

ORGANIZATIONAL CLIMATE AND SUBJECTIVE WELL-BEING AMONG CIVIL SERVANTS: THE MEDIATING ROLE OF GRATITUDE DURING BUDGET EFFICIENCY

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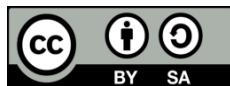
*organizational climate;
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Abstract

This study examines the role of organizational climate and gratitude in shaping the subjective well-being (SWB) of civil servants in the Tarakan City Government during a period of budget efficiency. A quantitative explanatory design was employed using data from 103 civil servants selected through purposive sampling. Data were collected through an online questionnaire and analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS. The measurement model indicated satisfactory reliability and discriminant validity, although the average variance extracted for gratitude was marginally below the recommended threshold. The structural model explained 38.0% of the variance in gratitude and 40.1% of the variance in SWB. The findings showed that organizational climate had a positive and significant effect on SWB ($\beta = 0.338$, $t = 2.660$, $p = .004$) and on gratitude ($\beta = 0.616$, $t = 12.081$, $p < .001$). Gratitude also had a positive and significant effect on SWB ($\beta = 0.366$, $t = 3.157$, $p = .001$). Furthermore, gratitude significantly mediated the relationship between organizational climate and SWB ($\beta = 0.226$, $t = 2.759$, $p = .003$), indicating partial mediation. These findings suggest that employee well-being during budget constraints is shaped not only by organizational conditions but also by psychological resources developed through positive workplace experiences. The study highlights the importance of supportive leadership, clear work structures, recognition, healthy workplace relationships, and gratitude as complementary organizational and psychological resources for sustaining civil servants' well-being under fiscal adjustment. This integration provides a contextual explanation of SWB within public-sector organizations in Indonesia.

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1. INTRODUCTION

Employee subjective well-being has become an increasingly important issue in organizational studies because institutional success is determined not only by structural capacity and resource availability, but also by how individuals evaluate the quality of their lives while coping with work demands. Subjective well-being (SWB) encompasses cognitive evaluations in the form of life satisfaction and affective evaluations reflected in the experience of positive and negative emotions (Diener, 1984; Diener et al., 2018). In the workplace, positive psychological conditions are associated with various forms of individual functioning, including motivation, engagement, satisfaction, and performance (Lyubomirsky et al., 2005). Consistent with this perspective, the systematic review by Nielsen et al. (2017) demonstrates that workplace resources can contribute to both employee well-being and performance. The Job Demands–Resources perspective likewise emphasizes that job resources help

individuals cope with occupational demands and pressures that may deplete their psychological capacities (Demerouti et al., 2001; Bakker & Demerouti, 2007).

This issue is particularly relevant in the Indonesian public sector, especially when State Civil Apparatus (Aparatur Sipil Negara, ASN) employees are required to maintain service quality amid policy changes and resource constraints. Law Number 20 of 2023 positions ASN employees as implementers of public policy, providers of public services, and agents responsible for maintaining national cohesion and unity (Republic of Indonesia, 2023). At the same time, Presidential Instruction Number 1 of 2025 promotes greater efficiency in government expenditure, including at the regional level (Republic of Indonesia, 2025). Within the context of the Tarakan City Government, this policy has coincided with regional socioeconomic dynamics and adjustments in organizational resources and personnel expenditure that directly affect the working and economic conditions of ASN employees. However, these changes do not necessarily produce the same level of SWB among all employees. Individuals may appraise identical external conditions differently depending on how they interpret the demands they face and the resources available to cope with them (Lazarus & Folkman, 1984; Diener et al., 2018). Therefore, it is important to identify organizational and psychological factors that enable ASN employees to maintain subjective well-being under conditions of fiscal efficiency.

One relevant organizational resource is organizational climate, defined as employees' perceptions of workplace characteristics encompassing structure, standards, responsibility, recognition, support, and commitment (Stringer, 2002). A supportive organizational climate can provide role clarity, social support, recognition, and opportunities for responsibility, all of which may help employees cope with work demands. At the psychological level, gratitude represents a personal resource that enables individuals to recognize and appreciate positive aspects of their experiences (McCullough et al., 2002). Experimental research by Emmons and McCullough (2003) showed that gratitude practices were associated with improvements in well-being indicators, while Watkins et al. (2003) and Wood et al. (2010) demonstrated consistent relationships between gratitude, happiness, and well-being. Longitudinal evidence has also indicated a reciprocal relationship between gratitude and life satisfaction (Unanue et al., 2019). In the Indonesian context, organizational climate has likewise been shown to be associated with the development of positive individual attitudes and behaviors within organizations (Nurhasnawati & Subhan, 2018).

