



READINESS OF VERTICAL AGENCIES OF THE DIRECTORATE GENERAL OF TREASURY AS FINANCIAL ADVISOR

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ARTICLE INFO

ABSTRACT

Article history

Received : 5 January 2025

Revised : 3 October 2025

Accepted : 3 December 2025

Keywords

change agents;
change commitment;
organizational support;
readiness to change;
technical capability

JEL classification

H72, H77, L38

This study investigates the readiness of the Directorate General of Treasury (DJPb) to assume its emerging role as a financial advisor to local governments—an area that remains underexplored in the literature on organizational change within fiscal institutions. The research addresses a gap by examining how internal factors such as organizational support, commitment to change, and technical capability influence individual readiness, and whether advocacy by change agents moderates these relationships. A quantitative approach was employed using a survey distributed to DJPb personnel in Regional Offices and State Treasury Service Offices (KPPN), analyzed through structural equation modelling (SEM) with SmartPLS. The findings reveal that commitment to change and technical capability significantly enhance readiness, while organizational support shows limited influence except in Sumatra. The moderating role of change agents was not supported. These results suggest that strengthening commitment and technical skills is crucial for enabling DJPb's advisory function, with implications for adaptive communication strategies in public sector reform.

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1. INTRODUCTION

Fiscal decentralization has become a cornerstone of public sector reform in many developing countries, including Indonesia. By granting greater financial autonomy to local governments, decentralization aims to improve public service delivery and stimulate regional development. The success of decentralizing money in promoting regional development depends on using resources effectively and meeting each region's needs (Carniti et al., 2019). However, decentralization faces challenges, such as coordinating policies between central and local governments (Lazuardi, 2013) and managing finances transparently and fairly at the local level (Fatoni, 2020).

To bolster the efficacy of fiscal decentralization, the Directorate General of Treasury (DJPb) has been entrusted with a novel role as a financial consultant to local governments, as outlined in the Directorate General of Treasury Decree No. KEP-2/PB/20 Decree No. KEP-2/PB/2023 on the Establishment of Shadow Organization at Regional Offices of Directorate General of Treasury (Kanwil DJPb) and KEP-3/PB/2023 on the Establishment of Shadow Organization at State Treasury Service Offices (KPPN). This strategic initiative aims to enhance the quality of financial management at the local government level, spanning the entire planning, execution, and reporting cycle. The role of the DJPb as a financial advisor is pivotal in this regard, as it serves as a crucial conduit between national fiscal policies and their implementation at the local level. However, this transformation faces various challenges, both internally within DJPb and externally regarding local governments' readiness to accept such guidance. The transformation of DJPb's function as a financial advisor is accompanied by numerous challenges, particularly in terms of organizational readiness to change (Harjowiryo et al., 2024).

This transformation represents a significant shift in DJPb's mandate—from a transactional treasury function to a strategic advisory role. Yet, the organizational readiness of DJPb to undertake this role remains underexplored, particularly in the context of fiscal institutions adapting to decentralization. While previous research has examined change management in public sector organizations, few have focused on fiscal agencies undergoing functional transformation. Drawing on the readiness-to-change framework (Armenakis et al., 1993; Weiner, 2020), this study analyzes how organizational support, commitment to change, and technical capability influence readiness, and whether advocacy by change agents moderates these relationships.

Organizational changes can entail restructuring, the introduction of new technologies, policy changes, or adaptation to market shifts. Such changes often give rise to resistance, uncertainty, and stress among employees (Ford et al., 2008). In such circumstances, organizational readiness becomes a pivotal factor, encompassing positive mental attitudes, adaptive skills, learning capabilities, innovation abilities, and adequate organizational support systems.

The impact of organizational support on individual or group readiness to change has been well-documented (Ahyar Putra et al., 2021). Organizations that provide robust support foster an environment that is conducive to motivation, thereby enhancing individuals' or groups' readiness to embrace change. This support encompasses the allocation of resources, the provision of training, and the guidance necessary for adaptation. Organizational commitment towards its objectives and principles exerts a significant influence on readiness by cultivating responsibility and resilience in the face of stress (Seggewiss et al., 2019). The possession of substantial technical capabilities by individuals or groups is instrumental in effectively addressing change, instilling confidence in the attainment of success (Hameed et al., 2019). The influence of organizational support, commitment, and technical capabilities is further strengthened by advocacy from change agents (Ford et al., 2008). Readiness to change has been shown to impact performance improvements at the individual, team, and organizational levels. This impact fosters the emergence of novel ideas, positive attitudes toward innovation, and motivation for achieving goals in the face of changing environments (Alqudah et al., 2022).

However, within DJPb, these challenges are compounded by local governments' perceptions of the Ministry of Finance, technical preparedness, and adaptation to evolving policy environments. While the literature on public sector change management is extensive, empirical studies specifically examining DJPb's readiness to assume its new role remain limited. This study seeks to bridge that gap by analyzing DJPb's organizational readiness using the lens of change management theory.

To sharpen the theoretical framing, this study draws on organizational change literature, particularly the readiness-to-change framework as articulated by Burnes (2020) and Endrejat & Burnes (2024), which emphasizes the interplay between individual attitudes, organizational systems, and leadership in enabling transformation. By applying this framework to a fiscal institution, the study contributes to the integration of public administration and fiscal decentralization literature.

However, within the context of the DJPb, these challenges become more intricate, encompassing various dimensions, including local governments' perceptions of the Ministry of Finance, technical preparedness, and adaptation to evolving policy environments. Furthermore, positioning this research within the broader international context reveals that institutional readiness plays a critical role in the success of fiscal decentralization in developing countries. For instance, Digdowiseiso, (2024) found that institutional quality significantly influences the relationship between fiscal decentralization and internal conflict in 18 developing countries, including cases from Africa and Latin America. These findings underscore the importance of robust institutional frameworks in supporting decentralization reforms and mitigating resistance

This study aims to analyze the readiness of DJPb's vertical units to assume the financial advisor function for local governments. Specifically, it assesses the impact of organizational support, commitment to change, and technical capabilities, while identifying obstacles and providing policy recommendations. The study focuses on DJPb's vertical units across Indonesia during 2024, involving officials and employees tasked with advisory functions.

