



## The Impact of Human Resources Aspects in Supporting Readiness for Change at PT Pertamina (Persero)

Moresia Raditya<sup>1</sup>, Hafiz Rahman<sup>2</sup>, Rahmi Fahmy<sup>3</sup>

<sup>1</sup>Master of Management Study Program, Universitas Andalas, Padang, 25175, Indonesia

<sup>2,3</sup> Universitas Andalas, Padang, 25175, Indonesia

### ARTICLE INFO

#### Keywords:

Change management,  
Employee engagement,  
Resistance to change,  
Perceived organizational support,  
Readiness for change

#### E-mail:

[moresia.raditya@yahoo.com](mailto:moresia.raditya@yahoo.com)

### ABSTRACT

The purpose of this research is to determine and analyze the impact of employee engagement and resistance to change on readiness for change with perceived organizational support as an intervening variable in change management at PT Pertamina (Persero). Readiness for change is an important thing that must be considered by companies when implementing change management. Aspects of human resources that affect readiness for change are employee engagement, resistance to change, and perceived organizational support. In this case, the researcher focuses on perceived organizational support variable as an intervening variable that links employee engagement and resistance to change with readiness for change. The population of this research were employees of PT Pertamina (Persero) with a sample of 154 people. The analytical method used descriptive statistical analysis and factor description analysis using SmartPLS 3.0 software. The results showed that employee engagement and resistance to change have a positive and negative impact on perceived organizational support; employee engagement and perceived organizational support have no impact on readiness for change; resistance to change has a negative impact on readiness for change; employee engagement and resistance to change have no impact on readiness for change with perceived organizational support as intervening variable.

Copyright © 2021 Enrichment : Journal of Management.  
All rights reserved.

### 1. Introduction

Every organization must be ready to change in order to face various developments and advancements in its internal and external environment. If the organization is considered ready to change, then the organization is considered ready to move forward to the next level in accordance with the goals of the change. According to Kachian et al. (2018), transformation is the biggest problem faced by all organizations today. One of the important elements for successful implementation of change is readiness for change (Scaccia et al., 2015). This is also reinforced by the opinion of Samir & Abdenour (2016) which explains that the achievement of change efforts will be achieved if there is readiness for change in an organization. With the readiness of employees to face change, the change process may be accelerated. In other words, readiness for change makes employees more ready to engage and contribute positively to the change process.

In creating readiness for change, one of some important factors that must be considered by an organization is employee engagement. Parent & Lovelace (2018) states that the key theme for positive change is that management must constantly engage especially at the organizational level. So that when changes occur, companies with engaged employees do not have as much impact as companies with disengaged employees. Based on the explanation, it is important for companies to be able to create employee engagement, which is a condition where employees offer more potential and capabilities in implementing changes by conveying innovative ideas and providing optimal performance.

However, organizational readiness for change is not only affected by one factor, there are many other factors that can affect the change process. There are some factors that can support readiness for change, but of course there are also some challenges that can hinder the organization's readiness to implement change. One of the challenge is resistance to change. There is always resistance in every change program especially come from internal organizations – its employees. In fact, in essence, the task of employees is to implement and manage the transformation of the company. This is also confirmed by Pieterse et al. (2012) and Stouten et al. (2018) that one of the reasons why organizational change may not produce the expected results is because change is not always welcomed by organizational members. Indeed, employees often show resistance to change. However, if he looks at the results of Costello & Arghode's (2019) research, he concludes that employees will reduce resistance to change when they get support from management.

Besides that, another factor that affects readiness for change is support from the organization felt by its employees – or commonly referred as perceived organizational support (POS). One important dimension that plays an important role in building readiness for change is POS. If employees feel that their superiors provide continuous feedback (Griffin et al., 2001) and that supervisors care about their well-being (Eisenberger et al., 2002), they reciprocate by showing increased commitment to the organization in terms of change (Malatesta, 2018 in Thakur & Srivastava, 2007). Employees with high POS will also have a positive view of their organization (Kurtessis et al., 2015).

Thakur & Srivastava (2018) cite several previous research results that on the basis of the norm of reciprocity, employees who feel organizational support develop a "sense of obligation" to care about the well-being of the organization and to help the organization achieve its goals such as in successful organizational change. If the leader shows supportive behavior during times of change, employees will reciprocate in the same way (Bernerth, 2004). Based on the two things above, the supportive principle of management that is in line with POS is an important factor to support readiness for change. Yu & Lee (2015) conducted research on the relationship between POS and resistance to change, where it was found that there was a negative relationship between readiness for change and resistance to change with POS as intervening variable. In line with the opinion of Fedor et al. in Thakur & Srivastava (2018), they said that in times of ups and downs, employees who feel



# Enrichment: Journal of Management

journal homepage: [www.enrichment.iocspublisher.org](http://www.enrichment.iocspublisher.org)



support from their superiors understand change with a positive attitude. Based on what has been described above, it is very important to identify the impact of employee engagement and resistance to change on readiness for change mediated by POS as intervening variable that should contribute directly to the success of change management implementation.