Although the existing literature has established the importance of organizational resources and gratitude separately, several conceptual and contextual gaps remain. First, previous studies have largely examined the relationship between workplace resources or environmental characteristics and well-being, or between gratitude and well-being, leaving the psychological mechanism linking organizational climate to SWB insufficiently explained (Emmons & McCullough, 2003; Nielsen et al., 2017; Wood et al., 2010). Second, the role of gratitude as a mediator that translates organizational experiences into more positive evaluations of life still requires empirical examination. Third, evidence specifically addressing this mechanism among local-government ASN employees during periods of budget efficiency remains limited. Accordingly, the present study integrates organizational and psychological resources within a single explanatory mechanism by positioning gratitude as a mediator of the relationship between organizational climate and SWB.

The novelty of this study lies in three aspects that distinguish it from previous research on gratitude mediation. First, earlier studies have generally positioned gratitude either as a direct predictor of well-being or as an outcome of individual-level interventions (Emmons & McCullough, 2003; Wood et al., 2010), whereas the present study conceptualizes gratitude as a psychological mechanism through which perceptions of organizational climate are translated into evaluations of life. In doing so, organizational and psychological resources are examined simultaneously within a single mediation model. Second, within the literature reviewed above, studies of workplace resources and well-being (Nielsen et al., 2017) have not specifically examined how this mechanism operates under conditions of fiscal pressure. The present study therefore tests the organizational climate–gratitude–SWB pathway during a period of budget efficiency, when financial resources are constrained and nonfinancial resources may become increasingly important. Third, the study focuses on local-government ASN employees in Indonesia, a context in which comparable mediation models remain relatively underexplored in the literature reviewed. Thus, this study does not merely confirm that organizational climate and gratitude are associated with SWB, but also seeks to explain through what mechanism and under what contextual conditions these relationships occur.

Based on these gaps, this study aims to analyze the effect of organizational climate on the SWB of ASN employees in the Tarakan City Government, examine the effect of organizational climate on

gratitude, assess the effect of gratitude on SWB, and test the mediating role of gratitude in the relationship between organizational climate and SWB during a period of budget efficiency. Theoretically, this study extends the well-being literature by bridging organizational perspectives and positive psychology. Practically, the findings are expected to provide an empirical basis for local governments to develop more adaptive organizational climates, institutional support mechanisms, and psychological interventions aimed at maintaining the well-being of ASN employees when organizational resources are being adjusted.

2. RESEARCH METHOD

This study employed a quantitative approach with an explanatory design to examine the direct and indirect relationships among organizational climate, gratitude, and subjective well-being (SWB) among State Civil Apparatus (Aparatur Sipil Negara, ASN) employees of the Tarakan City Government during a period of budget efficiency. A quantitative approach was selected because it enables objective hypothesis testing and examination of relationships among variables through statistical analysis (Sugiyono, 2019). Organizational climate was positioned as the exogenous variable (X), subjective well-being as the endogenous variable (Y), and gratitude as the mediating variable (M). The study was conducted among ASN employees of the Tarakan City Government from June to July 2026. The study population comprised all ASN employees within the Tarakan City Government, while respondents were selected using purposive sampling based on two main criteria: they were officially employed as ASN within the Tarakan City Government and relied on their ASN income as their primary source of earnings.

Sample size determination in PLS-SEM was not based on a conventional population sampling formula but rather on the statistical power requirements of the structural model (Hair et al., 2019, 2022). The minimum sample size was set at 100 respondents, while the final dataset used for analysis comprised 103 respondents. This decision was supported by three complementary considerations. First, according to the inverse square root method proposed by Kock and Hadaya (2018), the minimum sample required to detect the smallest path coefficient at a 5% significance level and 80% statistical power is calculated using the formula $n > (2.486 / |\beta_{\min}|)^2$. With 100 respondents, a path coefficient of 0.25 or greater can be detected $[(2.486 / 0.25)^2 \approx 99]$, indicating that this sample size is sufficient for detecting a medium effect (Cohen, 1988). Based on the smallest path coefficient observed in this study ($\beta = 0.338$), the minimum sample required using the same formula was 55 respondents. Second, an a priori power analysis using G*Power (Faul et al., 2009) was conducted for the endogenous construct with the largest number of predictors, namely SWB with two predictors. Using $f^2 = 0.15$ (medium effect), $\alpha = 0.05$, and statistical power = 0.80, the minimum required sample was 68 respondents. Third, the 10-times rule (Hair et al., 2011) was also satisfied, calculated either as ten times the largest number of structural paths directed toward a single construct ($10 \times 2 = 20$) or ten times the largest number of indicators assigned to one construct in the final model ($10 \times 8 = 80$). This rule was used only as a rough benchmark because it may yield less accurate sample-size estimates (Kock & Hadaya, 2018). In addition, Monte Carlo simulation studies suggest that PLS-SEM can achieve acceptable statistical power with approximately 100 observations, depending on the quality of the measurement model (Reinartz et al., 2009). The final sample of 103 respondents therefore exceeded all of these thresholds.

