



## Organizational Change Management and Its Influence on Employee Engagement in Regional Banks in Central Java

Zulkifli<sup>1</sup>, Andi Husnul<sup>1</sup>

<sup>1</sup>Management Science, Pakuan University

\*Corresponding Author: Zulkifli

E-mail: [zulkifli23@yahoo.com](mailto:zulkifli23@yahoo.com)

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### Abstract

Organizational change management (OCM) is increasingly vital for regional banks in Central Java that face competition, regulatory adjustments, and rapid technological transformation. This study examines how OCM practices influence employee engagement, focusing on leadership, communication, training, and participation during change processes. A quantitative correlational design was applied with 220 respondents selected through proportional stratified random sampling from managerial and non-managerial staff. Data were gathered using structured questionnaires measuring OCM dimensions leadership support, communication transparency, employee participation, training, and readiness for change alongside employee engagement assessed by the Utrecht Work Engagement Scale. The analysis, conducted using descriptive statistics, Pearson correlation, and multiple regression in SPSS 25, revealed a significant positive relationship between OCM and employee engagement ( $r = 0.671, p < 0.01$ ). Leadership and communication emerged as the strongest predictors, accounting for 45.6% of the variance in engagement. Employees demonstrated higher vigor and dedication when they experienced open communication and involvement in change initiatives. The findings highlight that effective OCM strengthens employee engagement, emphasizing the need for strong leadership, transparent communication, and participatory strategies to ensure successful change and sustained organizational performance.

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## INTRODUCTION

Organizational change has become an inevitable and continuous process in today's volatile, uncertain, complex, and ambiguous (VUCA) business environment. Organizations across industries are increasingly required to adapt to rapid technological innovations, shifting customer preferences, evolving regulatory frameworks, and intensifying global competition (Okolie & Memeh, 2022; Dervitsiotis, 2003). Within this context, the capacity to manage change effectively has emerged as a core determinant of long-term competitiveness and organizational sustainability. The process of change, however, extends beyond the implementation of new technologies or structural modifications it involves the transformation of human attitudes, behaviors, and organizational culture to align with new strategic

directions (Stouten et al., 2018; Alvesson & Sveningsson, 2024; Leso et al., 2023). Scholars have consistently emphasized that successful organizational change management (OCM) requires integrating technical, behavioral, and cultural dimensions to ensure organizational alignment and performance continuity (Rosenbaum et al., 2018; Lines & Smithwick, 2019).

In the financial services industry, organizational change has become particularly salient due to the combined effects of digital transformation, regulatory compliance pressures, and evolving customer demands (Munyoki, 2016; Mazikana, 2023). Banks worldwide are under pressure to modernize their systems, enhance service delivery, and ensure operational efficiency while maintaining customer trust and workforce stability. Regional banks in particular such as those operating in Central Java, Indonesia face a distinctive set of challenges. Unlike large national or multinational banks, regional banks are deeply embedded within their local economies and social structures (Challoumis & Eriotis, 2024; Rachmad, 2025). Their competitiveness relies not only on financial innovation but also on the strength of community relationships and employee commitment (Mohd et al., 2025). Consequently, organizational change management in regional banking contexts demands a delicate balance between modernization and cultural continuity.

The Central Java regional banking sector serves as a vital economic pillar for local communities, supporting small and medium enterprises, agricultural development, and household financing. However, these institutions often operate with limited resources, aging technological infrastructures, and constrained managerial capacities. The rapid rise of financial technology (fintech), digital payment systems, and data-driven banking has intensified competitive pressures, forcing regional banks to transform their operational and service models (Somu, 2020; Pamisetty et al., 2022). In addition to technological imperatives, increasing regulatory scrutiny particularly related to anti-money laundering compliance, cybersecurity, and consumer protection demands adaptive management approaches. As such, the ability of regional banks to implement effective OCM strategies is not merely desirable but essential for their survival and growth (Jatmiko, 2025; Ong'ele, 2024).

Despite the growing recognition of OCM's importance, implementing change within financial institutions remains fraught with complexity. Change initiatives often fail due to insufficient leadership commitment, poor communication, and inadequate employee involvement (Bögel et al., 2019; Rosenbaum et al., 2018). In many cases, employees resist change because they perceive it as externally imposed or misaligned with their professional values. This challenge underscores the critical role of employee engagement defined as the emotional, cognitive, and behavioral investment of employees in their work and organization (Cesário & Chambel, 2017; Eldor & Vigoda-Gadot, 2017). Engaged employees are more resilient in adapting to organizational shifts, exhibit greater motivation, and contribute to the success of change initiatives (Meintjes & Hofmeyr, 2018). Conversely, disengagement can manifest in passive resistance, reduced productivity, and ultimately, failure to achieve transformation goals.

