

Sustainable Employability, Organizational Identification, and Psychological Empowerment: A Moderation Mediation Model Test

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Abstract

Objective: This study examines the relationship of psychological empowerment and organizational identification to sustainable employability with work engagement as a mediator variable and affective commitment as a moderator variable in financial cluster state-owned enterprises (SOE) employees.

Design/Methods/Approach: This research utilized Structural Equation Modeling (SEM) with 220 respondents. Data was gathered through open-ended questionnaires from employees in the financial sector of state-owned enterprises.

Findings: The findings of this study indicate that psychological empowerment and work engagement have a notable and favorable impact on sustainable employability. However, they do not have a significant effect on organizational identification. It is worth noting that organizational identification does have a large and positive influence on work engagement. Work engagement does not act as a mediator in the connection between organizational identification and sustainable employability. However, it does serve as a mediator in the association between psychological empowerment and sustainable employability. Affective commitment enhances the strong and favorable correlation between work engagement and sustainable employability.

Originality/Value: The field of sustainable employability is under-researched, leading to a lack of consistency in addressing its multifaceted issues and a scarcity of theoretical frameworks. This study aims to consolidate disparate research by integrating various variables and examining their interplay through mediating and moderating mechanisms informed by the Job Demand-Resource Theory and Social Identity Theory.

Practical/Policy implication: It is imperative for organizations to prioritize the cultivation of robust and morally upright leadership across all levels, particularly at the upper echelons where executive management holds sway over the direction of the enterprise. In the immediate context, fostering a sense of identification among employees with the organizational ethos is crucial. Over the long term, such efforts contribute to the holistic well-being of employees, encompassing both physical and psychosocial dimensions, thereby fostering sustainable employability.

Keywords: Sustainable employability; Psychological empowerment; Organisational identification; Work engagement; Affective commitment.

JEL Classification: I31, N30, M54



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I. Introduction

There remains a scarcity of scholarly inquiries investigating the nexus between organizational identification and sustainable employability (Alcover et al., 2021). Originally rooted in ecological discourse, sustainability embodies the capacity of systems and processes to evolve, endure, and persist (Holling, 2001). Although existing research predominantly addresses sustainability in relation to its environmental ramifications, pertinent questions arise concerning its implications for individuals, particularly within the realm of human resource management. What are the repercussions of management practices on employee health, well-being, and performance vis-à-vis sustainability? How can organizational strategies ensure the vitality requisite for enduring performance among employees? In essence, what facets of the contemporary work milieu exert substantial influence on sustainability? (de Jonge & Peeters, 2019). The preservation of sustainable employability holds paramount significance for both employers and employees. With an aging workforce and the contemporary work landscape marked by imperatives such as flexibility and pervasive digitalization, the imperative to construct sustainable organizational frameworks becomes increasingly salient (Hazelzet et al., 2019).

In recent years, a significant focus has been on research connected to sustainable employability. Numerous publications have emerged, covering various aspects, including theoretical, empirical, and practical features. Nevertheless, upon examining this research, the absence of uniformity in addressing the noted concerns, including the formulation of the constructs and their implementation and measurement, resulted in highly disparate findings (Alcover et al., 2021). Sustainable employability refers to the ability of workers to consistently attain meaningful opportunities and develop diverse skills throughout their careers. They also appreciate the essential circumstances that allow them to create a significant and beneficial impact through their profession, both presently and in the future, while also preserving their physical and mental health (van der Klink, Bültmann, Burdorf, Schaufeli, Zijlstra, Abma, Brouwer, & van der wilt., 2016). For employees to take advantage of these opportunities, they need a work environment that supports them and the willingness and drive to use them (van der Klink et al., 2016). Employees must establish their position within the organization to effectively contribute to their work and maintain their well-being and health. By defining themselves as members of the organization or company, they will actively participate in all work processes, a concept known as organizational identification (Qi & Ming-Xia, 2014).

Organizational identification serves as a catalyst motivating individuals to enhance both their performance and that of the organization. Concurrently, this study delves into the concept of psychological empowerment, which serves as a pivotal factor in maintaining employees' focus and efficacy in their roles (Seibert et al., 2011). Moreover, employee engagement within an organization, also referred to as work engagement, encapsulates a positive and fulfilling cognitive state characterized by enthusiasm, dedication, and absorption in work-related activities (Schaufeli et al., 2006). Conversely, employee commitment, specifically affective commitment, reflects a deep-seated emotional connection, identification with, and active participation in the organizational ethos (Meyer & Allen, 1991). Employees demonstrating affective commitment are inclined to align themselves with the organization and invest more significant effort in advancing its objectives. Nevertheless, for employees to cultivate a sense of unity towards the organization, a reciprocal relationship must exist within it. Organizations must empower their employees across various operational domains, thereby affording them both the capability and agency in decision-making processes. This empowerment entails the transparent dissemination of information tailored to meet the needs of employees (Seibert et al., 2011). Consequently, this study further examines the dimensions of psychological empowerment as a pivotal mechanism for ensuring employees remain steadfast in fulfilling their roles (Seibert et al., 2011).

Once an employee experiences a sense of cohesion and empowerment within their organization, they become actively engaged in its pivotal processes, fostering a conducive environment for work devoid of undue pressure. Employee engagement within an organization, alternatively termed work engagement, is defined as a positive and fulfilling cognitive state characterized by enthusiasm, dedication, and absorption in work-related tasks (Schaufeli et al., 2006). This state of work engagement buttresses both employee organizational identification and facilitates effective psychological empowerment, thereby synergizing to foster sustainable employability. However, to gauge the success of sustainable employability, it is imperative to assess employee commitment within the organizational context. Affective commitment, as conceptualized by Meyer and Allen (1991), epitomizes emotional attachment, identification with, and active involvement in the organization. Employees who exhibit affective commitment are predisposed to align themselves with the organizational mission and invest heightened effort toward its fulfillment. This heightened level of commitment typically engenders a desire for prolonged association with the organization (Simons & Roberson, 2003). In light of this comprehension, an understanding of employee commitment enables a deeper examination of work engagement, which in turn influences sustainable employability. This highlights the pivotal role of affective commitment in the relationship between work engagement and sustainable employability, providing a deeper understanding of this dynamic.

Hence, in this study, affective commitment serves as a moderator between work engagement and sustainable employability, elucidating the nuanced interplay between these constructs. This research aligns with Rahi's (2022) recommendation, which underscores its distinctive approach of integrating psychological principles with human resource practices. Furthermore, building upon the insights of Alcover et al. (2021) and Rahi (2022), who have previously highlighted the lack of uniformity in defining constructs and establishing methodologies within research on sustainable employability, the current study aims to address this gap by proposing a novel investigation entitled: "Sustainable

Employability, Organisational Identification, and Psychological Empowerment: A Moderation Mediation Model Test." This research represents a pioneering contribution in the realm of sustainable employability, offering a comprehensive examination of the interplay between organizational identification, psychological empowerment, and sustainable employability within a moderation-mediation framework. The findings of this study can provide valuable insights and practical strategies for human resource practitioners and companies seeking to enhance sustainable employability among their workforce.