Primary data were collected through an online questionnaire administered using Google Forms and distributed through ASN communication networks. Before completing the questionnaire, respondents received information regarding the purpose of the study and provided voluntary consent through an online informed consent procedure. Organizational climate was measured using the Organizational Climate Questionnaire (OCQ), developed on the basis of Stringer's six dimensions of organizational climate: structure, standards, responsibility, recognition, support, and commitment (Stringer, 2002). Gratitude was measured using the Gratitude Questionnaire-Six Item Form (GQ-6) developed by McCullough et al. (2002), which represents the dimensions of intensity, frequency, span, and density. SWB was measured through two principal components: the cognitive component using the Satisfaction with Life Scale (SWLS) and the affective component using the Scale of Positive and Negative Experience (SPANE), which assesses positive and negative affective experiences (Diener et al., 1985, 2009). All instruments employed five-point response scales in accordance with the characteristics of each measurement instrument. In addition to primary data, the study utilized secondary data in the form of institutional documents, scholarly literature, regulations, and other relevant documentary sources to support the research context and analysis.

Data were analyzed using Structural Equation Modeling–Partial Least Squares (PLS-SEM) with SmartPLS software. Prior to structural model testing, the data underwent editing, coding, and scoring procedures, including score adjustments for favorable and unfavorable items. Evaluation of the measurement model (outer model) included tests of convergent validity, discriminant validity, and construct reliability. Convergent validity was assessed using outer loading values and Average Variance Extracted (AVE), while internal consistency reliability was evaluated using Cronbach's alpha and composite reliability. The structural model (inner model) was then evaluated using the coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2 predict through PLSpredict; Shmueli et al., 2019), and path coefficients among the study variables. Hypothesis testing and mediation analysis were conducted using a bootstrapping procedure, with relationships considered statistically significant when the t-statistic exceeded 1.96 and the p-value was below .05. The mediating effect of gratitude was assessed by comparing the significance of the direct effect of organizational climate on SWB with the indirect effect through gratitude, thereby determining whether the mediation was full, partial, or absent (Hayes, 2022). The magnitude of the mediation effect was expressed using variance accounted for (VAF), calculated as the ratio of the indirect effect to the total effect; VAF values between 20% and 80% were interpreted as indicating partial mediation (Hair et al., 2022).

3. RESULT AND ANALYSIS

Result

This study involved 103 State Civil Apparatus (*Aparatur Sipil Negara*, ASN) employees within the Tarakan City Government. Respondent characteristics included age, gender, educational attainment, length of service, and income level. In terms of age, the largest group consisted of respondents aged 41–50 years, totaling 50 individuals (49%), followed by those aged 31–40 years with 29 respondents (28%), those aged over 50 years with 13 respondents (13%), and those aged 20–30 years with 11 respondents (11%). In terms of gender, the majority of respondents were female, comprising 78 individuals (76%), while 25 respondents (24%) were male. Regarding educational attainment, most respondents held a Diploma IV/Bachelor's degree, accounting for 92 individuals (89.32%), while 5 respondents (4.85%) had completed senior high school, another 5 respondents (4.85%) held a master's degree, and 1 respondent (0.97%) held a Diploma III qualification.

With respect to length of service, 69 respondents (66.99%) had worked for more than 10 years, while 24 respondents (23.30%) had 1–5 years of service and 10 respondents (9.71%) had 6–10 years of service. In terms of income, the largest proportion of respondents earned between IDR 7.8 million and IDR 10 million, totaling 49 individuals (47.57%). Overall, the respondent profile indicates that the sample was predominantly female, held a Diploma IV/Bachelor's degree, was aged 41–50 years, and had more than 10 years of work experience. The subsequent research findings are presented sequentially, beginning with the evaluation of the measurement model, followed by the evaluation of the structural model and hypothesis testing, including both direct effects and mediation effects..

Table 1. Demographic Characteristics of Respondents

Characteristic	Category	n	%
Age	20–30 years	11	11.00
	31–40 years	29	28.00
	41–50 years	50	49.00
	>50 years	13	13.00
Gender	Female	78	76.00
	Male	25	24.00
Education	Senior High School	5	4.85
	Diploma III	1	0.97
	Diploma IV/Bachelor's Degree	92	89.32
	Master's Degree	5	4.85
Length of Service	1–5 years	24	23.30
	6–10 years	10	9.71

Characteristic	Category	n	%
	>10 years	69	66.99
Monthly Income	IDR 3.3–4.8 million	6	5.83
	IDR 4.9–5.9 million	20	19.42
	IDR 6.0–7.7 million	18	17.48
	IDR 7.8–10.0 million	49	47.57
	>IDR 10.0 million	10	9.71

Descriptive Statistics

Descriptive statistical analysis was conducted to provide an overview of the data distribution for the three main constructs examined in this study: organizational climate, gratitude, and subjective well-being (SWB). The descriptive statistics were intended to include the minimum value, maximum value, mean, and standard deviation for each construct. However, based on the results available in the thesis document, these statistical values were not explicitly reported in the findings section. Therefore, to ensure reporting accuracy and avoid presenting values that are not directly derived from the research data, the descriptive statistics for the three constructs should be retrieved from the original dataset or statistical software output before the manuscript is submitted.