PT Pertamina (Persero) is a State-Owned Enterprise in charge of managing energy businesses, namely oil and gas, new and renewable energy, as well as other activities related to or supporting business activities in the energy sector namely oil and gas, the earth, the new and renewable energy as well as the development of optimization of the company's resources. PT Pertamina (Persero) has several times carried out fundamental transformations aimed at achieving the company's strategic goals. As a result of the transformation carried out, PT Pertamina (Persero) was ranked 122 in the Fortune Global 500 in 2013. Continuing the company's transformation to become a world-class company, on June 12, 2020, the shareholders (the government through the Ministry of State-Owned Enterprises / SOEs) established a new company structure. At present, PT Pertamina (Persero) acts as a holding company which has five sub holdings. The above effort is a strategic step that will make the company more agile, adaptable and focused on broader and aggressive business development.

But on the other hand, mandate from the Ministry of SOEs to establish these holdings is opposed by Federasi Serikat Pekerja Pertamina Bersatu (FSPPB) – the union alliance of PT Pertamina (Persero) which houses 19 trade unions within PT Pertamina (Persero). FSPPB filed a lawsuit against the law against the Minister of State-Owned Enterprises (BUMN) and the Management of PT Pertamina (Persero) because they were deemed to have issued unilateral decisions that not only harmed workers, but also transferred state assets and finances managed by PT Pertamina (Persero). The privatization process of PT Pertamina (Persero)'s subholding, which began with the Decree of the Minister of SOEs and the Decree of the President Director of PT Pertamina (Persero) regarding the basic organizational structure of PT Pertamina (Persero), is assumed to have exploited a legal loophole in Article 77 of Law Number 19 of 2003 concerning State-Owned Enterprises (BUMN Law) against Article 33 paragraph (2) and paragraph (3) of the 1945 Constitution. The article expressly prohibits certain state-owned companies (Persero) from being privatized, including PT Pertamina (Persero). So that FSPPB has submitted a material review of Article 77 of the BUMN Law to the Constitutional Court and a follow-up trial of Law Number 19 of 2003 (Article 77 letters c and d) concerning State-Owned Enterprises Against the Constitution of the Republic of Indonesia in 1945 in November, 2020. Based on this phenomenon, it can be seen that there is internal resistance to the transformation policy that occurred at PT Pertamina (Persero).

But basically, every strategic policy of the company including transformation must be fully supported by its employees so that the success of the change can be achieved again and in the end can improve the company's performance like it used to be. Because of that, readiness for change supported by employee engagement with minimal resistance – even zero resistance if possible – is certainly an important thing that must be considered by the management team of PT Pertamina (Persero) so that the company's vision can always be achieved through readiness for change in carrying out a successful ongoing transformation.

Based on the research background that has been described, this research was conducted with the following objectives: to determine and analyze the impact of employee engagement and resistance to change on POS; the impact of employee engagement, resistance to change, and POS on readiness for change; the impact of employee engagement and resistance to change on readiness for change with POS as intervening variable in change management at PT Pertamina (Persero).

The practical contribution of this research is to propose a change management strategy by examining and analyzing the impact of employee engagement and resistance to change on readiness for change with POS as intervening variable in the transformation efforts implemented by PT Pertamina (Persero) in order to achieve the company's strategic vision. Besides that, for readers/academics, this research can be useful to increase knowledge about readiness for change by analyzing the impact of employee engagement and resistance to change on readiness for change through POS as intervening variable.

## 2. Literature Review

According to Bedarkar & Pandita (2014), employee engagement is a matter of concern to leaders and managers in organizations around the world, as it is recognized as an important element in determining the extent of organizational effectiveness, innovation and competitiveness. In other words, engaged employees invest a large amount of energy into their work roles because they are physically, cognitively, and emotionally attached to their work (Kovaleski, 2020). Kovaleski (2020) revealed the results of his research on employee engagement that employees are more likely to be involved when they have a clear understanding of roles and expectations. Sirisetti (2012) adds that engagement increases when there is a positive working relationship, employee input in decision making, and supports growth and development with learning opportunities. In a study of job demands and their relationship to engagement, Schaufeli & Bakker (2004) found that measures of job resources that included support from coworkers predict engagement. Schaufeli & Bakker (2004) stated that there are 3 (three) dimensions of employee engagement, namely vigor as a state full of high energy levels and mentally tough in doing work; dedication is a significant and caring feeling and interest in doing work; and absorption as a description of employee behavior that gives full attention to work or if the employee is involved in a job.