Theoretically, this research enriches the discourse on public sector change management in fiscal institutions. Practically, it offers recommendations for DJPb to strengthen its advisory role and for local governments to optimize support. These insights can inform capacity-building programs and organizational adjustments necessary for successful transformation.

2. RESEARCH METHODS

The present study employs a quantitative approach. According to Sugiyono, (2011) quantitative methods are based on positivist philosophy, which are employed to study specific samples or populations using research instruments and data analysis, usually statistical or quantitative. The instrument employed in this study is a questionnaire, which utilizes cross-sectional data to obtain precise data concerning employees' perspectives on the occurring changes (Ibrahim et al., 2024; Greene, 2018). The research steps are delineated in Figure 1.

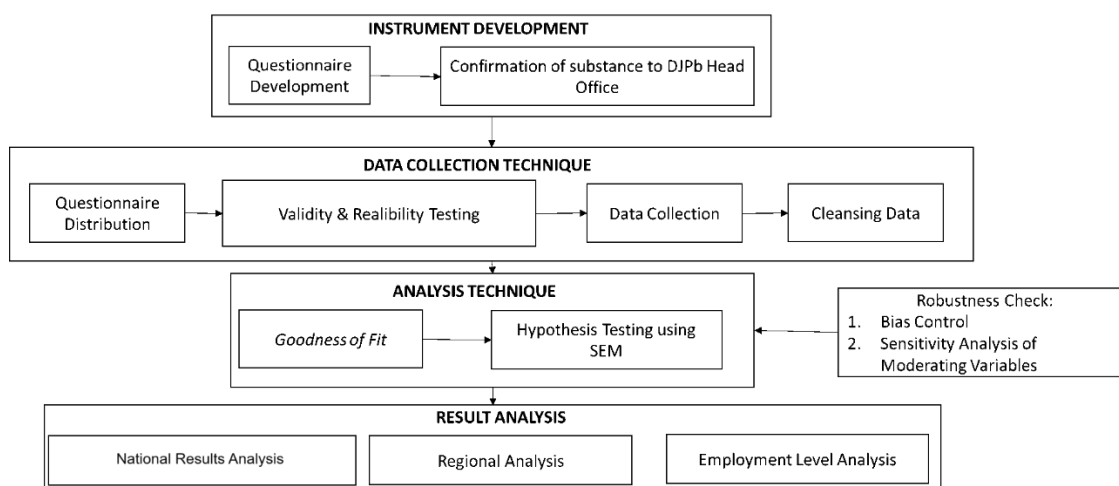


Figure 1. Research Design
Source: Processed Data (2024)

According to the seminal work of Holt et al., (2007), individual readiness to change is defined as a comprehensive attitude influenced by the content, process, context, and characteristics of individuals involved in the change. It involves the willingness of individuals or groups to agree, accept, and adopt specific plans to change the current state (see Hanpachern et al., 1998; Ahyar Putra et al., 2021). Readiness stands as a pivotal factor in the initial support for change initiatives, thus making organizational readiness to change a crucial precursor to successful change implementation (Wang et al., 2023).

The influence of experience, trust in management, workplace relationships, and organizational commitment on individual readiness to change has been documented (Mathur et al., 2023). Additionally, Lubis et al., (2022) found that individual characteristics and soft skill training for employees also affect individual readiness to change.

Armenakis et al., (1993) investigated the notion of organizational readiness to change and the impact of change agents on employees. Their findings encompass the conceptualization of readiness, influence strategy models, the typology of readiness programs, and organizational initiatives to foster readiness to change. Individuals who are prepared for organizational change possess a conviction that such changes will engender progress, exhibit a favorable attitude toward change, and aspire to participate in its implementation (Meria et al., 2022).

Weiner (2020) further elaborates that organizational readiness to change encompasses two crucial components: organizational members' commitment and the efficacy in implementing organizational changes. It signifies a collective decision by organizational members to embark on change programs, underscoring that readiness to change entails collective action from numerous individuals. In order to comprehend the degree of readiness exhibited by the Directorate General of Treasury in implementing the financial advisor function, the following hypotheses, as shown in Figure 2, are hereby proposed:

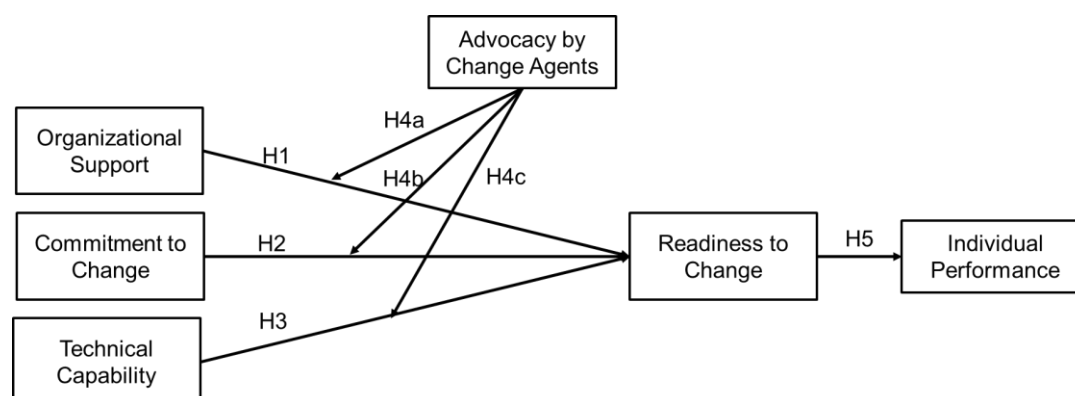


Figure 2. Conceptual Framework
Source: Processed Data (2024)

Organizational support exerts a significant influence on individual or group readiness to change (Ahyar Putra et al., 2021; Klein et al., 2022). Organizations that provide robust support foster an environment that is conducive to acceptance and adaptation to change, thereby engendering an emotional commitment among individuals or groups (Drzensky et al., 2012; Alqudah et al., 2022). The provision of such support by organizations fosters a sense of security and confidence in individuals or groups, thereby amplifying the probability of a successful implementation of change (Lubis et al., 2022). In addition, Lubis et al. (2022) have asserted that organizational support encompasses the resources, training, and guidance necessary to facilitate more effective navigation of changes by individuals or groups. Consequently, the level of organizational support directly correlates with the readiness of individuals or groups to embrace change. The initial hypothesis of this study is as follows:

H1: Organizational support influences readiness to change.

