



The Impact of Bureaucracy Delaying Policy on Government Employees: Insights from Eastern Indonesia's Vertical Institutions

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ARTICLE INFORMATION	A B S T R A C T
<p>Received: October 23, 2023 Revised: December 14, 2023 Available online: April 28, 2024</p>	<p>This article explores the impact of top-down delaying policies on government employees in vertical institutions in Eastern Indonesia. This study used a qualitative approach through in-depth interviews with government employees in three vertical agencies in East Nusa Tenggara. Four main dimensions are explained: job suitability with competencies, future career patterns, innovative work behavior, and employee welfare. Findings indicate a significant mismatch between employee competencies and the demands of the new position, resulting in decreased efficiency, role confusion, and low morale. Concerns about unclear future career patterns were also identified, affecting employee motivation and morale. On the other hand, the transition to a more functional structure contributes to an increase in innovative work behavior, with employees feeling more empowered to make creative contributions. Apart from that, this policy also positively impacts the economic welfare of employees through increasing benefits and performance. This research underscores the importance of effective change management, adequate preparation, and communication in implementing bureaucratic delaying policies. Limitations of the study include the limited sample and focus on individual perceptions.</p>
<p>KEYWORDS</p> <p>Impact, Delaying Structure, Top-Down Policy, Vertical Institutions, Government Employee</p>	
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INTRODUCTION

In the contemporary public administration and reform landscape, implementing top-down delaying policy in government organizations has become a prevalent yet contentious strategy worldwide (Greve et al., 2020; Turner et al., 2022). The rationale behind delaying policy centres on increased efficiency, reduced operational costs, and organizational restructuring to meet contemporary challenges. However, executing this policy, especially when administered top-down, encounters complex challenges and remain a topic of considerable academic debate and concern, particularly regarding the implications for government employees (Littler et al., 2003; Turner et al., 2022).

Existing literature on public administration reform has provided valuable insights into such initiative outcomes. However, this work primarily focuses on macro-level impacts, neglecting the granular, human-centric perspectives (Gedeona & Trilestari, 2021; Padmaningrum, 2021; Rakhmawanto, 2021a). Thus, there is a notable gap in understanding how these policies affect the local government employees - those who bear the direct brunt of such policy decisions in particular on certain aspects, such as job suitability and competency, future career patterns, innovative work behaviour, and employee welfare. Additionally, the existing research has a geographical bias, focusing heavily on Western contexts of Indonesia with scant attention to other regions such as Eastern Indonesia (Nurhstitunggal & Muhlisin, 2020; Ristala & Rahmandika, 2022; Setiawan et al., 2022).

Moreover, the region's vertical institutions are a critical interface between national policy decisions and local-level implementation and experience. From a theoretical standpoint, the study probes into the application and limitations of existing

delaying policy in different context of Indonesia, which do not fully encapsulate the complexities encountered in diverse administrative settings, particularly Eastern Indonesia contexts (Maulana et al., 2022; Rakhmawanto, 2021b). Thus, the primary aim of this study is to fill these identified gaps by assessing the impact of top-down delaying policies on local government employees in Eastern Indonesia and will answer the following research questions: What are the impacts of top-down delaying policies on local government employees in Eastern Indonesia ?.

To answer research questions, this study was conducted at three vertical institutions in East Nusa Tenggara Province: the University of Nusa Cendana, Region XV Higher Education Service Institution, and East Nusa Tenggara Province Central Statistics Agency. This study chose these three vertical agencies not only because they are located in the eastern region of Indonesia but also have experience in implementing downsizing policies, which the Central Government mandates through PANRB Ministerial Regulation No. 17/2021, No. 25/2021, and No. 7/2022 (Menpan, 2020). This policy is implemented uniformly in all local governments, even though their bureaucratic characteristics vary (LANRI, 2020).

The delaying policy as part of Indonesian bureaucracy reform agenda aims to equalize positions by eliminating several Echelon III and IV structural positions to create a more dynamic and professional bureaucracy. Echelon III and IV positions were abolished because the government believed one person could carry out many tasks within ministries, institutions, and regional governments (Setiawan et al., 2022; Wahyuningsih et al., 2021). However, in reality, tasks are performed by more than one person. Thus, abolishing several structural positions is expected to cut unnecessary costs, simplify bureaucratic structure, make

government more efficient, and speed up decision-making to improve public services (; Maulana et al., 2022).

