Striving for Excellence: Study of Readiness to Organizational Change in The Tax Authority of Indonesia

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Abstract

The restructuring of organizational structure, along with the improvement of workflow and business processes within the public sector organizations, is conducted to achieve effective and efficient governance. This research utilizes social exchange theory to examine the influence of internal communication satisfaction and perceived organizational support on employee's readiness to change, mediated by employee engagement to support the renewal of organization in the public sector in Indonesia. The data were gathered via a survey method by sending online questionnaires to the respondents. Using the Lisrel 8.8 program, structural equation modeling (SEM) was used to test the hypotheses.   The data analysis results from 387 respondents from the Tax Authority employees show that 7 hypotheses have a positive and significant influence, while 3 hypotheses are found to be not significant. The results of this research are that internal communication satisfaction (ICS) and perceived organizational support (POS) positively contribute to employee engagement (EE). Additionally, employee engagement (EE) also plays a role in enhancing readiness to change (RTC). However, although internal communication satisfaction (ICS) positively influences perceived organizational support (POS), the effect of POS on RTC is not significant.

Keywords*: Internal Communication Satisfaction, Perceived Organizational Support, Readiness to Change, Employee Engagement, Public Sector*

INTRODUCTION

Organizations are under significant pressure to adapt to various global operational changes to compete effectively and maintain their operational excellence in the ever-evolving and dynamic global market (Haffar et al., 2023). Change and progress are highly crucial for organizations, with change being a pervasive characteristic with broad impacts on an organization's life (Kirrane et al., 2017). It is essential for organizations to continually make adjustments to ensure their sustainability and effectiveness. Naturally, organizational adjustments must also be made by government organizations, restructuring organizational structures along with improving workflow and business processes within government organizations is done to achieve effective and efficient governance.

The government is under pressure to ensure that the public services it provides become better and continually improve (Park & Jo, 2018). According to OECD data, it is known that global trust in government administration has not exceeded 50% over the past decade, despite a recent upward trend in the last three years (OECD, 2020). Innovation and development in the public sector have become a key factor in enhancing the ability to provide the best services, solving societal issues, and efficiently delivering public services (Hansen & Pihl-Thingvad, 2019;Torfing, 2019).

The Tax Authority (TA), as a government organization tasked with providing public services in the field of taxation, also continually strives to develop its services. Crandall et al. (2016) mentions several performance measurement standards for tax administration that have been published by various institutions, such as the USAID Collecting Taxes Database, PEFA Tax Administration Indicators, EU Fiscal Blueprints, World Bank DFRA, and IMF Diagnostic Missions. The results of TA's self-evaluation in 2017 showed that the business processes and information systems in TA still need improvement to achieve the expected performance of a modern tax administrator.

The process of tax administration reform is an ongoing journey involving fundamental improvements to the implementation of basic tax administration activities based on concepts in tax compliance theory, preceded by identification of areas requiring enhancement and reinforcement. The Tax Reform from 2017 to 2024 is characterized by the establishment of the Tax Reform Program in 2017, subsequently replaced by the Tax Administration System Renewal Program (PSAP), based on Peraturan Presiden Nomor 40 Tahun 2018 (Presiden Republik Indonesia, 2018). According to Peraturan Presiden Nomor 40 Tahun 2018, PSAP is implemented by the Tax Administration at the Ministry of Finance with support from relevant agencies. It is expected that Tax Administration will be able to enhance service coverage and supervision for taxpayers, complete tasks in a timely manner and with high quality to achieve tax revenue targets and other strategic objectives.

The PSAP encompasses organizational restructuring, human resources, legislative regulations, business processes, and information technology and database enhancements. At the core of the ongoing tax reform is the Tax Administration Core System Renewal Project (PSIAP), which will transform

tax administration processes and systems. PSIAP is a project to redesign tax administration business processes through the development of a Commercial Off-the-Shelf (COTS) based information system accompanied by tax database improvements. PSIAP has been in the design phase since 2021 and has progressed through system development and testing stages, installation testing, system integration testing, and user acceptance testing in 2023. Currently, PSIAP has entered the deployment phase and will commence implementation, preceded by training activities to prepare employees as users of the new system.

The success of implementing changes is highly influenced by the readiness to change of all Tax Authority employees who are the human resources responsible for executing these changes. This study utilizes the social exchange theory (SET) approach to complement existing knowledge and obtain a more profound comprehension of the elements that play a role in influencing readiness to change. According to the Social Exchange Theory, social exchange is any cooperative endeavor involving two or more actors where each actor gains value (Imam et al., 2023). This theory is often used to analyze interpersonal relationships in the workplace. Subjective cost-benefit analysis forms the foundation of human interactions, and people frequently repeat actions that have previously resulted in rewards (Chernyak-Hai & Rabenu, 2018).

