
Self-Concept and *Akhlak* Culture as Predictors of Work Engagement in Indonesian State-Owned Enterprises

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Abstract

Employee engagement has emerged as a critical factor in enhancing organizational performance within Indonesian State-Owned Enterprises (SOEs). Since the implementation of the *Akhlak* values in 2020, representing Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif, the government has emphasized cultural transformation as a foundation for ethical and performance excellence. However, the extent to which these values are internalized and reflected in employees' engagement remains unclear, particularly in relation to individual psychological factors such as self-concept. Therefore, this study aims to analyze how self-concept influences work engagement among employees in Indonesian SOEs and to examine whether *Akhlak* culture functions as a mediating variable in this relationship. Employing a quantitative explanatory design, data were collected through an online survey involving 150 SOE employees in Makassar and analyzed using Partial Least Squares Structural Equation Modeling (SmartPLS 4). The results show that self-concept positively affects both *Akhlak* culture ($\beta = 0.72, p < 0.001$) and work engagement ($\beta = 0.31, p < 0.01$), while *Akhlak* culture has a significant positive effect on work engagement ($\beta = 0.48, p < 0.001$) and partially mediates the self-concept-engagement relationship. The model explains 63% of the variance in work engagement, indicating substantial explanatory power. These findings confirm that employees' self-belief and internalization of organizational values jointly enhance engagement and performance. Theoretically, this research extends the Job Demands-Resources (JD-R) framework by integrating cultural mediation, while practically, it provides insights for SOE leaders to design values-based strategies that align personal and organizational identity to foster sustainable engagement.

1. Introduction

Employee engagement has become a strategic priority in many organizations, particularly within Indonesian state-owned enterprises (SOEs). Since the introduction of *Akhlak* values in 2020, an acronym for *Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif* the government has sought to establish a

unified ethical and performance-based identity across all SOEs (Ministry of SOEs, 2020). These values are not merely symbolic but are designed to foster integrity, collaboration, and accountability in achieving sustainable performance. However, the extent to which these values are internalized and reflected in employees' daily work behaviors remains uneven. Many SOEs still face challenges in translating these cultural principles into tangible engagement outcomes, suggesting that psychological and personal factors may influence how employees embody *Akhlak* in their work (Prabowo & Syarifuddin, 2022).

One critical psychological factor that may shape this process is self-concept, defined as an individual's perception and evaluation of their own competence, worth, and potential. According to Rogers (1959), self-concept forms the foundation of personality and motivation, influencing how individuals perceive and respond to their environment. Similarly, Shamir and Eilam (2005) argued that self-concept plays a central role in the development of authentic motivation and leadership, as individuals with a coherent sense of self are more likely to act consistently with their values and goals. Employees with a strong and positive self-concept tend to exhibit higher levels of confidence, motivation, and sense of purpose, which in turn promote engagement and commitment to organizational goals (Macey & Schneider, 2008; Saks, 2019). Conversely, employees who experience uncertainty about their role or self-worth may struggle to align personal identity with organizational culture, resulting in lower engagement and weaker cultural embodiment (Bakker & Albrecht, 2018).

In the context of Indonesian SOEs, this interplay between self-concept and engagement becomes especially significant given the organizational push for cultural transformation under *Akhlak*. While leadership and organizational systems have been actively restructured to support this transformation (Setiawan, 2021), less attention has been given to the individual-level psychological mechanisms that drive genuine value internalization. Understanding these mechanisms is crucial to ensuring that the *Akhlak* culture does not remain a top-down initiative but evolves into a shared belief system that motivates employees intrinsically (Wijaya & Suryani, 2023).

Therefore, the purpose of this study is to analyze how self-concept influences work engagement among employees in Indonesian SOEs and to examine whether *Akhlak* culture acts as a mediating variable in this relationship. By integrating psychological and cultural perspectives, this research contributes to the growing literature on employee engagement in emerging-market public institutions. The findings are expected to provide both theoretical insight by clarifying the mediating role of organizational culture—and practical implications for SOE leaders in designing strategies that strengthen employee engagement through the alignment of personal and organizational values.

Despite the growing emphasis on employee engagement as a strategic driver of organizational performance, the process by which employees in Indonesian SOEs internalize and act upon the *Akhlak* values remains insufficiently understood. While the government's initiative has successfully established a shared framework for behavior and ethics, its translation into everyday work engagement appears to depend heavily on individual psychological factors particularly self-concept. Employees with strong self-concept may perceive the *Akhlak* culture as congruent with their personal identity, leading to higher engagement. Conversely, employees with lower self-concept might experience dissonance between personal and organizational values, thereby weakening their engagement and sense of belonging.