Furthermore, the results of pre-research at the three vertical agencies indicate problems with implementing the downsizing policy for individual employees. Informants from the three vertical agencies explained that the central government's downsizing structure policy was considered beneficial for organization. However, the hasty implementation has positively and negatively impacted employees, primarily related to future career expectations, motivation, and job performance (Informant 1, 7, and 13). Referring to the results of this pre-research, examining the phenomenon of delayering structure policy implementation in the three vertical agencies located in East Nusa Tenggara Province is the suitable site to fill the research gap on the theme of administrative reform policy in public administration literature.

This study proposes that delayering or downsizing bureaucracy structure policies may positively and negatively impact individual-level employees in government settings. Also, this policy could disrupt the quality and efficiency of public service delivery in government organizations in Eastern Indonesia. Moreover, bureaucratic delayering is defined as reducing the number of layers in an organizational structure to create a flatter structure. Bureaucracy delayering involves restructuring organizational hierarchies by reducing the number of management levels to streamline operations, improve communication, and enhance decision-making efficiency. With mixed outcomes, this concept has been applied in various contexts, including public sector organizations, private corporations, and military establishments (Bose, 2004; Littler et al., 2003; Potter, 2017).

Additionally, this study underscores the importance of developing supportive measures and transition programs for employees affected by delayering policies. These measures may include career counseling, retraining opportunities, and clear communication about potential career paths within the restructured organization. By providing such support, organizations can help mitigate the negative impacts of delayering, such as job insecurity and decreased morale, thereby fostering a more resilient and adaptable workforce.

Furthermore, this research highlights the need for a participatory approach in policy implementation, where feedback from employees at various levels is actively sought and incorporated into the decision-making process. This inclusive strategy can enhance the effectiveness of delayering policies and ensure that the reforms align more closely with the needs and expectations of the workforce, ultimately leading to more sustainable and positive outcomes.

Thus, top-down delayering policy in this study refers to reducing an organization's structural positions as initiated and directed by the national-level government to reduce the government hierarchy. This approach to downsizing is driven by strategic decisions made in response to external pressures to make government to be more agile and reduce the silo mentality (Mergel et al., 2018; Ristala & Rahmandika, 2022). Littler et al. (2003) define delayering bureaucracy agenda as a deliberate organizational decision to reduce the complexity of an organization, thus improving its efficiency and effectiveness in the administrative process within the internal organization and tackling external issues.

Regarding the effect of delayering structure, scholars still debate whether it positively or negatively impacts individual

employees. Gandolfi & Hansson (2011) argue that downsizing can lead to a mismatch between employee competencies and the evolving needs of the organization, while Sumathi & Thangaiah (2023) suggest that Downsizing policy positively influenced the organization's performance and demonstrated that when employees perceive delayering structure actions as beneficial, they lead to favorable results.

Moreover, scholars outline several impacts of policy on individual employee aspects. First, the suitability between position and competency. The literature shows that the impact of delayering bureaucratic structures on the suitability between positions and individual employee competencies is multifaceted. While there is potential for increased efficiency and career development, there are also significant risks associated with competency mismatches and negative psychological impacts. Simplification of bureaucracy structure can create a mismatch between employee competence and the demands of the new position. On the other hand, simplifying bureaucracy often creates opportunities for employees to develop and expand their skills (Ismail et al., 2021; Sipayung et al., 2022).

Second, future career patterns. The uncertainty generated by downsizing or delayering structure can have a lasting impact on employees' career patterns, both positive and negative. A study by Klehe et al. (2011) discusses the phenomenon of "career plateauing" post-downsizing, where employees perceive a lack of opportunities for advancement. However, they also argue that downsizing structure could catalyze career self-renewal, prompting employees to re-evaluate their career goals and seek new opportunities both within and outside the organization.

Third, innovative work behavior (IWB). Scholars explain that delayering policy can have diverse effects on employee IWB. Delayering can create an atmosphere of uncertainty, which is detrimental to creativity and innovation. Conversely, the leaner structures post-downsizing may lead to faster decision-making and a more entrepreneurial approach to innovation (Hammond et al., 2019; Taylor, 2020).