Readiness to change is a critical element for the success of organizational change implementation; the change process will only succeed if there is a sufficient level of readiness to change (Matthysen & Harris, 2018). Readiness to change refers to how employees perceive the benefits of these changes for the organization and believe that these changes will have positive outcomes for both them as individuals and the organization, in line with social exchange theory. Employee participation in the company functions as a type of response and payment (Jha et al., 2019).

Although internal communication satisfaction is a result of internal communication, the two are frequently equated (Tkalac Verčič et al., 2021). The concept of satisfaction has been examined from a number of theoretical angles, including social exchange theory, is the basis of internal communication satisfaction (Tkalac Verčič & Men, 2023). Since increasing communication satisfaction can increase employee engagement, performance, and satisfaction, it has attracted a lot of attention (Pongton & Suntrayuth, 2019).

Various studies have shown that positive behavioral results for both the organization and its employees are correlated with the feeling of support from the organization (Caesens et al., 2016). In this context, the organization is considered to demonstrate good care for its employees' human aspects. Perceived organizational support can take various forms of support provided by organizational leadership and managers (Arasanmi & Krishna, 2019). Perceived organizational support, in line with social exchange theory, results in a reciprocity effect (Tkalac Verčič & Men, 2023).

Employee engagement is a crucial requirement for achieving success (Tkalac Verčič & Pološki Vokić, 2017). According to the rules of the SET

exchange, when employees receive assistance in the form of financial and psychological resources, they feel obligated to reciprocate the company. Employee participation within the company serves as a form of reaction and repayment (Jha et al., 2019). Tkalac Verčič & Men (2023) used social exchange theory to test the cause-and-effect relationship between job satisfaction and employee engagement, concluding that improving job satisfaction can enhance employee engagement. The level of commitment is known as employee engagement., satisfaction, and enthusiasm individuals have for the work they do.

In 2021, the Finance Authority (FA), in collaboration with PPM Consulting, conducted an employee engagement survey, where the TA had the highest response rate at 90.76%. TA's employee engagement score ranked 11th out of 12 top-level units in the FA with a score of 3.3 on a scale of 4 (PPM Consulting, 2021). TA's score was lower than the overall FA score of 3.36, which falls under the "engaged" category, indicating that most employees are focused on their work and hold positive views regarding their job and organization. Shen & Jiang (2019) define employee engagement as the portrayal and presentation of an individual at the workplace, manifested physically, mentally, and emotionally.

Tax Authority (TA) deeply understands that the success of implementing the new administrative system will heavily rely on the understanding, support, and commitment of all employees and leaders. Information regarding tax reform and PSAP is disseminated by TA to employees through various communication channels including email, newsletters, webinars, podcasts, and TA's official social media accounts. Additionally, to address hierarchical communication issues within the government, TA has launched an internal communication application, enabling employees to communicate and provide feedback to their superiors more efficiently.

Based on the previously explanations, the researcher aims to investigate the readiness of TA employees in implementing organizational changes. Previous studies have examined aspects of organizational change readiness or employee engagement in various contexts, but there is a dearth of research specifically focusing on how these factors interact within the Indonesian public sector. The use of employee engagement as a mediator adds depth to the analysis, providing a more detailed understanding of how internal communication satisfaction and perceived organizational support influence readiness to change. While previous research has explored these variables individually, this study integrates them within a comprehensive framework. By shedding light on the factors influencing organizational change readiness within the Indonesian public sector, the study can inform the development of more effective change management strategies and policies. This research has the potential to have a significant impact on both academic literacy and management practices in the public sector.

LITERATURE REVIEW

Organizations undergo a process of moving from where they are to where they want to be with the aim of enhancing their overall efficiency. Kurt Lewin is one of the pioneers in change management known for his concept of the Lewin Model (Lewin, 1951), which consists of the stages of unfreezing-movement-refreezing. The stages of planned change implementation and organizational management improvement must be continuous and ongoing. The advancement of technology, changing trends, globalization, and diversity will affect the development of human resources. Sareen & Mishra (2016) explain that human resources within an organization must be managed optimally to be beneficial for achieving organizational goals.

According to Blau's Social Exchange Theory, people view assistance from an organization as an indication that the organization values and is concerned about them. According to the social exchange hypothesis, employees will strive to maintain a healthy exchange relationship with the company (van der Voet & Vermeeren, 2017). Sareen & Mishra (2016) explain that human resources in an organization must be managed optimally to benefit the achievement of organizational goals. When one individual or entity provides resources to another, it tends to create commitment from the recipient of those resources.

