

# The Influence of Leadership Style on Employee Performance through Readiness for Change Post Acquisition Company

**Keke Tamara Fahira**

Department of Management, Faculty of Economics and Business,  
University of Muria Kudus, JL. Lingkar Utara, Gondang Manis, Kudus, Indonesia  
Email: [keke.tamara@umk.ac.id](mailto:keke.tamara@umk.ac.id)

**Rozaq Muhammad Yasin**

Department of Management, Faculty of Economics and Business,  
University of Muria Kudus, JL. Lingkar Utara, Gondang Manis, Kudus, Indonesia  
Email: [rozaq.yasin@umk.ac.id](mailto:rozaq.yasin@umk.ac.id)

## **Abstract**

*The current period of acquisition strategy is an effective and efficient way to relocate assets in the economy, especially the banking sector. The acquisition brought many changes to the organization. The research aims to answer the influence of post-acquisition Leadership Style on employee performance through Readiness for Change as an intervening variable. This research method uses Partial Least Square (PLS). This study uses a non-probability sampling method to collect data. Primary data is used in this study by distributing 100 sample questionnaires to employees at BRI AGRO bank. The finding is that leadership style has a significant effect on employee performance post-acquisition through readiness for change. The results of the study, can be concluded that in order to improve the performance of employees at Bank BRI AGRO, they can maintain and improve their leadership style. In addition to mediating research variables, Readiness for Change also has a direct influence on employee performance.*

**Keywords:** Leadership style; employee performance; readiness for change; acquisition

## **A. INTRODUCTION**

In an era of rapid technological advancement and market globalization, business people universally views mergers and acquisitions (M&A) as some of the especially visible in business development strategies ([Febriani, 2018](#)). Likewise in Indonesia, it has become commonplace that mergers and acquisitions can be a solution to overcome various changes in the business environment. Some companies carry out mergers and acquisitions in an effort to align with new rules and policies ([Pratiwi, 2008](#)) or to reduce financial risk. All organizations that carry out mergers and acquisitions must have concepts, goals that are expected to promote value for the organization, especially in the banking sector.

Mergers and acquisitions include modify events that have the possible to affect the attitudes, behavior and subsequent performance of employees within an organization ([Cartwright & Cooper, 2013](#)). After the mergers and acquisitions have been carried out, further restructuring will be followed in the area of change with the aim of improving company performance. Mergers and acquisitions are considered effective and efficient ways of relocating economic assets for the company's business development ([Gaughan, 2013](#)). The company can thrive in the existing market by taking over the market share of its competitors.

Previous research have recognize strategic fit as a guidance determinant of successful inter-firm integration. However, the results of mergers and acquisitions remain inconsistent according to [Haleblan et al., \(2009\)](#) thus there is a need to study the factors of the work environment that affect mergers and acquisitions ([Weber, 2015](#)). The Government of Indonesia and the Financial Services Authority encourage banks in Indonesia to immediately meet their minimum capital requirements. Several banks have responded to this policy by conducting mergers and acquisitions to increase capital so that banks will have high and stronger competitiveness ([Goksoy, 2014](#)). The following is a list of names of Banks that have succeeded in making acquisitions, seen in table 1.

**Table 1.** List of Acquisition Banks from 2000 in Indonesia

No	Date	Bank Taking Over	Foreclosed Bank
1	March 31, 2003	Bank OCBC NISP	Keppel Tat Lee Buana Bank
2	December 19, 2007	PT. Bank Rakyat Indonesia Tbk	PT. Bank BRI Syariah d.h PT. Bank Jasa Arta
3	June 12, 2009	PT. Bank Central Asia Tbk	PT. Bank BCA Syariah d.h PT. Bank Utama Internasional Bank
4	March 3, 2011	PT. Bank Rakyat Indonesia Tbk	PT. Bank Agroniaga Tbk
5	October 31, 2019	PT. Bank Central Asia Tbk	PT. Bank Royal Indonesia
6	11 December 2019	PT. Bank Central Asia Tbk	PT. Bank Rabobank International Indonesia

Source: CNBC Indonesia (2020)

The success of these six banks in making these acquisitions, which has stimulated other banks to do the same, is evidenced by the presence of several banks that have adopted an acquisition strategy in the period 2003 to 2019. One of the banks that succeeded in making acquisitions was PT. Bank Agroniaga Tbk acquired 88.65% shares by PT. Bank Rakyat Indonesia Tbk in 2011 which later replacement its name to Bank Rakyat Indonesia Agroniaga (better known). The horizontal acquisition was carried out between Agroniaga bank and Bank Rakyat Indonesia because both were engaged in the same field, namely banking.

The focus of the BRI Agro bank is in the agribusiness sector and the shares of Bank Agroniaga were purchased with a total acquisition value of Rp 330.3 billion, of which the Bank's loan portfolio is

mostly (50% - 70%) in the agribusiness sector, both on farm and off farm. The dynamics of the economy and the banking industry are currently experiencing a slowdown, this acquisition is the right step. Bank BRI will benefit from excellent microcredit distribution, then Bank Agro Niaga will acquire an experienced parent so that the bank's performance will be better. BRI Agro after the acquisition took the initiative to make a complete overhaul. This is a manifestation of BRI Agro's commitment to continue to achieve sustainable growth in the future.

Credit distribution to the agribusiness sector itself was recorded at 56% with the largest distribution in palm oil commodities. Existing business development has been carried out, currently BRI Agro is also collaborating with various Start Ups from various types of business fields, one of which is from the field of Financial Technology (Fintech) Services in an effort to increase lending to the public through digital platforms. PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) was yet capable to take a net profit of Rp 31.26 billion in 2020. In line with the company's strategy to reduce the Cost of Fund (COF) which reached 5.97% in 2020 from the previous by 7.02% in 2019 ([Walfajri & Mahadi, 2021](#)).