Fourth, employee welfare. Literature notes that the impact of simplifying bureaucratic structures on the welfare of individual employees can be positive or negative. Simplifying bureaucracy can bring increased professional development opportunities. In a more efficient and focused structure, employees have greater opportunities for participation in innovative projects and training that lead to career development. On the other hand, simplification of bureaucratic structures can lead to job insecurity and instability. Structural shrinkage often reduces the number of positions, which can create fear of job loss among employees and negatively impact their mental well-being (Rao, 2017; Rogers, 2017). Therefore, the existing literature provides a foundational understanding of top-down delayering and its potential impacts on government employees. It covers aspects such as job suitability, career trajectories, innovative behaviour, and employee welfare (see Figure 1).

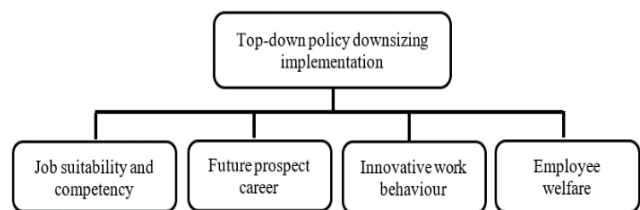


Figure 1. Theoretical framework

Source: Author's construct, 2023

This research offers three contributions to the literature of public administration. It contributes to theoretical discourse by applying and extending existing downsizing structure and organizational change theories in a new cultural and administrative setting. Second, it provides empirical insights from Eastern Indonesia; the study enriches the downsizing literature with new data from a less-explored geographical context. Third, the findings of this study have practical implications for policymakers and administrators, advocating for more nuanced and context-sensitive approaches to downsizing in the public sector.

The structure of this article is as follows: literature review, method, results, discussion, and conclusions.

METHOD

This study employed a qualitative research methodology using a multiple case study approach to provide an in-depth understanding of the impact of top-down delayering structure policy implementation on government employees in Eastern Indonesia's vertical institutions. Qualitative research is particularly suited for this inquiry as it allows for in-depth exploration and understanding of complex social phenomena within their natural settings (Creswell, 2018). The multiple case study approach is chosen for its strength in revealing variations across different contexts and its capacity to provide a more comprehensive understanding of the phenomena by comparing and contrasting other cases (Yin, 2011). This approach suits public administration research, where organizational dynamics and employee experiences vary significantly across different institutions.

Case Selection

For this study, three vertical government institutions in East Nusa Tenggara were selected: Nusa Cendana University, Region XIV Higher Education Service Institute, and the Central Statistics Agency of East Nusa Tenggara Province. These institutions have implemented bureaucratic delayering policies within the last five years, ensuring recent and relevant data. Their diverse functions—education, local government, and statistical analysis—provide a comprehensive understanding of delayering impacts.

The geographical context of East Nusa Tenggara adds significance, as it differs from the more developed western regions of Indonesia, especially Java. This regional perspective allows for an exploration of how local characteristics influence the outcomes of downsizing policies. The unique bureaucratic dynamics of Eastern Indonesia offer valuable insights into the implementation and impact of such reforms.

Lastly, the recent structural downsizing in these institutions makes it possible to study the current and ongoing impacts of these policies. This selection ensures that the research captures real-time effects on public sector employees. These insights are crucial for informing future policy considerations.

Sample and Informants

Within each selected case, purposive sampling was used to identify informants with direct experience with downsizing (Campbell et al., 2020). The selection of informants was based on three main criteria. First, informants were selected from various positions, from leaders to operational staff, who felt the impact of the bureaucratic delayering policy. Second, informants were selected from three vertical agencies located in the Eastern region

of Indonesia. Third, the informants were selected based on the work experience of government sector employees related to implementing bureaucratic delayering policies. Thus, informants will include a mix of individuals from various levels of the organization, such as top managers involved in the decision-making process, employees directly affected by downsizing, and HR personnel who implemented the downsizing policies. The goal is to gather diverse perspectives to gain a holistic view of the impacts of downsizing. The study interviews approximately 14 informants from three institutions, aiming for comprehensive data (see Table 1). This number ensures a balance between obtaining a variety of perspectives and maintaining manageability in data analysis.

Data collection and analysis

Data was collected through semi-structured interviews, document analysis, and observation (Creswell & Poth, 2018). Interviews were conducted with the selected informants to gather detailed insights into their experiences and perceptions regarding the downsizing structure process and its outcomes. Key documents such as downsizing hierarchy policies, internal communications, and reports on the downsizing structure outcomes will be analyzed to complement and triangulate the interview data. Observations will be conducted to gain further contextual understanding of the organizational environment post-downsizing.