Dai & Qin (2016) conducted research on the above theory and found that POS significantly affects employee engagement. When employees feel support from the organization, employee attachment to the organization will be strengthened. Based on social exchange theory which has always been the theoretical basis for research on POS and employee engagement, the opposite also applies. Research related to POS and employee engagement conducted by Liang & Zhang (2015) also shows the results that POS has a direct and positive impact on employee engagement. So based on the results of the research above, the first hypothesis can be proposed in this study: **Employee engagement has a positive and significant impact on POS (H1).**

Will (2015) explains that the change management literature discusses many reasons why managers and employees may be motivated to resist change. Employees may have a negative view of organizational change, expecting it to be a win-lose situation. The dimensions and indicators of resistance to change are used by Pereira et al. (2019) and Garcia-Cabrera & Hernandez (2014) in their research which refers to the dimensions conceptualized by Oreg (2006) as resistant feeling, resistant behavior, and resistant thought. Fedor et al. in Thakur & Srivastava (2018) argues that in difficult times, employees who feel support from their superiors will understand the change with a positive attitude. Based on this, Thakur &



# Enrichment: Journal of Management

journal homepage: [www.enrichment.iocspublisher.org](http://www.enrichment.iocspublisher.org)



Srivastava (2018) conducted a study to see the association between resistance to change and POS, the results showed that there was a negative and significant relationship between POS and resistance to change. Kulkarni (2016) in Thakur & Srivastava (2018) examines resistance to change in organizations in India by looking at the perspective or interpretation of employees on the changes that occur. They found results that employees may not perceive their actions as an act of defiance and legitimize their behavior based on ideological reasons or the assumption that they are behaving for long-term organizational interests. In addition, Yu & Lee (2015) in Thakur & Srivastava (2018) also conducted research on the impact of POS and resistance to change, which found a negative relationship between readiness for change and resistance to change. Based on the theory and research results that have been described above, the second hypothesis can be drawn in this research: **Resistance to change has a negative and significant impact on POS (H2).**

Welch (2011) states that top executives around the world have paid attention to employee engagement because employee engagement is believed to be a potential factor in an organization's ability to be effective, innovative, competitive, and sustainable. This statement is in line with the results of research conducted by Gallup (2011) which found that organizations and teams with higher employee engagement achieve better results, higher productivity, better retention, fewer accidents, and higher profitability. In organizational change efforts, Parent & Lovelace (2018) reveals that the key theme for positive change is that management must constantly engage especially at the organizational level so that when changes occur, companies with engaged employees do not have as much impact as companies with disengaged employees. Wulandari (2020) in her research shows that employee engagement has a positive impact on readiness for change, where engaged employees are more prepared to follow change. In line with this, the results of research by Aon Hewitt Consulting in 2011 (Bedarkar & Pandita, 2014) show that employees who are engaged in change have a readiness to change. So from the results of the research above, the third hypothesis can be proposed for this research: **Employee engagement has a positive and significant impact on readiness for change (H3).**

Sharma & Singh (2018) defines readiness for change as measuring the extent to which an individual will respond to change without stopping but to create competitive advantage, sustainable performance, and minimize risk. Holt & Vardaman (2013) also state that change readiness includes individual factors that reflect the extent to which individuals hold key beliefs about change, and are aware that problems need to be addressed. In this context, Bouckennooghe (2009) states that readiness for change is understood as a multifaceted concept consisting of emotional, cognitive, and intentional.

In the research results of Rafferty et al. (2013) stated that they have conducted a review of theoretical and empirical research examining the antecedents of readiness for change. Rafferty et al. conducted a study assessing other changes – related to attitudes, such as support for change, openness to change, and commitment to change, and those related to negative attitudes related to change, such as resistance and cynicism to change. In addition, various personal characteristics, attitudes, and individual differences variables have also been identified as antecedents of individual attitude change (Holt et al., 2007). There is few, if any, the researches have looked at the impact of resistance to change on readiness for change. The results of the research by Thakur & Srivastava (2018) reveal that there is a negative and significant relationship between resistance to change and readiness for change. Based on the theory and research results above, the fourth hypothesis can be taken for this research: **Resistance to change has a negative and significant impact on readiness for change (H4).**

Dai & Qin (2016) revealed that POS was first put forward by Professor Eisenberger as the extent to which employees believe that their organization values their contribution and cares about their well-being and fulfills socioemotional needs. Kurtessis (2015) has grouped the results of POS into three categories, namely positive orientation towards organization and work, subjective well-being, and behavioral outcomes. If leaders show supportive behavior to employees during times of change, employees will reciprocate in the same way (Bernerth, 2004). Likewise, employees with high POS will also have a positive view of their organization (Kurtessis et al., 2015).

Thakur & Srivastava (2018) cite several previous research results which state that on the basis of reciprocal norms, employees who feel organizational support develop a "sense of obligation" to care about the welfare of the organization and will help the organization to achieve its goals such as in the success of organizational change. In this regard, they conducted a research on the same topic and got the results that there is a positive and significant relationship between POS and readiness for change and a negative and significant relationship between POS and resistance to change. In addition, Yu & Lee (2015) also conducted a study to analyze the relationship between POS and readiness for change, where it was found that POS was positively related to readiness for change. So from the theory and research results mentioned above, the fifth hypothesis for this research can be taken: **POS has a positive and significant impact on readiness for change (H5).**

When employees feel support from the organization, the employee's sense of belonging to the organization will be strengthened. It makes employees work hard to achieve organizational goals, and shows a higher level of employee engagement. Furthermore, the results of Wulandari's research (2020) show that POS has a positive impact on readiness for change. Wulandari (2020: 26) gives an opinion from the results of his research that: "the more positive a person's perception of his or her organization is, the more prepared that person is to survive change. Employee engagement has a positive impact on readiness for change. An engaged person is more prepared to keep up with change. Furthermore, POS and employee engagement together also have a positive impact. POS and employee engagement can increase readiness for change." Likewise, the results of Jabbarian's research (2016) were conducted to see the impact of POS on readiness for change and it was found that POS has a positive impact on readiness for change. Based on the theory and research results above, the sixth hypothesis can be proposed for this research: **Employee engagement has a positive and significant impact on readiness for change with POS as an intervening variable (H6).**