This research is based on studies conducted by Tkalac Verčič & Men (2023), titled "Redefining the link between internal communication and employee engagement," and Munthe et al. (2022) with the title "The Effect of Employee Engagement on Readiness to Change." The model development is also influenced by studies by Gigliotti et al. (2019) and Maçães & Román-Portas (2022). After making modifications, the research model is as follows:

Figure 1. The Research Model
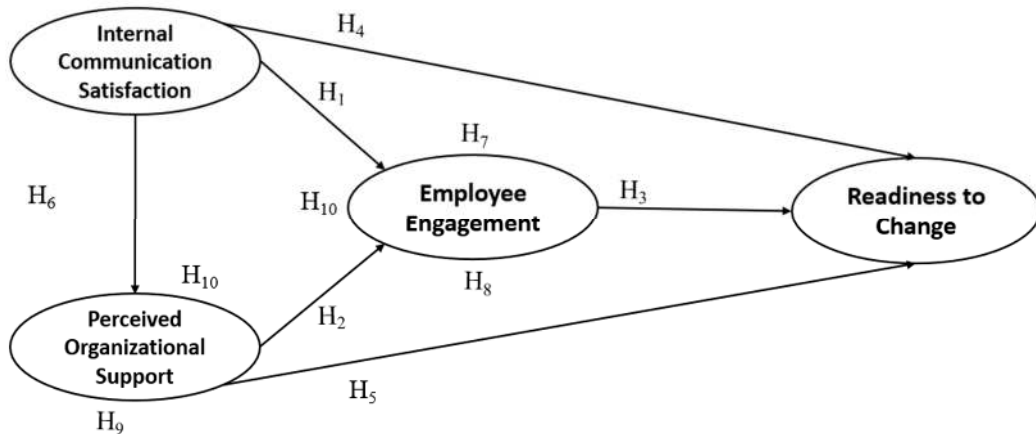
Source: Data Processed (2023)

The Influence of Internal Communication Satisfaction on Employee Engagement

Tkalac Verčič et al. (2021) define internal communication satisfaction as an attitude variable that measures the employee's satisfaction with internal communication in the organization they work for. The findings of the Tkalac Verčič et al. (2021) study show a positive relationship between internal communication satisfaction (ICS) and employee engagement, i.e., employees who report higher levels of engagement are more likely to be satisfied with communication. We conclude that communication and understanding between individuals at different hierarchical levels within the same organization can improve employee engagement (Pongton & Suntrayuth, 2019). Based on these findings, the research hypothesis is the satisfaction level of internal communication positively impacts employee engagement.

H1 = Internal Communication Satisfaction has a positive influence on Employee Engagement.

The Influence of Perceived Organizational Support on Employee Engagement

Perceived Organizational Support (POS) is the level of belief employees have in the organization's recognition of their contributions and concern for their wellfare. The results of Tkalac Verčič & Men (2023) research show a positive relationship between the level of employee engagement and the perception of organizational support. Research by (Al-Omar et al., 2019) demonstrates the connection between organizational support and employee engagement in the workplace, affirming a strong correlation between the perception of organizational support and employee engagement. Increased levels of organizational support have been found to contribute positively to employees' engagement levels (Sihag, 2020). Therefore, the researcher hypothesizes that perceived organizational support influences employee engagement positively.

H2 = Perceived Organizational Support has a positive influence on Employee Engagement

The Influence of Employee Engagement on Readiness to Change

Employee engagement has a significant impact on the organizational change process. According to research by Matthysen & Harris (2018), people who are very engaged in their jobs are also highly adaptable. The degree of engagement that employees have with the company affects their readiness to change. The research by Matthysen & Harris (2018) indicates that high levels of job involvement will result in high readiness levels to face changes. The readiness to change is influenced by the level of employee job involvement within the organization. Increased employee engagement levels correlate with a heightened probability of readiness to confront significant changes (Munthe et al., 2022). Based on these previous research findings, the hypothesis is that employee engagement has a positive influence on readiness to change.

H3 = Employee Engagement has a positive influence on Readiness to Change

The Influence of Internal Communication Satisfaction on Readiness to Change

Although internal communication satisfaction is a result of internal communication, the two are frequently equated (Tkalac Verčič et al., 2021). The results of Haqq & Natsir (2019) research show that change communication has a strong impact on cognitive readiness, affective readiness, and readiness intention. The findings of (Marchalina & Ahmad, 2017) indicate that internal communication has a significant and positive relationship with employees' commitment to change. Therefore, the researcher hypothesizes that internal communication satisfaction influences readiness to change positively.