Our research contributes significantly to the discourse on sustainable human-related activities, particularly within social labor endeavors, also known as sustainable employability. First, we enrich the limited quantitative literature surrounding sustainable employability, recognizing its pivotal importance for employers and employees. This emphasis resonates with Goal 8 of the Sustainable Development Goals (SDGs), which underscores the significance of fostering inclusive and sustainable economic growth, promoting full and productive employment, and ensuring decent work for all. Second, our study introduces a novel perspective by elucidating the multifaceted influences shaping the implementation of sustainable employability, including factors such as psychological empowerment, work engagement, and affective commitment. Departing from prior research confined solely to sustainable employability, our investigation unveils the intricate interplay among variables such as organizational identification, psychological empowerment, work engagement, and affective commitment, as well as their mediating and moderating effects on sustainability attitudes. Third, our research contributes to the broader human resource literature by illuminating the direct and contingent factors that shape employee sustainability attitudes and behaviors. By delving into these dimensions, we enhance the understanding of how organizational practices and individual dispositions synergistically influence sustainable outcomes in the workplace. Fourth, our study offers practical insights by furnishing a set of actionable guidelines grounded in empirical evidence. These guidelines serve as invaluable resources for practitioners and companies seeking to harness the potential of sustainable employability while also recognizing the mediating implications of work engagement and the moderating influence of affective commitment. Through these actionable insights, organizations can effectively navigate the complexities of promoting sustainable employability and fostering a culture of enduring commitment to sustainability principles.

This article is structured into several sections. The literature review section will delve into theoretical frameworks, previous research findings, and hypotheses pertinent to the study. Subsequently, the empirical analysis methodology section will outline the quantitative approach employed in this investigation, detailing the utilization of Structural Equation Modeling with Partial Least Squares (SEM-PLS) and presenting the outcomes of data processing. Following this, the research findings will be reported. Furthermore, the study will expound upon the implications of the findings for both theory and practice. Finally, the article will conclude by addressing the limitations inherent in the study and offering suggestions for future research endeavors.

2. Literature Review and Hypotheses Development

2.1. Theoretical Background

According to JD-R Theory, work may be understood in terms of two primary dimensions: job demands and job resources. Job demands, such as intense work pressure, emotional demands, and unclear job roles, can cause sleep problems, fatigue, and health issues. On the other hand, job resources, such as social support, feedback on performance, and autonomy, can stimulate motivational processes that result in work-related learning, work engagement, and commitment to the organization (Bakker et al., 2007). According to Bakker et al. (2014), job resources are the primary factor influencing work engagement. According to JD-R theory (Bakker & Demerouti, 2017), psychological empowerment may have a greater impact on work engagement in demanding work contexts, such as Spain. Enhancing the psychological empowerment of employees, such as by increasing their competence or self-determination, leads to heightened levels of passion, enthusiasm, and absorption in their work (Monje Amor et al., 2021).

According to the Job Demands-Resources (JD-R) theory proposed by Bakker and Demerouti (2017), job resources tend to be more motivating and significantly impact enhancing work engagement, particularly in situations characterized by high job demands or necessity. A rigorous examination employing moderated mediation analysis has substantiated that employee demonstrates heightened engagement in shaping their work environment, consequently enhancing sustainable employability, especially when they perceive elevated levels of job uncertainty indicative of heightened job demand. The JD-R theory underscores sustained employability as a consequence of motivational processes, extending beyond immediate outcomes such as work engagement to encompass various performance metrics and subjective indicators of career success (Irfan et al., 2023).

Furthermore, the social identity approach was initially formulated as a social psychological theory focusing on intergroup relations (van Knippenberg & Hogg, 2003). It has primarily been utilized in contexts outside organizations, such as organizational identification (Ashforth & Mael, 1989a; van Knippenberg & Hogg, 2003). The social identity idea provides

valuable insights into the influence of group membership on attitudes, emotions, and behaviors (van Knippenberg & Hogg, 2003).

2.2 Hypothesis Development

2.2.1. Organisational Identification and Sustainable Employability

The conceptualization of organizational identification finds its roots in social identity theory, which posits that individuals tend to categorize themselves and others into various social groups (Islam et al., 2019). Through this identification process, individuals become affiliated with and take pride in the successes of groups that extend beyond their individual capabilities (Ashforth & Mael, 1989a). Conversely, a lack of organizational identification has been associated with reduced job satisfaction and increased employee turnover (Hsu et al., 2002). Sustainable employability encompasses the ability of workers to effectively navigate opportunities arising both from their own capabilities and from the support provided by the organizational context. This holistic approach to employability enhances workers' motivation and, reciprocally, fosters their sustained engagement in work-related endeavors (van der Klink et al., 2016). Thus, sustainable employability represents a symbiotic relationship between individual agency and organizational support, wherein both elements synergistically contribute to fostering enduring work motivation and engagement.

Organizational identification is considered a perceptual, cognitive construct that is not necessarily linked to specific behaviors or affective or emotional states. It is subjective and varies for each individual, as it is relevant to their perspective (Ashforth & Mael, 1989a). Experiencing a strong sense of identification with one's employing organization can result in stress and despair, especially when the organization is subjected to external criticism (Miao et al., 2019). The research conducted by Mael and Ashforth (1992) focuses on the various aspects of organizational identification. They argue that identification is a cognitive construct that is not necessarily linked to specific behaviors or emotional states. Previous studies by Gould (1975) and Turner (1981) support this notion. Additionally, identification is described as being relational and comparative, as it defines individuals in relation to others in different categories, as stated by Tajfel and Turner (1985, p. 16). According to social identity theory, individuals identify with certain groups to boost their self-esteem (Abrams and Hogg, 1988).

H1: Organisational Identification has a significant positive effect on Sustainable Employability.

2.2.2. Psychological Empowerment and Sustainable Employability

Based on the opinion of Conger and Kanungo (1988), psychological empowerment is the process of self-empowerment of organizational members through identifying conditions that lead to powerlessness and identifying strategies to eliminate powerlessness. According to Spreitzer (1995), psychological empowerment is a condition that may be observed through four specific cognitions: competence, impact, self-determination, and meaning. The study conducted by Iqbal et al. (2020a) found a strong and favorable correlation between psychological empowerment and sustained performance. This is attributed to the fact that psychological empowerment helps employees stay focused and motivated. According to Seibert et al. (2011), perceived psychological empowerment is a job resource within the job demands-resources (JD-R) framework. It enhances the impact of psychological safety on sustainable performance in the workplace.