These data indicate that the performance of BRI Agro has developed quite well. Ideally, a bank that has made an acquisition should have an influence on regenerate its performance followed by the commitment of its organizational resources. Very complex organizational events with several factors can lead to success and failure in post-acquisition companies. One of the reasons for failure lies in negligence regarding human resource issues. Acquisition events can be traumatic for employees because of possible layoffs, identification of new management styles and new business array. The acquisition also escalates employee unpredictability, leading to reduced commitment to the company and the performance of organizational tasks.

On the other hand, the leadership style of companies involved in merger and acquisition activities shows an increased survival rate seen from employee performance ([Strobl et al., 2020](#)). Changes in organizational and leadership styles that occur due to company acquisition conditions often cause employees to encountered struggling and tightness in keeping going on the previous level of performance while adapt to organizational performance. ([Carter et al., 2012](#)). According to Nemanich & Vera (2009), the impact of changes in leadership style on company performance after the acquisition only occurs in developed countries.

The inconsistency of the findings for companies that make acquisitions causes the study to include the Readiness for Change variable to close the gap. Inside the organizational context, readiness for change describe the reach to which employees depend that change is required inside the organization ([Holt, 2007](#)). Readiness to change has an important impact on the success of acquisitions, so it is necessary for companies to know how acquisitions are shaped by the element of readiness for change. The existing literature shows deficiencies in this regard especially regarding the intra-organizational rather than inter-organizational level ([Kirrane et al., 2017](#)).

This study examines whether there is an impress of leadership style on employee performance via Readiness for Change in post-acquisition companies at PT. BRI Agroniaga Tbk. The systematics of writing in this research, first define the background and purpose of the research. Second, literature review is connected to research. Third, the research method used. Finally, the results in the research then clarify the conclusions, suggestions and implications of the research that has been carried out.

## **B. LITERATURE REVIEW**

### **1. Employee Performance**

Performance is the behavior of way the goal is accomplished. Employee performance is the quantity or quality produced or services providing that by someone who makes the job ([Nugroho et al., 2019](#)). Meanwhile, as stated by to [Sedarmayanti \(2007\)](#), employee performance is the yield of employee labor through a management process or the organization as an entire where the yield of their work can be demonstrated by concert and measurable evidence. Employee performance is affected by substantial factors, both from internal employees, the organization, and from external factors of the organization.

Internal factors which may affect employee achievement suchlike work competence, work commitment, job satisfaction, engagement, work climate, organizational culture, and so on.

Employee performance is based on efficacy, quality, and efficiency of work results. Performance also contributes to the assessment as much as the importance of an employee for the organization. Each employee is a serious investment for the company, so that reversion be given each employee must be significant. according to [Aisah & Wardani \(2020\)](#), performance is a conception of the stage accomplishment of execution of one of the activities or policies inside actualize the goals, objectives, vision, and mission of the organization as outlined in the strategic purpose of the organization. So it can be concluded that employee performance will show the extent to which a person or employee can do his job and is full of responsibility.

## **2. Leadership Style**

The role of leadership is very prominent inside organization be like a determinant of fruitfulness in achieving the vision, mission and goals of an organization. The development of organizational strategy lies in how its leadership. A leader must be able to provide insight, generate pride and cultivate an attitude of respect and trust from his subordinates. Leadership is a social problem that is found in the interaction between those who are led and those who are led to achieve common goals by means of affect, blandish, motivate and coordinate. ([Aisah & Wardani, 2020](#)). The progress and development of education is a determining factor for the success of a nation in producing ideal leaders, and therefore an education system is needed that is able to produce the next generation of a nation who is moral and has noble character, upholds religion as the foundation of life ([Fajar Surya et al., 2022](#)).

[Muizu, \(2019\)](#) said that the most effective leadership style varies with employee readiness, readiness as a desire to excel, willingness to accept responsibility, and abilities related to tasks, skills and experience. Goals and knowledge of subordinate are important variables in determining an effective leadership style. Leadership style is measured by decision making, leader behavior, and leadership orientation. This is done because every management needs to manage and know the performance of its employees, whether it is in accordance with the company's performance standards or not. This knowledge of performance is an easy step in knowing effectiveness and employee development success Reinforced by research [Agustin, \(2021\)](#) where the better the application of leadership, the more optimal the achievement of employee performance will be.

$H_1$  : Leadership Style has a positive effect on Employee Performance

## **3. Readiness for Change**

Readiness to change is defined as a comprehensive manner entirely affected by the rate of the change (what is changed), the process of change (how the change is implemented), the context of the change (the circumstances in which the change occurs) and the individual attributes (characteristics required to change) involved in change ([Asbari et al., 2021](#)). If there is a failure of change in an organization, then employee anxiety will arise. For this reason, readiness for change is included in an important role because it is able to bridge the successful implementation of change management strategies.

Readiness for change in employees in an organization is very important. [Veronika & Prihatsanti, \(2017\)](#) said that to make ready employees to change in the organization, it is necessary to understand the ways that can be used to get bigger readiness for change. There are two things that organizations can do, namely to establish employee readiness to change and settle the problem of resistance to change. Another thing that affects readiness for change is leadership style. A leadership style that tends to motivate, coordinate and stimulate subordinates will become greater the motivation and performance of their subordinates by creating them more conscious of the account of tasks in an organization. Of course, things like this can be an example for subordinates by paying attention to the needs of their

higher-level subordinates. In line with research [Pranowo & Prihatsanti, \(2016\)](#) said that transformational leadership style has a positive influence on readiness to change.