Given these dynamics, it becomes crucial to examine how self-concept contributes to work engagement within the framework of *Akhlak* cultural transformation. Furthermore, understanding whether the *Akhlak* culture itself serves as a mediating mechanism linking personal self-perception to collective organizational outcomes will provide important insights into how values-based engagement can be cultivated in state-owned enterprises.

Accordingly, this study seeks to address the following research questions:

- 1) How does Self-Concept influence *Akhlak* Culture among employees in Indonesian SOEs?
- 2) How does *Akhlak* Culture influence Work Engagement among employees in Indonesian SOEs?
- 3) How does Self-Concept influence Work Engagement among employees in Indonesian SOEs?
- 4) Does *Akhlak* Culture mediate the relationship between Self-Concept and Work Engagement?

1.1 Literature Review

1.1.1 Self-Concept as a Personal Resource

The concept of self-concept represents individuals' beliefs about their capabilities and self-worth (Rogers, 1959). It reflects how people perceive themselves in terms of competence, confidence, and personal value within their social and work environments. According to social-cognitive motivation theory, individuals with a strong and positive self-concept tend to exhibit higher levels of self-efficacy, stronger goal

commitment, and more proactive behavior (Bandura, 1997). In other words, when employees believe in their ability to perform effectively, they are more likely to engage in tasks with persistence and enthusiasm. Within the Job Demands–Resources (JD-R) framework, self-concept is categorized as a personal resource that enhances employees’ capacity to handle job challenges. This psychological strength not only helps employees adapt to demanding work conditions but also creates a *gain spiral* a positive feedback loop in which confidence, motivation, and engagement reinforce each other over time (Bakker & Albrecht, 2018).

However, several critiques and limitations have been raised regarding the construct of self-concept. Scholars have pointed out a considerable conceptual overlap between self-concept, self-esteem, self-efficacy, and self-concept clarity, which may lead to construct redundancy or confusion. To address this issue, researchers are encouraged to clearly define the operational boundaries of the construct they intend to measure. For example, using validated instruments such as the Self-Concept Clarity Scale or the General Self-Efficacy Scale can help ensure discriminant validity and avoid conceptual ambiguity in empirical research.

In terms of implications for work engagement, employees with a strong self-concept are more likely to exhibit vigor, dedication, and absorption in their work. Their sense of confidence and competence contributes to intrinsic motivation, persistence, and a deeper sense of purpose. Conversely, individuals with a weak or inconsistent self-concept often experience self-discrepancy a gap between their perceived and ideal selves—which may lead to disengagement, lower motivation, and withdrawal behaviors. Thus, fostering a positive self-concept among employees can play a crucial role in enhancing work engagement and overall organizational performance.

1.1.2 Akhlak Culture as a Values-Based Organizational Context

The *Akhlak* values—which stand for *Amanah* (trustworthy), *Kompeten* (competent), *Harmonis* (harmonious), *Loyal* (loyal), *Adaptif* (adaptive), and *Kolaboratif* (collaborative) were introduced by the Indonesian Ministry of State-Owned Enterprises (SOEs) as ethical and behavioral guidelines to shape employee conduct across all state-owned institutions (BUMN Forum, 2020). These values serve as a unified moral compass designed to cultivate professionalism, integrity, and synergy among employees while strengthening accountability and service orientation. Conceptually, the *Akhlak* framework aligns with values-based leadership theory, which emphasizes that effective leadership begins with the internalization of shared values and moral principles that guide decision-making and behavior. It also resonates with Schein’s model of organizational culture, which highlights that shared assumptions and deeply rooted beliefs form the foundation of collective behavior and organizational performance (Schein, 2010). In this sense, *Akhlak* functions not merely as a code of conduct but as a cultural transformation initiative intended to harmonize the personal, ethical, and performance dimensions of employee behavior within SOEs.

From a theoretical standpoint, the potential mechanism of *Akhlak* within the organizational context suggests that it may operate as a mediating variable linking self-concept and work engagement. Employees with a strong sense of self are more likely to internalize and align with the organization’s values, achieving what is known as *value congruence* the psychological alignment between personal identity and organizational culture (Kristof-Brown, Zimmerman, & Johnson, 2005). This value congruence then enhances employee engagement, as employees who perceive harmony between their personal beliefs and organizational values experience greater meaning, commitment, and collaboration in their work. Consequently, such alignment fosters higher levels of vigor and dedication, key dimensions of work engagement identified by Schaufeli and Bakker (2004). Thus, *Akhlak* can be understood as a cultural bridge through which self-concept translates into active engagement and sustained performance.