Fedor et al. in Thakur & Srivastava (2018) reveals that in times of ups and downs, employees who feel support from their superiors understand change with a positive attitude. Thakur & Srivastava (2018) conducted a study to see the impact of resistance to change and readiness for change with POS as an intervening variable, and the results showed that there is a positive and significant impact of POS on readiness for change and a negative and significant impact of POS on resistance to change; the impact of resistance to change is reduced after introducing the mediating impact of trust, emotional attachment, and POS on readiness for change. In addition, in a research conducted by Yu and Lee (2015) on the relationship between POS and resistance to change, a negative relationship was found between readiness for change and resistance to change. Based on the theory and research results that have been described above, it can be proposed that seventh hypothesis in this



# Enrichment: Journal of Management

journal homepage: [www.enrichment.iocspublisher.org](http://www.enrichment.iocspublisher.org)



research: Resistance to change has a negative and significant impact on readiness for change with POS as intervening variable (H7).

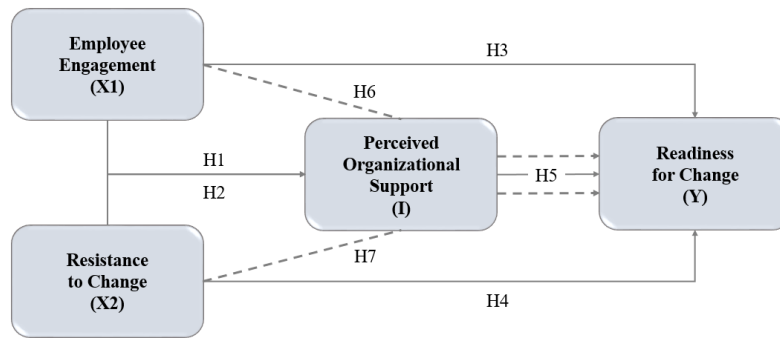


Fig 1. Research Framework for Testing the Impact of Human Resources Aspects on Readiness for Change

### 3. Methods

The research design in this study used quantitative methods. The quantitative method is an approach taken in empirical studies to collect data, the data is then analyzed, and then the data is displayed in numerical form rather than narrative (Sekaran & Bougie, 2017). Type of the research used is explanatory research. Explanatory research is research conducted to explain the relationship between each variable (Sekaran & Bougie, 2017). Furthermore, the type of investigation in this research is descriptive study which aims to describe and explain the collected data without making conclusions by analyzing the data. The unit of observation in this research are employees of PT Pertamina (Persero). Data collection will be done by distributing questionnaires to the sample of this research.

The population in this study were all permanent workers of PT Pertamina (Persero) corporate level throughout Indonesia before the implementation of holding-sub holding. The total population in this study was 13,738 workers (source: Pertamina Annual Report, 2019). This study took a sample of 154 employees. As the theory proposed by Sugiyono (2013), the size or number of samples between 30 to 500 is considered feasible depending on the sampling method and the research questions used in the study. Respondents' identities were analyzed based on 14 characteristics including gender, age, ethnic group, education level, job class, Directorate before the transformation program, Holding / Sub holding after the transformation program, work location, years of service, monthly income, marital status, spouse's employment status, total family monthly income, and number of children. The sampling method in this research used the non-probability method. The non-probability method is a sampling technique by not providing an opportunity for each member of the population to be selected as a sample. The sampling technique used purposive sampling. The purposive sampling design of this study was used to obtain information from certain target groups and was easy to obtain.

This research uses readiness for change as dependent variable. Readiness for change of PT Pertamina (Persero) means the readiness of employees and organizations in implementing transformational at PT Pertamina (Persero). There are two independent variables as factors that affect readiness for change, namely employee engagement (X1) and resistance to change (X2). In addition, this study uses POS as intervening variable that mediates the relationship between employee engagement and resistance to change with readiness for change. The questionnaire used in this study used a 5-point Likert Scale and was guided by questionnaire that had been developed by management theorists or previous researchers and modified according to the research needs described in Table 1. The questionnaire was given to respondents in a Google Form by creating web link.