Another significant finding from Iqbal et al. (2020b) is the positive and reciprocal relationship between psychological empowerment and sustainable employability. Psychological empowerment not only enables employees to stay motivated and focused on their tasks but also aligns with the concept of sustainable employability. This concept refers to workers having continuous opportunities to develop and utilize their skills throughout their careers. It also encompasses the appreciation of the essential circumstances that allow them to make a significant and beneficial contribution through their profession, both presently and in the future, while also preserving their physical and mental health (van der Klink, Bültmann, Burdorf, Schaufeli, Zijlstra, Abma, Brouwer, & van der wilt, 2016). To fully leverage these opportunities, a supportive work environment, the right mindset, and motivation are crucial (van der Klink et al., 2016).

H2: Psychological empowerment has a significant positive effect on Sustainable Employability.

2.2.3. Organisational Identification and Work Engagement

Work engagement refers to a favorable and fulfilling mental state experienced by individuals in their professional activities, leading to a sense of complete involvement (Suifan et al., 2020). Employees with a strong sense of identification experience satisfaction when actively involved in their work because they believe that the organization's success will contribute to their personal growth (KESEN, 2016). These beliefs positively affect employee and organizational

development (He et al., 2013; Li et al., 2019b). During such circumstances, personnel enhance their working methodologies and elevate their work commitment to provide more substantial contributions to repay the organization.

In a study by Martin and Epitropaki (2001), as cited in Abbasi et al. (2021), it was found that employees with a strong sense of organizational identification are more likely to align with organizational goals and adhere to its values and standards. Conversely, those with a low sense of identification tend to prioritize their individual needs over the collective interests of the organization (Abbasi et al., 2021). This lack of identification can have detrimental effects on group involvement in the workplace, hindering cooperative attitudes and behaviors (Zhao & Liu, 2020).

H3: Organisational Identification has a significant positive effect on Work Engagement.

2.2.4. Psychological Empowerment and Work Engagement

As conceptualized by Spreitzer (1995), psychological empowerment represents a psychological state characterized by four key cognitions: competence, impact, self-determination, and meaning. It denotes an individual's ability to enhance their efficacy within an organizational context. On the other hand, work engagement, defined as a positive and fulfilling work-related mindset marked by enthusiasm, dedication, and absorption (Schaufeli et al., 2006), is recognized as a vital component of employee well-being and organizational success.

Existing literature has consistently demonstrated a positive correlation between psychological empowerment and work engagement (Monje Amor et al., 2021). Psychological empowerment is contingent upon the presence of supportive social structures within the workplace, facilitating individuals' pursuit of their work-related goals through access to opportunities, pertinent information, support, and resources (Kanter R.M., 1977). Given its emphasis on the individual, it is relevant to examine whether the role of psychological empowerment in fostering work engagement remains consistent across diverse cultural contexts characterized by varying social norms. This inquiry is crucial for understanding the universality of the relationship between psychological empowerment and work engagement and its implications for organizational practices in culturally diverse settings.

H4: Psychological Empowerment has a significant positive effect on Work Engagement.

2.2.5. Work Engagement and Sustainable Employability

According to Edelbroek et al. (2019), work engagement reflects an individual's intrinsic motivation, driving them to exhibit heightened dedication to their work responsibilities. In parallel, research conducted by Fleuren et al. (2018) defines sustainable employability as the ability of employees to continue their work until retirement. The interconnection between these two constructs is evident through various measurements of sustainable employability, with some incorporating work engagement as a key variable (van Dam et al., 2017).

Furthermore, their shared work-related outcomes can elucidate the relationship between work engagement and sustainable employability. For instance, sustainable employability is often associated with several variables, including work engagement (van Dam et al., 2017). Research investigating the relationship between work engagement and affective commitment has uncovered a positive association between the key dimensions of individual sustainable employability and intrinsic job value across employees of all age groups. Additionally, there is a robust correlation with an age-supportive climate, particularly among older employees (van Dam et al., 2017). These findings underscore the intertwined nature of work engagement and sustainable employability, highlighting their significance in shaping individual job experiences and organizational outcomes across different age cohorts.

H5: Work engagement has a significant positive effect on Sustainable Employability.

2.2.6. The Mediating Role of Work Engagement

Previous research findings substantiate the positive association between organizational identification and sustainable employability. For instance, Hsu et al. (2002) demonstrated that low levels of organizational identification are linked to decreased job satisfaction and elevated staff turnover rates. Consequently, addressing factors contributing to job dissatisfaction is imperative in efforts to enhance sustainable employability. Work engagement, as defined by Schaufeli et al. (2002) and echoed in the research by Teo et al. (2020), refers to a favorable work-related mindset characterized by vigor, dedication, and absorption.

This aligns with the notion put forth by van der Klink et al. (2016) that throughout their careers, employees have the potential to attain tangible opportunities through the development of various capabilities. Moreover, the relationship between organizational identification and sustainable employability may be mediated by work engagement, which is recognized as a dimension of employee well-being (Zhang et al., 2013). Thus, fostering organizational identification may contribute to higher work engagement levels, promoting sustainable employability among employees.

H6: Work Engagement mediates the relationship between Organisational Identification and Sustainable Employability.

As conceptualized by Conger and Kanungo (1988), psychological empowerment involves a process wherein employees experience a sense of self-efficacy fostered by effective information provided by the organization, thereby maximizing their empowerment. This notion resonates with the concept of sustainable employability elucidated by van der Klink et al. (2016), wherein employees have the potential to cultivate a range of capabilities throughout their working lives, affording them real opportunities for professional growth and development.

The freedom of expression afforded to employees within an organization contributes to their happiness and satisfaction, fostering a conducive environment for their personal and professional development and enhancing overall employee well-being. This underscores the positive relationship between psychological empowerment and sustainable employability, as supported by existing literature. Additionally, the relationship between psychological empowerment and sustainable employability may be mediated by work engagement, recognized as a crucial dimension of employee well-being (Zhang et al., 2013). Thus, fostering psychological empowerment among employees can lead to increased levels of work engagement, ultimately contributing to their sustained employability and organizational success.

H7: Work Engagement mediates the relationship between Psychological Empowerment and Sustained Employability.

