



Unveiling Organizational Impact on Civil Servant's Change Readiness: Investigating the Mediating Influence of Adaptability

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Abstract

Employees' response to organizational change remains pivotal in determining the success of change initiatives, especially within public sector organizations. This study aims to explore the determinants of change readiness among civil servants. Data was gathered through surveys of 350 civil servants involved in organizational change processes. Various factors influencing change readiness were identified, and their direct impact was assessed. Furthermore, the study delved into the mediating role of adaptability in the relationship between these factors and change readiness. Results indicate that organizational identification exerts a positive yet statistically insignificant influence on employees' change readiness, while managerial climate significantly impacts employees' change readiness. Adaptability emerged as a mediator between these factors and employees' change readiness. This research contributes to understanding the determinants of employees' adaptability and change readiness, offering valuable insights into human resources management and organizational development.

Keywords: Public Sector; Change Readiness; Adaptability; Organizational Identification; Managerial Climate.

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INTRODUCTION

Change is the only constant in life, whether for individuals, communities, or organizations (Yean, Tan, & Nadarajah, 2022). Organizational change has become an inseparable part of an organization's life cycle to keep up with the ongoing changes in the organizational environment (Gelaidan, Al-Swidi, & Mabkhot, 2018). Organizations are continuously evolving, sometimes gradually and at other times requiring swift adjustments to their strategies, structures, business models, and operations (Mladenova, 2022). Therefore, the ability to respond to change is also considered a valuable skill at the individual, group, and organizational levels (Beasley, Grace, & Horstmanshof, 2021). Responses to change may differ among individuals: some may be very open to welcoming change and view it as an opportunity for development, while others may perceive change as a threat and a challenge to the current status quo (Yean et al., 2022).

In the modern era, there is an increasing trend of transformation within public sector organizations (Ahmad, Straatmann, Mueller, & Liu, 2021; Hameed, Khan, Sabharwal, Arain, & Hameed, 2019). As the environment changes, public sector organizations are forced to change their structure, design, governance, and the quality of services provided to the public (Ahmad et al., 2021). One critical factor determining change management's success is knowing how employees react or respond to organizational change (Endrejat, Klonek, Müller-Frommeyer, & Kauffeld, 2021). In public sector organizations, its unique characteristics make the application of change readiness a conceptual framework for mapping the reactions of change recipients (Hemme, Bowers, & Todd, 2018). Therefore, organizations need to explore what drives an employee's change readiness (Hameed et al., 2019).

This study focuses on examining the factors that influence the change readiness

of civil servants, particularly in the context of Indonesia. Dahlia (2020) argues that the Indonesian bureaucracy is still far from practicing clean and good governance. Furthermore, Dahlia (2020) also argues that the echelon system, which is the root of the implementation of the Indonesian bureaucracy, creates favorable conditions for the prevalence of corrupt practices. To improve its government governance, Indonesia has developed a program called bureaucratic reform, which is regulated by Presidential Regulation No. 81 of 2010 on the Grand Design of Bureaucratic Reform 2010 – 2025. One of the steps taken by the government to implement bureaucratic reform is the layering program, which served as the context for this study.

Layering is a manifestation of the priority program of the President's work for the period 2019-2024, as stipulated in Presidential Regulation No. 18 of 2020 on the National Medium-Term Development Plan for 2020-2024, specifically focusing on Bureaucracy Simplification. Layering itself can be defined as the reduction of layers within the hierarchy of an organization (Bo, Wu, & Zhong, 2020), or the reduction of managerial levels within an organization, essentially "flattening" the organizational hierarchy (Kuhn, 2011).

Layering is intended to address one of the main problems related to bureaucracy in Indonesia, which is the lack of accuracy in the function and size of the current government organizations in Indonesia (Presidential Regulation No. 21 of 2010). Additionally, layering is also conducted to enhance the effectiveness of governance and expedite the decision-making process, with the ultimate goal of improving public service quality. The layering process to be carried out within the structure of Indonesia's Civil Servants entails selectively trimming positions at the Echelon III, Echelon IV, and Echelon V levels, which will subsequently be replaced with functional positions.