H4 = Internal Communication Satisfaction has a positive influence on Readiness to Change

The Influence of Perceived Organizational Support on Readiness to Change

Employees tend to provide more positive feedback when they perceive that the organization cares, appreciates, and recognizes their contributions. The results of Gigliotti et al. (2019) research emphasize the importance of organizations providing support to employees before and during organizational changes, as the Perception of Organizational Support (POS) is strongly related to trust in management and cooperative attitudes toward change readiness. According to (Ming-Chu & Meng-Hsiu, 2015), perceived organizational support has a direct positive influence on readiness to change. This study concludes that perceived organizational support significantly contributes to employees' readiness to change Kebede & Wang (2022). The hypothesis is that readiness to change is positively influenced by perceived organizational support, based on the results of prior research.

H5 = Perceived Organizational Support has a positive influence on Readiness to Change

The Influence of Internal Communication Satisfaction on Perceived Organizational Support

Research by (Tkalac Verčič et al., 2021) found that employees who are satisfied with internal communication tend to feel that their company cares more about its employees and fulfills promises made during recruitment and orientation. The idea that there is a positive correlation between internal communication satisfaction and perceived organizational support is supported by the research findings of Tkalac Verčič & Men (2023). There is strong correlation between the level of internal communication satisfaction and the perception of organizational support in Santiago (2020) research. For workers to feel encouraged in their work and to effectively be recognized for their contributions to the company, communication is thought to be essential. Therefore, the researcher hypothesizes that internal communication satisfaction influences perceived organizational support positively.

H6 = Internal Communication Satisfaction has a positive influence on Perceived Organizational Support

The Role of Employee Engagement in Mediating the Relationship Between Internal Communication Satisfaction and Perceived Organizational Support on Readiness to Change

The study by Matthysen & Harris (2018) shows that high job engagement leads to high readiness to change, and this readiness to change is influenced by the employee engagement levels inside the organization. The results of (Tkalac Verčič et al., 2021) research indicate that Internal Communication Satisfaction (ICS) is positively correlated to employee engagement. The results of Tkalac Verčič & Men (2023) research show a positive relationship between the level of employee engagement and the perception of organizational support. Kebede & Wang (2022) research indicates that perceived organizational support strongly influences employees' readiness for organizational change. The presence of Employee Engagement acts as a intervening variable between Internal Communication and Perceived Organizational Support in creating Readiness to Change among employees within the organization. Thus, the researcher hypothesizes:

H7   = Employee Engagement mediates the relationship between Internal Communication Satisfaction and Readiness to Change
H8   = Employee Engagement mediates the relationship between Perceived Organizational Support and Readiness to Change

The Role of Perceived Organizational Support in Mediating the Relationship Between Internal Communication Satisfaction and Employee Engagement

The measure of how much an organization appreciates its employees' accomplishments and is concerned about their well-being is called Perceived Organizational Support (POS). Tkalac Verčič & Men (2023) research demonstrates a strong indirect relationship between internal communication satisfaction within the company and the level of employee engagement through the perceived organizational support. The results of (Tkalac Verčič & Men, 2023) research show a positive indirect impact of internal communication on employee satisfaction through perceptions of organizational support. Therefore, the researcher hypothesizes:

H9 = Perceived Organizational Support mediates the relationship between Internal Communication Satisfaction and Employee Engagement

The Role of Perceived Organizational Support and Employee Engagement in Mediating the Relationship Between Internal Communication Satisfaction and Readiness to Change

In Tkalac Verčič et al. (2021) research, it was found that internal communication has a strong indirect impact on employee satisfaction through the process of employees perceiving organizational support. An indirect relationship was found between satisfaction with internal communication in the company and the level of employee engagement through perceived support from the organization.
Matthysen & Harris (2018) found that elevated levels of engagement in one's job correlate with heightened readiness to confront changes. The higher the

level of employee engagement, the greater the likelihood that they are ready to face significant changes (Munthe et al., 2022). Based on these findings, the researcher hypothesizes:

H10 = Perceived Organizational Support and Employee Engagement mediate the relationship between Internal Communication Satisfaction and Readiness to Change