2.2.7. The Moderating Role of Affective Commitment

Based on Suifan et al. (2020), work engagement is characterized as a positive and fulfilling psychological state experienced by individuals with their work, fostering a sense of complete involvement. In contrast, affective commitment, as delineated by Anand & Vohra (2020), revolves around emotional attachment to the organization and stems from the reciprocal expectations shared between employees and the organization. Research conducted by van Dam et al. (2017) has demonstrated a positive relationship between key dimensions of individual sustainable employability (SE) and intrinsic job value across diverse age groups, along with a strong correlation with an age-supportive climate, particularly among older employees.

Thus, affective commitment reflects employees' emotional attachment and developmental potential within an organization characterized by mutual expectations. Building upon the previously discussed relationship between high work engagement and the successful implementation of sustainable employability, it is proposed that affective employee commitment is a moderating variable influencing the emotional bond between employees and organizations. Consequently, the following hypothesis is formulated:

H8: Affective commitment moderates the significant positive effect between work engagement and sustainable employability. Furthermore, affective commitment will strengthen the positive relationship between work engagement and sustainable employability.

Based on the explanations above, there are eight main hypotheses in this research. All hypotheses are depicted in Figure 1 below.

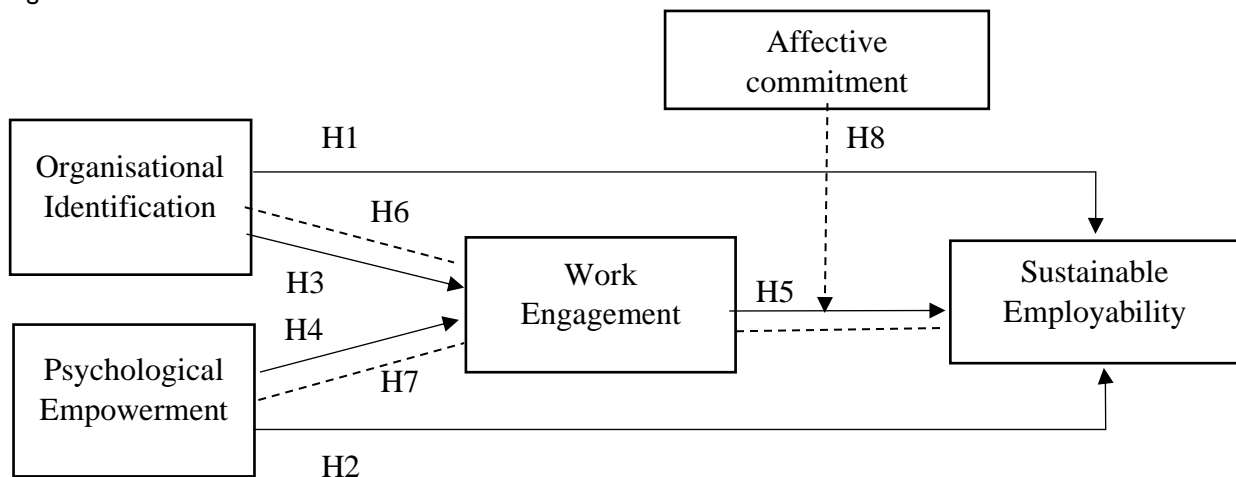


Figure 1. Conceptual Framework and Hypothesis

3. Method

3.1. Sampling

This study employed a purposive sample technique to identify the desired participants. The participants in this study are employees of state-owned enterprises (SOEs) in the finance sector in Indonesia. This choice was made because employees in SOEs are particularly interested in job security and their ability to handle challenging situations, especially

in Indonesia. Therefore, focusing on this group allows for a more focused and organized research scope. In addition, in line with Rahi's (2021) prior research, which offers recommendations for future investigations, it is advisable to conduct tests in certain areas to obtain more accurate outcomes. The sample utilized a non-probability sampling technique, which is characterized by its arbitrary and subjective nature. When researchers employ this method, they typically do so with a predetermined pattern or scheme in mind, such as exclusively interviewing young individuals or exclusively interviewing women (Cooper & Schindler, 2014). This technique offers the benefits of being cost-effective and time-efficient. It is carried out based on the researcher's subjective judgment, aligned with the study's objectives.

This study employs the purposive sampling method, which involves selecting samples based on specific criteria. In particular, judgment and quota sampling are utilized, with judgment sampling being the most suitable approach for this study. Judgment sampling occurs when a researcher selects sample members based on various criteria or characteristics (Cooper & Schindler, 2014). The determination of the sample size is derived from the principle established by F. Hair Jr et al. (2014), which suggests multiplying the number of indicators by a factor of 5 to 10. This study utilizes a ratio of at least 1:5, resulting in a total of 155 indicators (31 indicators multiplied by 5). The sample size in this study consisted of a minimum of 155 respondents. A total of 220 responses were acquired by sampling within a 30-day period.

3.2. Data collection

The selection of the financial sector for this research was based on several key factors. Firstly, according to a report by katadata.co.id, the financial sector state-owned enterprises (SOEs) possessed the largest assets in 2021, totaling IDR 5.42 quadrillion across 16 companies. This highlights the significant economic importance and scale of operations within the financial sector. Secondly, given its status as the sector with the largest assets, based on SOE Regulation Number 3 Year 2017, the financial cluster is characterized by a complex network of Standard Operating Procedures (SOPs) and a dynamic work environment that necessitates continual development, adaptation, and achievement of targets within each division or department (Priskila Ginting, 2020). Thirdly, employees in the banking sector shoulder substantial responsibilities, particularly concerning customer funds. Instances of discrepancies between physical cash amounts and recorded figures in company books may necessitate employees, often cashiers or tellers, to bear the financial burden. Moreover, employees of state-owned financial cluster companies contend with significant work pressure to meet company-set targets (Lynawati, 2016). Given these factors, the researcher seeks to delve deeper into the potential impact of such pressures on the sustainable employability of employees within the financial sector. This exploration highlights the relationship between work-related stressors and employees' long-term employability prospects within this critical sector.

The selection of employees from the sector state-owned enterprises (SOEs) financial clusters in Indonesia as the focus of this research is underpinned by several significant reasons. Firstly, SOE employees demonstrate a heightened concern regarding job sustainability and resilience to adversities compared to civil servants (PNS), particularly within the Indonesian context (Rahi, 2022). This emphasis on job sustainability provides a more structured scope for the research, allowing for a more targeted investigation into the factors influencing sustainable employability. Secondly, recent reports by Harianja (2023) in Kompas.com have indicated that a considerable portion, approximately 65%, of SOE employee pension funds have encountered issues, prompting collaboration with the Corruption Eradication Commission (KPK) to conduct audits on pension fund management companies. This underscores the importance of addressing potential challenges and vulnerabilities within SOE financial cluster companies, particularly regarding financial management and integrity, amidst past corruption allegations involving officials from these entities. Thirdly, in line with the recommendations of previous research by Rahi (2021), focusing on specific sectors, such as SOE financial clusters, allows for a more nuanced examination of the research topic, potentially yielding more insightful and contextually relevant findings. This sector-specific approach enables a closer examination of the intricacies and dynamics within the SOE's financial clusters, facilitating a deeper understanding of the factors influencing sustainable employability among employees in this sector.