Table 2. Descriptive Statistics of the Study Variables

Construct	N	Minimum	Maximum	Mean	SD
Organizational Climate	103	1	5	4,026	0,888
Gratitude	103	1	5	4,133	0,795
Subjective Well-Being	103	1	5	4,002	0,775
	103	1	5	3,701	0,931

N = 103; SD = standard deviation. Descriptive values should be completed using the original dataset or statistical output

Measurement Model Assessment

The measurement model was evaluated through convergent validity, discriminant validity, and internal consistency reliability. Convergent validity was assessed using indicator loadings and average variance extracted (AVE). As shown in Table 2, the final measurement model retained six indicators for organizational climate, six indicators for gratitude, and eight indicators for subjective well-being (SWB). The outer loadings ranged from 0.605 to 0.845 for organizational climate, from 0.565 to 0.814 for gratitude, and from 0.625 to 0.866 for SWB. Thus, all retained indicators had outer loadings above 0.50. The AVE values were 0.506 for organizational climate, 0.482 for gratitude, and 0.542 for SWB. Accordingly, organizational climate and SWB met the AVE criterion of 0.50, whereas gratitude showed a marginal AVE value slightly below the recommended threshold. Nevertheless, the gratitude construct demonstrated satisfactory internal consistency, with a Cronbach's alpha of 0.783 and composite reliability of 0.846.

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Table 2. Measurement Model Assessment

Construct	Indicator	Outer Loading	Cronbach's α	Composite Reliability	AVE
Organizational Climate	X1	0.725	0.804	0.859	0.506
	X2	0.605			

Construct	Indicator	Outer Loading	Cronbach's α	Composite Reliability	AVE
	X3	0.845			
	X4	0.648			
	X5	0.736			
	X6	0.686			
Gratitude	M1	0.650	0.783	0.846	0.482
	M2	0.698			
	M3	0.593			
	M4	0.814			
	M5	0.807			
	M6	0.565			
Subjective Well-Being	Y1.5	0.642	0.879	0.903	0.542
	Y1.7	0.677			
	Y1.10	0.625			
	Y1.12	0.625			
	Y2.1	0.817			
	Y2.2	0.866			
	Y2.3	0.801			
	Y2.4	0.789			

Internal consistency reliability was further examined using Cronbach's alpha and composite reliability. Organizational climate obtained a Cronbach's alpha of 0.804 and composite reliability of 0.859, gratitude recorded values of 0.783 and 0.846, respectively, and SWB obtained values of 0.879 and 0.903. All reliability coefficients exceeded 0.70, indicating satisfactory internal consistency across the three constructs. Discriminant validity was examined using cross-loadings and the Fornell-Larcker criterion. Each indicator loaded more strongly on its intended construct than on the other constructs. In addition, the square roots of AVE for organizational climate (0.712), gratitude (0.694), and SWB (0.736) were greater than their corresponding inter-construct correlations. These results indicate that the constructs were empirically distinguishable from one another, although the slightly sub-threshold AVE for gratitude should be acknowledged when interpreting the convergent validity of the measurement model.

Internal consistency reliability was further assessed using Cronbach's alpha and composite reliability. Organizational climate yielded a Cronbach's alpha of 0.804 and a composite reliability of 0.859; gratitude produced values of 0.783 and 0.846, respectively; while SWB yielded a Cronbach's alpha of 0.879 and a composite reliability of 0.903. All reliability coefficients exceeded the recommended threshold of 0.70, indicating adequate internal consistency across the three constructs. Discriminant validity was assessed using cross-loadings and the Fornell-Larcker criterion. Each indicator loaded more strongly on its intended construct than on the other constructs. In addition, the square roots of the AVE values for organizational climate (0.712), gratitude (0.694), and SWB (0.736) were greater than the corresponding inter-construct correlations. These results indicate that the three constructs were empirically distinct. Nevertheless, the slightly subthreshold AVE value for gratitude should still be acknowledged when interpreting the convergent validity of the measurement model.