A strong commitment to organizational goals and values has been identified as a significant factor in increasing individual or group readiness to change (Seggewiss et al., 2019). Individuals with a strong commitment to the organization tend to be more receptive to proposed or required changes by the organization (Armenakis & Harris, 2009). This is due to their intrinsic motivation to support the organization's vision and mission and their desire to contribute positively to achieving common goals.

This heightened commitment fosters a sense of responsibility towards the organization's success, thereby increasing the likelihood of adapting and changing one's behaviors or work practices according to the demands of change (Armenakis & Harris, 2009). Furthermore, individuals with strong commitment to the organization may demonstrate a greater openness to learning and self-development necessary for facing change (Lubis et al., 2022). This increased openness may lead to more receptive attitudes towards constructive feedback and engagement in training or skill development essential for successful change implementation. Furthermore, strong commitment has been shown to enhance an individual's resilience to stress and uncertainty, both of which are known to occur during periods of organizational change (Ahlyar Putra et al., 2021). This enhanced resilience is a critical factor in maintaining focus and ensuring optimal performance. In light of these findings, the second hypothesis of this study is as follows:

H2: Commitment influences readiness to change.

A strong technical capability is a significant factor in increasing individual or group readiness to change (Hameed et al., 2019). This assertion is particularly salient in contexts where change entails the adoption or implementation of novel technologies, methodologies, or processes, which often require specialized competencies. Individuals or groups with strong technical capabilities tend to be better prepared and more adept at effectively managing these changes (Bongomin et al., 2020; Hanpachern et al., 1998).

The possession of high technical capability enables individuals or groups to swiftly and efficiently master new tools, systems, or procedures that are essential in the context of change (Vakola, 2013). They possess the knowledge necessary to evaluate and understand the technical implications of proposed changes, thereby enabling active contribution to the planning and implementation process of change (Dewata & Jauhari, 2021).

Furthermore, the possession of substantial technical proficiency has been demonstrated to engender a sense of confidence in individuals or groups, thereby fostering their ability to effectively confront and adapt to the challenges posed by change (Dewata & Jauhari, 2021). They may feel more comfortable facing new challenges or overcoming technical obstacles that may arise during the change period. This confidence can help mitigate anxiety or resistance to change, as individuals or groups feel assured that they possess the necessary skills to thrive in the new environment (Warrick, 2023). The third hypothesis of this study is as follows:

H3: Technical capability influences readiness to change.

Advocacy by change agents plays an important role in strengthening the influence of organizational support, commitment, and technical capability on readiness to change (Armenakis et al., 1993). The enhancement of organizational support is achieved through the underscoring of the significance of change for organizational success and the provision of motivation to endorse change initiatives (Seggewiss et al., 2019). Furthermore, they have been shown to strengthen technical capability by providing necessary information and training. Consequently, the role of change agents is not merely to strengthen support, commitment, and technical capability in isolation, but rather to establish a robust foundation for organizational readiness to embrace change (Ford et al., 2008). In the context of public sector organizations, successful transformation entails meticulous planning and substantial communication by change agents, in conjunction with the engagement of key stakeholders (Amborski et al., 2017). The fourth hypothesis is thus subdivided into three parts as follows:

H4a: Advocacy by change agents strengthens the influence of organizational support on readiness to change.

H4b: Advocacy by change agents strengthens the influence of commitment on readiness to change.

H4c: Advocacy by change agents strengthens the influence of technical capability on readiness to change.

Readiness to change has been demonstrated to exert a significant impact on the improvement of individual, team, and organizational performance (Alqudah et al., 2022). Individuals or groups demonstrating readiness to change exhibit a propensity to be more receptive to novel concepts, methodologies, and evolving environmental demands. This adaptability enables them to swiftly adjust to the evolving external environment, thereby maintaining relevance and efficacy in achieving their objectives.

Furthermore, readiness to change has been shown to be indicative of a positive mental attitude towards innovation and improvement (Vakola, 2013). Organizations or individuals demonstrating such readiness are more likely to proactively seek opportunities to enhance their performance, methodically evaluate and adopt best practices, and pursue novel solutions to existing challenges (Benzer et al., 2017). This propensity fosters an environment conducive to enhanced quality, productivity, and efficiency in task execution and the attainment of desired outcomes.

Furthermore, individuals or organizations demonstrating readiness to change also tend to exhibit higher levels of motivation to achieve goals and adapt to changing environments. They are more likely to take initiative, face challenges with optimism, and take advantage of opportunities arising during the change process. The aforementioned factors collectively contribute to an enhancement in overall performance. The fifth hypothesis is thus proposed:

H5: Readiness to change influences performance improvement.

The present study utilizes six latent variables, which were identified and measured using questions delineated in Appendix. The initial latent variable, organizational support, is gauged through five inquiries adapted from Allen & Meyer (1990); Chiang & Wang (2012); and Ibrahim et al. (2024). The questions in this section focus on affective and continuous commitment from the organization in supporting individual change Ibrahim et al. (2024). The second latent variable, change commitment, is measured using three questions adapted from Bouckennooghe et al. (2009) and Seggewiss et al. (2019). The questions in this section focus on individuals' closeness and commitment to the organization. The third latent variable, technical capability, is measured using six questions adapted from Hameed et al. (2019). The questions in this section center on individuals' perspectives on enhancing technical capabilities and work methods within the organization in the face of change.

The fourth latent variable, which also functions as the moderating variable, is advocacy by change agents. This variable is measured using four questions adapted from Bouckennooghe et al. (2009) and Seggewiss et al. (2019). The questions in this section center on individuals' perspectives on the role of change agents in the organizational change process. The fifth latent variable, readiness to change, is measured using five questions adapted from Bouckennooghe et al. (2009) and de Vries & de Vries (2023). The questions in this section center on individuals' perspectives on confronting the organizational change process. The sixth latent variable, readiness to change, is measured using eight questions adapted from Goodman & Svyantek (1999) and Ibrahim et al. (2024).