RESEARCH METHODOLOGY

This research was conducted in Indonesia and focused on Civil Servants who are working in the Tax Authority (TA) with the job title of Representative. TA was chosen because it is currently undergoing a crucial tax reform process that is highly significant for Indonesia. The final data set used for respondents consisted of 387 data points. An electronic fill-out web survey was used to distribute online questionnaires in order to collect data. The questionnaire responses utilized a seven-point Likert Scale, chosen for its ability to provide respondents with greater freedom to choose accurately and appropriately. Structural Equation Modeling (SEM), an analytical technique that permits distinct relationships for every collection of dependent variables, was used to evaluate hypotheses (Hair et al., 2019). This study employed the CB-SEM technique, utilizing the Lisrel version 8.8 application. As this research utilizes Structural Equation Modeling (SEM), both direct and indirect effects can be directly observed in the Lisrel output. If necessary, Sobel testing can be implemented as an additional method to confirm the results obtained from the analysis using the Lisrel software.

The questionnaire statements to measure the variable "Readiness to Change" were adopted from the statement list by (Alqudah et al., 2022). Statements for measuring the variable "Internal Communication Satisfaction" were adopted from the statement list by (Tkalac Verčič & Men, 2023). The questionnaire statements measuring the variable "Perceived Organizational Support" were adopted from the statement list by Wen et al. (2019). The questionnaire statements to measure the variable "Employee Engagement" were adopted from the statement list by (Tkalac Verčič & Men, 2023), utilizing the Utrecht Work Engagement Scale-9 (UWES-9), shortened. These statements were then translated into Bahasa Indonesia and adapted to the research needs.

RESULT AND DISCUSSION

An online questionnaire distribution was conducted from September 22, 2023 to October 31, 2023 through various WhatsApp communication channels, including private messages and group conversations. The total number of respondents obtained was 588 people, resulting in a response rate of 72.95%. From this data, screening and consistency testing processes were carried out, leading to a final count of 449 respondents who met all the criteria set in this study. However, 62 data points were identified as outliers and were deemed unusable after undergoing the

data cleansing process, thus excluding them from further analysis. Consequently, only 387 respondent data were used in the research.

Descriptive Analysis
The following are the demographic statistical results from the entire set of 387 respondent data used in this study.

Table 1. Respondent Profile

Demographic		N	%
Gender	Male	242	62,53
	Female	145	37,47
Age	21 – 30 y.o	42	10,85
	31 – 40 y.o	255	65,89
	41 – 50 y.o	86	22,22
	51 – 58 y.o	4	1,03
Education	Master	65	16,80
	Bachelor	276	71,32
	DIII	40	10,34
	DI/High School	6	1,55
Tenure	2 – 5 yrs	20	5,17
	6 – 10 yrs	74	19,12
	11 – 20 yrs	220	56,85
	> 20 yrs	73	18,86
Office	Besar	20	5,17
	Khusus	60	15,50
	Madya	41	10,59
	Pratama	266	68,73
Location	Jawa	235	60,72
	Kalimantan	23	5,94
	Sumatera	62	16,02
	Sulawesi	24	6,20
	Bali – NTT - NTB	20	5,17

Source: Data Processed (2023)

Confirmatory Factor Analysis
In the Structural Equation Model (SEM), a measurement model test is conducted to assess the extent to which variables can reflect latent constructs through confirmatory factor analysis on each variable. The variables tested include all variables, namely readiness to change, internal communication satisfaction, perceived organizational support, and employee engagement. Validity testing is carried out by considering the values of the loading factors. Standardized Loading Factor (SLF) values are considered good if they reach 0.5 or higher (Hair et al., 2019). The analysis is divided into two parts, namely first order and second order.

The purpose of reliability testing is to ensure the accuracy of measurements and consistency with the items used in the study (Cooper & Schindler, 2014). Reliability is tested by calculating Construct Reliability (CR) and Variance Extract (VE). Tables 2 and 3 display the validity and reliability test results.