The Government Financial Organization (GFO) is among the first public sector organizations in Indonesia to implement bureaucratic reform. Since its establishment, GFO has undergone organizational changes, both on a small and large scale, such as changes in organizational structure. In 2002, GFO took the initiative to develop a bureaucratic reform program, which has been reported to have had a positive impact on improving the performance and services provided by GFO. This reform has been continuously implemented, and currently, GFO has entered its fifth period of its bureaucratic reform program.

Implementation of the delayering policy will undoubtedly affect various aspects of the organization, including GFO. Some of these aspects include changes in organizational structure and the workflow or business processes. In the preliminary interview, some of GFOs' employees have expressed that delayering cannot be uniformly applied to all work units. It is also suggested that the implementation of delayering needs to reconsider the nature of work, as not all tasks or functions can be functionalized. The allocation of functional positions should be done more selectively to avoid forcing certain positions into functional roles, which may undermine the effectiveness of the functional position hierarchy.

The individuals most affected by the implementation of this policy are the officials in echelons III, IV, and V, who will be eliminated and transitioned to functional positions in the future. Numerically, there are over ten thousand GFO employees who are potentially affected by the delayering policy, consisting of 1,733 officials at the Echelon III level and 9,021 officials at the Echelon IV level (GFO Human Resources Statistics, 2023). Furthermore, operational staff will also be affected due to changes in work processes and reporting mechanisms, as these will

henceforth be directly coordinated with the Echelon II level.

In addition to the aforementioned impacts, various studies have identified the consequences of implementing delayering, including job insecurities for managerial-level employees (Hassard & Morris, 2020); reduced promotional opportunities; comprehensive implications for organizational culture and work environment, as well as career management systems for civil servants (Dahlia, 2020); resistance to change stemming from employees within the organization (Hameed et al., 2019); income disparities between the structural positions left behind and the functional positions adopted, as well as the significant organizational task of updating various work documents such as job descriptions and Standard Operating Procedures (Irfan, 2013).

Based on the explanation above, to ensure that the delayering program runs smoothly and achieves its intended objective, the government needs to assess the change readiness among civil servants (PNS) who are directly impacted by the changes. Zarychta, Grillos, and Anderson (2019), as cited in (Ahmad et al., 2021), explain that based on relevant literature on public administration, the role of change recipients in implementing change is crucial in the context of reforms or change implementation in the public sector.

There is a considerable amount of literature and research that identifies various factors that can influence employee change readiness, including [1] communication (Endrejat et al., 2021; Neill, Men, & Yue, 2019; Schulz-Knappe, Koch, & Beckert, 2019), [2] leadership (Gelaidan et al., 2018; Indriastuti & Fachrunnisa, 2021; Islam, Furuoka, & Idris, 2021b, 2021a), [3] organizational culture (Olafsen, Nilsen, Smedsrud, & Kamaric, 2021; Samal, Patra, & Chatterjee, 2021; Trisnanto & Soetjipto, 2022; Wong, 2021), [4] organizational identification (Aitken & von Treuer, 2021;

Hameed et al., 2019; Neill et al., 2019), and [5] change beliefs (Commer, Sci, Kashif Imran, Muhammad, & Iqbal, 2021; Hameed et al., 2019; Islam et al., 2021a; Mei Kin, Abdul Kareem, Nordin, & Wai Bing, 2018; Rafferty & Minbashian, 2019). Recently, Yean, et al. (2022) attempted to identify other factors that may affect change readiness by conducting a study to examine the impact of several factors that are summarized as managerial climate, and adaptability on change readiness.

We believe it is necessary to confirm the previous studies, particularly in the context of this research. Thus, the main objective of this study is to explore factors that drive change readiness in public sector organizations. To do this, we modify previous studies and build upon the factors identified by Hameed et al. (2019) and Yean et al. (2022), which will be explained below. Therefore, the research question of this study is *“How do organizational identification and managerial climate affect employee change readiness, while taking into account adaptability as a mediator?”*

The studies conducted by Wang, Demerouti, and Le Blanc (2017) examined the direct impact of organizational identification on adaptability. The results revealed that organizational identification has an insignificant negative impact on adaptability. Interestingly, way before this study, Baertsch (1991) researched the relationship between organizational identification and adaptability and found that higher levels of organizational identification were associated with increased adaptability.