The questionnaire was then reviewed by the Organization and Administration Section of the Secretariat of the Directorate General of Treasury. This confirmation was undertaken to obtain substantive validation, ensuring that the questionnaire questions align with organizational needs.

Data collection in this study emphasizes primary data from respondents and secondary data. Primary data is obtained using surveys, while secondary data is obtained from document studies. Data collection is conducted through questionnaires filled out by respondents related to the research object. The population consists of officials and/or employees in the Regional Offices of the Directorate General of Treasury (Kanwil DJPb) and State Treasury Service Offices (KPPN) who serve as financial advisors. Data collection uses the MS Forms Office 365 application. The questionnaire distribution uses an official memo from the Director of Budget Implementation No. ND-1016/PB.2/2024 dated July 5, 2024, addressed to all Heads of Regional Offices of the Directorate General of Treasury and Heads of State Treasury Service Offices. The questionnaire collection was conducted from July 5 to July 20, 2024.

The research respondents are a sample of the population. Sampling is done using purposive sampling, which is a sampling method based on specific reasons (Sugiyono, 2011). The respondents in this study are officials and/or employees in the Regional Offices of the Directorate General of Treasury (Kanwil DJPb) and State Treasury Service Offices (KPPN) assigned as financial advisors.

The data utilized in this study is of a qualitative nature, derived from questionnaires administered to participants. To quantify the research data into numerical form, the researcher employs a 5-point Likert scale. According to Sugiyono (2012), the Likert scale is employed to measure attitudes, opinions, and perceptions of a subject regarding social phenomena that have been specifically determined by the researcher. Subsequent to the collection of the primary data, the researcher meticulously tabulates the scores derived from each respondent's answers for each question. The Likert scale, ranging from (1) strongly disagree to (5) strongly agree, is employed to measure the respondents' responses.

The data obtained from the questionnaires were then analyzed using Structural Equation Modeling (SEM) techniques with the SmartPLS application. Structural Equation Modeling (SEM) is a multivariate statistical analysis method used to test and develop theoretical models involving relationships between variables. SEM can be described as an analysis that combines factor analysis, structural model, and path analysis (Hair et al., 2017).

The distributed questionnaires were then tested for validity and reliability using confirmatory factor analysis. The validity and reliability tests of the questionnaires used in this study aim to determine the extent to which a measurement tool can be trusted in measuring something. Questionnaire questions are considered valid if the significance value is above 0.5, while they are considered reliable if the significance value is above 0.7. Items with factor loadings below 0.7 were retained if the Average Variance Extracted (AVE) exceeded 0.5, in accordance with Hair et al., (2017), to preserve theoretical constructs with acceptable convergent validity.

The second step is testing the model criteria (goodness of fit) based on the standardized root mean square residual (SRMR) value. The model is said to fit if the SRMR value is less than 0.1 (Hair et al., 2017). The third step is hypothesis testing. The hypothesis is accepted if the significance level (P Values) is less than 0.05 and the t-statistic value is greater than 1.96 (one-tail testing) (Henseler et al., 2009).

The next step is to test the sample characteristics by testing regional subsamples and employment levels. Interviews were also conducted online with officials in the Organization and Administration Section, Secretariat of the Directorate General of Treasury, to deepen the phenomena occurring in the research findings.

3. RESULTS AND DISCUSSION

3.1. RESULT

The respondents in this study are officials and/or employees in the Regional Offices of the Directorate General of Treasury (Kanwil DJPb) and State Treasury Service Offices (KPPN) who have been assigned as financial advisors. As shown in Table 1, the total target population for this study is 1,797 respondents, comprising: 1) The Regional Offices of the Directorate General of Treasury are as follows: 34 offices with target respondents, including the Head of Regional Office, Head of Budget Execution II Division, Head of Section, and key staff, totaling 16 respondents per office or 544 respondents; 2) State Treasury Service Offices: 179 offices with target respondents including the Head of KPPN, Heads of Section, and key staff, totaling 7 respondents per office or 1,253 respondents. The total number of respondents who completed the questionnaire was 1,640. After the removal of duplicates through a process of data cleansing, the number of respondents used for data analysis was 1,603, representing 91.26% of the target respondents.

Table 1. Respondent Profile

Characteristic	Profile	Number of Respondents
Gender	Male	1,147
	Female	456
Age	20-30	403
	30-40	268
	40-50	546
	50-60	386
	< 2 years old	875
Length of Service in Current Unit	2 – 4 years old	440
	4 – 8 years old	53
	> 8 years old	235
	Head of Regional Office	22
Position	Head of KPPN	150
	Echelon III	82
	Echelon IV	728
	Functional Officer	52
	General Staff	569

Source: Processed Data (2024)

The Goodness of Fit Test is conducted to evaluate the validity and reliability of the model. The assessment of validity is facilitated by convergent validity, which is determined through the examination of outer loadings in conjunction with the Average Variance Extracted (AVE) value. In the outer loadings test, three constructs (A6, C3, C6) have outer loadings values less than 0.7, but these constructs are not excluded because the AVE value is more than 0.5, thus meeting the requirements and can be retained for further analysis in accordance with Hair et al., (2017).

Reliability is assessed through the use of Cronbach's Alpha and Composite Reliability values. The outcomes of this evaluation indicate that all variables possess values greater than 0.7. The Variance Inflation Factor (VIF) test is conducted to detect multicollinearity levels between independent variables. The findings of this test indicate the absence of substantial multicollinearity concerns.

The model test is conducted by testing the coefficient of determination, predictive value test, and model fit. The coefficient of determination test is conducted by testing R², where the calculation results show that the R² values for the independent variables have a strong influence in explaining the variation in the dependent variables, with adjusted R² values of 0.575 (Readiness to change) and 0.536 (Employee Performance). The predictive value test is conducted by testing the Q² value. The findings of the data analysis demonstrate that the Q² values for all variables exceed 0, thereby indicating that the independent variables in this study possess predictive value in elucidating the dependent variables.