Table 1. List of research informants

Vertical institutions	Department	Informants
Universitas Nusa Cendana	Human Resources Section of the General Bureau of Nusa Cendana University	2 informants
	Human Resources Section of the General Bureau of Nusa Cendana University	2 informants
	Academic and Student Affairs Section	1 informant
NTT Provincial Central Statistics Agency	Production Balance Team Statistics	3 informants
	HR and Legal Team Coordinator	1 informant
	Statistics of the People's Welfare Statistics Team	2 informants
LLDIKTI XV	Head of General Affairs	1 informant
	Functional staff	2 informants

Source: primary data, 2023

The data collected from interviews, documents, and observations were analyzed using thematic analysis. NVivo, a qualitative data analysis software, will assist in organizing and categorizing the data. The analysis also employed cross-case synthesis to compare findings across the different cases, allowing for the identification of common themes and divergent patterns (Feng & Behar-Horenstein, 2019; Krippendorff, 2022).

RESULTS AND DISCUSSION

The results of this study have identified four impact of delayering structure policy implementation on individual employee (see Figure 2).

Suitability of work with competencies

This research evaluates the impact of bureaucratic downsizing hierarchy policies, focusing on the transition from

structural to functional positions on the match between employee competencies and the demands of their new positions. Through in-depth interviews with ten employees directly affected by this policy, including those with legal and social backgrounds transferred to archivist positions, this study found a significant mismatch between employee competencies and the demands of the new functional position.

"The informants explained that more ASNs felt their positions did not match their educational background. Furthermore, they explained that position placement was not on their abilities, and they still did not have self-confidence and tended to feel confused regarding the implementation of functional transfers because they felt afraid or worried that functional positions were synonymous with expertise" (Informants 1, 2, 3, 13 and 14).

This mismatch results in various problems, including decreased work efficiency, role confusion, and morale. Several informants expressed feeling unprepared or trained to face the technical tasks required in their new positions. In addition, some employees feel a loss of professional identity and self-confidence due to being unable to meet new expectations.

This research also highlights the lack of strategy in policy implementation, characterized by speed and lack of effective communication. The hasty transition from structural to functional roles does not appear to be supported by adequate training plans or accurate competency assessments, which hurts employees' transition and adaptation to their new roles, as the following interview excerpt suggests:

"I am an engineering graduate and am currently dealing with regulations and policies related to personnel. Now, I am given the functional position of archivist without any previous training. I feel like I have not only lost my skills, but also my professional identity." (Informant 3)

"We were suddenly asked to change duties and positions. I was taking care of personnel documents but due to the lack of information and too short a time, I was finally put in the position of archivist. This made me disappointed because the skills I had built up over the years seemed to be missing, more valuable. Moreover, facing new tasks without adequate training is very challenging. This affects my performance and motivation." (Informant 2)

*"There was a widespread feeling of uncertainty and anxiety among my co-workers. Many feel they are in the wrong position. Moreover, there is no certainty about career development. It is clear first that staff are promoted to echelon IV and other hierarchical positions. It is functional, so you must collect credit scores before getting promoted. Nevertheless, the assessment and process are still unclear." (Informant 6)**

These findings illustrate the negative impact of unstructured and poorly planned organizational change. This transition's lack of preparation and training reflects a gap in effective organizational change management, as described in change management theory. It is consistent with research emphasizing the importance of communication, training, and support in implementing organizational change. When implemented without a mature strategy, bureaucratic layering policy can conflict with basic human resource management and change management principles. Significant job changes, such as those in this study, require a more integrated approach that includes training, development, and support (Neumeier, 2013; Osborne & Brown, 2012).

Therefore, it is essential to adopt a comprehensive approach to enhance the implementation process and mitigate negative impacts. It includes performing detailed competency evaluations before transitions, offering extensive training tailored to the new functional roles, and fostering ongoing dialogues about career trajectories (Hechanova & Cementina-Olpoc, 2013). Establishing a mentorship program could further support employees, providing guidance and feedback during adaptation (Ghosh & Reio, 2013). Additionally, involving employees in the transition process might alleviate concerns, as participation could lead to more informed decisions regarding role allocation, thereby reducing the sense of displacement and boosting morale (Men, 2014).