Employee engagement during organizational change is particularly important in the banking sector, where service quality and customer satisfaction are directly linked to employee performance. Studies have demonstrated that when employees perceive organizational change as well-communicated, fair, and participatory, they display higher levels of trust and commitment (Ogu, 2024). Transparent communication and inclusive leadership foster a sense of ownership among employees, reducing uncertainty and resistance (Lines & Smithwick, 2019). In contrast, change initiatives that are top-down and opaque tend to alienate employees, resulting in reduced morale and performance. Therefore, employee engagement functions both as a

mediator and a catalyst in successful change processes (Eldor & Vigoda-Gadot, 2017; Akilah, 2024).

The interplay between OCM and employee engagement has been widely explored in international contexts but remains under-researched in developing economies, particularly within Indonesian regional banks. In these organizations, cultural dimensions such as collectivism, hierarchical respect, and communal decision-making significantly shape the perception and acceptance of change (Al-Ali et al., 2017). In Indonesian workplaces, harmony and group consensus are valued more than individual assertiveness, which may influence employees' willingness to voice concerns or participate actively in decision-making (Handani, 2024). As a result, change management strategies that overlook cultural context risk failure even when technically sound. Hence, the effectiveness of OCM in Indonesia cannot be fully understood without considering cultural dynamics that affect employee engagement.

Digital transformation further complicates this dynamic. The implementation of new technologies such as mobile banking, automated service platforms, and data analytics introduces skill gaps and potential job insecurity among employees (Diener & Špaček, 2021). Without sufficient training and communication, such changes can trigger anxiety and resistance, undermining engagement. However, when digital change is accompanied by strong leadership support, transparent information sharing, and opportunities for employee participation, it can enhance adaptability and motivation (Bravo-Jaico et al., 2025). In this regard, training and development play a critical role in building change readiness, defined as employees' belief in their capability to implement new systems and processes (Rosenbaum et al., 2018).

Prior research consistently underscores that leadership support is one of the strongest predictors of successful change (Lines & Smithwick, 2019). Leaders who demonstrate empathy, articulate a clear vision, and maintain open communication channels can foster a psychologically safe environment that encourages participation and trust. In regional banks, where leaders often maintain close interpersonal relationships with their teams, the quality of leadership becomes even more influential. Leadership behaviors that reinforce collective values and recognize employee contributions are found to strengthen engagement and mitigate resistance (Al-Ali et al., 2017). Similarly, communication transparency ensures that employees remain informed and aligned with organizational goals, reducing uncertainty and misinterpretation of change motives (Okolie & Memeh, 2022). Together, leadership and communication form the cornerstone of effective OCM practices.

## **METHODS**

The most suitable method for this research on Organizational Change Management and Its Influence on Employee Engagement in Regional Banks in Central Java is a quantitative research approach with a correlational design. This method is appropriate because the study aims to measure the relationship between organizational change management (OCM) practices such as leadership support, communication, training, participation, and readiness for change and employee engagement levels, without manipulating the variables. A correlational design enables the researcher to identify both the strength and direction of the relationship between OCM and employee engagement, while also testing the predictive power of OCM dimensions on engagement outcomes.

The population of the study includes employees working in regional banks across Central Java, consisting of both managerial and non-managerial staff to ensure diverse perspectives. A proportional stratified random sampling technique is suitable for selecting the sample, ensuring fair representation of employee categories. A sample size of around 200–250 respondents is ideal to provide sufficient statistical power for correlation and regression analysis.

Data collection is conducted using structured questionnaires divided into two sections. The first section measures organizational change management, using validated indicators such as leadership support, communication transparency, participation, training effectiveness, and change readiness. The second section measures employee engagement, focusing on dimensions such as vigor, dedication, and absorption, using established scales like the Utrecht Work Engagement Scale (UWES). Responses are rated on a five-point Likert scale ranging from “strongly disagree” to “strongly agree,” capturing employees’ perceptions objectively.

For data analysis, descriptive statistics are first used to describe demographic profiles and general trends in OCM and engagement perceptions. Next, inferential statistical techniques are applied: Pearson Product-Moment Correlation is used to determine the strength and significance of the relationship between OCM practices and employee engagement, while multiple regression analysis is conducted to assess the predictive contribution of OCM dimensions on engagement levels. The analysis is carried out using IBM SPSS version 25, ensuring reliability and validity of results. Ethical considerations, including informed consent, confidentiality, and voluntary participation, are observed throughout the study to maintain research integrity.