TABLE 1  
QUESTIONNAIRE GUIDELINE

Research Variable	Author	Research Title	Questionnaire Original Source	Number of Questions
Readiness for change	Bouckenooghe et al. (2009)	Organizational Change Questionnaire - Climate of Change, Processes and Readiness: Development of A New Instrument, The Journal of Psychology: Interdisciplinary and Applied	(Original)	14
Employee engagement	Gallup (2011)	Employee Engagement: What's Your Employee Ratio?	(Original)	12
Resistance to change	Peraira et al. (2019)	Resistance to Change in BPM Implementation	Oreg, S., 2006, Personality, Context, And Resistance to Organizational Change, European Journal of Work and Organizational Psychology, Vol 15, pp. 73-101.	15
Perceived organizational support	Dawley et al. (2010)	Perceived Organizational Support and Turnover Intention: The Mediating Effects of Personal Sacrifice and Job Fit	Eisenberger, R., Huntington, R, Hutchison, & Sowa, D. (1986). Perceived Organizational Support. Journal of Applied Psychology, 71, 500-507.	8
<b>Total Questions</b>				<b>49</b>



# Enrichment: Journal of Management

journal homepage: [www.enrichment.iocspublisher.org](http://www.enrichment.iocspublisher.org)



This research will use SmartPLS 3.0 for data analysis methods. This software is used to study the analysis of structural equations or SEM (structural equation model) which is based on variance that able to test the measurement and structural models simultaneously (Abdillah & Jugiyanto, 2009). The measurement model test was conducted to measure the validity and reliability tests. While the structural model testing is done to test causality or hypothesis testing. The data analysis includes measurement outer model, composite reliability, unidimensional model analysis, convergent validity, discriminant validity, and structural model testing (inner model) to test hypotheses, coefficient of determination ( $R^2$ ), F square, relevance of prediction ( $Q^2$ ), multicollinearity inner model using Variance Inflation Factor (VIF), and model fit to state the level of suitability of the research model with the ideal model for the research.

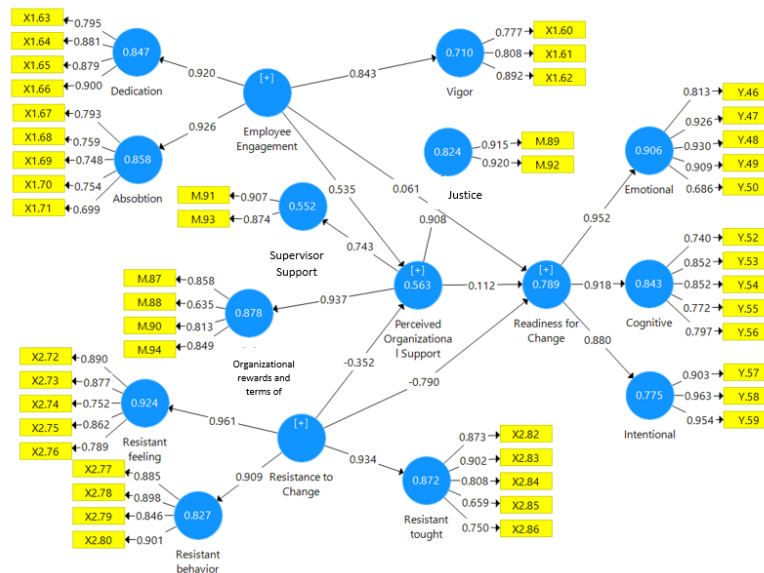
## 4. Results and Analysis

To analyze the data in this study, the LRA technique was used, which is the data for each variable in this research was calculated in order to know the distribution of respondents' answers on each variable and indicator. Table 2 shows that the LRA of this research variable is in the range of the poor category to the good category. The highest LRA score is employee engagement variable with a percentage of 80%, while the lowest LRA percentage is readiness for change and resistance to change variables with a percentage of 68% each.

**Table 2**  
Results of Descriptive Variables

Variable	N	LRA	Mean	Category
1. Readiness for change	154	68%	3.40	Poor
2. Employee Engagement	154	80%	4.02	Good
3. Resistance to change	154	68%	3.42	Poor
4. Perceived Organizational Support	154	72%	3.63	Fairly good
<b>Mean</b>	<b>154</b>	<b>72%</b>	<b>3.62</b>	<b>Fairly good</b>

Convergent validity of a construct with reflective indicators is evaluated by Average Variance Extracted (AVE). The AVE value of 0.5 or more means that the construct can explain 50% or more of the item variance (Wong, 2013; Sarstedt et al, 2017). There are two indicators (X2.81 and Y.51) that have value of loading factor smaller than 0.5, so those indicators are not valid and excluded from the model. After the two factors are excluded from the model, it can be seen that the value of outer model or the correlation between the construct with dimensions and variables shows that the overall value of loading factor is greater than 0.5. It means that the constructs for all variables are valid from the model. Fig 2 shows the result of structural model of the outer model.



**Fig 2.** Outer Model

Composite reliability is a way of measuring the reliability of latent variable constructs. The tools used to assess this are composite reliability and Cronbach's Alpha. Composite reliability values in the range of 0.6 – 0.7 are considered to have good reliability (Sarstedt et al, 2017), and the expected Cronbach's Alpha value is above 0.6 (Ghozali & Latan, 2015). Cronbach's Alpha and composite reliability values obtained from the results of data processing with SmartPLS with the resulting value is greater than 0.70 as recommended criteria. Based on the result, it can be concluded that the constructs for all variables meet the reliable criteria. Discriminant validity aims to determine whether a reflective indicator is really a good measure of its construct based on the principle that each indicator must be highly correlated with its construct only. In the SmartPLS application, the discriminant validity test uses the value of cross loadings, Fornell-Larcker Criterion, and Heterotrait-Monotrait (HTMT) (Henseler, 2015). If the average variance extracted (AVE) value on all variables is obtained, the results > 0.50 can be declared valid. Based on data processing, the average variance extracted (AVE) value of all variables is obtained greater than 0.50. Based on the result, it can be concluded that this model has met the requirements of discriminant validity.