Future career prospect

Career Development is an approach or activity formally structured to increase growth, job satisfaction, knowledge and abilities of Civil Servants so that Agencies can ensure that people with suitable qualifications and experience are available in an organizational Agency. With the transition from structural to functional positions, the placement of employees is based on certain abilities and expertise. This policy also does not negate Government Regulation (PP) no. 11 of 2017, one of which states that every civil servant has the same rights and opportunities to be included in competency development. Competency development for each civil servant is carried out at least 20 hours of lessons in 1 year.

The research results showed that the downsizing structure policy in transferring functional to structural positions has raised concerns about future career patterns after transferring certain functional positions, which are considered unclear about the requirements, levels, and promotion processes. Several ASN informants explained that this unclear career pattern impacted the emergence of a pessimistic attitude, which could be interpreted psychologically as a reflection of distrust of existing facts. The following is an excerpt from the interview:

"Since we were transferred to functional positions, the Central Statistics Agency also continues to provide opportunities for us to develop our competencies for 20 hours of lessons a year. For example, friends with abilities and expertise in the computer field can develop their abilities in the computer field. In my opinion, this is important because it can support us in increasing our productivity in working for BPS in particular." (Informant 7)

"Downsizing of bureaucracy, one of which is the elimination of echelons III and IV, even in regional government agencies, there is an Echelon V category which is also automatically abolished and equalization of positions to functional positions, with a deadline for inauguration which has become the government's decision, in accordance with its obligation to obey government, then whatever new functional position is attached to the civil servant status must be accepted, even though in the field there are many discrepancies between the echelon positions he previously held, which are very different from the functional positions he currently holds, even though previously there has been talk about and mapping of adjustments to functional positions has been made. based on the skills and competencies possessed without losing his previous rights as an official by giving him compensation." (Informant 5)

"The readiness of agencies to implement bureaucratic downsizing policy is very diverse, especially at the regional level. The impact of the equalization of positions of course leaves problems which until now various accompanying regulations, regulations in the form of

operational guidelines and technical guidelines are scattered around to suit the problems that arise as a result of equalizing positions. Based on data from the Minister of Administrative and Bureaucratic Reform in 2019, the downsizing of the bureaucracy into two echelon levels was implemented by transferring the positions of Administrator (echelon III), Supervisor (echelon IV), and Executor (echelon V) to Functional positions in all government agencies, both central and regional. Equalization of positions until now in 2023 with the issuance of several new regulations still leaves some functional officials being appointed to positions that do not match their competency and educational background. Several regulations issued by the PAN RB and BKN Ministerial Regulations which change the nomenclature of certain functional positions have resulted in various personnel being appointed to positions that no longer suitable." (Informant 12)

The results of the interviews above reveal a gap between formal policies and civil servants' perceptions of their effectiveness in practice. Although competency development is encouraged, uncertainty about how this impacts careers affects employee morale and motivation. It reflects a communication gap between policymakers and employees and a need for clarity in explaining how competency development relates to career progression. Thus, this research highlights the importance of integrating competency development with a clear career development strategy. Although civil servants are aware of the importance of competency development, they feel that this policy has not fully translated this development into real career progress. The anxiety felt by civil servants illustrates the concept of career uncertainty explained in career development theory (Lin et al., 2015; Trevor-Roberts et al., 2019).

This uncertainty may result from a lack of transparency or ineffective communication around promotional policies and processes. In the context of organizational justice theory (Greenberg, 1990), employees may feel that the job transfer and competency development process need to be fair in providing equal opportunities for career advancement. It is critical because perceptions of fairness and clarity of process are key elements in job satisfaction and organizational commitment (Saraih et al., 2019).

Employee's innovative work behavior

This section will present research results that explain the impact of bureaucratic downsizing hierarchy policies, especially the transfer of structural to functional positions, on the innovative behavior of government employees at Nusa Cendana University, LLDIKTI XV, and the Central Statistics Agency (BPS) of East Nusa Tenggara Province (NTT).