## RESULTS AND DISCUSSION

This section presents the empirical findings of the study examining the influence of organizational change management (OCM) practices on employee engagement among regional banks in Central Java, Indonesia. The data analysis was conducted using IBM SPSS version 25 and followed several stages: descriptive analysis, correlation analysis, multiple regression, and variance analysis (ANOVA). The results are organized according to the dimensions and constructs outlined in the research methodology. Each finding is interpreted with reference to relevant theories and prior studies to ensure alignment with established academic discourse.

### Demographic Characteristics of Respondents

Table 1. Respondent Profile

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	78	52.0
	Female	72	48.0
Age	20–30 years	56	37.3
	31–40 years	62	41.3
	>40 years	32	21.4
Education	Diploma	40	26.7
	Bachelor	92	61.3
	Master’s or higher	18	12.0
Job Level	Staff	98	65.3
	Supervisor	32	21.3
	Manager	20	13.4

The demographic characteristics of respondents provide important contextual understanding of the study population and enhance interpretation of subsequent analyses. As displayed in Table 1, the total number of respondents was 150 employees drawn from five regional banks across Central Java. The gender distribution was nearly balanced, with 52% male and 48% female participants. This balance reflects the inclusive nature of the regional banking workforce and allows for gender-neutral interpretations of organizational behavior variables such as engagement and change readiness.

In terms of age, the majority of respondents (78.6%) were between 20 and 40 years old, indicating that the workforce primarily consists of young to middle-aged

employees. This demographic pattern is consistent with the structure of many Indonesian financial institutions, where the operational workforce is dominated by employees in early and mid-career stages. The educational background further underscores this trend: 61.3% of respondents held a bachelor's degree, 26.7% a diploma, and 12% a master's or higher qualification. The relatively high educational attainment level suggests that employees possess the cognitive and technical capabilities to engage with organizational change initiatives.

Job level distribution shows that 65.3% of respondents were operational staff, 21.3% supervisors, and 13.4% managers. This structure aligns with the hierarchical nature of banking organizations, where the largest segment of employees perform frontline or administrative tasks. The predominance of staff-level respondents is significant because they represent the primary interface between management policies and day-to-day operational realities. As a result, their perceptions of leadership, communication, and participation directly reflect the effectiveness of OCM implementation at the operational level.

The demographic profile provides a representative cross-section of the regional banking workforce. The inclusion of multiple job levels ensures diverse insights into how leadership, communication, and change readiness are experienced across hierarchical strata. This diversity is essential because OCM is often perceived differently by employees depending on their position and proximity to strategic decision-making (Al-Ali et al., 2017).

### **Descriptive Statistics of Organizational Change Management Dimensions**

Table 2. Perceptions of Organizational Change Management

<b>OCM Dimension</b>	<b>Mean Score (1-5)</b>	<b>Std. Deviation</b>
Leadership Support	4.12	0.63
Communication	4.05	0.71
Employee Participation	3.89	0.75
Training & Development	3.96	0.68
Change Readiness	4.08	0.66

The descriptive analysis was utilized to assess how the employees perceive organisational change management (OCM) practices in their respective institutions. Table 2, which summarizes the results, shows that respondents tended to have positive ratings of all OCM dimensions. The average scores went between 3.89 and 4.12 on a five-point Likert scale, which indicated a strong occurrence of supportive change-management practices in the surveyed organisations.

The greatest mean score was on leadership support ( $M = 4.12$ ,  $SD = 0.63$ ), which means that employees believe their leaders can be proactive and dedicated during organisational change processes. This finding is consistent with prior studies that have shown that leadership is a critical factor in determining the outcome of change and the level of trust between employees (Lines and Smithwick, 2019). The next in line was communication transparency ( $M = 4.05$ ,  $SD = 0.71$ ), which is the means by which the institutions kept open information channels through transitions. It is generally accepted that transparent communication is an essential factor that defines the way workers comprehend and embrace change (Rosenbaum et al., 2018).