The data collection process in this study employs a cross-sectional strategy, which is undertaken only once to reflect a specific moment in time. The secondary data utilized in this research encompasses literature reviews, observations conducted via social media platforms, official websites of state-owned enterprises within the financial cluster, and relevant, up-to-date news sources. Primary data observation with questionnaires is a method of collecting data by posing prepared questions to respondents (Cooper & Schindler, 2014). The survey was disseminated electronically to at least 155 employees using the g-form platform. The sample size calculation is derived from the principle established by F. Hair Jr et al. (2014), which suggests multiplying the number of indicators by a factor of 5 to 10. This study involves a comparison ratio of at least 1:5, with 155 information obtained by multiplying 31 indicators by 5. The sample size in this study consisted of a minimum of 155 respondents. A total of 220 responses were acquired by sampling within 30 days.

3.3. Measure

In this study, sustainable employability is measured using measurements developed by Rahi (2022), and organizational identification is measured using four items of Michael and Ashforth (1992). Measurements have been adjusted by Boyd and Nowell (2020), psychological empowerment using measurement indicators adapted from Spreitzer's (1995) concept, which was adopted and adjusted in research by Kustanto et al. (2020). Work engagement is measured using measurements adapted from the concept of the German version of the nine-item Utrecht Work Engagement Scale (Schaufeli & Bakker, 2004). It has been adjusted in research by Monje Amor et al. (2021). Affective commitment is measured using six items from Meyer et al. (1993).

Table 1. Definition and Measurement

Variable	Operational Definition	Variable Measurement	Resource
Sustainable employability	A state or feeling where employees enjoy contributing to their work and the organization they work for and are satisfied and prosperous with the career facilities and support provided by the organization.	SE1: Employees have a plan to continue working until they fulfill their performance. SE2: Employees have a plan to continue working until retirement SE3: Employees have a plan to continue working as long as their health permits	(Rahi, 2021)
Organisational identification	A feeling where employees are able to identify themselves in an organization so that there is a sense of unity and belonging between employees and the organization.	O11: Employees are very interested in what others think about the organization, O12: When employees talk about the organization, employees are usually 'us' rather than 'them'. O13: The success of the organization is the success of the employees. O14: When someone praises the organization, it feels like a personal compliment.	(Boyd & Nowell, 2020)
Psychological empowerment	A process that can create a feeling of confidence in an individual's capacity to act in accordance with certain goals in an organization.	PE1: Employees feel that the work they do is very important. PE2: Employee feels work activities are personally meaningful PE3: Employees feel their work role is appropriate to the job PE4: Employee feels confident in his/her ability to do the job PE5: Employee feels he/she has mastered the skills required for the job PE6: Employees feel they have autonomy in determining how to do the job PE7: Employees feel they can decide for themselves how to do the job PE8: Employees feel they have a big impact on what happens in the department	(Kustanto et al., 2020)

Variable	Operational Definition	Variable Measurement	Resource
		PE9: Employees feel they have significant influence over what happens in the department	
Work engagement	A state in which employees are positively and voluntarily engaged in their work.	WE1: At work, employees feel energized. WE2: At work, employees feel strong and energized. WE3: When waking up in the morning, employees feel like going to work. WE4: Employee feels enthusiastic about work. WE5: Employee feels his/her work inspires him/her WE6: Employees feel proud of the work they do. WE7: Employees feel happy when working intensely. WE8: Employees feel immersed in the work. WE9: Employees feel carried away at work.	(Monje Amor et al., 2021c)
Affective commitment	The condition is when employees have an emotional attachment to the organization as a result of a mutually beneficial relationship between the two and have expectations of each other.	AC1: The employee feels that they would be happy to spend the rest of their career with this organization. AC2: The employee genuinely feels that the organization's problems are personal problems, too. AC3: Employees feel a strong sense of belonging to the organization. AC4: Employees feel "emotionally attached" to this organization. AC5: Employees feel like "part of the family" in this organization. AC6: This organization has a lot of personal meaning for employees.	(Meyer et al., 1993)

4. Result and Discussion

Based on the obtained data, the number of male respondents exceeds the number of female respondents, specifically 67% or 148 individuals out of the total. Most respondents fall within the age range of 20-30 years, accounting for 94 individuals or 43% of the total. Conversely, the smallest group comprises individuals aged 41-50 years, comprising

only 29 individuals or 13% of the total. Furthermore, the majority of respondents possess an SI education level, with 141 individuals or 64%.