Table 3. Fornell-Larcker Criterion

Construct	Organizational Climate	Gratitude	Subjective Well-Being
Organizational Climate	0.712		
Gratitude	0.616	0.694	
Subjective Well-Being	0.564	0.574	0.736

Structural Model Assessment

The structural model was assessed to determine its explanatory power and the relative contribution of the predictor constructs to the endogenous variables. The coefficient of determination (R^2) for gratitude was 0.380, with an adjusted R^2 of 0.374, indicating that organizational climate explained 38.0% of the variance in gratitude. For subjective well-being (SWB), the R^2 value was 0.401 and the adjusted R^2 was 0.389, indicating that organizational climate and gratitude jointly explained 40.1% of the variance in SWB. These results demonstrate that the structural model accounted for a substantive proportion of the variance in both endogenous constructs, while the remaining variance was attributable to factors outside the specified model.

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Table 4. Structural Model Assessment

Endogenous Construct	R^2	Adjusted R^2	Q^2_{predict}
Gratitude	0.380	0.374	0.346
Subjective Well-Being	0.401	0.389	0.287

Note. Q^2_{predict} was obtained using PLSpredict. RMSE/MAE values were 0.820/0.654 for Gratitude and 0.861/0.656 for Subjective Well-Being.

Predictive relevance was assessed using PLSpredict (Shmueli et al., 2019). As shown in Table 4, the Q^2_{predict} values were positive for both endogenous constructs (Gratitude = 0.346; Subjective Well-Being = 0.287), indicating that the prediction error of the model was smaller than that of the naïve benchmark of using indicator means, and thus that the model has predictive relevance. The corresponding RMSE and MAE values were 0.820 and 0.654 for Gratitude and 0.861 and 0.656 for Subjective Well-Being.

Predictive relevance was assessed using the PLSpredict procedure (Shmueli et al., 2019). As shown in Table 4, the Q^2_{predict} values were positive for both endogenous constructs (Gratitude = 0.346; Subjective Well-Being = 0.287). These values indicate that the model's prediction errors were lower than those of the naïve benchmark based on indicator means, suggesting that the model demonstrates predictive relevance. The corresponding RMSE and MAE values were 0.820 and 0.654, respectively, for Gratitude, and 0.861 and 0.656, respectively, for Subjective Well-Being.

The contribution of each exogenous construct was further examined using effect size (f^2). Organizational climate demonstrated the largest effect on gratitude ($f^2 = 0.613$). Its effect on Subjective Well-Being was smaller ($f^2 = 0.118$), while gratitude showed an f^2 value of 0.139 for Subjective Well-Being. Thus, among the structural relationships examined, organizational climate made the strongest contribution to explaining gratitude, whereas both organizational climate and gratitude contributed comparatively smaller effect sizes to the explanation of Subjective Well-Being.

Table 5. Effect Size (f^2) of Structural Relationships

Structural Relationship	f^2
Organizational Climate → Gratitude	0.613
Organizational Climate → Subjective Well-Being	0.118
Gratitude → Subjective Well-Being	0.139

Hypothesis Testing: Direct Effects

The direct effects were examined using the bootstrapping procedure in SmartPLS. As shown in Table 6, all three direct relationships were positive and statistically significant. Organizational climate had a positive effect on subjective well-being ($\beta = 0.338$, $t = 2.660$, $p = .004$), supporting H1.

Organizational climate also had a positive and statistically significant effect on gratitude ($\beta = 0.616$, $t = 12.081$, $p < .001$), supporting H2. In addition, gratitude positively influenced subjective well-being ($\beta = 0.366$, $t = 3.157$, $p = .001$), supporting H3. Among the direct relationships examined, the strongest path coefficient was observed for the effect of organizational climate on gratitude ($\beta = 0.616$). Accordingly, all direct-effect hypotheses proposed in the study were supported.

Direct effects were tested using the bootstrapping procedure in SmartPLS. As shown in Table 6, all three direct relationships were positive and statistically significant. Organizational climate had a positive effect on Subjective Well-Being ($\beta = 0.338$, $t^* = 2.660$, $p^* = .004$), supporting H1. Organizational climate also had a positive and statistically significant effect on Gratitude ($\beta = 0.616$, $t^* = 12.081$, $p^* < .001$), supporting H2. Similarly, Gratitude had a positive effect on Subjective Well-Being ($\beta = 0.366$, $t^* = 3.157$, $p^* = .001$), supporting H3. Among these direct relationships, the largest path coefficient was observed for the effect of organizational climate on Gratitude ($\beta = 0.616$). Based on these results, all proposed direct-effect hypotheses in this study were supported.