Despite its strategic relevance, several critiques and challenges must be acknowledged. First, there is a risk of decoupling, where cultural values remain at the level of slogans or ceremonial compliance if they are not reinforced by consistent human resource systems, leadership behavior, and performance management mechanisms. This issue reflects a common challenge in institutional change, where espoused values may not always translate into enacted practices (Meyer & Rowan, 1977). Second, the measurement approach of *Akhlak* remains an open methodological debate. If modeled as a reflective construct, each value (*Amanah*, *Kompeten*, *Harmonis*, *Loyal*, *Adaptif*, *Kolaboratif*) is seen as an indicator that reflects the broader latent culture. Conversely, if treated as a formative construct, these dimensions collectively shape the culture, implying different implications for statistical modeling in PLS-SEM and CB-SEM analyses (Hair et al., 2021). Finally, context specificity presents another challenge. The strength and expression of *Akhlak* values may vary across SOE sectors such as finance, energy, logistics, and communications and across different stages of cultural transformation. Therefore, future research must empirically test the construct’s cultural maturity and contextual validity to ensure that *Akhlak* can serve as a robust model for ethical and performance excellence in diverse organizational environments.

1.1.3 Work Engagement: Vigor, Dedication, Absorption

Work engagement is generally defined as a positive, fulfilling, and persistent work-related state of mind, characterized by three dimensions: vigor, dedication, and absorption (Schaufeli & Bakker, 2004). Vigor refers to high levels of energy and mental resilience while working; dedication represents a strong sense of significance, enthusiasm, and inspiration toward one's job; and absorption describes being fully concentrated and happily engrossed in one's work. Together, these dimensions capture an employee's optimal state of motivation and psychological connection to their work role. Within the Job Demands-Resources (JD-R) model, work engagement is understood as the outcome of a dynamic interaction between personal resources such as self-concept, self-efficacy, and optimism and job resources including supervisor support, role clarity, job autonomy, and a supportive organizational culture (Bakker & Demerouti, 2017). When employees perceive that they possess sufficient personal and organizational resources, they are more likely to experience engagement that leads to sustained performance and well-being.

However, several conceptual and methodological issues have emerged in the literature regarding the definition and measurement of engagement. One key issue is definitional overlap. The concept of engagement is sometimes conflated with related constructs such as job involvement, job satisfaction, or organizational commitment, which, although correlated, represent different psychological states. Job involvement emphasizes identification with one's job role, while organizational commitment refers to attachment to the organization itself; engagement, by contrast, captures the active, energetic state of working rather than the attitudinal bond (Macey & Schneider, 2008). This distinction highlights the need for conceptual clarity to avoid redundancy and ensure accurate measurement of engagement as a unique construct.

In terms of measurement, the Utrecht Work Engagement Scale (UWES) developed by Schaufeli and Bakker (2004) remains the most widely used instrument for assessing engagement. Nevertheless, its measurement validity requires careful examination in diverse cultural contexts. Studies have shown that differences in language, work values, and cultural orientation can affect how respondents interpret the UWES items (Saks, 2019). Therefore, researchers are encouraged to test for cross-cultural measurement invariance before applying the scale in non-Western settings, including Indonesia. Such testing ensures that engagement is conceptualized and measured equivalently across cultures, allowing for meaningful comparisons and valid conclusions.

Another critical issue concerns common method bias (CMB), which often arises from the use of cross-sectional and self-reported surveys. When both predictors and outcomes are collected from the same respondents at a single point in time, correlations among variables may be artificially inflated. To minimize CMB, methodological strategies such as procedural separation (e.g., collecting data from different sources or at different times), using marker variables, or applying latent method factor techniques within structural equation modeling are recommended (Podsakoff et al., 2003). By addressing these methodological challenges, researchers can enhance the reliability and validity of engagement studies, ensuring that observed relationships reflect genuine psychological processes rather than measurement artifacts.

In sum, work engagement represents a critical construct in organizational behavior that captures employees' emotional, cognitive, and physical connection to their work. Despite its theoretical and practical importance, maintaining conceptual precision and methodological rigor remains essential, particularly in culturally diverse contexts such as Indonesia. Future research should therefore continue refining the measurement of engagement and exploring its antecedents and outcomes within different organizational and cultural frameworks.