Other test outputs on the model are carried out by looking at the value of  $R^2$  which is a goodness-fit-model test. Sarstedt



# Enrichment: Journal of Management

journal homepage: [www.enrichment.iocspublisher.org](http://www.enrichment.iocspublisher.org)



et al. (2017) stated that the R<sup>2</sup> value was 0.75; 0.50; and 0.25 indicates that the research model is strong, moderate, and weak. The results of R Square value of POS variable is 0.563 or 56.3% (moderate model). It means that employee engagement and resistance to change variables can substantially explain the POS variable with a level of 56.3% while the rest is affected by other factors that are not included into the variables of this research. Then the R Square value of readiness for change variable is 0.789 or 78.9% (strong model). It means that employee engagement, resistance to change, and POS can substantially explain the readiness for change variable with a level of 78.9% while the rest is affected by other factors that are not included in the variables of this research.

F Square is useful for assessing the impact between variables. The F Square value of 0.02 falls into the small category; 0.15 medium category; while the value of 0.35 is in the large category. Values less than 0.02 can be ignored or considered to have no impact (Sarstedt et al, 2017). Based on data processing, F Square value of the readiness for change variable on employee engagement, readiness for change on POS has a small category impact size because the F Square value is 0.02, while the rest has a large category impact size because the F Square value is greater than 0.35.

Cross-validated redundancy (Q<sup>2</sup>) or Q Square Test was used to assess predictive relevance. A value of Q<sup>2</sup> > 0.05 indicates that the model has accurate predictive relevance to certain constructs while a value of Q<sup>2</sup> < 0.05 indicates that the model lacks predictive relevance (Sarstedt et al, 2017). Based on the value of Q Square on the POS variable that is equal to 0.302, it means that the prediction relevance of the POS variable is included in the medium category. And on the readiness to change variable, which is 0.454, it means that the prediction relevance of the readiness to change variable is included in the large category.

Multicollinearity is a phenomenon where two or more independent variables or exogenous constructs are highly correlated, causing poor predictive ability of the model (Sekaran and Bougie, 2017). The VIF value must be less than 5, because if it is more than 5 it indicates the existence of collinearity between constructs (Sarstedt et al, 2017). Based on data processing, there is no VIF value greater than 5, so there is no multicollinearity problem between variables in this study.

Model fit states the level of conformity of the research model with the ideal model for that research. In order to meet model fit criteria, the Standardized Root Mean Square (SMSR) must be less than 0.05 (Cangur and Ercan, 2015). However, based on the explanation from the SmartPLS website (<https://www.smartpls.com>), the limits or criteria for model fit are RMS Theta (Root Mean Square Theta) values < 0.079, Standardized Root Mean Square (SRMR) values < 0.10 or < 0.08 and the value of the normed fit index (NFI) is < 0.9. Data processing with SmartPLS showed that the SRMR value on Goodness of Fit has a value of 0.11 which is marginal fit, then the d\_ULS value of 46,194 which is model fit and rms theta is 0.175, which is marginal fit. Based on these results, it can be concluded that the model complies with the rules (good model) and there are no problems in the suitability of the research.

**Table 3**  
Hypotheses Testing

Hypotheses	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Employee Engagement -> POS	0.535	0.540	0.064	8.431	0.000
Employee Engagement -> Readiness for Change	0.061	0.068	0.063	0.969	0.333
Resistance to Change -> POS	-0.352	-0.348	0.065	5.379	0.000
Resistance to Change -> Readiness for Change	-0.790	-0.787	0.052	15.263	0.000
POS -> Readiness for Change	0.112	0.108	0.073	1.536	0.125
Employee Engagement -> POS -> Readiness for Change	0.060	0.057	0.038	1.564	0.119
Resistance to Change -> POS -> Readiness for Change	-0.039	-0.038	0.028	1.424	0.155

To interpret the results or test hypotheses on the data of inner model stage, it can be seen from the value of direct impact of each independent variable on dependent variable shown in Table 3. The results of hypotheses testing are as follows:

- H1: Employee engagement has a positive and significant impact on POS.
- H2: Resistance to change has a negative and significant impact on POS.
- H3: Employee engagement has a positive but not significant impact on readiness for change. This is due to the demographic factors of the company's work location which has branch offices spread throughout Indonesia makes communication and monitoring to employees still not good.
- H4: Resistance to change has a negative and significant impact on readiness for change.
- H5: POS has a positive but not significant impact on readiness for change. It is because employees feel that the Company does not give performance rewards to employees.
- H6: Employee engagement has a positive but not significant impact on readiness for change with POS as an intervening variable.
- H7: Resistance to change has a negative but not significant impact on readiness for change with POS as an intervening variable.