The limited study examining the direct influence of organizational identification on adaptability, coupled with the inconsistent findings from earlier studies, serves as the foundation to reevaluate the direct impact of organizational identification on adaptability within different contexts. The hypotheses in this study are developed to support the findings of Baertsch (1991).

Therefore, the following hypothesis is posited:

H1: OID has a positive influence on adaptability.

Parent & Lovelace (2018) conducted a literature review on individual adaptability, positive organizational psychology, and employee engagement. They explain that a supportive and participative organizational environment enhances adaptability, particularly in the context of organizational change. Park & Park (2019) also identified supportiveness as one of the antecedents of adaptability. Yean et al. (2022) conducted a study to examine the impact of managerial climate on adaptability. Their findings revealed that, out of the five dimensions of managerial climate studied, namely trust, supportiveness, openness, clarity of goals, and participative, only the dimensions of trust and clarity of goals have a significant influence on adaptability.

The limited research on the influence of managerial climate on adaptability serves as the basis for reexamining this relationship in a different context to deepen the findings from previous studies. Based on that explanation, the following hypothesis is posited:

H2: Managerial climate has a positive influence on adaptability.

Yean et al. (2022) also examined the influence of adaptability on change readiness. They argue that adaptability is viewed as a motivational factor that can promote change readiness. Van Dam (2013) argued that adaptability is considered an inherent potential of an individual to effectively adjust to workplace changes. Reupert (2020) explains that the extent to which an individual is open to change responses depends on various factors and one of them is the individual's level of adaptability. Charbonnier-Voirin & Roussel (2019) divided adaptability into five dimensions: creativity, reactivity in emergencies; interpersonal adaptability; training effort; and managing work-related stress. Schulz-Knappe, Koch & Beckert

(2019) explain that when faced with change, employees must be capable of adapting to it. Thus, the following hypothesis is posited:

H3: Adaptability has a positive influence on employees' change readiness.

Hameed et al. (2019) find that there is a direct, positive, and significant relationship between organizational identification and employees' change readiness. Furthermore, Neill et al. (2019) also find that organizational identification positively influences the factors of employees' change readiness. Aitken & von Treuer (2021) argue that organizational identification held by members within an organization is considered a pivotal factor that should be considered when an organization is planning a change initiative.

Yean et al. (2022) identified five dimensions of managerial climate which are trust, supportiveness, openness, clarity of goals, and participative. These dimensions have been previously studied for their influence on change readiness, for example, Schulz-Knappe et al. (2019) found the impact of trust, participative, clarity of goals, and supportiveness in their study on communication in the change process. Neill et al. (2019) also confirmed that openness and participative dimensions have a positive impact on behavioral support for change. Additionally, Endrejat et al. (2021) emphasized the importance of participation in turning resistance into readiness. Furthermore, studies by Ahmad et al. (2021); Gigliotti, Vardaman, Marshall, & Gonzales (2019); and Thakur & Srivastava (2018) find that trust and support have a positive impact on change readiness.

In the context of change, adaptability can play various roles as an antecedent, mediator, moderator, and even an expected outcome of a change process (van Dam, 2013). The study by Yean et al. (2022) considers adaptability as a mediator in the relationship between antecedent and change readiness. The findings from previous studies as described above, form the basis for testing the mediating role of adaptability

in the relationship between OID and managerial climate-to-change readiness. Thus, the formulated hypotheses are as follows:

H4: Adaptability mediates the relationship between organizational identification and employees' change readiness.

H5: Adaptability mediates the relationship between managerial climate and employees' change readiness.

RESEARCH METHODS

The main objective of this study is to explore factors that drive change readiness in public sector organizations. The factors examined are organizational identification, managerial climate, and adaptability as mediating variables.