Table 6. Direct Effects and Hypothesis Testing

Hypothesis	Structural Path	β	t-statistic	p-value	Decision
H1	Organizational Climate → Subjective Well-Being	0.338	2.660	.004	Supported
H2	Organizational Climate → Gratitude	0.616	12.081	<.001	Supported
H3	Gratitude → Subjective Well-Being	0.366	3.157	.001	Supported

The hypothesis testing results indicate that all proposed hypotheses were supported. Organizational Climate had a positive and statistically significant effect on Subjective Well-Being ($\beta = 0.338$, $t^* = 2.660$, $p^* = .004$), thereby supporting H1. Organizational Climate also demonstrated a stronger positive and statistically significant effect on Gratitude ($\beta = 0.616$, $t^* = 12.081$, $p^* < .001$), supporting H2. Furthermore, Gratitude had a positive and statistically significant effect on Subjective Well-Being ($\beta = 0.366$, $t^* = 3.157$, $p^* = .001$), thereby supporting H3.

Hypothesis Testing: Specific Indirect Effect (Mediation)

The mediating role of gratitude was tested by examining the specific indirect effect of organizational climate on subjective well-being (SWB) through gratitude, using the bootstrapping procedure in SmartPLS. As shown in Table 7, the specific indirect effect (Organizational Climate → Gratitude → SWB) was positive and statistically significant ($\beta = 0.226$, $t = 2.759$, $p = .003$), supporting H4. This indirect effect is the product of the two constituent paths reported in Table 6 ($0.616 \times 0.366 \approx 0.226$). The direct effect of organizational climate on SWB remained significant after gratitude was included in the model ($\beta = 0.338$, $t = 2.660$, $p = .004$). Because the direct and indirect effects were both significant and had the same (positive) sign, the mediation was classified as partial (complementary) mediation. The total effect was 0.564 ($0.338 + 0.226$), and the variance accounted for (VAF) was approximately 40% ($0.226/0.564$), which falls within the 20%–80% range conventionally interpreted as partial mediation (Hair et al., 2022).

The mediating role of Gratitude was examined by assessing the specific indirect effect of Organizational Climate on Subjective Well-Being (SWB) through Gratitude using the bootstrapping procedure in SmartPLS. As presented in Table 7, the specific indirect effect (Organizational Climate → Gratitude → SWB) was positive and statistically significant ($\beta = 0.226$, $t^* = 2.759$, $p^* = .003$), thereby supporting H4. This indirect effect was obtained from the product of the two constituent paths reported in Table 6 ($0.616 \times 0.366 \approx 0.226$). The direct effect of Organizational Climate on SWB remained statistically significant after Gratitude was included in the model ($\beta = 0.338$, $t^* = 2.660$, $p^* = .004$). Because both the direct and indirect effects were significant and had the same positive direction, the mediation was classified as partial complementary mediation. The total effect was 0.564 ($0.338 + 0.226$), while the variance accounted for (VAF) was approximately 40% ($0.226/0.564$). This value falls within the conventional 20%–80% range commonly interpreted as indicating partial mediation (Hair et al., 2022).

Table 7. Specific Indirect Effect and Mediation Test

Hypothesis	Structural Path	β	t-statistic	p-value	Decision
H2	Organizational Climate → Gratitude (a)	0.616	12.081	< .001	Supported
H3	Gratitude → Subjective Well-Being (b)	0.366	3.157	.001	Supported
H4	Organizational Climate → Gratitude → Subjective Well-Being (specific indirect effect, $a \times b$)	0.226	2.759	.003	Supported
H1	Organizational Climate → Subjective Well-Being (direct effect, c')	0.338	2.660	.004	Supported

Note. a^* = Organizational Climate → Gratitude; b^* = Gratitude → SWB; c'^* = direct effect of Organizational Climate on SWB. Total effect = $c'^* + a \times b^* = 0.338 + 0.226 = 0.564$; VAF = $(a \times b^*) / \text{total effect} \approx 40\%$.

The specific indirect effect analysis showed that Gratitude significantly mediated the relationship between Organizational Climate and Subjective Well-Being ($\beta = 0.226$, $t^* = 2.759$, $p^* = .003$), thereby supporting H4. Because the direct effect of Organizational Climate on Subjective Well-Being remained statistically significant after Gratitude was included in the model ($\beta = 0.338$, $t^* = 2.660$, $p^* = .004$), the mediation was classified as partial mediation. The VAF value of approximately 40% indicates that about 40% of the total effect of Organizational Climate on Subjective Well-Being was transmitted through Gratitude.

Discussion

The findings demonstrate that the proposed model was able to explain the relationships among organizational climate, gratitude, and subjective well-being (SWB) among State Civil Apparatus (ASN) employees of the Tarakan City Government during a period of budget efficiency. An R^2 value of 0.380 indicates that 38.0% of the variance in gratitude was explained by organizational climate, while an R^2 value of 0.401 indicates that 40.1% of the variance in SWB was jointly explained by organizational climate and gratitude. The structural findings further show that all hypothesized relationships were positive and statistically significant, including both direct and indirect effects. In particular, organizational climate exerted the strongest effect on gratitude ($\beta = 0.616$), while both organizational climate ($\beta = 0.338$) and gratitude ($\beta = 0.366$) contributed positively to SWB. This pattern indicates that the subjective well-being of ASN employees is associated not only with the external conditions of their workplace but also with psychological resources that develop when individuals evaluate their work experiences positively. This finding is consistent with the conceptualization of SWB as individuals' evaluations of their lives, encompassing life satisfaction as well as the balance between positive and negative affect (Diener, 1984; Diener et al., 2018).