Table 2. Validity and Reliability Testing for First Order

Variable	Indicator		Dimension	SLF	Exp.	CR	VE	Exp.
	Validity *First Order*					**Reliability First Order**		
Readiness to Change	EMRE1	←		0,72	Valid			
	EMRE2	←		0,8	Valid			
	EMRE3	←	EMRE	0,79	Valid	0,8763	0,5866	Reliable
	EMRE4	←		0,76	Valid			
	EMRE5	←		0,76	Valid			
	COGRE1	←		0,76	Valid			
	COGRE2	←		0,72	Valid			
	COGRE3	←	COGRE	0,82	Valid	0,8785	0,5918	Reliable
	COGRE4	←		0,81	Valid			
	COGRE5	←		0,73	Valid			
	INRE1	←		0,78	Valid			
	INRE2	←	INRE	0,91	Valid	0,8932	0,7367	Reliable
	INRE3	←		0,88	Valid			
Internal Communication Satisfaction	FE1	←		0,9	Valid			
	FE2	←	FE	0,85	Valid	0,8748	0,6454	Reliable
	FE3	←		0,89	Valid			
	FE4	←		0,51	Valid			
	IN1	←		0,78	Valid			
	IN2	←	IN	0,74	Valid	0,8596	0,6052	Reliable
	IN3	←		0,77	Valid			
	IN4	←		0,83	Valid			
	CL1	←		0,83	Valid			
	CL2	←	CL	0,85	Valid	0,8824	0,6535	Reliable
	CL3	←		0,84	Valid			
	CL4	←		0,71	Valid			
	ME1	←		0,6	Valid			
	ME2	←	ME	0,84	Valid	0,8470	0,5841	Reliable
	ME3	←		0,81	Valid			
	ME4	←		0,79	Valid			
Perceived Organizational Support	POS1	←		0,78	Valid			
	POS2	←	POS	0,79	Valid	0,9635	0,7683	Reliable
	POS3	←		0,87	Valid			

Variable	Indicator	Dimension	SLF	Exp.	CR	VE	Exp.
	Validity *First Order*				**Reliability First Order**		
	POS4	←	0,9	Valid			
	POS5	←	0,93	Valid			
	POS6	←	0,93	Valid			
	POS7	←	0,94	Valid			
	POS8	←	0,85	Valid			
Employee Engagement	VI1	←	0,9	Valid			
	VI2	←	0,91	Valid			
	VI3	←	0,69	Valid	0,8748	0,5463	Reliable
	VI4	← VI	0,55	Valid			
	VI5	←	0,65	Valid			
	VI6	←	0,66	Valid			
	DE1	←	0,82	Valid			
	DE2	←	0,9	Valid			
	DE3	← DE	0,86	Valid	0,9130	0,6784	Reliable
	DE4	←	0,81	Valid			
	DE5	←	0,72	Valid			
	AB1	←	0,55	Valid			
	AB2	←	0,6	Valid			
	AB3	←	0,68	Valid	0,8403	0,4709	Reliable
	AB4	← AB	0,75	Valid			
	AB5	←	0,79	Valid			
	AB6	←	0,72	Valid			

Source: Data Processed (2023)

Table 3. Validity and Reliability Testing for Second Order

Variable	Dimension	SLF	Error	Exp.	CR	VE	Exp.
Readiness to Change	EMRE	0,89	0,2	Valid	0,8707	0,6930	Reliabele
	COGRE	0,85	0,29	Valid			
	INRE	0,75	0,43	Valid			
Internal Communication Satisfaction	FE	0,76	0,43	Valid	0,8824	0,6533	Reliabele
	IN	0,85	0,28	Valid			
	CL	0,87	0,24	Valid			
	ME	0,75	0,44	Valid			
Employee Engagement	VI	0,77	0,4	Valid	0,8070	0,5959	Reliabele
	DE	0,96	0,08	Valid			
	AB	0,52	0,73	Valid			

Source: Data Processed (2023)

It is recognized (based on Table 2) that all indicators have SLF values above 0.5 and are considered valid. The Absorption dimension in the first-order reliability test has a VE value below 0.5 but has a CR value of 0.8403. Items are considered reliable if VE ≥ 0.50 and CR ≥ 0.70 (Hair et al., 2019). However, Gökçearslan et al. (2016) argue that VE values below 0.5 are still acceptable if CR reaches or exceeds 0.6. From the information on second-order validity and reliability testing in Table 3, it can be concluded that all dimensions are valid and reliable.

Goodness of Fit

This analysis is conducted to determine how well the measured items can represent the research constructs (Hair et al., 2019). The Goodness of Fit (GOF) indicators demonstrate the extent to which the theoretically specified structure aligns with the reality of the data (Hair et al., 2019). The criteria for Goodness of Fit (GOF) used in the study vary significantly, and here are some criteria that can be used to determine whether a model has an acceptable level of fit. Overall, the SEM model constructed in this study is in good fit with the sample data.