Achievement in organizational change is the readiness of employees to change. Changes that happen in the organization are respond to differently by each member. When organizational modification is visible as a dare, the compensation will trigger a positive response, while when change is seen as a threat it will touch of a negative response. Organizations that are about to make changes really need the support of employees who are available, well willing and disposed to change. The importance of the role of employees in the change process, so employees need to be prepared to be more open to changes that will be made and more ready to change. If employees are not ready to change then they will not be able to keep up and will find it difficult with the speed with which organizational change is taking place ([Yani & Soehardi, 2017](#)).

$H_2$  : Leadership Style has a positive effect on Readiness for Change

$H_3$  : Readiness for Change has a positive effect on Employee Performance

### Previous Study

There are several findings from several previous studies regarding the importance of leadership style in creating employee performance which are described in table 2 as follows:

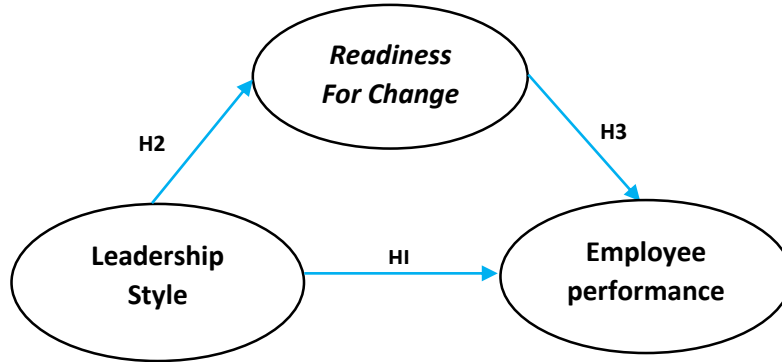
**Table 2.** Research gap

Variable	Influence	Result
The influence of leadership style on employee performance	Significant	Transformational leadership has a key role in influencing employee performance. This leadership style shows a positive and significant relationship with two employee performance variables ( <a href="#">Savovic, 2017</a> ).
		Transformational leadership is positively related at the level of individual and team analysis and objective team performance in post-acquisition firms ( <a href="#">Braun et al., 2013</a> ).
	Not significant	There is evidence that the leadership style of companies that are regularly involved in merger and acquisition activities show an increased survival rate in terms of employee performance ( <a href="#">Strobl et al., 2020</a> ).
		Not all dimensions of leadership style have a significant influence on employee performance ( <a href="#">Schweizer &amp; Patzelt, 2012</a> ).
		Leadership can support integration and acquisition success but must be mediated by value creation after acquisition ( <a href="#">Zhang et al., 2015</a> ).
		Transformational leadership has an impact on the company's post-acquisition performance but this can only happen in developed countries ( <a href="#">Nemanich &amp; Vera, 2009</a> )
		Changes in the organization and leadership style that occur often cause employees to experience trouble and strain to hold previous levels of performance while adapting to organizational performance ( <a href="#">Carter et al., 2012</a> )

Source: Previous research processed (2021)

Some of the studies above still show differences in results or findings from various previous studies that have been carried out so that there are inconsistencies in the results and there is a research gap. So that in this research the Readiness for Change variable was chosen to close the gap or gap that occurred between the differences in the results of previous studies. In the organizational context,

readiness for modify is defined as the extent to which employees believe that change is necessary in an organization (Holt, 2007). Employee perceptions and level of readiness to change remain a very plausible reason for the level of opposition among employees. Readiness to change has a necessary impact on the success of acquisitions, so it is necessary for companies to know how acquisitions are shaped by the element of readiness for change. The existing literature shows deficiencies in this regard especially regarding the intra-organizational rather than inter-organizational level (Kirrane et al., 2017)



**Figure 1.** Research Framework (2022)

**C. RESEARCH METHOD**

The quantitative approach used in this study is presented with data in the form of "amounts" or numbers to investigate existing phenomena or symptoms (Brannen, 2016). Hypothesis testing was carried out using a Structural Equation Model (SEM) based on Partial Least Square (PLS). This research was conducted at Bank BRI AGRO located on Jl. Warung Jati Barat No.139 Pancoran South Jakarta. The primary data used in this study were obtained through a questionnaire. The questionnaire consists of several questions related to the identity of the respondents and the variables to be studied. Secondary data was obtained through several research instruments as well as several documents obtained from Bank BRI AGRO. Non-probability sampling technique with purposive sampling was used in sampling. The sample criteria were taken from employees with permanent employee status with 3 years of service at BRI Agro bank. The number of samples in this study were 100 respondents.

**Table 3.** Definition of Operational Variables

Variable	Definition	Sub-Indicator
Employee Performance (Y)	The extent to which a person or employee can do his job with full responsibility (Altındağ & Köseadağı, 2015).	<ol style="list-style-type: none"> <li>1. Meet the quality set by the company</li> <li>2. Have responsibility for his work</li> <li>3. Finish the job early for</li> <li>4. Meet the quantity set by the company</li> <li>5. Maximize the use of organizational resources</li> <li>6. Have a work commitment</li> </ol>
Leadership Style (X)	Transformational leaders can through increasing awareness of the importance of values in planning their achievements, establishing good relationships with all members or employees, being able to distinguish between needs and desires that will be prioritized. (Beck-Tauber, 2012).	<ol style="list-style-type: none"> <li>1. Motivate employees to contribute to the organization</li> <li>2. Inspire subordinates with organizational plans and goals</li> <li>3. Provide a clear vision and mission of the organization to follow.</li> <li>4. Encouraging employees to have passion at work</li> <li>5. Willing to listen to the difficulties experienced by employees.</li> <li>6. Strive to improve the self-development of employees.</li> </ol>
Readiness For Change	Employee readiness for change needs to be reviewed before making changes (Maria, 2014)	<ol style="list-style-type: none"> <li>1. Change is right for the organization</li> <li>2. Change benefits the organization</li> <li>3. Have the ability to deal with change</li> <li>4. Complete tasks related to change</li> <li>5. Management leaders have commitment</li> </ol>