Subsequently, the model fit is assessed through the examination of the Standardized Root Mean Square Residual (SRMR) index. According to Joseph F. Hair et al. (2021), an SRMR value below 0.08 indicates a model fit. However, Schermelleh-Engel et al. (2003) suggest that an SRMR value between 0.08 and 0.10 indicates an acceptable fit. The model estimation results indicate that the model exhibits an acceptable fit.

Hypothesis testing is a methodical process that involves the statistical evaluation of the impact of independent variables on dependent variables. The hypothesis is considered to have been accepted if the t-statistic is higher than the t-table value (1.96). The influence of one variable on another is deemed significant if the p-value is less than 0.05, as illustrated in Figure 3.

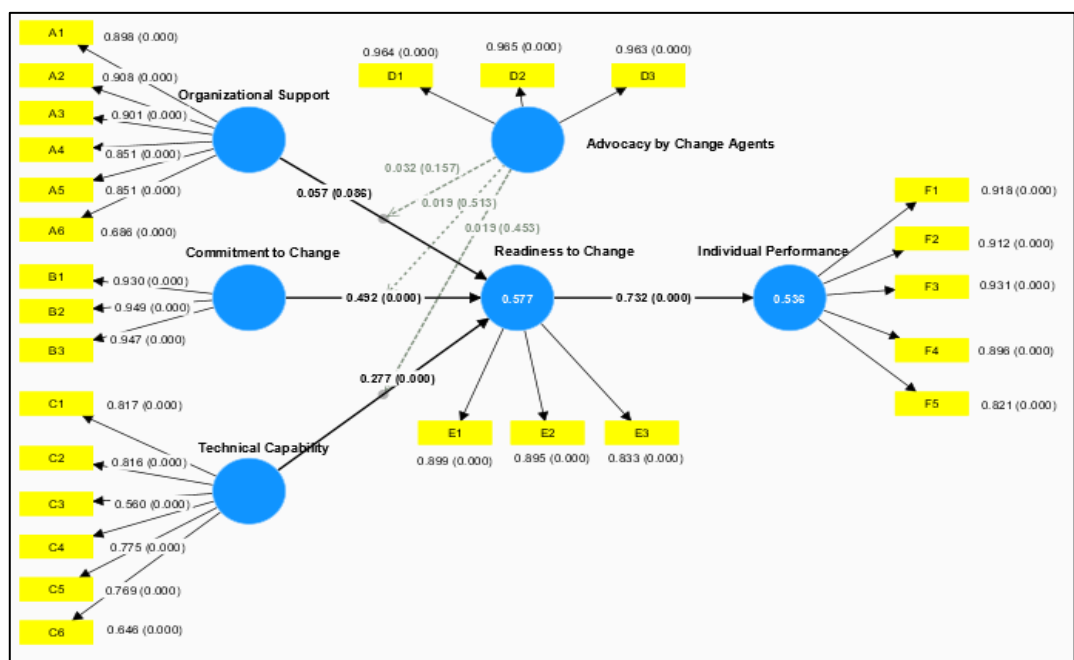


Figure 3. Data Analysis Model Results
Source: Processed Data (2024)

To further understand whether the structural relationships observed in the full sample hold consistently across different parts of Indonesia, a regional subsample analysis was conducted. This approach allows the study to capture potential contextual heterogeneity, particularly regarding how organizational support, commitment to change, and technical capability influence readiness to change in distinct socio-cultural and institutional environments. By splitting the data into six major regional groups, we are able to compare the magnitude and significance of each pathway, as well as identify region-specific patterns that may not be visible in the aggregated model. The detailed estimation outcomes are presented in Table 2a and Table 2b.

Table 2a. Regional Analysis Results

Relationship Between Variables	Sumatra		Java		Bali & Nusa Tenggara	
	Coef	P Values	Coef	P Values	Coef	P Values
Organizational Support -> Readiness to change	0.126	0.033	0.054	0.488	0.097	0.363
Commitment to Change -> Readiness to change	0.440	0.000	0.363	0.000	0.551	0.000
Technical Capability -> Readiness to change	0.289	0.000	0.304	0.000	0.261	0.001
Advocacy by Change Agents x Organizational Support -> Readiness to change	0.101	0.094	0.049	0.361	-0.030	0.786
Advocacy by Change Agents x Commitment to Change -> Readiness to change	-0.040	0.468	-0.053	0.375	0.064	0.635
Advocacy by Change Agents x Technical Capability -> Readiness to change	-0.081	0.184	0.087	0.132	0.023	0.817
Readiness to change -> Employee Performance	0.681	0.000	0.733	0.000	0.801	0.000

Source: Processed Data (2024)

Table 2b. Regional Analysis Results

Relationship Between Variables	Kalimantan		Sulawesi		Maluku & Papua	
	Coef	P Values	Coef	P Values	Coef	P Values
Organizational Support -> Readiness to change	0.079	0.374	-0.012	0.880	0.007	0.944
Commitment to Change -> Readiness to change	0.432	0.000	0.634	0.000	0.521	0.000
Technical Capability -> Readiness to change	0.354	0.000	0.248	0.000	0.249	0.000
Advocacy by Change Agents x Organizational Support -> Readiness to change	0.091	0.152	-0.035	0.623	-0.065	0.572
Advocacy by Change Agents x Commitment to Change -> Readiness to change	-0.031	0.747	-0.019	0.830	0.123	0.379
Advocacy by Change Agents x Technical Capability -> Readiness to change	0.1	0.134	0.091	0.103	0.032	0.630
Readiness to change -> Employee Performance	0.774	0.000	0.763	0.000	0.751	0.000

Source: Processed Data (2024)

A regional subsample analysis, as mentioned Tables 2a and 2b, shows consistent, robust effects of commitment to change and technical capability on readiness to change across all regions, while organizational support displays marked regional heterogeneity. Notably, in Sumatra organizational support has a statistically significant positive effect on readiness (Coef = 0.126, $p = 0.033$ in Table 2a), and commitment to change is especially strong there (Coef = 0.440, $p < 0.001$), which together suggest that support and commitment operate synergistically in that region. This pattern is consistent with Gagné & Deci (2005), well-designed organizational support (training, information provision, and clear communication) can enhance intrinsic motivation and thereby increase individuals' readiness to adopt change.

