the findings of this research. Although a multisource approach was used, this research was still single-level research, whereas cross-level research may provide more accurate results.

Secondly, TCC appeared in this research as a complex variable. Based on the validity test, only 23 of the 40 items were valid. Therefore, it is necessary to carry out a pre-test or Delphi method so that the questions asked are appropriate to the context.

Finally, this research was conducted in the context of AHEIs' change towards WCU. Future research should use the magnitude to change variable (Groves, 2005; Supriharyanti and Sukoco, 2023) as a moderating variable to measure how the strength of change influences TCC development.

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