## 5. Conclusions

Based on analysis of direct impact of the variables in this research state that employee engagement has a positive and significant impact on POS; resistance to change has a negative and significant impact on POS; employee engagement has a positive but there is no significant impact on readiness for change; resistance to change has a negative and significant impact on readiness for change; POS has a positive but there is no significant impact on readiness for change. Testing and analyzing the indirect impact of variables in this research found that employee engagement has a positive but there is no significant impact on readiness for change with POS as intervening variable; resistance to change has a negative but there is no significant impact on readiness for change with POS as intervening variable.

The results of this research can be used by the Company in formulating strategies to increase readiness for change that are currently underway. The implications of this research are as follows:



# Enrichment: Journal of Management

journal homepage: [www.enrichment.iocspublisher.org](http://www.enrichment.iocspublisher.org)



- a. The results of the study illustrate that employee engagement has a positive and significant impact on POS. There are some strategies that can be made:
  - 1) Employee training and development by providing training and certification, involving employees in special projects in addition to their main work in order to gain new experiences.
  - 2) Build friendship relationships at work by providing opportunities and encouraging employees to participate in various office activities or events.
  - 3) Open access to Company's Standard Operating Procedure (digitally).
  - 4) Hold an employee achievement awards by providing intangible and tangible rewards.
- b. The results of the study illustrate that resistance to change has a negative and significant impact on POS and readiness for change. The strategies as follows:
  - 1) Good education and communication from the Company with face-to-face discussions, socialization and education of the goals and plans for change programs.
  - 2) Attract employee participation.
  - 3) Offers various supportive efforts to reduce resistance to change by conducting employee counselling programs and providing training on new skills to employees.

## 6. References

- [1] Kachian, A., Elyasi, S. & Haghani, H. (2018). ADKAR model and nurses' readiness for change. *Journal of Client-Centered Nursing Care*, Vol 4, No. 4, pp. 203-212.
- [2] Scaccia, J.P., Cook, B.S., Lamont, A., Wandersman, A., Castellow, J., Katz, J., & Beidas, R.S. (2015). A practical implementation science heuristic for organizational readiness  $r = mc^2$ . *Journal of Community Psychology*, Vol 43, No. 4, pp. 484-501.
- [3] Samir, D., Abdenour, M. (2016). A study on quality of work life and readiness for organizational change among Algerian University Professors. *Journal of Economic Sciences, Management and Commercial Sciences*, Vol 10 No. 16, pp. 1-12.
- [4] Parent, J.D., Kathi J.L. (2018). Employee engagement, positive organizational culture and individual adaptability. *On the Horizon*.
- [5] Pieterse, J.H., Caniels, M.C., & Homan, T. (2012). Professional discourses and resistance to change. *Journal of Organizational Change Management*, Vol 25 No. 6, pp. 798-818.
- [6] Stouten, J., Rousseau, D., & de Cremer, D. (2018). Successful organizational change: Integrating the management practice and scholarly literatures. *Academy of Management Annals*, Vol 12, No. 2, pp. 752-788.
- [7] Costello, J.E., Arghode, V. (2019). Exploring member readiness for change in manufacturing industries using phenomenology. *Management Research Review*, Vol 43, No. 7, pp. 847-861.
- [8] Griffin, M.A., Patterson, M.G., & West, M.A. (2001). Job satisfaction and teamwork: The role of supervisor support. *Journal of Organizational Behavior*, Vol 22, pp. 537-550.
- [9] Eisenberger, R., Stinglhamber, F., Vandenberghe, C., Sucharski, I.L., & Rhoades, L. (2002). Perceived supervisor support: Contributions to perceived organizational support and employee retention. *Journal of Applied Psychology*, Vol 87, No. 3, pp. 565-573.
- [10] Kurtessis, J. N., Eisenberger, R., Ford, M. T., Buffardi, L. C., Stewart, K. A., & Adis, C. S. (2015). Perceived organizational support: A meta-analytic evaluation of organizational support theory. *Journal of Management*, Vol 20, No. 10, pp. 1-31.
- [11] Thakur, R.R., Srivastava, S. (2018). From resistance to readiness: Role of mediating variables. *Journal of Organizational Change Management*.
- [12] Bernerth, J. (2004). Expanding our understanding of the change message. *Human Resource Development Review*, Vol 3, No. 1, pp. 36-52.
- [13] Yu, M., Lee, M. (2015). Unlocking the black box: Exploring the link between perceived organizational support and resistance to change. *Asia Pacific Management Review*, Vol 20, pp.177-183.
- [14] Bedarkar, M., Pandita, D. (2014). A study on the drivers of employee engagement impacting employee performance. *Procedia - Social and Behavioral Sciences*, Vol 133, pp. 106-115.
- [15] Kovaleski, B.J., Arghode, V. (2020). Employee engagement: Exploring higher education non-tenure track faculty members' perceptions. *European Journal of Training and Development*.
- [16] Dai, K.L., Qin, X.Y. (2016). Perceived organizational support and employee engagement: Based on the research of organizational identification and organizational justice. *Open Journal of Social Sciences*, Vol 4, pp. 46 - 57.
- [17] Sirisetti, S. (2012). Employee engagement culture. *The Journal of Commerce*, Vol 4, No. 1. ISSN: 2218-8118, 2220-6043.
- [18] Schaufeli.W.B., Bakker, A.B. (2004). Job demands, job resources, and their relationship with burnout and engagement: A multi sample study. *Journal of Organisational Behaviour*. Vol 25, No. 3, pp. 293-315.
- [19] Liang, G.Q. & Zhang, W. (2015). Effect of organizational support on job involvement: The mediating role of psychological capital. *Management and Administration*. No. 9, pp. 135-137.
- [20] Will, M.G. (2015). Successful organizational change through win-win. *Journal of Accounting & Organizational Change*, Vol 11, No. 2, pp. 193 - 214
- [21] Pereira, V.R., Maximiano, A.C.A., Bido, D.D.S. (2019). Resistance to change in BPM implementation. *Business Process Management Journal*.
- [22] Garcia-Cabrera, A.M., Hernandez, F.G-B. (2014). Differentiating the three components of resistance to change: The moderating effect of organization-based self-esteem on the employee involvement-resistance relation. *Wiley Online Library*, Vol 25, No. 4.
- [23] Oreg, S. (2006). Personality, context, and resistance to organizational change. *European Journal of Work and Organizational Psychology*, Vol 15, pp. 73-101.
- [24] Welch, M. (2011). The evolution of the employee engagement concept: communication implications. *Corporate Communications: An International Journal*, Vol 16, No. 4, pp. 328-346.
- [25] Gallup. (2011). Employee engagement: What's your employee ratio? Washington: Gallup Consulting. Retrieved from