However, the interaction terms involving Advocacy by Change Agents are generally non-significant across Tables 2a and 2b, implying that advocacy alone does not substantially moderate these main pathways in this sample. Practically, the results indicate that policymakers and managers should prioritize sustained, context-sensitive organizational support, especially in Sumatra, because ad-hoc or inconsistent support may fail to produce durable readiness; at the same time, efforts to strengthen commitment and technical capability will likely yield reliable gains in readiness and downstream employee performance across all regions. Finally, given the regional differences observed, further qualitative and contextual investigation is warranted to uncover the cultural or structural factors that make organizational support particularly effective in Sumatra before scaling interventions nationally.

In addition to the regional subsample analysis presented in Tables 2a and 2b, a further stratification was conducted to assess whether the structural relationships also differ across employment levels. This approach enables the study to compare how officials and general staff perceive key determinants of readiness to change, namely organizational support, commitment to change, technical capability, and the role of change agents, in ways that may reflect differences in responsibility, access to information, and organizational exposure. The distinction between the two employment groups becomes evident when examining the estimation results, as shown in Table 3.

Table 3. Analysis by Employment Level

Relationship Between Variables	Official		General Staff	
	Coef	P Values	Coef	P Values
Organizational Support -> Readiness to change	0.084	0.045	0.049	0.387
Commitment to Change -> Readiness to change	0.437	0.000	0.500	0.000
Technical Capability -> Readiness to change	0.268	0.000	0.289	0.000
Advocacy by Change Agents x Organizational Support -> Readiness to change	0.03	0.307	0.043	0.413
Advocacy by Change Agents x Commitment to Change -> Readiness to change	- 0.019	0.644	0.052	0.293
Advocacy by Change Agents x Technical Capability -> Readiness to change	0.025	0.419	0.027	0.566
Readiness to change -> Employee Performance	0.697	0.000	0.780	0.000

Source: Processed Data (2024)

The results indicate a clear difference in how organizational support is perceived across employment levels: organizational support significantly increases readiness to change among officials (Coef = 0.084, $p = 0.045$), whereas the same effect is not observed for general staff (Coef = 0.049, $p = 0.387$). This discrepancy reflects the tendency of officials, who hold more strategic roles, to experience organizational support more directly and consider it meaningful in shaping their willingness to engage with new initiatives. In contrast, general staff, who operate primarily at the operational level, may not perceive organizational support with the same immediacy or relevance. This interpretation is consistent with productivity Armenakis & Bedeian, (1999), who note that perceptions of support often vary according to an individual's position within the organizational hierarchy.

Despite these differences, both groups show similarly strong responses to commitment to change, which significantly predicts readiness among officials (Coef = 0.437, $p < 0.001$) and general staff (Coef = 0.500, $p < 0.001$). This finding reinforces the centrality of commitment as a driver of readiness across organizational roles, aligning with Oreg dan Berson (2011), who emphasize that commitment functions as a widely accepted antecedent of readiness for change. Technical capability also emerges as a significant predictor for both officials (Coef = 0.268, $p < 0.001$) and general staff (Coef = 0.289, $p < 0.001$), indicating that employees at all levels view capability as essential in preparing for change, particularly given the increasing complexity of organizational demands.

Conversely, the interaction terms involving advocacy by change agents are uniformly non-significant for both groups, indicating that advocacy does not materially moderate the relationship between the main predictors and readiness to change in this dataset. While advocacy plays an important role in facilitating communication and engagement, these results suggest that its influence may not be strong enough, at least in this setting, to alter the strength of the primary relationships tested.

Finally, readiness to change remains a strong and significant predictor of employee performance for both officials (Coef = 0.697, $p < 0.001$) and general staff (Coef = 0.780, $p < 0.001$). This reinforces the notion that readiness functions as a key mechanism linking organizational conditions to performance outcomes, consistent with Armenakis & Bedeian's (1999) argument that readiness facilitates employees' ability to adapt and contribute effectively during periods of organizational transformation.

Following the employment-level comparison, an additional robustness procedure was undertaken to address the possibility of bias in internal questionnaire responses. Because employee surveys may be influenced by concerns about evaluation, organizational expectations, or perceived supervisory oversight, it is essential to incorporate independent data sources that can corroborate or challenge internally generated findings. To strengthen the reliability of the study's results, externally sourced customer satisfaction data were used as an additional validation point.

The survey, which uses a five-point Likert scale, reports consistently high satisfaction levels across key service dimensions: the mean score for the speed of TKD disbursement reached 4.693, while information services related to local financial management recorded mean scores ranging from 4.304 to 4.482. These results indicate that services are perceived as timely, accurate, technologically supported, and aligned with established standard operating procedures. Because these evaluations come from external stakeholders who do not have incentives to influence internal assessments, they offer a neutral reference point for assessing organizational performance.

The relevance of these external scores becomes clear when linked to the study's main finding that readiness to change significantly predicts employee performance. Since higher readiness is associated with stronger performance outcomes within the internal dataset, the high levels of customer satisfaction provide an external indicator that employees are delivering performance consistent with the expectations of service recipients. In this way, the external survey acts as an independent benchmark that helps confirm the validity of the internal performance-related responses.

In settings where internal questionnaire responses may be vulnerable to social desirability or evaluative bias, customer satisfaction survey results serve as a valuable corroboration tool. The consistently high external ratings align with the study's conclusion that readiness to change plays a central role in enabling employees to meet performance demands. This correspondence reinforces the theoretical position advanced performance Armenakis & Bedeian (1999) and Oreg & Berson (2011), who highlight readiness to change as a key determinant of effective performance. Accordingly, the customer feedback strengthens confidence in the study's findings by providing independent evidence that the performance outcomes associated with readiness to change are reflected in actual service quality as perceived by external stakeholders.