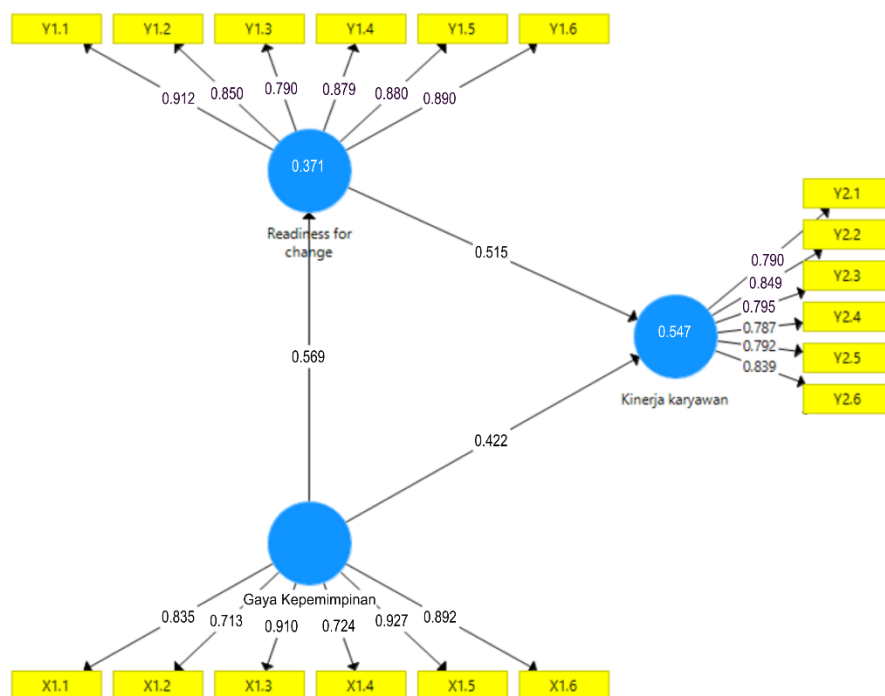
Variable	Definition	Sub-Indicator
		6. Management leaders support change implementation
		7. Benefit from change
		8. Implementing changes brings long-term benefits

Source: Previous Research Journal Processed (2021)

**D. DISCUSSION**

**Testing the Measurement Model (Outer Model)**

Convergent validity is seen based on the correlation among item scores which are estimated using PLS software version 3.2.8. Figure 2. below is the result of the outer loadings of the study. Based on testing the 18 indicators used, all of them have a value > 0.7. So that the measurement model that has been set is mostly consistent with the research results.



**Figure 2.** Outer Research Model  
Source: Data processed using PLS (2021)

**Convergent Validity Test**

Table 4. Outer loadings can test convergent validity. Convergent validity is said to be eligible if it has a loading factor threshold value > 0.7. If there is a loading factor value < 0.7, then convergent validity does not meet the requirements and the construct is dropped from the analysis (Ghozali, 2008). The following are the outer loading values of the research variable indicators, including:

**Tabel 4.** Outer Loadings (Measurement Model)

Employee Performance	RFC	Leadership Style
X1.1		0.835
X1.2		0.713
X1.3		0.910

Employee Performance		RFC	Leadership Style
X1.4			0.724
X1.5			0.927
X1.6			0.892
Y1.1		0.912	
Y1.2		0.850	
Y1.3		0.790	
Y1.4		0.879	
Y1.5		0.880	
Y1.6		0.890	
Y2.1	0.790		
Y2.2	0.849		
Y2.3	0.795		
Y2.4	0.787		
Y2.5	0.792		
Y2.6	0.839		

Source: Data processed by PLS (2021)

In the table the value of the first model loading factor has reached convergent validity, this can be visible from all indicators that have a loading factor value of < 0.7. So it can be said that the validity of the instrument is fit with the available data.

### Discriminant Validity Test

[Ghozali \(2015\)](#), states that the method of measuring discriminant validity is to test discriminant validity with reflective indicators which can be known by estimating the cross loading value of each variable to be > 0.7. The value of cross loading in this study is described in the following table:

**Table 5.** Cross Loading

	Employee Performance	Readiness for change	Leadership Style
X1.1	0.451	0.433	0.835
X1.2	0.340	0.380	0.713
X1.3	0.469	0.439	0.910
X1.4	0.328	0.317	0.724
X1.5	0.519	0.489	0.927
X1.6	0.626	0.445	0.892
Y1.1	0.715	0.912	0.551
Y1.2	0.594	0.850	0.478
Y1.3	0.615	0.790	0.508
Y1.4	0.605	0.879	0.573
Y1.5	0.581	0.880	0.466
Y1.6	0.569	0.890	0.527
Y2.1	0.790	0.443	0.509
Y2.2	0.849	0.588	0.474
Y2.3	0.795	0.482	0.601
Y2.4	0.787	0.451	0.497
Y2.5	0.792	0.664	0.535
Y2.6	0.839	0.613	0.458

Source: Data processed by PLS (2021)



Based on table 5, every indicator of the research variable has the largest cross loading value on the variables it forms compared to the cross loading value on other variables. Thus, the research indicators can be said to be good or valid in compiling their respective variables because they have a discriminant validity value > 0.7.