1.1.4 Integrative Synthesis: Linking the Constructs

Synthesizing the existing body of literature reveals a set of interrelated conceptual relationships that connect individual psychology, organizational culture, and employee engagement. First, self-concept serves as a critical personal resource that positively influences work engagement. Individuals with a strong and positive self-concept tend to demonstrate higher levels of energy, persistence, and purpose in their work, as they believe in their own competence and value within the organization (Bandura, 1997; Bakker & Albrecht, 2018). This psychological strength fosters intrinsic motivation and resilience, allowing employees to remain committed even in the face of job challenges.

Second, self-concept also contributes to the internalization of organizational culture, specifically within the *Akhlak* framework. Employees with a strong and coherent sense of identity are more likely to experience *value congruence*, or alignment between their personal beliefs and the organization's values. This alignment facilitates the intrinsic adoption of desired behavioral norms and ethical standards, allowing employees to embody the principles of Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif in their daily work.

(BUMN Forum, 2020). Such internalization transforms cultural values from external expectations into personal commitments, reinforcing consistency between individual and organizational behavior.

Third, *Akhlak* culture itself exerts a direct positive influence on work engagement. As a values-based organizational framework, *Akhlak* enriches the meaning of work by promoting collaboration, ethical behavior, and mutual respect among employees. When organizational values are perceived as authentic and lived through leadership and daily practices, they create a sense of belonging and psychological connection that strengthens employees' engagement and dedication (Schein, 2010; Schaufeli & Bakker, 2004). In this way, organizational culture acts as a contextual resource that enhances vigor, dedication, and absorption—key dimensions of work engagement.

Taken together, these relationships position *Akhlak* culture as a mediating mechanism that bridges the effect of self-concept on work engagement. A strong self-concept enables employees to internalize organizational values, and the experience of value congruence subsequently amplifies their engagement with work. This integrative model highlights the interplay between personal and organizational factors, suggesting that employee engagement in state-owned enterprises (SOEs) is best understood as the outcome of both individual psychological resources and shared cultural values.

Looking ahead, future research may explore potential moderating factors that influence these relationships. Variables such as job characteristics (including job demands and resources), leadership style, tenure, and perceived organizational fairness could strengthen or weaken the pathways among self-concept, cultural alignment, and engagement. Examining these moderators would provide a more nuanced understanding of how personal, organizational, and situational factors collectively shape employee engagement across various SOE contexts in Indonesia.

1.1.5 Gaps, Inconsistencies, and Research Directions

Several research gaps, inconsistencies, and future research directions emerge from the review of existing literature. First, there is a clear contextual limitation, as empirical studies investigating *Akhlak* as a psychological or cultural mechanism remain scarce. Most existing research is descriptive in nature and has not yet examined the causal relationships or mediating role of *Akhlak* values in shaping employee behavior. This indicates the need for more in-depth quantitative studies to understand how *Akhlak* values are truly internalized and how they influence work engagement within the context of Indonesian State-Owned Enterprises (SOEs).

Second, there are notable measurement challenges related to the operationalization of the *Akhlak* construct. The development and validation of a reliable and robust measurement scale for *Akhlak* are essential for ensuring its consistent use in empirical research. Methodological issues such as determining whether *Akhlak* should be modeled as a reflective construct (where the values reflect culture) or as a formative construct (where the values form culture) must be clarified, as this distinction directly affects the analytical approach in statistical modeling. Furthermore, tests for reliability, convergent and discriminant validity, and cross-group invariance are necessary to ensure that the *Akhlak* construct can be measured accurately across different organizational contexts and SOE sectors.

Third, there is evidence of construct proliferation, referring to the conceptual overlap among self-concept, self-efficacy, and self-esteem. This overlap often leads to theoretical ambiguity and measurement redundancy. Therefore, more precise operationalization is required to distinguish these constructs clearly. For example, combining the dimensions of self-concept clarity and general self-efficacy can provide a more coherent and focused measurement approach, reducing the risk of multicollinearity among related variables.

Fourth, from a methodological standpoint, most existing studies have relied on cross-sectional designs, which provide only a static snapshot of the phenomena under study. Such designs limit the ability to capture the dynamic processes of engagement and cultural mediation. Future research should adopt longitudinal or multi-source designs to observe behavioral changes over time and to minimize potential common method bias.

Considering these gaps, the present study is well-positioned to make a meaningful theoretical and empirical contribution by examining the mediating role of *Akhlak* culture in the relationship between Self-Concept and Work Engagement within the context of Indonesian SOEs. This approach is expected not only to enrich the theoretical understanding of psychological and cultural mechanisms underlying employee engagement but also to provide an empirical foundation for strengthening the implementation of *Akhlak* cultural transformation in Indonesia's state-owned enterprises.