Data for this study were collected through a survey of employees in one of the governmental institutions in Indonesia which is currently implementing the delayering policy. Before the implementation of the delayering policy, this institution already had an existing unit whose organizational structure is dominated by functional positions; thus, the unit was not included in the study population. We chose this institution due to several reasons. First, this institution was one of the earliest public sector organizations in Indonesia to implement bureaucratic reform. Second, this institution is highly regarded by potential employees because of its attractive remuneration packages and external reputation. These characteristics are likely to develop high OID among their employees (Hameed et al., 2019). Hence, we believe that our findings and conclusions may be applied to other public sector organizations especially in Indonesia as the delayering policy applies to almost all government institutions in Indonesia.

The questionnaires were administered in Indonesian. We used non-probability purposive sampling in this

research. Non-probability sampling enables us to deliberately choose the sample to reflect specific characteristics or groups that exist in the population (Cooper & Schindler, 2014). Purposive sampling is a sampling method in which the sample is selected based on predetermined criteria. The sampling criteria for this study are employees who work in units affected by the delayering policy with a minimum of 3 years of work experience. The questionnaire was made available online through the Google Form platform and filled out using a self-administered method by the respondents.

All the variables were measured on a 7-point-Likert-type scale with the range as follows: Strongly Disagree (1), Disagree (2), More or Less Disagree (3), Undecided (4), More or Less Agree (5), Agree (6), and Strongly Agree (7).

Organizational Identification (OID) was measured through Mael & Ashforth's (1992) six-item scale. The sample items are "This organization's successes are my success" and "When someone praises this organization, it feels like a personal compliment". The Cronbach's Alpha for this scale in this study was 0,618.

The managerial climate was measured through Yean et al.'s (2022) 12-item scale. The scale was adopted from Pace & Faules's (1994) Communication Climate Inventory. The original scale covered six underlying dimensions which are trust, participative decision-making, supportiveness, openness in downward communication, listening in upward communication, and concern for high-performance goals. Yean et al. (2022) then modified those dimensions into five underlying dimensions of managerial climate which are trust, participative, supportiveness, openness, and clarity of goals. The scale is used in its current form. The sample item is "All personnel can say what's on their minds regardless of whether they are talking to subordinates or superiors". The Cronbach's alpha for each

dimension of the scale in this study were: trust (0,772); participation (0,657); supportiveness (0,664); openness (0,835); and clarity of goals (0,574).

Employee's change readiness. This variable was measured through Hanpachern, Morgan & Griego's (1998) 14-scale items. The scale was modified based on the reading test's feedback to fit the research context. The sample items after the editorial change are "In the context of this change, I participate in solving organization problems" and "In the context of this change, I change the way I work because of the change". The Cronbach's alpha for this scale in this study is 0,962.

Adaptability was measured through the 20-scale items adopted from Charbonnier-Voirin et al. (2012). The scale covers five underlying dimensions of employee adaptability which are creativity, reactivity in the face of emergencies, interpersonal adaptability, training effort, and managing stress. The sample items are "I quickly decide on the actions to take to resolve problems" and "I look for every opportunity that enables me to improve my performance". The Cronbach's alpha for each dimension of the scale in this study were: creativity (0,881); reactivity in the face of emergencies (0,905); interpersonal adaptability (0,878); training effort (0,918); and managing stress (0,675).

Although there was one dimension of *managerial climate* in which Cronbach's alpha is below 0,60, we believe that the value is still considered moderately reliable and will increase as the number of respondents increases. Garson (2016) argues that Cronbach's alpha is biased towards scales with 2-3 items, so small differences from the cutoff value are often ignored. Ekolu & Quainoo (2019) also indicated that Cronbach's Alpha values within the range of 0,5 to 0,8 still meet the acceptable reliability criteria. Therefore, considering both explanations, it can be concluded that all items can be considered reliable.