**Reliability Test**

The reliability value of a construct can describe the validity and reliability criteria. Measurement of the reliability of research constructs with reflective indicators can be evaluated using two types of measurements, namely composite reliability and Cronbach's alpha (Ghozali & Latan, 2015). In the table below, the overall AVE value is > 0.50, then composite reliability or Cronbach's alpha is > 0.70. Then, Ghozali & Latan (2015) states that the AVE value is said to meet the reliability requirements if the value is > 0.50. In addition to the AVE value, composite reliability, and Cronbach's alpha also meet the requirements for reliability or can be said to be reliable because the overall construct value is > 0.70.

**Table 6.** Value of Composite Reliability, Cronbach's Alpha, and AVE

Variable	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance	0.927	0.928	0.936	0.660
Readiness for change	0.944	0.946	0.950	0.755
Leadership Style	0.862	0.895	0.906	0.608

Source: Data processed by PLS (2021)

**Structural Model Testing (Inner Model)**

The next step is testing the structural model by looking at the R Square, Inner Model, and Standard path coefficient values.

**R Square Analyze**

Table 7. Below shows that the leadership style variable has an influence on employee performance of 0.547 or 54.7%. Meanwhile, 45.3% is influenced by variables not examined in this study. The leadership style variable has an effect on Readiness for Change of 0.361 or 36.1%. Meanwhile, 63.9% is influenced by variables not examined in this study.

**Table 7.** R-Square

Variable	R Square	R Square Adjusted
Employee Performance	0.547	0.548
Readiness for change	0.361	0.363

Source: Data processed by PLS (2021)

In the figure below, the largest path coefficient value is shown in the influence of leadership style on readiness for change of 7.315. The second largest effect is shown by the effect of readiness for change on employee performance of 6.294. The third largest influence is shown by the influence of leadership style on employee performance of 3.108. The following are the results of the inner model test using the SmartPLS 3.2.8 analysis tool.

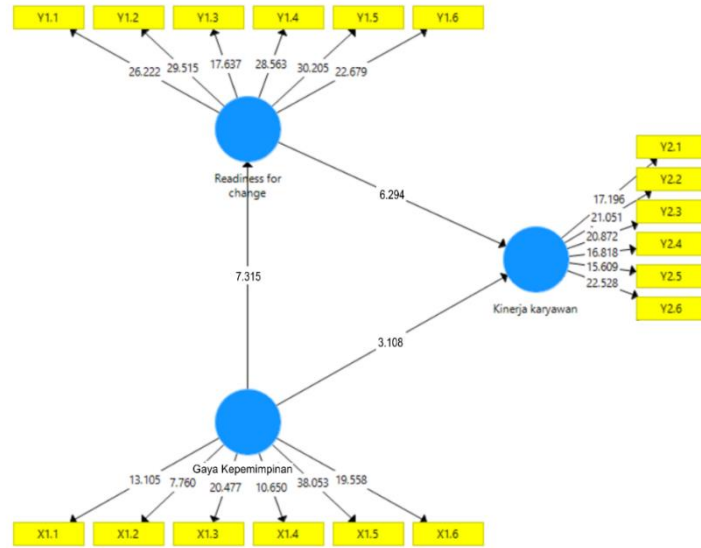


Figure 3. Inner Model

Source: Data processed by PLS (2021)

Path Coefficient Standard

Table 8. Standard Path Coefficient

Influence	Coefficient	T statistic	P value
Dirrect effects			
Leadership Style → RFC	0.569	7.315	0.000
Leadership Style → Employee Performance	0.422	3.108	0.003
RFC → Employee Performance	0.515	6.294	0.000
Indirect effect			
Leadership Style → RFC → Employee Performance	0.327	4.261	0.000
Total effect effect			
Leadership Style → RFC	0.617	6.512	0.000
Leadership Style → Employee Performance	0.639	8.708	0.000
Readiness for change → Employee Performance	0.487	5.483	0.000

Source: Data processed by PLS (2021)

Hypothesis Test

Style of leadership have a significant effect and influence toward employee performance because it has a probability value of 0.003 (0.3%) which is <5%, with a coefficient of 0.422 so that H1 is accepted. Leadership style has an effect on readiness for change because it has a probability value of 0.000 (0.0%) which is <5% with a coefficient of 0.569 so that H2 is accepted. Readiness for change has an effect on employee performance because it has a probability value of 0.000 (0.0%) with a coefficient of 0.515 and is <5%, so H3 is accepted.

The direct effect of leadership style on readiness for change has an effect of 0.569. The direct effect of leadership style on employee performance has a result of 0.422. For readiness for change has a direct influence on employee performance of 0.515. The magnitude of the total effect resulting from the direct and indirect influence of leadership style on employee performance through readiness for change is 0.327. The leadership style variable on employee performance through readiness for change has a probability value of 0.000 (0.000%) and is < 5%. This means that the readiness for change variable is able to mediate the influence of leadership style on employee performance.

## **DISCUSSION**

### **The Influence of Leadership Style on Employee Performance**

The influence of leadership style on employee performance is significant because the probability value is 0.003 (0.3%) and is < 5%, so the hypothesis is accepted. Acceptance of the hypothesis means that the leadership style that has been applied at Bank BRI Agro is able to improve employee performance. The results support the research [Savovic, \(2017\)](#) which shows up that the types of leadership, especially transformational leadership that supports employees, tend to be associated with higher organizational performance and can reduce staff turnover and high turnover. In line with research conducted by [Nemanich & Keller, \(2007\)](#) shows that leadership and organizational climate play an important role in employee performance. This is because a leader who can encourage, stimulate and motivate employees will create a dominantly good work environment so as to improve employee performance.