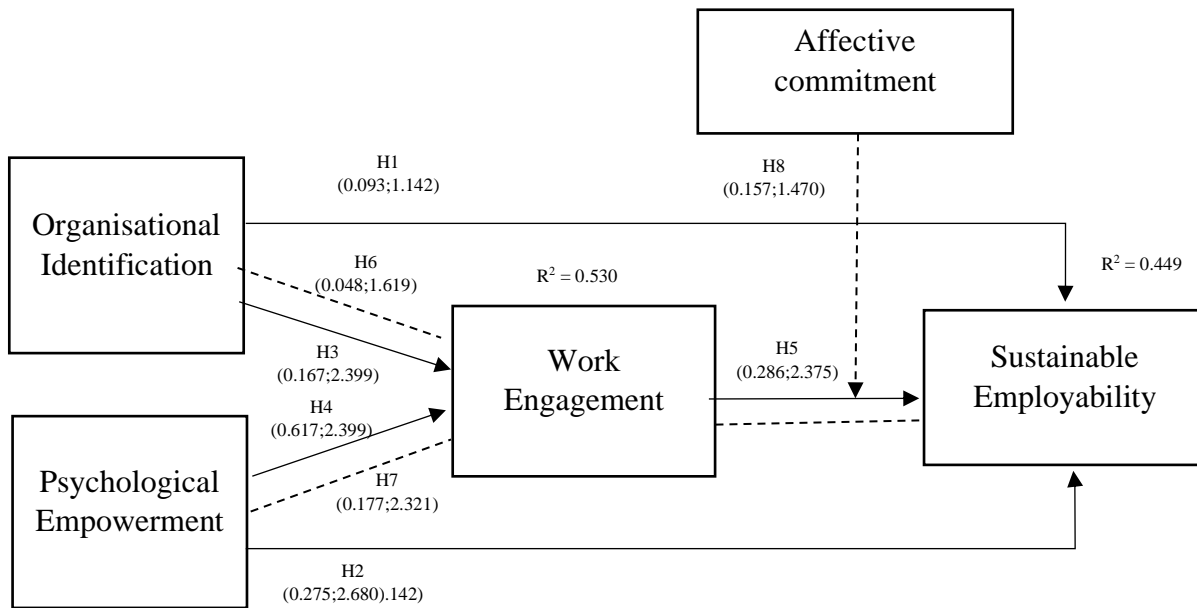


Figure 2 Framework

Table 2. Respondent characteristic

Category	Subcategory	Frequency	Percentage (%)	Cumulative per cent
Gender	Female	72	33	33
	Male	148	67	100
Age	20-30	94	43	43
	32-40	61	28	71
	42-50	29	13	84
	>50	36	16	100
Education Level	High school	65	30	30
	Bachelor's Degree	141	64	94
	Master's Degree	14	6	100
Duration of Employment	1-5	87	40	40
	5-10	42	19	59
	>10	91	41	100
Workplace	BRI or its subsidiaries (Pegadaian, PNM, BRI Life, Bank Raya Indonesia, BRI Danareksa Sekuritas, etc.)	154	70	70
	Bank Mandiri or its subsidiaries (BSI, AXA Mandiri, Mandiri Sekuritas, etc.)	28	13	83
	BNI or its subsidiaries (BNI Bank Multifinance, Mayora, etc.)	29	13	96
	BTN or its subsidiaries	9	4	100

Outer model

This research conducted tests using smartPLS 3.2.9. The result of processing the third outer loading factor data after elimination is to achieve significant results so that at this stage, all indicator projections have reached more than 0.7 so that they can be the measurement of each variable (see Table 3). Given the Composite Reliability (CR) and Average Variance Extracted (AVE), it was verified that all variables showed reliability, with CR values ≥ 0.70 and AVE values ≥ 0.50 . So, it shows that the constructs are valid. When the AVE ≥ 0.50 , it means that the construct explains more than half of the variance of its indicators. Based on Table 4, the bolded numbers indicate that the value is appropriate, which is greater than other relationships between constructs. Based on the results of all relationships in this data processing, it is good and appropriate because all variables already have a value smaller than the variable with the variable itself. In other words, the construct has good discriminant validity. Table 3 shows that Cronbach's alpha and composite reliability values as the lower limit and upper limit have reached more than 0.7, so all variables in this study are reliable and can be relied upon when further analysis is carried out.

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Table 3. Convergent Validity and Reliability

Variable	Item Code	Factor Loading	AVE	CR	Cronbach's Alpha
Sustainable Employability (SE)	SE1	0.777	0.683	0.866	0.768
	SE2	0.846			
	SE3	0.853			
Organisational Identification (OI)	OI2	0.766	0.627	0.834	0.834
	OI3	0.730			
	OI4	0.782			
Psychological Empowerment (PE)	PE1	0.763	0.697	0.902	0.855
	PE3	0.813			
	PE4	0.753			
	PE5	0.771			
Work Engagement (WE)	WE1	0.882	0.747	0.954	
	WE2	0.865			
	WE3	0.862			
	WE4	0.910			
	WE5	0.837			
	WE6	0.843			
	WE7	0.799			
Affective Commitment (AC)	AC1	0.842	0.751	0.983	
	AC3	0.894			
	AC4	0.837			
	AC5	0.895			
	AC6	0.846			

Table 4. Discriminant Validity

	AC	OI	PE	SE	WE
AC	0.867				
OI	0.533	0.792			
PE	0.670	0.591	0.835		
SE	0.567	0.475	0.607	0.826	

Inner model

Based on Hair et al. (2017), after the outer model is fulfilled, the next step is to evaluate the inner model. This study will measure the inner model using r-square and estimated path coefficient. The result is shown in Figure 2.

R-square

A higher R-square value indicates a stronger influence of the variable on its association with other relevant variables in the study (Hair et al., 2017). The table above illustrates the disparity in R-Square outcomes between the two variables. The R-Square value for the Sustainable Employability (SE) variable is 0.449, which is lower than the R-Square value for the Work Engagement (WE) variable, which is 0.530. According to Hair et al. (2017), a variable with a value less than 0.25 is considered weak or low, a value less than 0.50 is considered moderate, and a value less than 0.75 is categorized as strong regarding its influence on the variable. The R-Square value of 0.449 for Sustainable Employability (SE) in the table indicates that 45% of the variation in SE can be attributed to organizational identification, psychological empowerment, work engagement, and affective commitment. The remaining 55% of the variation is accounted for by factors not examined in this study. Meanwhile, a Work Engagement (WE) score of 0.530 suggests that organizational identity, psychological empowerment, sustainable employability, and affective commitment collectively account for 53% of the influence on Work Engagement (WE). In comparison, the remaining 47% is attributed to variables not examined in this study.

Path coefficients

In this path coefficient evaluation, two parts need to be considered, namely, related to the path coefficient and p-value, to determine the direct relationship of the variables. The path coefficient is used to determine the direction of the relationship in the research model. Then, the p-value is used to determine the significance of the variable relationship in this research model. The significance value can be seen from the p-value with a significance level of 10% or must be <0.1 to be considered significant (Hair et al., 2017).

Table 5. Hypothesis Test Result

	Path Coefficients	P-values	Details
H1: Organisational OI -> SE	0.093	0.164	Rejected
H2: PE->SE	0.275	0.008	Accepted
H3: Organisational OI->WE	0.167	0.017	Accepted
H4: PE->WE	0.617	0.000	Accepted
H5: WE->SE	0.286	0.019	Accepted
H6: Organisational OI->WE->SE	0.048	0.106	Rejected
H7: PE->WE->SE	0.177	0.021	Accepted
H8: WE*SE->SE	0.074	0.081	Accepted

Based on the results of previous data. The direct relationship between organizational identification and sustainable employability (H1) is rejected. This is because the original sample shows a positive relationship of 0.093, indicating that the relationship is positive because the value is between 0 and +1, but the P-value of H1 is 0.164, so it is declared insignificant because >0.1. Then, H2, H3, H4, and H5 are accepted because the original sample is positive, because the value is between 0 and +1, and the p-value of the four hypotheses is significant because it is <0.1.