Beyond addressing potential response bias through the use of external customer satisfaction data, an additional robustness check was conducted to examine the stability of the moderating variable used in the structural model. Because the Change Agent variable was originally measured using a five-point Likert scale, a sensitivity assessment was necessary to determine whether the study's conclusions would remain consistent if the measurement scale were simplified. This step ensures that the moderating effects identified in the model are not artifacts of the specific scale employed. To evaluate this, the Change Agent variable was recoded into a binary measure, and the resulting estimates were compared with those of the main analysis, as presented in Table 4.

Table 4: Sensitivity Analysis of Moderating Variables

Relationship Between Variables	Coef	P Values
Organizational Support -> Readiness to change	0.036	0.533
Commitment to Change -> Readiness to change	0.470	0.000
Technical Capability -> Readiness to change	0.242	0.001
Advocacy by Change Agents x Organizational Support -> Readiness to change	0.045	0.476
Advocacy by Change Agents x Commitment to Change -> Readiness to change	0.017	0.805
Advocacy by Change Agents x Technical Capability -> Readiness to change	0.061	0.424
Readiness to change -> Employee Performance	0.732	0.000

Source: Processed Data (2024)

The sensitivity analysis, based on Table 4, shows that recoding the Change Agent variable from a five-point scale into a dummy variable produces no substantive differences in the coefficients or significance levels. The main pathways, such as the effects of organizational support (Coef = 0.036, $p = 0.533$), commitment to change (Coef = 0.470, $p < 0.001$), and technical capability (Coef = 0.242, $p = 0.001$) on readiness to change, remain consistent with the original model. Similarly, the interaction terms involving the Change Agent variable remain statistically non-significant across both measurement approaches, mirroring the findings of the main analysis.

These consistent results indicate that the study's conclusions regarding the moderating variable are internally valid and not dependent on the specific scaling method used. The robustness of the findings across two different measurement approaches confirms that the moderating effects, or lack thereof, are stable and reliable for interpretation. Accordingly, this sensitivity test strengthens confidence in the generalizability of the Change Agent variable within the context of the study's organizational change framework.

Following the sensitivity test on the moderating variable, an additional robustness assessment was conducted to examine whether the influence of key predictors remains stable when Indonesia's six regions are simplified into two broader geographical groups: Western Indonesia and Eastern Indonesia. This step is intended to determine whether the regional patterns observed earlier, particularly the heterogeneous effects of organizational support, persist when regional boundaries are aggregated, thereby providing a stronger indication of whether the detected regional differences are substantive or merely artifacts of finer disaggregation. The comparison between these two aggregated regional groups is presented in Table 5, which summarizes the structural relationships under this simplified classification.

Table 5. Regional Sensitivity Analysis

Relationship Between Variables	Western Indonesia		Eastern Indonesia	
	Coef.	P Values	Coef.	P Values
Organizational Support -> Readiness to change	0.089	0.029	0.002	0.964
Commitment to Change -> Readiness to change	0.439	0.000	0.580	0.000
Technical Capability -> Readiness to change	0.289	0.000	0.263	0.000
Advocacy by Change Agents x Organizational Support -> Readiness to change	0.063	0.011	-0.064	0.096
Advocacy by Change Agents x Commitment to Change -> Readiness to change	-0.004	0.918	0.068	0.155
Advocacy by Change Agents x Technical Capability -> Readiness to change	0.027	0.443	0.031	0.313
Readiness to change -> Employee Performance	0.720	0.000	0.762	0.000

Source: Processed Data (2024)

The results in Table 5 reinforce the earlier finding that organizational support does not exert a strong influence on readiness to change at the national level but becomes significant within specific regional contexts. When Indonesia is divided into Western and Eastern regions, organizational support remains significant in Western Indonesia (Coef = 0.089, $p = 0.029$), consistent with the earlier six-region analysis in which Sumatra, part of Western Indonesia, displayed a significant organizational support effect. By contrast, organizational support is not significant in Eastern Indonesia (Coef = 0.002, $p = 0.964$), reflecting the absence of such an effect both nationally and in the corresponding disaggregated regional models.

The interaction term between advocacy by change agents and organizational support is also significant only in Western Indonesia (Coef = 0.063, $p = 0.011$), indicating that the strengthening effect of change agents observed in the six-region results persists when the region is aggregated. This aligns with the earlier finding that in areas such as Sumatra, the presence of engaged change agents contributes to higher readiness to change, even though these individuals may not hold formal advisory roles. Meanwhile, Eastern Indonesia exhibits no significant moderating effect (Coef = -0.064 , $p = 0.096$), reflecting a pattern consistent with the earlier disaggregated results, in which the interaction terms were generally non-significant.

Across both Western and Eastern Indonesia, commitment to change (Coef = 0.439 and 0.580, both $p < 0.001$) and technical capability (Coef = 0.289 and 0.263, both $p < 0.001$) continue to exert strong and significant effects on readiness to change. These results mirror the national and six-region analyses, indicating that these two predictors are stable, robust drivers of readiness regardless of regional classification. Likewise, readiness to change remains a significant predictor of employee performance in both aggregated regions (Coef = 0.720 and 0.762, $p < 0.001$), further confirming the consistency of this pathway across analytical levels.

Taken together, the regional sensitivity results show that the influence of organizational support is context-dependent and becomes visible only within certain regional clusters, particularly in Western Indonesia, while commitment to change, technical capability, and the readiness-to-performance linkage remain consistently robust across all groupings. These findings underscore the importance of incorporating regional context when formulating organizational change strategies, as the effectiveness of organizational support may vary substantially across different parts of the country.

3.2. DISCUSSION

The findings of this study suggest that organizational support does not exert a substantial influence on readiness to change. This finding aligns with the conclusions of Armenakis et al. (1993), which demonstrated that individuals' perceptions of organizational support can vary and influence their response to change. This suggests that when individuals perceive the support as irrelevant, its impact on readiness to change becomes insignificant. Caldwell et al. (2004) further emphasize that other factors, such as individual commitment to change and organizational culture, exert a more substantial influence on readiness to change than general organizational support. The questionnaire reveals that commitment, support, and alignment from the Board of Directors (BoD) at the Central Office emerged as the three factors with the highest loading, while the perception that tasks take longer to complete during change implementation emerged as the factor with the lowest loading. In the context of the Directorate General of Treasury, an organizational culture oriented towards accountability and transparency plays a crucial role in shaping employees' readiness to face change. While structural support in the form of leadership and resources is available, if the prevailing organizational culture does not foster openness to innovation or change, individuals may perceive the change as incongruent with the organization's established values.