The loading factor value of the leadership style and employee performance indicators is quite positive, which means that the indicators on the variables used are interrelated. Then, it can be seen that the largest loading factor value on the leadership style indicator that affects performance lies in the indicator "Willing to listen to the difficulties experienced by employees". Employees who feel lethargic at work due to various difficulties resulting from the company's post-acquisition will feel helped by this kind of leadership. Where leaders want to listen to the difficulties experienced by their employees. In addition, knowing the goals of the company will feel directed at work so that they have high productivity because they know the tasks that must be done within the company.

The lowest loading factor value is on the indicator "Inspire subordinates with organizational plans and goals". Leaders need to find more ways to inspire their subordinates regarding the plans and goals of the organization. This kind of thing is to be able to provide encouragement, appreciation and recognition to employees. As is known, the respondents of this research are employees, some of whom have a working period of more than 5 years and can be said to be very loyal to the company. If they feel that the leader does not inspire employees, the level of employee performance will decrease considering what the employee has contributed for a long period of work.

### **Influence of Leadership Style on Readiness for Change**

Leadership style has an effect on readiness for change because it has a probability value of 0.000 (0.0%) and is <5%, so the hypothesis is accepted. That is, the more transformational a leadership style that can motivate, direct and stimulate employees, the better the readiness of employees to face a change. Previous research concluded that transformational leadership has no significant effect on readiness to change ([Susyanto, 2019](#)). However, the results of this study are in line with the results of research conducted by Sari, (2018) shows that change is often associated with leadership.

In line with the results of the identification of several aspects that encourage readiness for change at the individual level, it comes from the leadership and perceptions of each employee in the context of readiness for change ([Yuwono et al., 2020](#)). Employees will easily accept readiness for change and reduce resistance to readiness for change. According to [Mahessa, \(2016\)](#) the results of the study prove that leadership has a positive and significant influence on employee readiness to change. This is in line with the research conclusions given by [Fitriana & Sugiyono, \(2019\)](#) that with good leadership will have a good effect of readiness to change as well. Answers from respondents that employees have skills and abilities that have a relationship with change.

The loading factor indicator values for leadership style and readiness for change both have positive values which indicate indicators between variables are interrelated. The value of the largest readiness for change loading factor lies in the "Change is right for the organization" indicator. This shows that the employees of Bank BRI Agro are prepared and make change as something that is right for the organization to happen. The right leadership style will increase employee motivation so that employees are better prepared to face changes that occur in the organization. Meanwhile, the smallest value of the readiness for change loading factor is in the indicator "Has the ability related to change". This relates to the capabilities possessed by employees are still not comprehensive and still require adjustment if there is a change in an organization. Achieving success in implementing change, the organization is in a condition that is ready to change. Organizational readiness to change is supported by employees who have an open attitude towards change and can prepare themselves and everything so that they are ready to face change.

### **Effect of Readiness for Change on Employee Performance**

Readiness for change affects employee performance because it has a probability value of 0.000 (0.0 %) and is < 5%, so the hypothesis is accepted. In line with the results of research by [Novitasari et al., \(2020\)](#) that readiness for organizational change has a positive and significant correlation with employee performance. Where employees who have skills related to a change, based on respondents' answers regarding employee performance can be said to be good. It is said to be good because employees certainly have a commitment to their work so that they can have a good performance set by the company.

The value of the largest employee performance loading factor lies in the indicator "having responsibility for his work". Research result [Kamar et al., \(2020\)](#) supports that employee readiness for organizational change has a positive and significant correlation with employee performance. [Asbari et al., \(2020\)](#) states that employees have the ability to deal with change so that they have a good work commitment to carry out the performance that has been set. The conclusion of this research supports what has been established in prior research, that readiness to amendment has a positive and significant effect on performance ([Banjongprasert J, 2017](#)). Research by [Tsirikas et al., \(2020\)](#) confirm that readiness for change has a positive correlation with employee performance.

Employees at BRI Agro bank have a high commitment in completing their work and can improve their performance because they are armed with individual readiness. Employees who have the capital of readiness to change, especially psychologically, will have more potential in taking perspective, assessing situations and circumstances more positively, adaptively, increasing enthusiasm, dedication, and appreciation in improving their performance. Where this shows that employees at Bank BRI Agro have a high commitment to completing work in accordance with company regulations. The higher the readiness for change that exists in individuals within the organization, the higher the chances of an organization's success will be.

## **E. CONCLUSION**

### **1. Summary**

Leadership style and Readiness for Change in post-acquisition companies have a significant positive effect on employee performance. Leadership style has a significant positive effect on Readiness for Change. That is, the better the leadership style in an organization, the better the readiness of employees to face change. A good leadership style of an organization can be seen from the physical and non-physical work environment that can increase the Readiness for Change of Bank BRI Agro employees in improving their performance. Briefings and meetings that are often held by leaders are able to raise awareness and strong belief in employees that changes that occur in the organization will not affect the company's performance, on the contrary, the company will be stronger. In addition, the leader in this case is transformational so that it provides motivation and confidence that after the acquisition, the company will have more performance because it is able to see new opportunities in the future.

In this study, it is proven that Readiness for Change also fully mediates the relationship between leadership style and employee performance. In an effort to improve employee performance in post-acquisition companies, the leadership style variable through Readiness for Change has a bigger role,

because the value of the leadership style variable mediated by the Readiness for Change variable on employee performance has a high value when compared to the value of the leadership style variable without being mediated. Mediation through Readiness for Change. The leadership style in Bank BRI Agro can support the performance of its employees when viewed from the work environment such as colleagues, salaries which can have an impact on the performance of employees. The existence of a transformational and "friendly" leadership style can also have a good influence on employee performance. Readiness for Change must also be maintained by the company after the acquisition. As it is known that apart from mediating the research variables, Readiness for Change also has a direct influence on employee performance.