The research results reveal that transferring structural positions to functional positions has encouraged an environment that supports innovation. Interviewees indicated that the new structure facilitated more effective communication and collaboration between departments and provided greater space for exploring creative ideas. With a more functional structure, I feel freer to collaborate with departments on innovative projects (Informants 1, 5, 10 and 14). The following is an excerpt from the interview:

"This new policy motivates me to develop various work methods that can improve the quality of my institution's current services which are more interactive and interesting for students." (Informant 12)

"This change has pushed us to think more creatively in the analysis and presentation of data and I am now more involved in decision making and this has given me the confidence to propose new ideas." (Informant 2)

These findings imply that delayering bureaucracy policy can enhance innovation practices within the government sector. Delayering policies foster innovation by removing communication barriers and expediting decision-making, leading to a more agile organization. Flattening hierarchies makes information flow quicker, enabling the swift adoption and implementation of new ideas across all organizational levels. This structure enhances collaboration and knowledge sharing, which is crucial for innovative outcomes (Carmeli et al., 2013). Moreover, granting employees greater autonomy encourages them to explore and innovate, focusing on training and development and equipping them for strategic roles, thus amplifying the organization's innovation capacity (Meister & Willyerd, 2010; Pink, 2009). Delayering also ensures organizations quickly adjust to market and technology shifts, essential for competitive advantage (Birnbaum et al., 2005), and promotes cross-functional teamwork, enriching innovation with diverse insights (McCulloch et al., 2012). Consequently, delayering creates a conducive environment for innovation and is pivotal in nurturing a lasting culture of innovation.

Moreover, these results suggest that a more functional and adaptable organizational structure enhances innovation in government agencies by fostering greater autonomy and empowerment among employees, which is crucial for innovation. This research aligns with organizational and management theories that highlight the role of structural flexibility and employee autonomy in promoting innovation (Wynen et al., 2014; Wynen & Verhoest, 2015) that delayering bureaucracy result in more functional structures and improve conditions for creativity and cross-functional cooperation (Pradana et al., 2022b, Pradana, et al, 2023). It aligns with Stewart (2018) and Pradana et al. (2022a), who identify a supportive work environment, autonomy, and sufficient resources as key to fostering workplace innovation.

In the end, this research confirms that bureaucratic delayering policy leading to more functional organizational structures have a significant positive impact on employees' innovative behavior in government agencies. These changes create an environment more conducive to innovation, giving employees greater freedom and responsibility to experiment and implement new ideas. These findings provide important insights for policymakers in designing organizational structures that support creativity and innovation.

Employee welfare

This section presents research results that explain the effects of the bureaucratic delayering policy in East Nusa Tenggara, which includes the transfer of structural to functional positions on the welfare of government employees. The research focuses on changes in functional position allowances and increases in performance allowances experienced by employees at Nusa Cendana University, LLDIKTI XV, and the NTT Provincial Central Statistics Agency.

The research showed that the bureaucratic delayering structure policy, especially transferring positions to functional forms, has positively impacted employee welfare. Informants reported an increase in functional position allowances and performance allowances, which contributed to increasing their

economic well-being where the transfer to functional positions had increased their allowances, especially performance allowances, thus having an impact on family finances and motivating better work (Informants 3, 4, 7, 8, 9, and 13). Other informants also stated that they agreed with the policy of downsizing structure the bureaucracy because it was able to increase their income as state civil servants, as shown in the following interview excerpt:

"We strongly agree with simplifying the bureaucracy, especially eliminating echelon III and IV positions. After we were placed in functional positions, we received an increase in income through the allowances provided. I am now a Young Expert Apparatus HR Analyst who previously received an allowance of Rp. 540,000, increased to Rp. 960,000. This makes me have high motivation to improve my performance well in helping the HR and legal teams in particular as well as fully supporting the activities of the Provincial Central Statistics Agency." (Informant 7)

"As the First Expert Statistician, I felt the positive impact of changing the bureaucracy from structural to functional positions. Increase in allowances from IDR 300,000 to IDR 540,000. This can help me in meeting my daily needs and I feel this is balanced with the duties and responsibilities given to me." (Informant 6)

These results show that shifting roles from structural to functional positively impacts employees economically. Enhanced benefits offer financial gains and boost motivation and satisfaction, in line with theories that associate financial incentives with improved performance and job satisfaction. Additionally, this improvement in well-being can enhance employees' psychological aspects, elevating morale and organizational appreciation (Hassan et al., 2022).

These outcomes corroborate behavioral economics and organizational psychology theories that stress the significance of financial incentives for enhancing employee motivation and welfare (Garbers & Konradt, 2014). The increase in allowances for functional and performance positions is a nod to employee achievements and efforts, resonating with organizational justice theory. Such recognition yields material advantages and fosters a sense of value and job contentment (Sung et al., 2017).