Hypothesis analysis further demonstrates that commitment to change exerts a positive influence on readiness to change. This finding aligns with the conclusions of Mathur et al. (2023), which emphasizes that organizational commitment is an important factor in shaping individuals' readiness to change. Nordin's (2012) study lends further support to this notion by demonstrating that individuals with a strong sense of commitment exhibit a greater propensity to embrace learning and developing their competencies. This, in turn, has a direct bearing on their readiness to embrace change. In the Directorate General of Treasury, the optimization of commitment to change can be achieved through the internalization of change policy directives that enhance employee involvement.

Additionally, the analysis demonstrates that technical capability exerts a significant influence on individuals' propensity to embrace change. As Ferrari (2022) elucidates, the enhancement of technical capability has the potential to augment individuals' self-efficacy.

Individuals with high self-efficacy tend to feel more confident when confronted with change, thereby reinforcing their propensity to adopt new practices and adapt to evolving circumstances. This underscores the notion that the possession of pertinent skills can augment individuals' propensity to respond to change. In the Directorate General of Treasury, enhancing employees' technical capabilities, such as a profound comprehension of the state financial system and associated regulations, can fortify their readiness to implement novel policies with greater efficiency.

The study demonstrates that the advocacy of change agents, designated as Transformation Ambassadors, does not exert a moderating influence on the relationship between organizational support and employees' readiness to change. Caldwell et al. (2004) contend that the quality of communication established by change agents is a pivotal factor in shaping employees' perceptions of the support provided by the organization. In the context of complex changes, the advocacy of change agents may not be sufficient to increase employees' readiness. This finding is consistent with the conclusions of Rafferty & Griffin, (2006), who demonstrated that the complexity of change can diminish the efficacy of various interventions. For the Directorate General of Treasury, this underscores the significance of effective communication strategies when implementing new roles, such as the financial advisor function, to ensure that organizational support is comprehended and accepted optimally by all employees.

Furthermore, the role of change agents in moderating the relationship between commitment to change and readiness to change is not significant. In instances where employees exhibit a pronounced commitment to change, the supplementary advocacy from change agents does not exert a substantial influence. According to Herold et al. (2008), in such circumstances, the moderating effect of change agents' advocacy becomes moot. This may be attributed to a discrepancy between employees' expectations and the advocacy provided. Holt et al. (2007) underscore the necessity for change interventions to be customized to align with employees' needs and perceptions to enhance their readiness. For the Directorate General of Treasury, it is imperative to ensure that change advocacy related to the financial advisor function is directed appropriately and according to employees' needs to strengthen existing commitment.

The study also finds that advocacy by change agents does not moderate the relationship between technical capability and readiness to change. Consequently, when employees possess substantial technical capabilities, supplementary advocacy from change agents does not exert a substantial influence on their readiness. This finding suggests that employees who possess a strong sense of self-assurance in their abilities may not necessitate external encouragement to bolster their readiness to embrace change. Herold et al. (2008) further posit that when employees possess sufficient competencies, external interventions may not exert a substantial influence. In the context of the Directorate General of Treasury, ensuring that employees possess adequate technical competencies may be a more effective strategy than merely providing additional advocacy. Based on interviews with officials in the Organization and Administration Section of the Secretariat of the Directorate General of Treasury, it is evident that the direction of advocacy policy by change agents, known as transformation ambassadors, in 2024 remains centered on digital payment implementation strategies.

The results of the analysis demonstrate that organizational readiness to change exerts a positive influence on performance enhancement. This finding is corroborated by Khaw et al. (2023), who demonstrate that individuals' proclivity to embrace change is positively associated with their acceptance of change initiatives, thereby enhancing organizational performance. This assertion is further corroborated by Rahi et al. (2022), which posits that individuals' proclivity for embracing change exerts a pivotal influence on the efficacy of organizational transformation. Those demonstrating a propensity to confront change are often better equipped to demonstrate performance enhancement, a consequence of their adept ability to adapt. In the Directorate General of Treasury, employees' readiness to change is a pivotal factor in supporting the implementation of new policies and complex budget reforms, ultimately enhancing organizational efficiency and performance.

4. CONCLUSION

This study examined the readiness of the Directorate General of Treasury (DJPb), particularly its vertical units, to assume the role of financial advisors to local governments. Using a quantitative approach and data from 1,603 respondents across regional offices, the study assessed the influence of organizational support, commitment to change, and technical capability on readiness to change, and how this readiness affects performance.

The findings reveal that commitment to change and technical capability are consistently significant predictors of readiness across all regions. In contrast, organizational support shows limited influence at the national level, though it plays a more prominent role in specific regions such as Sumatra and Western Indonesia. The moderating role of advocacy by change agents was not supported at the national level, but regional analysis suggests potential effects in certain contexts. Importantly, readiness to change was found to significantly enhance performance, reinforcing its strategic importance in public sector transformation.

From a policy perspective, these findings underscore the need for targeted interventions to strengthen organizational readiness. DJPb should prioritize programs that foster employee commitment—such as participatory initiatives and internal engagement forums—and invest in technical capacity-building to support the advisory function. While advocacy by change agents did not show a moderating effect overall, improving the quality and relevance of communication remains essential. Regional best practices, particularly from Sumatra, offer valuable insights for replication.

This study contributes to the broader discourse on public sector reform by highlighting how internal organizational dynamics shape the success of decentralization initiatives. The results are particularly relevant for other developing countries where fiscal decentralization is underway but institutional readiness remains uneven.

Future research should expand the analytical scope by incorporating additional moderating variables such as leadership style, managerial support, and organizational culture. Longitudinal studies assessing the long-term impact of the financial advisor role on local fiscal performance would also provide valuable insights for policy refinement.

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