The first finding indicates that organizational climate had a positive and statistically significant effect on SWB ($\beta = 0.338$, $t^* = 2.660$, $p^* = .004$). This result suggests that the more positively ASN employees perceive their organizational environment, the higher their level of subjective well-being. An organizational climate characterized by clear work structures, understandable standards, responsibility, recognition, support, and commitment creates a more conducive work experience for employees (Stringer, 2002). This finding can also be explained through the Job Demands–Resources perspective, which positions social support, autonomy, feedback, and opportunities for development as job resources that help employees cope with work demands and maintain positive psychological states (Bakker & Demerouti, 2007; Demerouti et al., 2001). Consistent with this perspective, Nielsen et al. (2017) demonstrate that workplace resources can enhance employee well-being while also supporting performance. In the context of ASN employees within the Tarakan City Government, these findings indicate that resource constraints resulting from budget efficiency do not make financial factors the sole determinants of well-being; the quality of workplace relationships, leadership support, role clarity, and organizational recognition remain important resources for sustaining SWB.

The second finding shows that organizational climate had a positive and highly significant effect on gratitude ($\beta = 0.616$, $t^* = 12.081$, $p^* < .001$), representing the strongest direct relationship in the research model. This result extends the understanding that organizational climate is associated not only with work attitudes and behaviors but also with the development of positive psychological experiences. When ASN employees perceive leadership support, harmonious workplace relationships, recognition of their contributions, opportunities for development, and supportive work structures, these experiences may be interpreted as positive benefits received from the organizational environment. Stringer (2002) emphasizes that perceptions of the internal organizational environment influence members' motivation,

attitudes, and behavior. Meanwhile, gratitude reflects an individual's tendency to recognize and appreciate positive benefits received from others and from the surrounding environment (McCullough et al., 2002). Accordingly, the findings suggest that gratitude among ASN employees should not be understood solely as an individual characteristic detached from the workplace context, but may also develop when the organization provides experiences perceived as supportive, meaningful, and valuable.

The third finding indicates that gratitude had a positive and statistically significant effect on SWB ($\beta = 0.366$, $t^* = 3.157$, $p^* = .001$). This result shows that ASN employees with higher levels of gratitude tend to report more positive evaluations of their lives. Gratitude enables individuals to recognize positive aspects of their life and work experiences, thereby preventing their attention from being directed exclusively toward limitations or pressures they may be facing. This finding is consistent with Emmons and McCullough (2003), who showed that a grateful orientation was associated with improvements in several indicators of subjective well-being. Watkins et al. (2003) also identified a relationship between gratitude and happiness, while Wood et al. (2010) emphasized that gratitude is consistently associated with various indicators of well-being. Longitudinal evidence further suggests a reciprocal relationship between gratitude and life satisfaction (Unanue et al., 2019). In the context of this study, gratitude for employment, opportunities to serve the public, relationships with colleagues, and the organizational support that remains available may help ASN employees maintain positive affect and life satisfaction despite changes in organizational resources. These findings reinforce the view that gratitude constitutes an important psychological resource for sustaining subjective well-being.

The most important finding of this study is the indirect effect of organizational climate on SWB through gratitude ($\beta = 0.226$, $t^* = 2.759$, $p^* = .003$), as presented in Table 7. Because the direct effect of organizational climate on SWB remained statistically significant after gratitude was included in the model, gratitude functioned as a partial mediator. In mediation analysis, this condition indicates that an independent variable may influence a dependent variable both directly and indirectly through a mediating mechanism (Hayes, 2022). Substantively, this finding suggests that a positive organizational climate provides supportive work experiences, which subsequently encourage ASN employees to recognize and appreciate the positive aspects they receive from the organization, and this increased gratitude ultimately contributes to their SWB. This process can also be understood from an appraisal perspective, which emphasizes that external conditions do not automatically produce identical psychological responses, but are first evaluated and interpreted by individuals (Lazarus & Folkman, 1984). Thus, gratitude functions as a psychological bridge through which the quality of the organizational environment is translated into more positive evaluations of life.