Furthermore, bureaucratic delayering, which reduces managerial levels in government organizations, significantly impacts the psychological well-being and motivation of employees. Research shows that delayering increases employees' autonomy, giving them more freedom for innovation and exploration, which is intrinsically motivating and has the potential to increase job satisfaction (Demircioglu & Berman, 2019). It aligns with the Self-Determination theory, which states that meeting basic psychological needs—autonomy, competence, and relatedness—contributes to intrinsic motivation and well-being (Ryan & Deci, 2000).

However, the delayering process can also give rise to uncertainty and anxiety, challenging employees' professional identity and potentially harming their psychological well-being (Björklund et al., 2013). Adequate support and training, effective communication, and active employee participation in the change process are critical to mitigating these negative impacts. This comprehensive approach can help ensure a smoother transition, maintaining or even increasing employee motivation and well-being in the long term. Employee involvement in planning and

implementation reduces resistance to change and builds a sense of ownership and commitment to the organization and its goals.

In the context of bureaucratic reform, these changes create conditions more conducive to higher performance and job satisfaction. Increasing financial incentives makes employees feel more appreciated and motivated to contribute more to the organization. It shows the importance of policies that consider financial and psychological aspects in improving employee welfare and performance (Promberger & Marteau, 2013; Rose & Manley, 2011).

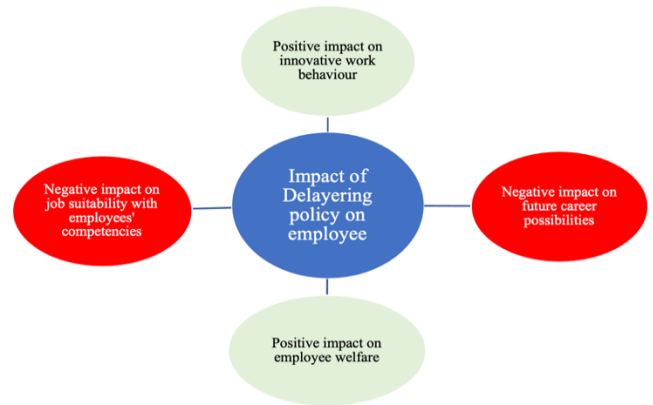


Figure 2. The impact of implementing bureaucratic simplification policies on individual government employees
Source: Author's construct, 2023

CONCLUSION

Prior studies on bureaucratic downsizing structure primarily emphasize macroeconomic and organizational structural impacts, often overlooking its effects on individual employees, particularly in developing nations like Indonesia. These studies generally neglect the direct effects of structural changes on aspects such as employee competency, career growth, innovation, and well-being. This research addresses this oversight by examining the consequences of bureaucratic downsizing hierarchy from the viewpoint of government employees.

This research indicates that the bureaucratic delayering policy has positively and negatively affected government employees in Eastern Indonesian vertical institutions. It adversely affects job and competency alignment and the future career trajectories of employees. Conversely, it positively affects employees' innovative behaviors and overall welfare.

First, regarding job match with competency, this study revealed a significant mismatch between employee competency and the demands of the new position, causing decreased efficiency, role confusion, and low morale. Second, related to future career patterns, this research found that there are concerns among employees regarding unclear career patterns in the future. Although competency development opportunities exist, the uncertainty associated with career advancement affects morale and motivation. Third, related to innovative work behavior, this study finds that a more functional and flexible organizational structure contributes to increased innovation. Employees feel they have greater autonomy about their jobs and feel more empowered to contribute creatively, increasing motivation and resulting in more innovative solutions. Finally, in the dimension of employee welfare, this research found that transferring positions to a functional form positively impacted employee economic welfare through increasing position benefits and

performance. It not only provides financial benefits but also increases motivation and job satisfaction.

This study has three main limitations. Firstly, it focuses only on government employees in three vertical agencies in East Nusa Tenggara, not necessarily reflecting the experiences across Indonesia. Secondly, its qualitative approach with in-depth interviews, while insightful, limits the findings' generalizability. Lastly, it concentrates on subjective individual perceptions, potentially introducing response biases.

For future research, three directions are suggested. For a more holistic view, expand the study with a broader, more varied sample across different Indonesian government agencies. Two, incorporate quantitative methods like surveys or secondary data analysis for a more objective assessment of policy impacts. Third, explore the long-term effects of bureaucratic downsizing on organizational performance and employee well-being for deeper insights into these policies' consequences.

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