## Enrichment: Journal of Management

journal homepage: [www.enrichment.iocspublisher.org](http://www.enrichment.iocspublisher.org)



- [www.gallup.com](http://www.gallup.com)
- [26] Wulandari, B., Jaya, G.E.D., Hasnida. (2020). The effect of perceived organizational support and employee engagement on readiness to change. *International Journal of Progressive Sciences and Technologies (IJPSAT)*, pp. 24-27.
- [27] Sharma, T., Singh S. (2018). Relationship of emotional intelligence with cultural intelligence and change readiness of Indian managers in the service sector. *Journal of Organizational Change Management*.
- [28] Holt, D.T., Vardaman, J.M. (2013). Toward a comprehensive understanding of readiness for change: The case for an expanded conceptualization. *Journal of Change Management*, Vol. 13 No. 1, pp. 9-18.
- [29] Bouckennooghe, D., Devos, G. & Van den Broeck, H. (2009). Organizational change questionnaire - climate of change, processes and readiness: Development of a new instrument. *The Journal of Psychology: Interdisciplinary and Applied*, Vol. 143, No. 6, pp. 559-599.
- [30] Rafferty, A.E., Jimmieson, N.L., & Armenakis, A. A. (2013). Change readiness: A multilevel review. *Journal of Management*, Vol. 39, No. 1, pp. 110–135.
- [31] Jabbarian, J. & Chegini, M. (2017). The Effect of Perceived Organizational Support on Employee Resistance to Change: A Study on Guilan Municipal Staff. *Journal of History Culture and Art Research*, Vol. 5, No. 642.
- [32] Sekaran, U., Bougie, R. (2017). *Metode penelitian untuk bisnis: pendekatan pengembangan-keahlian*. Edisi 6, Buku 1, Cetakan Kedua. Jakarta Selatan: Salemba Empat.
- [33] PT Pertamina (Persero). (2021, May 17). Annual Report 2019. Retrieved from <https://www.pertamina.com/id/>
- [34] Sugiyono. (2013). *Statistik untuk penelitian*. Bandung: CV. Alfabeta.
- [35] Dawley, D., Houghton, J.D., & Bucklew, N.S. (2010). Perceived organizational support and turnover intention: The mediating effects of personal sacrifice and job fit. *The Journal of Social Psychology*, Vol. 150, No. 3, pp. 238–257.
- [36] Abdillah, W., Jogiyanto, H.M. (2009). *Konsep dan aplikasi PLS (partial least square) untuk penelitian empiris*. Yogyakarta: Badan Penerbit Fakultas Ekonomi dan Bisnis UGM.
- [37] Ghozali, I., Latan, H. (2015). *Partial least squares: Concepts, techniques and applications using SmartPLS 3*. Semarang: Badan Penerbit Universitas Diponegoro.
- [38] Wong, K.K.K. (2013). *Partial least squares structural equation modeling (PLS-SEM) techniques using SmartPLS*. *Marketing Bulletin*, 24, 1 – 32.
- [39] Sarstedt, M., Ringle, C.M., & Hair, J.F. (2017). *Partial least square structural equation modeling*. *Handbook of Market Research*, 1 – 40.
- [40] Henseler, J. & Hubona, G. & Ray, P. (2016). Using PLS path modeling in new technology research: Updated guidelines. *Industrial Management & Amp Data Systems*. Vol. 116, No. 2, pp. 20.
- [41] Cangur, S., Ercan, I. (2015). Comparison of model fit indices used in structural equation modeling under multivariate normality. *Journal of Modern Applied Statistical Methods*, Vol. 14, No. 1, pp. 152-167.
- [42] SmartPLS GmbH. (2021, May 7). PLS Algorithm. Retrieved from <https://eww.smartpls.com/>