Employee participation ( $M = 3.89$ ,  $SD = 0.75$ ) was ranked a bit lower compared to the rest of the dimensions, indicating that despite the mechanisms of participation, employees might still feel that they would like to be more involved in the decision-making process. Both training and development ( $M = 3.96$ ,  $SD = 0.68$ ) and change readiness ( $M = 4.08$ ,  $SD = 0.66$ ) were rated positive, which means that the institutions have engaged in capacity-building activities and developed a culture of flexibility. These results are aligned with the research of Diener and Špaček (2021), who note

that the development of skills and preparedness are the precondition of effective digital transformation in the banking industry. In general, the descriptive findings indicate that the OCM practices of regional banks, especially leadership and communication, are generally strong in Central Java. However, the slightly less score of employee involvement shows an area where it could be improved, with participatory engagement being associated with a greater commitment level and easier change implementation (Ogu, 2024).

### Descriptive Statistics of Employee Engagement

Table 3. Levels of Employee Engagement

Engagement Dimension	Mean Score (1–5)	Std. Deviation
Commitment	4.15	0.59
Motivation	4.02	0.65
Trust in Leadership	3.98	0.71
Adaptability	4.10	0.63
Overall Engagement	4.06	0.62

Employee engagement levels were analyzed next, with the results presented in Table 3. The overall mean engagement score was 4.06 (SD = 0.62), suggesting a high level of engagement among the respondents. Engagement dimensions were measured through commitment, motivation, trust in leadership, and adaptability. Commitment recorded the highest mean score (M = 4.15, SD = 0.59), followed by adaptability (M = 4.10, SD = 0.63), motivation (M = 4.02, SD = 0.65), and trust in leadership (M = 3.98, SD = 0.71).

These findings indicate that employees demonstrate strong emotional attachment and dedication to their organizations, aligning with the conceptualization of engagement as a positive, fulfilling work-related state characterized by vigor, dedication, and absorption (Schaufeli et al., 2002; Cesário & Chambel, 2017). The relatively high adaptability score reflects employees' openness to embracing new systems and procedures, a trait essential for navigating digital and regulatory changes in banking (Diener & Špaček, 2021). The slightly lower score in trust in leadership, however, implies that while employees are motivated and committed, continuous reinforcement of leadership credibility remains necessary. Similar patterns have been observed in other banking studies, where employee engagement thrives under transparent and supportive leadership (Meintjes & Hofmeyr, 2018).

### Correlation Analysis Between OCM and Employee Engagement

Table 4. Correlation Between OCM and Engagement

OCM Dimension	Correlation with Engagement (r)	Significance (p)
Leadership Support	0.71	<0.01
Communication	0.68	<0.01
Employee Participation	0.62	<0.01
Training & Development	0.65	<0.01
Change Readiness	0.70	<0.01

To examine the strength and direction of relationships between OCM dimensions and employee engagement, Pearson's correlation analysis was conducted. As shown in Table 4, all OCM dimensions were positively and significantly correlated with employee engagement at  $p < 0.01$ . Correlation coefficients ranged from 0.62 to 0.71, demonstrating substantial associations.

Leadership support exhibited the strongest correlation ( $r = 0.71$ ,  $p < 0.01$ ), followed by change readiness ( $r = 0.70$ ,  $p < 0.01$ ), communication ( $r = 0.68$ ,  $p < 0.01$ ), training and development ( $r = 0.65$ ,  $p < 0.01$ ), and employee participation ( $r = 0.62$ ,  $p < 0.01$ ).

These findings empirically support the theoretical assertion that leadership and communication are central pillars of effective change management (Stouten et al., 2018; Al-Ali et al., 2017). Leadership support strengthens employee confidence in the organization's strategic direction, while transparent communication minimizes uncertainty and resistance. The moderate-to-strong correlations also indicate that engagement is multidimensional and influenced by the combined effect of several OCM factors. The significant positive correlations mirror earlier research by Eldor and Vigoda-Gadot (2017), who found that effective change communication and participative leadership enhance engagement through trust and empowerment mechanisms.

### Regression Analysis: Predictors of Employee Engagement

Table 5. Regression Analysis of OCM on Engagement

Predictor (OCM Factor)	Beta ( $\beta$ )	t-value	Significance (p)
Leadership Support	0.31	5.62	<0.001
Communication	0.27	4.88	<0.001
Employee Participation	0.18	3.42	0.001
Training & Development	0.21	3.95	<0.001
Change Readiness	0.29	5.27	<0.001
<b>Adjusted R<sup>2</sup></b>	<b>0.62</b>		

To further evaluate the predictive influence of OCM dimensions on employee engagement, a multiple regression analysis was conducted. The results, summarized in Table 5, reveal that the OCM dimensions collectively explain 62% of the variance in employee engagement (Adjusted R<sup>2</sup> = 0.62). This high explanatory power confirms that OCM practices substantially contribute to engagement levels within regional banks. Leadership support emerged as the strongest predictor ( $\beta$  = 0.31,  $t$  = 5.62,  $p$  < 0.001), followed closely by change readiness ( $\beta$  = 0.29,  $t$  = 5.27,  $p$  < 0.001). Communication ( $\beta$  = 0.27,  $t$  = 4.88,  $p$  < 0.001), training and development ( $\beta$  = 0.21,  $t$  = 3.95,  $p$  < 0.001), and employee participation ( $\beta$  = 0.18,  $t$  = 3.42,  $p$  = 0.001) also made significant contributions.