Table 4. Goodness of Fit

GOF Indicator	Accepted Fit Value	Result	Fit Exp.
Absolute Fit Indices			
GFI	If GFI ≥ 0.90, then *good fit*	0,86	*marginal fit*
RMSEA	If RMSEA ≤ 0.08, then *good fit*	0,073	*good fit*
RMR	If RMR ≤ 0.05, then *good fit*	0,067	*poor fit*
Incremental Fit Indices			
NFI	If NFI ≥ 0.90, then *good fit*	0,98	*good fit*
TLI / NNFI	If TLI ≥ 0.90, then *good fit*	0,98	*good fit*
CFI	If CFI ≥ 0.90, then *good fit*	0,99	*good fit*
Parsimony Fit Indices			
AGFI	If AGFI ≥ 0.90, then *good fit*	0,81	*marginal fit*
PNFI	If PNFI ≥ 0.90, then *good fit*	0,82	*marginal fit*

Source: Data Processed (2023)

Hypotheses test

This research conducted hypothesis testing using Structural Equation Modeling (SEM) to observe the path coefficients and t-values, which are then compared with the values in the t-table. Subsequently, these t-values are compared with the critical t-values for each hypothesized construct relationship. Hypotheses are considered significant if the t-value > 1.96 with a confidence level ≥ 95%. From the previous statistical analysis, the research model, based on data processing to assess both direct and indirect influences, is illustrated in Figure 2:

Figure 2. Inter-variable Influences
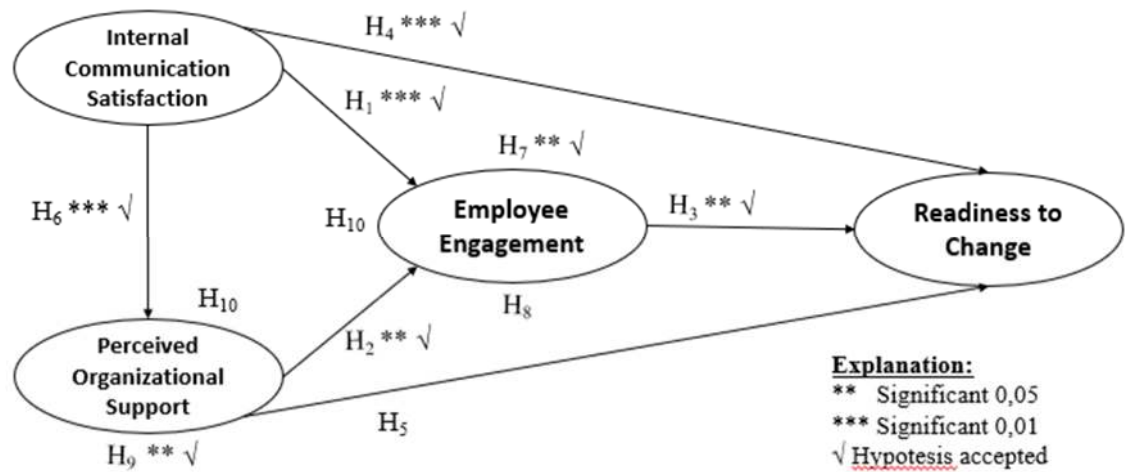
Source: Data Processed (2023)

Table 5. Hypotheses Testing Results

	Hypoteses	SLF	T value	Kesimpulan
H1	ICS has a positive effect on EE	0,69	9,18	H1 accepted
H2	POS has a positive effect on EE	0,16	2,22	H2 accepted
H3	EE has a positive effect on RTC	0,18	2,17	H3 accepted
H4	ICS has a positive effect on RTC	0,82	9,51	H4 accepted
H5	POS has a positive effect on RTC	-0,08	-1,49	H5 not accepted
H6	ICS has a positive effect on POS	0,76	12,13	H6 accepted
H7	EE mediates the relationship between ICS and RTC	0,124	2,11	H7 accepted
H8	EE mediates the relationship between POS and RTC	0,029	1,45	H8 not accepted
H9	POS mediates the relationship between ICS and EE	0,122	2,34	H9 accepted
H10	POS and EE mediates the relationship between ICS and RTC	0,022	1,11	H10 not accepted

Source: Data Processed (2023)

Discussion

Based on the research results described earlier, overall, the level of readiness to change among TA employees is greatly influenced by internal communication satisfaction. This means that the higher the level of internal communication satisfaction among employees, the greater their readiness to face changes. This indicates that effective internal communication plays a key role in building TA employees' readiness for organizational change. If

everyone can communicate well and help each other, and there is open communication in every TA office, employees will be more prepared and comfortable in facing change. The research results indicate that good communication plays a significant role in making employees ready to change.

Based on the testing of hypothesis 7, it is known that internal communication satisfaction also has an indirect effect on readiness to change by involving the mediation of employee engagement. The mediating relationship that occurs is partial mediation. This means that there is still a direct impact of internal communication satisfaction contributing to readiness to change, in addition to through the mediation of employee engagement. So, it can be said that employees who feel satisfied with communication in the company and are engaged in their work have a positive impact on their readiness to face changes, although there are some direct impacts of internal communication satisfaction itself without involving employee engagement.