## **2. Suggestions**

After conducting research at Bank BRI Agro, there are still several things that become obstacles and limitations in this research. Some of these limitations are the length of time for data collection because the time of data collection coincided with the Covid-19 pandemic and the enactment of company regulations from the government to limit activities that could result in the spread of the virus. In addition, the collection of respondents' answers through the distribution of online questionnaires, where the answers given by respondents sometimes do not show the actual situation. In future research, it is better to use other variables related to employee performance in post-acquisition companies. Thus, it can provide a broader picture of what factors can affect employee performance other than leadership style and Readiness for Change.

PT. Bank BRI AGRO is expected to be able to have a good leadership style after the acquisition so that employee performance remains optimal. In addition, an adaptive culture to the rapidly changing business environment must be instilled in every employee. Readiness for Change is proven to have an effect on employee performance, which is the basis for management in creating a work culture that is adaptive, proactive and supports every major goal of the organization. For further researchers, it is hoped that they will be able to provide supporting theories so that they will be able to provide a new picture of the impact of acquisitions on employee and organizational performance.

## **Acknowledge**

Thank you to the entire academic community of the Management Study Program, Faculty of Economics and Business, Muria Kudus University for the moral and material support that has been given. Thank you also to the journal management for publishing our research results.

## F. REFERENCES

- Altındağ, E., & Köseadağ, Y. (2015). The Relationship Between Emotional Intelligence of Managers, Innovative Corporate Culture and Employee Performance. *Procedia - Social and Behavioral Sciences*, 210, 270–282. <https://doi.org/10.1016/j.sbspro.2015.11.367>
- Anggara, Fajar Surya, Soritua Ahmad Ramdani, & Abdul Thoriq. (2022). Penanaman Nilai-Nilai Panca Jiwa Dalam Mewujudkan Manajemen Sumber Daya Manusia Yang Unggul. *Inovator*, vol.11 No. 1. *Hlm.* 199-209,. <https://doi.org/10.32832/inovator.v11i1.6850>
- Asbari, M., Novitasari, D., Silitonga, N., Sutardi, D., & Gazali. (2020). Analisis Readiness for Change Terhadap Kinerja: Perspektif Karyawan Kontrak Di Masa Pandemi Covid-19. *Jemasi: Jurnal Ekonomi Manajemen Dan Akuntansi*, 16(2), 1–16. <https://doi.org/10.35449/jemasi.v16i2.153>
- Banjongprasert J. (2017). An Assessment of Change-Readiness Capabilities and Service Innovation Readiness and Innovation Performance: Empirical Evidence from MICE Venues. *International Journal of Economics and Management*, 11, 1–17.
- Beck-Tauber, D. (2012). Transformational Leadership: Exploring its Functionality. *University of St. Gallen, Business Dissertations*, 4067, 1–141.
- Brannen, J. (2016). *Mixing Methods : Qualitative and Quantitative Research* (Vol. 0). Routledge.
- Braun, S., Peus, C., Weisweiler, S., & Frey, D. (2013). Transformational leadership, job satisfaction, and team performance: A multilevel mediation model of trust. *Leadership Quarterly*, 24(1), 270–283. <https://doi.org/10.1016/j.leaqua.2012.11.006>
- CARTER, M. Z., ARMENAKIS, A. A., FEILD2, H. S., & MOSSHOLDER, K. W. (2012). Transformational leadership, relationship quality, and employee performance during continuous incremental organizational change. *Journal of Organizational Behavior, J. Organiz. Behav.* (2012), 60(1), 5–22. <https://doi.org/DOI: 10.1002/job.1824>
- Cartwright, S., & Cooper, C. L. (2013). The impact of mergers and acquisitions on people at work: Existing research and issues. *From Stress to Wellbeing*, 2(ii), 131–149. <https://doi.org/10.1057/9781137309341>
- Febriani, D. M. (2018). THE EFFECT OF INTEGRATION APPROACH ON EMPLOYEE ATTITUDES THROUGH ORGANIZATIONAL CULTURE CHANGE AND HR INITIATIVES DURING MERGERS AND ACQUISITIONS. *Department of Psychology*, 2(January), 6. <http://ieeauthorcenter.ieee.org/wp-content/uploads/IEEE-Reference-Guide.pdf%0Ahttp://www.lib.murdoch.edu.au/find/citation/ieee.html%0Ahttps://doi.org/10.1016/j.cie.2019.07.022%0Ahttps://github.com/ethereum/wiki/wiki/White-Paper%0Ahttps://tore.tuhh.de/hand>
- Fitriana, R., & Sugiyono. (2019). Kesiapan berubah pada sekretariat jenderal kementerian kelautan dan perikanan republik indonesia. *Ikraith Ekonomika Vol*, 2(2), 42–51.
- Gaughan, P. (2013). M&A Resurgence: Good or Bad? *The Journal OfCorporate Accounting & Finance*, 69–74. <https://doi.org/10.1002/jcaf>
- Ghozali, I. (2008). *Structural Equation Model Metode Alternatif Dengan Partial Least Square (PLS)* (edisi keti). Badan Penerbit Universitas Diponegoro.
- Ghozali, I. (2015). *Partial Least Squares: Konsep, Teknik & Aplikasi menggunakan Program SmartPLS 3.0*. Badan Penerbit Universitas Diponegoro.
- Ghozali, I., & Latan, H. (2015). *Partial Least Squares SmartPLS 3.0* (2nd ed.). Badan Penerbit Universitas Diponegoro.
- Goksoy, A. (2014). The Impact of Human Resource Management Practices on Employee Readiness for Change during Mergers and Acquisitions. *Argumenta Oeconomica Cracoviensia*, 11, 47–62. <https://doi.org/10.15678/aoc.2014.1104>