Data collected will be objectively and systematically analyzed. Besides the analysis of reliability through Cronbach's alpha, we did a hypotheses testing using Structural Equation Modelling (SEM). SEM is used because of its capability to simultaneously test a set of dependent relationships (Hair et al., 2021). SEM also allows researchers to address problems with multiple variables and equations through a single analysis (Sholihin & Ratmono, 2020). This study involves many variables in the research question, so the using of SEM can answer that question more systematically and comprehensively.

Specifically, this study will employ the Covariance-Based SEM (CBSEM) approach. According to Hair et al. (2021), the CBSEM approach is suitable when the study aims to test a theory, confirm a theory, or compare various existing alternative theories. This method is aptly suited for this study due to its objective of examining the relationships between variables that have been previously investigated but within a distinct research context. Sholihin & Ratmono (2020) identify two steps of CBSEM analysis, which are confirmatory factor analysis and structural model analysis. The description of each step will be further explained in the "Results and Discussion" section.

RESULTS AND DISCUSSION

A total of 388 answers data were collected. Out of that number, 7 data did not pass the screening process according to the predetermined respondent criteria, and 24 data showed deficiencies such as incomplete entries, incompatibility of profiles with organizations' condition, and uniform responses, those data were eliminated in the data cleansing process, resulting in 350 data to be used for the analysis of this study. The majority of respondents were male (61,43%), and the rest were female (38,57%). More than half of the respondents were in the age range of 30-35 years old. More than 70% of the

respondents have 5-15 years of work experience in current institutions, with details of 37,43% having 5-10 years of work experience, and 35.14% having 10-15 years of work experience. The majority of respondents (70,86%) currently work in the head office and the rest (29,14%) are vertical office employees. More than half of the respondents held a bachelor's degree (61,71%), while 23,43% of them held a master's degree. The demographic characteristics of the respondents in this study align with the demographic profile of employees within GFO.

Furthermore, we conducted a main test using SEM analysis with the LISREL application. The first step is to test the validity and reliability of the indicators based on the data collected. Validity testing is assessed through the value of the standardized loading factor (SLF), which is indicated in the path diagram generated by the LISREL application and is derived from the estimates of the Standardized Solution. An item is considered valid if it exhibits a factor loading value of 0,50 or higher (Hair Jr, Black, Babin, & Anderson, 2019). The analysis of validity and reliability is conducted by separating variables into first-order and second-order models. The first-order model involves variables being explained by a single layer of latent factors, while the second-order model comprises a measurement approach that encompasses two layers of latent constructs.

Based on the test result on first-order and second-order variables, all indicators have a standardized loading factor (SLF) value of $\geq 0,5$ except for 1 indicator *"I feel embarrassed when there is negative news about my organization in the media"*, which shows an SLF value of 0,49. However, Shrestha (2021) argues that variables with factor loading value above 0,4 indicate that the factors used already represent the variables examined. Based on that, we decided not to remove that item.

Based on these results, it can be concluded that all indicators are deemed

valid and the model evaluation process can be continued. In addition to the SLF, validity testing was also carried out by looking at the Average Variance Extracted (AVE) value. A latent variable is said to have good convergent validity if it has an AVE value of $\geq 0,5$. Based on the test, there are two variables/dimensions that still have AVE values below 0,5, namely the OID variable and the *clarity of goals* dimensions from the managerial climate variable. However, this

condition can still be accepted by considering the opinion of Fornell & Larcker (1981) in Huang et al. (2013) stating that AVE value less than 0,5 can still be accepted provided that the Construct Reliability (CR) value is greater than 0,6. All latent variables have a CR value of $\geq 0,6$, indicating that all indicators are reliable for consistently measuring the latent variables. The AVE and CR value for each latent variable is presented in Table 1.