Furthermore, employees' readiness to change is also influenced by employee engagement in supporting change, meaning that the level of employees' readiness to face change is influenced by the extent to which they are involved or participate in supporting ongoing changes. It can be concluded that the higher the level of employee engagement, the higher the level of employees' readiness to face change. If TA employees are willing to engage, including by actively participating in surveys, attending training related to business processes and applications, and being willing to share knowledge and training results with colleagues, it can help improve shared understanding and increase team readiness to change. TA employees can also provide input, suggestions, or feedback on new systems, indicating that they are not only accepting of change but also actively contributing to its improvement.

Next is the discussion regarding hypothesis 8. The results of this study indicate that employee engagement does not play a role as a mediator in the relationship between perceived organizational support and readiness to face change. In other words, there is no evidence to suggest that employee engagement plays a significant role in influencing the relationship between perceived organizational support and readiness to change.

In this study, the researchers hypothesized that if employees feel engaged in their work and receive support from the organization, it would help them be more ready to face changes. The hypothesis 10 also suggests that satisfaction in internal communication within the organization also plays a role in this regard. However, after conducting the research, there was not enough evidence to support this notion. This means that employee engagement and perceived organizational support do not play a significant role as mediators between internal communication satisfaction and readiness to face changes.

Employees' perceptions of the support they receive from the organization do not influence how ready they are to face change. Even if the organization shows care for its employees, it is not directly related to how employees view change as something positive. Put simply, although employees may have positive or negative views of the support provided by the organization during change, it does not affect how ready they actually are to

face change. When the perceived level of organizational support is high, there may be a tendency for employees to feel that the current conditions are already satisfactory and do not require significant change. In this context, the high perceived organizational support may reflect stability and satisfaction with the existing organizational conditions.

Organizational support can foster employee engagement in their work, and employee engagement can influence the extent to which they are prepared to face changes. However, in this study, it was found that the level of employee engagement did not serve as a strong link between perceived organizational support and readiness to change. Thus, it is concluded that perceived organizational support does not affect readiness to change at all, either directly or through the mediation of employee engagement.

The mediating relationship that occurred as per hypothesis 9 was partial mediation, which means there is still a direct impact of internal communication satisfaction contributing to employee engagement, in addition to through the mediation of perceived organizational support. If internal communication is managed effectively and provides satisfaction to employees, they may feel more supported by the organization. This support, in turn, can enhance employee engagement in their work. Thus, satisfaction with internal communication not only directly impacts engagement but mostly through the support they perceive from the organization.

CONCLUSION

The findings of this study indicate that both internal communication satisfaction (ICS) and perceived organizational support (POS) have a positive impact on employee engagement (EE). Furthermore, employee engagement (EE) is shown to contribute to an increased readiness to change (RTC). However, despite the positive influence of internal communication satisfaction (ICS) on perceived organizational support (POS), the effect of POS on RTC is not significant.

Based on the research findings, overall, internal communication satisfaction significantly influences the level of readiness to change among TA employees. The higher the level of internal communication satisfaction among employees, the greater their readiness to face changes. This implies that effective communication plays a significant role in making employees prepared to changes. Organizations can strengthen internal communication by ensuring that all employees feel they are an integral part of TA. The level of employee readiness to change is also influenced by the extent to which employees are engaged in supporting change. This means that the level of employee engagement contributes to how prepared employees are to face changes. In conclusion, the higher the level of employee engagement, the higher the level of employee readiness to face changes. Organizations can launch systematic recognition and appreciation programs.

Furthermore, employees' perceptions of the support they receive from the organization do not impact their readiness to change. The research results show that perceived organizational support does not affect readiness

to change, either directly or through the mediation of employee engagement. Even though the organization demonstrates care for employees, it does not directly relate to how employees perceive change as a positive process. Organizations may not need to prioritize improving perceived organizational support since this study states its insignificance, especially if organizational resources are limited.

This research has several limitations. It adopts a quantitative research method using questionnaires, subsequent research could involve a qualitative approach to gain a deeper understanding of respondents' opinions. The research is limited to only one government agency with a focus on only level I units in the Finance Authority, studies could expand to multiple government agencies or level I units in various Ministries or Institutions. There is a considerable potential bias associated with the use of purposive sampling techniques. Hypothesis testing results indicate some non-significant mediating roles. These limitations may reflect the complexity of the relationships among variables and the possibility of other factors influencing readiness to change.

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