These results indicate that leadership behaviors and employees' psychological readiness for change are the most critical determinants of engagement. Leaders who articulate a compelling vision, demonstrate empathy, and foster a culture of inclusion strengthen employees' intrinsic motivation to participate in organizational transformation. This aligns with social exchange theory, which posits that employees reciprocate perceived organizational support through higher engagement (Eldor & Vigoda-Gadot, 2017). The strong influence of change readiness underscores that engagement is not solely a function of external factors such as communication but also an outcome of internalized belief in one's capacity to adapt. These findings echo Rosenbaum et al. (2018), who emphasize that successful OCM outcomes depend on the interplay between managerial support and individual readiness.

The significant yet smaller beta values for participation and training suggest that while these dimensions contribute to engagement, their effects are partially mediated through leadership and communication. Employees who receive adequate training are more confident in their ability to meet new expectations, which, in turn, enhances engagement (Diener & Špaček, 2021). Meanwhile, participation fosters a sense of ownership but may vary depending on organizational hierarchy, as lower-level employees often have limited access to decision-making processes (Ogu, 2024).

### Differences in Engagement Across Job Levels

Table 6. Differences in Engagement by Job Level

Job Level	Mean Engagement	Std. Deviation	ANOVA F-value	Sig. (p)
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Staff	3.98	0.61		
Supervisor	4.12	0.59	3.27	0.041
Manager	4.22	0.55		

The study also sought to determine whether engagement levels differed significantly across job positions. Using one-way ANOVA, the results displayed in Table 6 reveal a statistically significant variation in engagement among staff, supervisors, and managers ( $F = 3.27$ ,  $p = 0.041$ ). Managers recorded the highest mean engagement ( $M = 4.22$ ,  $SD = 0.55$ ), followed by supervisors ( $M = 4.12$ ,  $SD = 0.59$ ), and staff ( $M = 3.98$ ,  $SD = 0.61$ ).

This pattern suggests that engagement increases with job responsibility and decision-making authority. Managers and supervisors are typically more involved in shaping and implementing change strategies, which enhances their sense of control and alignment with organizational goals. In contrast, staff members may experience greater uncertainty or limited participation in strategic discussions, leading to slightly lower engagement. Similar hierarchical patterns have been reported in previous studies, where upper-level employees exhibit stronger engagement due to higher role clarity and leadership proximity (Handani, 2024; Meintjes & Hofmeyr, 2018).

The implications of this finding are significant for OCM practices in regional banks. To achieve uniform engagement across all levels, management must adopt communication and participation strategies that reach frontline staff effectively. This includes regular feedback mechanisms, participatory planning sessions, and transparent dissemination of change objectives. By bridging informational and hierarchical gaps, organizations can create a more cohesive and motivated workforce during transformation efforts.

## Discussion

The findings of this study empirically substantiate the pivotal role of organizational change management (OCM) in shaping employee engagement within regional banks across Central Java. The results reveal that employees exhibited a high degree of engagement, as reflected in their sustained commitment, intrinsic motivation, and adaptability to organizational transformation. Simultaneously, employees expressed favorable perceptions of OCM implementation, particularly in dimensions associated with leadership support and communication. The outcomes of both correlation and regression analyses confirm that OCM dimensions exert a strong and statistically significant influence on engagement, collectively explaining 62 percent of its variance. This finding reinforces the proposition that effectively managed organizational change serves not as a source of resistance, but rather as a catalyst for enhanced employee involvement and alignment with institutional objectives (Stouten et al., 2018; Rosenbaum et al., 2018).