Table 1.
Average Variance Extracted (AVE) and Construct Reliability (CR) Value for Each Latent Variable

Variable	Dimension	AVE	CR
First Order			
OID	-	0,34	0,75
Managerial Climate	Trust	0,61	0,76
	Participative	0,53	0,70
	Supportiveness	0,69	0,81
	Openness	0,70	0,93
	Clarity of Goals	0,44	0,61
Adaptability	Creativity	0,54	0,88
	Reactivity	0,73	0,95
	Interpersonal	0,65	0,91
	Training Effort	0,67	0,92
	Managing Stress	0,50	0,74
Change Readiness	-	0,63	0,96
Second Order			
Managerial Climate	-	0,91	0,98
Adaptability	-	0,79	0,95

Source: Processed Data (2023)

The next step is the structural model test or goodness of fit test. Based on Hair Jr et al. (2019), Goodness of Fit (GoF) can indicate how well the theoretical structure specified represents the reality represented by the research data. Based on the structural model test on first-order and second-order variables, it can be concluded that the proposed theoretical framework or research model is fit because it meets the minimum five GoF criteria, which are: RMSEA of 0,075 (ideal threshold value is $\leq 0,08$); SRMR of 0,049 (ideal threshold value is $< 0,05$); NFI of 0,96 (ideal threshold value is $\geq 0,90$); CFI of 0,98 (ideal threshold value is $\geq 0,90$); NNFI of 0,97 (ideal threshold value is $\geq 0,90$); and PNFI of 0,82 (ideal threshold value is $> 0,50$). The ideal

threshold values are referenced from Dash & Paul (2021).

After the model is confirmed to be valid, reliable, and met the GoF criteria, the next step is to analyze the structural model relationship or hypothesis testing. The relationship between constructs in the hypothesis is assessed by regression weights (Hair Jr. et al., 2019). In this study, the hypothesis is accepted if the t-value significance is $> 1,65$ (Hair Jr. et al., 2019). We also examine the SLF value of the relationship in this step. The variable has a greater influence on other intended variables when the SLF value is higher. All three hypothesized direct relationships have significant results. Table 2 presents the results of examinations of direct effect.

Table 2. Coefficient Value and T-Value Direct Effect

Path	Coefficient Value	t-value	Conclusion
OID → AD	0,36	5,77	Positive Significant
MC → AD	0,24	5,42	Positive Significant
AD → CR	0,45	8,85	Positive Significant
OID → CR	-0,04	-0,82	Negative Insignificant
MC → CR	0,14	3,80	Positive Significant

Source: LISREL (Processed Data) (2023)

This study also examined the indirect effect of adaptability as a mediating variable between OID and managerial climate with change readiness. The significance testing of the mediating variable was conducted by comparing the significance values of the direct effect of OID and managerial climate on change readiness with their indirect effect through adaptability. The hypotheses in this study were one-tailed since they had a directional influence. Therefore, the effect between

variables was considered significant if the t-value was $> 1,65$ (Hair Jr et al., 2019).

Table 3, presents the results of the mediation analysis, including direct and indirect effects obtained from the processing of data through the LISREL application. The indirect effect shows the indirect influence measured by multiplying the SLF value of the relationship between the independent variable and the mediating variable with the SLF value of the relationship between the mediating variable and the dependent variable.

Table 3. Mediation Testing Results

Path	Indirect Effect	t-value	Types of Mediation
OID → ADP → CR	$0,36 \times 0,45 = 0,16$	4,85*	Mediation
MC → ADP → CR	$0,24 \times 0,45 = 0,11$	4,25*	No Mediation

Source: LISREL (Processed Data) (2023)

*Significant

**Insignificant

Based on the results of the mediation analysis presented in Table 2 and Table 3, it can be observed that the mediating effect of adaptability on the relationship between OID and change readiness has a t-value of 4,85, indicating that adaptability serves as a mediating factor in the relationship between OID and change readiness. Finally, the mediating effect of adaptability on the relationship between managerial climate and change readiness has a t-value of 4,25, indicating that adaptability is considered to have no mediating effect on the relationship between managerial climate and change readiness. From the results of these tests, it can be concluded that adaptability has a mediating effect on the relationship between OID and change readiness. However, adaptability does not mediate the relationship between managerial climate and change readiness.