The mediation relationship between organizational identification on sustainable employability with work engagement mediation has an original sample (o) value of 0.048, indicating that the relationship is positive because the value is between 0 and +1. For the p-value, which has a value of 0.106, the relationship is said to be insignificant because

> 0.1. The mediation relationship in hypothesis 6 has a partial mediation relationship because the direct relationship between H3 and H5 is accepted, but in the indirect effect, the relationship between organizational identification and sustainable employability mediated by work engagement is positive but not significant. For this reason, H6 is rejected. The mediation relationship between psychological empowerment and sustainable employability with work engagement mediation has an original sample (ρ) value of 0.177, indicating that the relationship is positive because the value is between 0 and +1, the p-value has a value of 0.021, the relationship is said to be significant because < 0.1 . The mediation relationship in hypothesis 7 has a full mediation relationship because after being associated with the direct and indirect effect relationship, it indicates that whether or not there is work engagement, the influence between psychological empowerment and sustainable employability remains significant. For this reason, H7 is accepted.

The moderation relationship in hypothesis 8 between work engagement and sustainable employability moderated by affective commitment has an original sample (ρ) value of 0.074, indicating that the relationship is positive because the value is between 0 and +1. The p-value has a value of 0.081, so the relationship is significant because < 0.1 . For this reason, H8 is accepted. Based on Figure 3 below, it can be explained that the green line is the effect of work engagement on sustainable employability for respondents with high affective commitment. Meanwhile, the blue line is the effect of work engagement on sustainable employability for respondents with low affective commitment. The slope of the green and blue lines is relatively different; the green line is above the blue line, so the effect of work engagement on sustainable employability for respondents with moderation affective commitment is high. Then, affective commitment significantly moderates the effect of work engagement on sustainable employability. Respondents with high affective commitment have a stronger influence on work engagement and sustainable employability than respondents with low affective commitment.

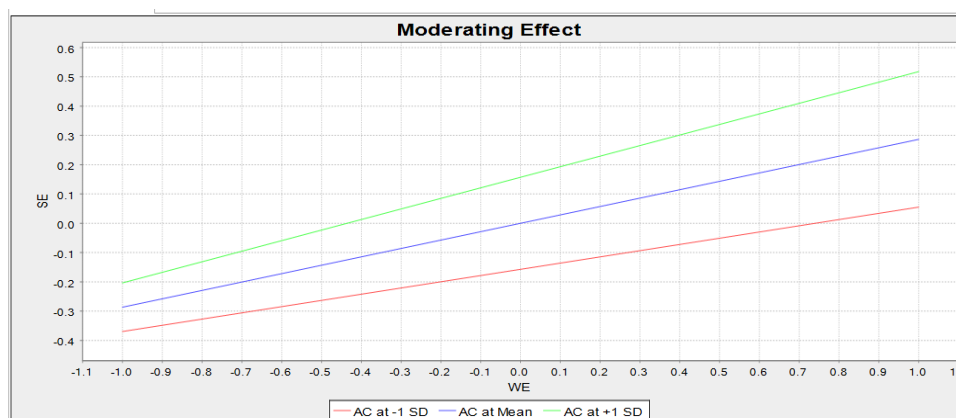


Figure 3. Simple Slope Analysis

4.1 Discussion

Based on the previous analysis, it is evident that data measurement or processing results regarding the variables of organizational identification and sustainable employability yield positive but statistically insignificant outcomes, leading to the rejection of hypothesis 1. This outcome aligns with previous research conducted by Ashforth and Mael (1989b), positing that organizational identification is primarily a perceptual-cognitive construct that may not necessarily translate into observable behaviors or emotional states. Social identification theory suggests that individuals perceive themselves as experiencing both the successes and failures of the group to which they belong (Foote, 1951; Tolman, 1943). This identification tends to persist even in the face of significant setbacks or adversity (Brown & Williams, 1986), unrealized potential benefits (Tajfel, 1982), task failures (Turner, 1981), and anticipated failures (Ashforth & Mael, 1989a). Consequently, individuals may align with their associated organization while harboring dissent toward its values, strategies, or authority systems. Thus, organizational identification only sometimes correlates with complete agreement or alignment with all aspects of the organization (Ashforth & Mael, 1989b).

Based on the statistical analysis, hypothesis 2 (H2) is accepted. This suggests a significant relationship between psychological empowerment and sustainable employability. Furthermore, research by Iqbal et al. (2020) supports this finding by indicating that employees experiencing psychological safety within their organization tend to perceive higher levels of support and respect, positively influencing their work engagement and well-being. Drawing from social exchange theory (Blau, 2017), employees are inclined to reciprocate supportive environments with sustained performance,

emotional attachment, and organizational identification. Therefore, fostering psychological empowerment among employees can contribute to their sustained engagement, well-being, and commitment to the organization, ultimately enhancing sustainable employability.

Based on the statistical analysis, the relationship between organizational identification and work engagement in hypothesis 3 (H3) is accepted, suggesting a significant relationship between organizational identification and work engagement. This study's theoretical framework posits a positive association between employees' perception of organizational identification and their level of work engagement. Schaufeli et al. (2002) elucidated that employees are more likely to engage with their organization when they identify strongly with it. Work engagement, characterized by a state of well-being, optimism, fulfillment, and motivation, reflects employees' intrinsic drive to excel in their work tasks (Hui et al., 2020). According to social identity theory (SIT), individuals construct their self-concept through their relationships, affiliations, and associations with social groups (Ashforth & Mael, 1989a). Identification with the organization stimulates employees to perform their job duties efficiently, fostering a sense of pride and belonging that positively impacts their cognitive and emotional capacities. This, in turn, leads to the generation of creative solutions, thereby enhancing employees' work engagement and creativity. Therefore, organizational identification is pivotal in augmenting employees' work engagement, ultimately contributing to their overall well-being and organizational effectiveness. The relationship between psychological empowerment and work engagement in Hypothesis 4 (H4) is accepted. This finding is supported by research suggesting that when a company or group fosters a mutually empowering social environment, particularly in psychological aspects such as actively soliciting and considering criticism and suggestions from members, involving members in decision-making processes, and providing resources that support members' performance, particularly emotionally, it leads to increased engagement among members. In such environments, individuals feel valued, supported, and secure within the group or organization, enhancing their engagement levels. Conversely, instances of pressure or intimidation, such as workplace bullying, can diminish members' or employees' work engagement. This assertion aligns with prior research by Teo et al. (2020), which highlights the detrimental effects of workplace bullying on employee engagement. Empirical evidence indicates that workplace bullying is associated with various adverse outcomes, including poor psychological health, depression, stress, anxiety, and diminished emotional well-being. Additionally, workplace bullying has been linked to reduced job satisfaction, lower affective commitment, and impaired work performance among the general workforce (Nielsen and Einarsen, 2012).