- Haleblian, J., Devers, C. E., McNamara, G., Carpenter, M. A., & Davison, R. B. (2009). Taking stock of what we know about mergers and acquisitions: A review and research agenda. *Journal of Management*, 35(3), 469–502. <https://doi.org/10.1177/0149206308330554>
- Holt, D. T. (2007). *A tool for readiness for organizational change*. 43(2007), 1–3.
- Kamar, K., Novitasari, D., Asbari, M., Winanti, W., & Goestjahjanti, F. S. (2020). Enhancing Employee Performance During the Covid-19 Pandemic: the Role of Readiness for Change Mentality. *Jurnal Dinamika Manajemen*, 11(2), 154–166. <https://doi.org/10.15294/jdm.v11i2.25279>
- Kirrane, M., Lennon, M., O'Connor, C., & Fu, N. (2017). Linking perceived management support with employees' readiness for change: the mediating role of psychological capital. *Journal of Change Management*, 17(1), 47–66. <https://doi.org/10.1080/14697017.2016.1214615>
- Maria, V. (2014). What's in there for me? Individual readiness to change and the perceived impact of organizational change. *Leadership & Organization Development Journal*, 35(3), 195–209. <https://doi.org/10.1108/LODJ-05-2012-0064>
- Nemanich, L. A., & Keller, R. T. (2007). Transformational leadership in an acquisition: A field study of employees. *Leadership Quarterly*, 18(1), 49–68. <https://doi.org/10.1016/j.leaqua.2006.11.003>
- Nemanich, L. A., & Vera, D. (2009). Transformational leadership and ambidexterity in the context of an acquisition. *Leadership Quarterly*, 20(1), 19–33. <https://doi.org/10.1016/j.leaqua.2008.11.002>
- Novitasari, D., Asbari, M., Sutardi, D., GazalI, & Silitonga, N. (2020). Mempertahankan Kinerja Karyawan di Masa Pandemi Covid-19: Analisis Kesiapan untuk Berubah dan Efektivitas Kepemimpinan Transformasional. *Value: Jurnal Manajemen Dan Akuntansi*, 15(2), 22–37. <https://doi.org/https://doi.org/10.32534/jv.v15i2.1152>
- Nurul Fathia Mahessa, F. N. F. (2016). Fakultas Psikologi, Universitas Diponegoro, Jl. Prof. Soedarto, SH, Kampus Undip Tembalang, Semarang, Indonesia 50275. *Jurnal Empati*, 5(24), 113–116.
- Sari, P. O. (2018). PENGARUH GAYA KEPEMIMPINAN TRANSFORMASIONAL, KOMITMEN AFEKTIF, KOMITMEN KONTINUANS DAN KOMITMEN NORMATIF TERHADAP KESIAPAN BERUBAH (Studi pada Bank BRI Kantor Wilayah Yogyakarta). *EXERO: Journal of Research in Business and Economics*, 1(1), 68–89. <https://doi.org/10.24071/exero.2018.010104>
- Savovic, S. (2017). The impact of dimensions of transformational leadership on post-acquisition performance of acquired company. *Ekonomski Horizonti*, 19(2), 95–108. <https://doi.org/10.5937/ekonhor1702095s>
- Schweizer, L., & Patzelt, H. (2012). Employee commitment in the post-acquisition integration process: The effect of integration speed and leadership. *Scandinavian Journal of Management*, 28(4), 298–310. <https://doi.org/10.1016/j.scaman.2012.02.003>
- Strobl, A., Bauer, F., & Matzler, K. (2020). The impact of industry-wide and target market environmental hostility on entrepreneurial leadership in mergers and acquisitions. *Journal of World Business*, 55(2), 1–62. <https://doi.org/10.1016/j.jwb.2018.03.002>
- Susyanto, H. (2019). Pengaruh Kepemimpinan, Keterlibatan Karyawan Dan Kepuasan Kerja Terhadap Kesiapan Untuk Berubah Dalam Menghadapi Perubahan Organisasi. *Jurnal Ekonomi, Bisnis, Dan Akuntansi*, 21(1). <https://doi.org/10.32424/jeba.v21i1.1287>
- Tsirikas, A., Katsaros, K. K., & Kosta, G. C. (2020). *The impact of leadership on firm financial performance: the mediating role of employees' readiness to change*. January. <https://doi.org/10.1108/LODJ-02-2019-0088>
- Waldman, D. A., & Javidan, M. (2009). Alternative forms of charismatic leadership in the integration of mergers and acquisitions. *Leadership Quarterly*, 20(2), 130–142. <https://doi.org/10.1016/j.leaqua.2009.01.008>
- Walfajri, M., & Mahadi, T. (2021, April 9). BRI Agro bukukan laba bersih Rp 31,26 miliar sepanjang tahun 2020. *Kontan.Co.Id*.

- Weber, Y. (2015). Development and Training at Mergers and Acquisitions. *Procedia - Social and Behavioral Sciences*, 209(July), 254–260. <https://doi.org/10.1016/j.sbspro.2015.11.229>
- Yuwono, T., Wiyono, N., Asbari, M., Novitasari, D., & Silitonga, N. (2020). Analisis Pengaruh Efektivitas Kepemimpinan Transformasional dan Kesiapan untuk Berubah terhadap Kinerja Karyawan Wanita di Masa Pandemi Covid-19. *Jurnal Ilmiah Mahasiswa Ekonomi Manajemen*, 5(3), 615–632. <http://www.jim.unsyiah.ac.id/EKM/article/view/15502>
- Zhang, J., Ahammad, M. F., Glaister, K. W., Cooper, C. L., Tarba, S., & Wang, J. (2015). *The impact of leadership style on talent retention during M & A integration : Evidence from MNE in China.*