Based on the hypothesis testing results, OID has a positive and significant influence on adaptability. This can be seen from the standardized coefficient value of 0,36 and the t-value of 5,77, which is greater than 1,65. This suggests that the higher the level of OID among employees, the higher the level of their adaptability. This finding supports the results of Baertsch (1991) which found that the higher an employee's level of OID, the more adaptive the employee becomes. However, this finding contradicts the findings of Wang et al.'s (2017) study which showed that OID has a negative and insignificant impact on adaptability. Therefore, H1 is supported.

The results of hypothesis testing show that the relationship between managerial climate and adaptability has a standardized coefficient value of 0,14 and a t-value of

4,72, which is greater than 1,65. These results indicate that managerial climate has a positive and significant influence on adaptability. This finding supports Yean et al.'s (2022) study, which shows that managerial climate, particularly the trust and clarity of goals dimensions, have a positive and significant influence on adaptability. Parent et al. (2018) also mention that supportiveness and participative behavior will increase the level of employee adaptability in the context of organizational change. Therefore, H2 is supported.

The results of hypothesis testing show that adaptability has a positive and significant influence on employee change readiness. This can be seen from the standardized coefficient value of 0,45, which means that there is a positive influence between adaptability and change readiness. This indicates that the higher the level of adaptability of an employee, the higher the level of change readiness that the employee possesses. The t-value for this path is 8,85, which is greater than 1,65. Hence it can be concluded that the relationship between adaptability and change readiness is positive and significant. This finding supports the research results of Yean et al. (2022) and Indriastuti & Fachrunnisa (2021), which show that the higher the level of adaptability of an employee, the higher their change readiness. Lushyn & Sukhenko (2022) also argue that a person's level of adaptation has a strong relationship with the condition of change. This result supported H3.

Based on the results of hypothesis testing in this study, the variable adaptability is confirmed to have a mediating effect on the relationship between OID and change readiness. This can be observed from the estimated value of the indirect effect, which is 0,16, indicating a positive mediating influence of adaptability on the relationship between OID and change readiness. The t-value for this construct is 4,85 for its indirect effect,

which is greater than 1,65. In contrast, the t-value for the direct effect between OID and change readiness is -0,82, which is smaller than 1,65. The negative direct relationship between OID and readiness for change aligned with the findings of Conroy, Henle, Shore, and Stelman (2017), explaining that employees with high levels of OID are likely to resist change when they perceive that the change threatens their current identity or requires them to adjust their identity. The non-significant results of this study are also aligned with the research from Johnson et al. (1996) in Drzensky and van Dick (2013) which found that the degree of OID tended to decline over time, and during downsizing, it became more challenging to attain a high level of OID. This study also finds that the indirect effect of OID to change readiness through adaptability has a t-value of 6,08, which is greater than 1,65. Thus, adaptability plays a mediating role in the relationship between OID and change readiness.

The result of mediation analysis also shows that adaptability mediates the relationship between managerial and change readiness. The direct effect of managerial climate on change readiness has a standardized coefficient value of 0,14 and t-value of 3,80, which can be concluded that in this study, managerial climate has a positive and significant effect on change readiness. This is in line with the research results from Yean et al. (2022) which show that managerial climate has a direct, positive, and significant influence on change readiness. This study also finds that the indirect effect of managerial climate on change readiness through adaptability has a t-value of 4,25, which is greater than 1,65. This finding supports Yean et al.'s (2022) findings that managerial climate has a positive and significant indirect effect on change readiness through adaptability. This finding also supports the proposition of Caldwell et al. (2004) in Oreg, Bartunek, Lee, & Do (2018) that managerial climate, particularly supportiveness, is an

important factor influencing employee adaptability in facing change. In this study, adaptability plays a role of partial mediation in the relationship between managerial climate and change readiness. Thus, both H4 and H5 are supported.

This study has various implications for organizations, managers, and individuals in the context of organizational change. Understanding how employees react or respond to a change is one of the key factors that determine the success of a change initiative. Knowing how employees react or respond to change is one critical factor determining change management's success (Endrejat et al., 2021). This serves as an indication, especially for change managers, to place a greater focus on their employees if the organization intends to ensure the success of a change initiative, in this case, the delayering policy. The results of this research can be used as a reference for other organizational units that are either just starting or are in the process of implementing a delayering policy.