The relationship between work engagement and sustainable employability, as in Hypothesis 5 (H5), is accepted. This finding is supported by the notion that work engagement significantly positively influences sustainable employability. When an organization or company effectively engages its members or employees, it cultivates a sense of commitment and longevity among them, thereby fostering their inclination to remain with the organization until retirement. This phenomenon is not just a short-term boost in productivity but a long-term commitment to the organization's goals and values. This reassures us that work engagement is not just a buzzword but a tangible strategy for enhancing sustainable employability. This phenomenon is elucidated in the study by Xu et al. (2020), wherein work engagement is defined as the degree to which employees are involved, enthusiastic, and dedicated to their work. Employees who are deeply committed and enthusiastic about their roles are more likely to harbor a desire to prolong their tenure and contribute to the organization over the long term, potentially until retirement.

The mediation relationship between organizational identification and sustainable employability with work engagement mediation has been evaluated. Consequently, Hypothesis 6 (H6) is rejected. This finding is consistent with research by Kim & Park (2017), which underscores the need for comprehensive investigations into the relationship between various research constructs relevant to organizational sustainability. While prior studies have examined the relationship between constructs such as work engagement, organizational, procedural justice, knowledge sharing, and innovative work behavior, there remains to be a gap in the literature regarding a comprehensive and simultaneous examination of these variables in relation to sustainability. Specifically, the link between work engagement and the concept of sustainability warrants further exploration, highlighting an area for future research and theoretical development.

The mediation relationship between psychological empowerment and sustainable employability, with work engagement as the mediator, in H7 is accepted. Furthermore, research has demonstrated that work engagement is a significant indicator of sustainable employability (Feldt et al., 2016). The research conducted by Bakker et al. (2007) demonstrates that job engagement is a mediator in the connection between empowerment and employee performance. The study findings indicate that employees who perceive themselves as having a high level of empowerment are more likely to be actively involved in their work, leading to improved performance (Bakker et al., 2007). Employees who perceive themselves as having strong psychological empowerment are more likely to exhibit elevated levels of work engagement in this scenario. This will enhance their long-term employability, as individuals who are emotionally and cognitively invested in their work typically exhibit greater productivity and job satisfaction (Schaufeli et al., 2002).

Based on the statistical analysis, the moderation relationship proposed in hypothesis 8 between work engagement and sustainable employability, moderated by affective commitment in hypothesis 8 (H8), is accepted, suggesting a significant moderation effect of affective commitment on the relationship between work engagement and sustainable employability. This finding underscores the critical role of affective commitment in the relationship between work engagement and sustainable employability. It's not just about engaging employees but about fostering a deep

emotional connection that drives their commitment to the organization's goals. This finding aligns with the research conducted by Asif et al. (2019), which highlights that support from ethical leadership enhances employee morale and encourages them to exert additional effort towards achieving sustainable organizational goals with heightened commitment, thereby fostering greater affective commitment and engagement among employees. Affective commitment is crucial in mediating the relationship between work engagement and sustainable employability, as supported by studies conducted by van Dam et al. (2017) and Van der Heijden et al. (2016), which underscore the positive impact of employee work engagement on sustainable employability. Organizations can bolster employees' levels of affective commitment by fostering a conducive work environment, promoting a healthy work-life balance, and providing opportunities for skill and career development. By doing so, organizations can enhance employee engagement, facilitate skill acquisition, and promote long-term productivity and performance, as emphasized by Rahi (2022). Thus, nurturing affective commitment serves as a pivotal mechanism through which organizations can cultivate sustained employee engagement and enhance sustainable employability.

5. Conclusion

5.1 Theoretical Implication

The findings of this study are poised to make a valuable academic contribution to the field of Human Resource Management, particularly concerning the discourse on sustainable employability. This research will likely enrich readers' comprehension and insight into this topical area, particularly by elucidating the intricate mediation and moderation relationships that underscore the complex influences on sustainable employability. Moreover, it is envisaged that this study will catalyze future research endeavors, providing a robust foundation upon which scholars can build and expand their investigations into sustainable employability, organizational identification, psychological empowerment, work engagement, and affective commitment. This research endeavors to pave the way for further scholarly exploration and inquiry in this domain by offering a nuanced understanding of these interrelated constructs.

5.2 Managerial Implication

In the previous explanation, it was found that organizational identification has no significant effect on sustainable employability. Thus, individuals may align themselves with the organization they associate with while simultaneously harboring disagreement with its values, strategies, or systems of authority. Therefore, companies or organizations should prioritize strengthening shared values and a cohesive culture to instill a sense of relatedness and common purpose among employees or members. This entails maintaining transparent communication channels, providing avenues for career advancement or promotion, ensuring fair compensation and rewards, and valuing and integrating feedback from employees or members. By undertaking these initiatives, companies can inspire motivation and foster a strong sense of attachment among employees or members towards the organization or company.

Furthermore, it was found that affective commitment assumes a crucial role in mediating the relationship between work engagement and sustainable employability, which underscores the positive impact of employee work engagement on sustainable employability. Organizations can bolster employees' levels of affective commitment by fostering a conducive work environment, promoting a healthy work-life balance, and providing opportunities for skill and career development. By doing so, organizations can enhance employee engagement, facilitate skill acquisition, and promote long-term productivity and performance. Thus, nurturing affective commitment serves as a pivotal mechanism through which organizations can cultivate sustained employee engagement and enhance sustainable employability. In addition, in cultivating affective commitment, companies must ensure the presence of effective and ethical leadership at all levels, particularly among top managers, to steer the organization or company in a positive direction. By nurturing a culture of accountability and integrity, companies can bolster employee trust and commitment, thereby fostering long-term retention. By implementing measures that actively engage, protect the rights, and heed the feedback of employees or members, companies can enhance employee welfare and cultivate a sense of commitment, ultimately leading to prolonged organizational tenure. In the short term, this engenders organizational identification, while in the long term, it promotes both physical and psychological well-being, culminating in sustainable employability.

5.3 Limitation and Future Research

Despite the growing interest in sustainable employability, the research landscape still needs to be explored, resulting in limited scholarly references and theoretical frameworks. Future research efforts can bridge this gap by delving deeper into the dynamics of sustainable employability, organizational identification, psychological empowerment, work engagement, and affective commitment. Exploring these constructs in specific organizational contexts and sectors can offer valuable insights and contribute to diversifying research perspectives on sustainable employability. This study, examining the financial sector of state-owned companies, needs to be narrower as it includes banking, pawnshops,

insurance, and their subsidiaries. So, future research can examine only one type of company, for example, banking or one company in the financial sector, to reduce bias due to cultural differences within the company that affect perceptions between respondents. In addition, comparative studies across sectors can shed light on the implementation and success of sustainable employability practices in various organizational environments.

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Author Contribution

Author 1: conceptualization, writing original draft, data curation, formal analysis, investigation, methodology. Author 2: conceptualization, review, editing draft, revision editing, and supervision.

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Conflict of Interest

The authors have no financial or non-financial conflicts of interest that need to be disclosed in this study.

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