The novelty of this mediation finding can be highlighted in three respects. First, the indirect pathway ($\beta = 0.226$) accounted for approximately 40% of the total effect of organizational climate on SWB ($0.338 + 0.226 = 0.564$), while approximately 60% represented the direct effect, based on the reported path coefficients. This indicates that among ASN employees working under conditions of budget efficiency, gratitude is not merely a supplementary factor but constitutes a substantial pathway through which organizational resources are translated into well-being, without replacing the direct influence of organizational climate. Second, the strong effect of organizational climate on gratitude ($\beta = 0.616$; $f^2 = 0.613$) suggests that gratitude among ASN employees in this study was responsive to the quality of the work environment rather than functioning solely as a stable individual disposition. This finding complements previous studies that have predominantly treated gratitude as an individual attribute or the outcome of personal-level interventions (Emmons & McCullough, 2003; Wood et al., 2010). Third, when financial resources are constrained, gratitude appears to operate through individuals' appraisal of the resources that remain available, such as leadership support, workplace relationships, and opportunities to contribute through public service, thereby preventing attention from being directed exclusively toward what has been reduced or lost (Lazarus & Folkman, 1984). This interpretation should, however, be approached cautiously because budget efficiency in the present study constitutes a contextual condition rather than a variable that was directly measured or compared with a pre-efficiency period. Accordingly, the novelty of this finding is contextual and associative in nature and requires further examination through longitudinal or comparative research designs.

The significance of these findings becomes even more apparent when considered within the context of budget-efficiency policy. Presidential Instruction Number 1 of 2025 encourages greater efficiency in government expenditure, including at the regional government level, requiring public organizations to maintain service functions while adjusting available resources (Republic of Indonesia, 2025). The present findings suggest that maintaining ASN well-being under such conditions cannot rely solely on employees' individual capacity to adapt, but must also address the quality of the organizational

environment. Public organizations retain considerable scope to sustain SWB through nonfinancial resources, including supportive leadership, open communication, clear task allocation, recognition of employee contributions, and healthy workplace relationships. This perspective is consistent with Bakker and Demerouti's (2007) argument that job resources play an important role in helping individuals cope with work demands. At the same time, gratitude may be strengthened as a psychological resource, but it should not be used to shift responsibility for employee well-being entirely onto individuals. In other words, enhancing SWB requires simultaneous interventions at two levels: improving the organizational environment and strengthening employees' psychological resources.

The primary contribution of this study lies in integrating organizational and positive psychology perspectives to explain the SWB of ASN employees. Stringer's (2002) framework helps explain how the quality of the organizational environment shapes work experiences, while the concept of gratitude explains how these positive experiences are recognized and appreciated by individuals (McCullough et al., 2002). The SWB perspective then explains how these positive experiences and evaluations are reflected in life satisfaction and the predominance of positive affect (Diener, 1984; Diener et al., 2018). Accordingly, the findings not only confirm that organizational climate and gratitude are associated with SWB, but also reveal the mechanism connecting these constructs through the pathway organizational climate → gratitude → subjective well-being. Nevertheless, the R^2 value of 0.401 also indicates that a substantial proportion of the variance in SWB remains attributable to factors outside the proposed model. Therefore, the findings are best interpreted as evidence that organizational climate and gratitude represent two important resources—organizational and psychological—that jointly contribute to explaining the subjective well-being of ASN employees under conditions of budget efficiency, rather than as the sole determinants of SWB.

4. CONCLUSION

This study demonstrates that Organizational Climate had a positive and statistically significant effect on Gratitude ($\beta = 0.616$) and Subjective Well-Being (SWB) ($\beta = 0.338$), while Gratitude also had a positive and statistically significant effect on SWB ($\beta = 0.366$). Furthermore, Gratitude partially mediated the relationship between Organizational Climate and SWB ($\beta = 0.226$). Accordingly, the SWB of State Civil Apparatus (ASN) employees within the Tarakan City Government during the period of budget efficiency was jointly shaped by organizational and psychological resources, with the proposed model explaining 40.1% of the variance in SWB.

These findings have practical implications for local governments. Maintaining employee well-being under conditions of resource constraints requires continued investment in nonfinancial organizational resources, including supportive leadership, role clarity, recognition of employee contributions, and healthy workplace relationships. These organizational initiatives may be complemented by programs designed to strengthen gratitude as a psychological resource. However, such interventions should not shift responsibility for employee well-being entirely onto individual employees; rather, organizational and individual-level strategies should be implemented in a complementary manner.

This study has several limitations. Its cross-sectional design, reliance on self-report data, and sample of 103 ASN employees from a single local government limit causal interpretation and the generalizability of the findings. Future studies are therefore encouraged to employ longitudinal or mixed-methods designs, include ASN employees from different institutions and geographical regions, and incorporate additional variables such as adaptability, self-efficacy, family social support, and work resilience as predictors, mediators, or moderators. Such extensions may provide a more comprehensive understanding of the organizational and psychological mechanisms underlying subjective well-being among public-sector employees.

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