Employees' level of identification with their organization is considered one of the predictors of employees' change readiness. The results of the mediation analysis indicate that in the context of this study when incorporating adaptability, the OID factor alone is insufficient to directly influence change readiness. Nevertheless, GFO still needs to consider making efforts to maintain a high level of employee OID. This is because OID has been frequently shown to play a role in driving positive outcomes for the organization. Employees with higher OID levels tend to engage in behaviors that benefit their organizations. GOF can emphasize the most dominant factors influencing employee OID by actively working on internalizing and building an understanding that every success achieved by the organization is the result of collective efforts for all its employees.

Employees' change readiness can also be enhanced by creating a more supportive

and open managerial climate within the organization. Managers in the public sector, particularly GFO in the context of this study, should pay more attention to employee well-being rather than solely focusing on achieving targets and employee performance. GFO should also foster an atmosphere of openness in relationships among employees at all levels, enabling them to freely express their thoughts and opinions to anyone they converse with. The organization needs to break down the barriers that separate employees based on their job positions. Two-way communication should be strengthened so that employees can express their opinions and thoughts to their superiors. The implementation of delayering is expected to help create this atmosphere because employees will no longer be divided into specific job levels. This atmosphere is also expected to increase employee participation in organizational decision-making processes. A managerial climate based on trust, support, participation, and openness can make employees in the organization more prepared to accept and implement changes.

From an individual perspective, employee's change readiness will be higher if they possess a high level of adaptability. Organizations can help enhance employees' adaptability by creating working conditions where employees can confidently propose ideas that go against existing norms. The bureaucratic and hierarchical characteristics of public sector organizations often make employees hesitant to voice their opinions, especially when those opinions are new or diverge from established practices within the organization.

Furthermore, organizations should also work on increasing employees' sense of ownership regarding change initiatives. The goal is to encourage employees to voluntarily support and contribute to the success of changes, even promoting these ideas to others within and outside the

organization. Different strategies may be necessary for units with no vertical offices and a relatively small number of employees compared to units with numerous vertical offices and a larger workforce. Smaller units may find centralized communication about change easier, while larger units may require different strategies, such as appointing change agents or change promoters for each vertical office. This approach allows change communication to occur on a smaller scale and in a more informal atmosphere.

Several limitations to this study may impact the overall research results. First, the antecedent variables used in this study are limited to OID, managerial climate, and adaptability. Therefore, there is a possibility that there are other factors beyond these variables that can influence employees' change readiness. Second, this research employs a cross-sectional approach, which means it cannot be used to provide an in-depth understanding of post-implementation conditions within the organization. Third, some error terms of items within constructs were respecified for achieving model fit. Although frequently subjected to criticism, this approach continues to be used in roughly one-third of published studies (Cole, Ciesla, & Steiger, 2007; Shah & Goldstein, 2006). Lastly, the study utilizes self-assessment measurements, which can lead to upward bias or overestimation in the data.

Based on the limitations explained in the section above, we recommend future researchers consider using multiple data sources and getting the sample from several different governmental institutions. Future researchers could explore the use of additional variables such as job position or tenure as moderating variables in the relationship between antecedents and readiness for change. Future researchers may also consider narrowing the research focus by selecting respondents from positions directly affected by the delaying policy. Lastly, future researchers are

encouraged to conduct further analysis over different periods to better understand how change readiness translates into supportive change behavior or employee performance.

CONCLUSION

This study highlights the important role of adaptability as a mediating mechanism between OID and managerial climate to employee change readiness. The findings of this study are aligned with the underlying theories and provide significant implications for the literature on change management in the public sector. Based on the results of the analysis, it can be concluded that both OID and managerial climate have a positive and significant effect on adaptability. Adaptability has a positive and significant effect on employees' change readiness and also mediates the relationship between both OID and managerial climate to employees' change readiness. In conclusion, we received support for all five hypotheses.

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