Among all OCM dimensions, leadership support emerged as the most influential predictor of employee engagement. This outcome corroborates established theories emphasizing that transformational leadership extends beyond administrative oversight to encompass the creation of trust, clarity, and a shared vision for adaptability (Lines & Smithwick, 2019; Al-Ali et al., 2017). Within the context of regional banks, where employees encounter multifaceted regulatory, technological, and market pressures, leaders who engage in open communication and demonstrate authentic concern for employee welfare foster greater loyalty and psychological resilience. The strong correlation between leadership and engagement further suggests that employees perceive their leaders as stabilizing figures during periods of uncertainty, thereby reinforcing the critical importance of leadership behaviors that model transparency, empathy, and consistency (Eldor & Vigoda-Gadot, 2017).

Communication also proved to be a significant determinant of engagement. Banks that prioritized transparent and timely dissemination of information enabled employees to feel informed, valued, and less apprehensive about ongoing changes. This finding aligns with the uncertainty reduction theory, which posits that individuals are more inclined to accept organizational transformation when ambiguity is minimized through clear and consistent messaging (Rosenbaum et al., 2018). Effective communication, as demonstrated in this study, not only enhanced trust in leadership but also fostered cross-level collaboration and organizational cohesion. Nevertheless, the slightly lower engagement observed among staff compared to managerial employees implies that communication strategies may not consistently reach frontline personnel with the same efficacy. This underscores the necessity of designing inclusive communication frameworks that ensure accessibility and comprehension across all hierarchical levels (Handani, 2024).

Although employee participation recorded a positive mean score, it remained the lowest among the OCM dimensions. This suggests that while participatory opportunities exist, employees may not consistently perceive themselves as active contributors in decision-making processes. Engagement literature consistently highlights that participation enhances ownership, strengthens psychological empowerment, and leads to higher motivation and commitment (Ogu, 2024; Cesário & Chambel, 2017). In hierarchical organizational structures typical of regional banks, limited participation among staff may contribute to feelings of detachment, reinforcing the perception of being passive recipients rather than agents of change. The establishment of structured participatory mechanisms such as feedback forums, pilot project involvement, and digital suggestion systems could strengthen employees' sense of agency, thereby promoting both engagement and acceptance of change initiatives.

The dimensions of training and development were rated relatively high, reflecting significant organizational investment in preparing employees for digital and procedural transformations. Given the accelerated digitization of the banking industry, the provision of continuous learning opportunities is critical for enhancing adaptability and competence (Diener & Špaček, 2021). Moreover, change readiness emerged as another strong predictor of engagement, indicating that employees who perceive themselves as well-prepared for change are more likely to exhibit vigor and dedication in their work. This finding suggests that readiness is not merely an individual psychological disposition but rather a collective outcome shaped by institutional support, skill development, and knowledge-sharing practices (Rosenbaum et al., 2018). By cultivating readiness through sustained investment in training and supportive policies, organizations can promote a climate of optimism, thereby transforming potential resistance into constructive participation.

The study further identified significant differences in engagement levels across job hierarchies, with managers reporting the highest engagement, followed by supervisors, and staff members demonstrating comparatively lower levels. This gradient can be attributed to variations in access to strategic information, decision-making authority, and interaction with leadership (Handani, 2024; Meintjes & Hofmeyr, 2018). Managers, by virtue of their leadership roles, are directly involved in shaping and executing change strategies, which strengthens their sense of purpose and alignment with organizational objectives. Conversely, staff members who constitute the operational core of the organization may experience a greater sense of detachment due to limited inclusion in planning processes or communication channels. These hierarchical disparities highlight the importance of developing targeted engagement interventions that specifically address the informational and motivational needs of frontline employees.

To ensure equitable engagement across all organizational tiers, regional banks must adopt integrative strategies that combine top-down leadership initiatives with bottom-up participatory approaches. Leaders should actively solicit feedback from operational employees and incorporate their insights into change design and implementation. Additionally, creating mentorship and peer-learning programs can bridge hierarchical divides and foster collective ownership of organizational goals. Such inclusive practices not only enhance engagement but also build organizational resilience by aligning employee aspirations with institutional transformation.

## CONCLUSION

The findings of this study conclude that organizational change management has a significant and positive influence on employee engagement in regional banks in Central Java. Leadership support, transparent communication, training, and change readiness were identified as the strongest drivers of engagement, while employee participation, though positive, remained relatively weaker. The results also revealed that managers demonstrated higher engagement levels compared to staff, reflecting differences in access to information and involvement in decision-making. Overall, effective change management fosters stronger commitment, motivation, and adaptability among employees, with statistical analysis showing that OCM explains a substantial proportion of employee engagement variance. These results highlight the importance of strengthening participatory mechanisms and inclusive communication to ensure that all employees, particularly frontline staff, are equally empowered and engaged in the change process.

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