Based on the theoretical framework and the identified research gaps, the following hypotheses are proposed to empirically examine the relationships among Self-Concept, *Akhlak* Culture, and Work Engagement

Hypotheses:

- 1) **H1:** Self-Concept has a positive effect on *Akhlak* Culture.
- 2) **H2:** *Akhlak* Culture has a positive effect on Work Engagement.
- 3) **H3:** Self-Concept has a positive effect on Work Engagement.
- 4) **H4:** *Akhlak* Culture mediates the relationship between Self-Concept and Work Engagement.

2. Research Methods

This research adopts a quantitative explanatory design using a cross-sectional survey approach. The main objective is to empirically examine the relationship between Self-Concept, *Akhlak* Culture, and Work Engagement among employees in Indonesian state-owned enterprises (SOEs). The explanatory design was chosen because it allows testing of hypothesized causal relationships among variables based on existing theoretical foundations.

2.1 Sampling and Research Context

2.1.1 Target Population and Context

The population for this study consists of employees working in State-Owned Enterprises (SOEs) located in Makassar, South Sulawesi, Indonesia. Makassar represents one of Indonesia's major economic hubs in the eastern region, where several SOEs operate in diverse sectors such as banking, logistics, telecommunications, and energy. This regional focus provides an appropriate context to examine how national-level cultural transformations (through the *Akhlak* initiative) are internalized at the organizational and individual levels.

2.1.2 Sampling Technique

A purposive sampling technique was employed to ensure that respondents had sufficient work experience to provide meaningful responses regarding cultural and engagement dynamics. The inclusion criteria required that participants:

- 1) Were currently employed in an SOE,
- 2) Had a minimum of one year of tenure, and
- 3) Held at least a staff-level position involved in daily operational or managerial activities.

This selection criterion ensured that participants had adequate exposure to the *Akhlak* values implementation and could reflect on their work engagement and self-perception.

2.1.3 Sample Size and Respondent Profile

A total of 150 valid responses were collected from employees across various SOEs in Makassar. The data were gathered online through Google Forms over a four-week period in mid-2025. Respondents represented multiple functional areas, including administration, finance, operations, and customer service. Approximately 56% were male and 44% female, with an average age of 32 years and an average tenure of 5.3 years.

This sample size meets the minimum requirement for PLS-SEM analysis, as suggested by Hair et al. (2021), which recommends at least ten times the number of structural paths directed at a single construct.

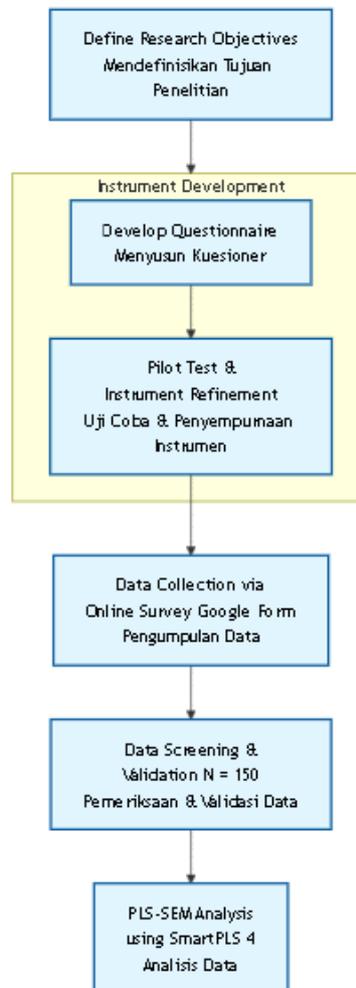
2.2 Data Collection Procedure

Data collection followed a structured, ethically guided procedure:

- 1) **Instrument Design.** The questionnaire was developed based on previously validated measurement scales and translated into Bahasa Indonesia using a *back-translation* procedure to maintain conceptual equivalence.
- 2) **Pilot Testing.** A preliminary test with 20 respondents ensured the clarity and reliability of the items. Minor adjustments in wording were made for cultural relevance and language simplicity.
- 3) **Distribution.** The final questionnaire was distributed online to targeted respondents through internal SOE communication channels. Participation was voluntary and anonymous to ensure confidentiality and reduce social desirability bias.
- 4) **Response Monitoring.** Follow-up reminders were sent weekly to improve response rates. After screening for completeness and consistency, 150 responses were deemed valid for analysis.

A visual summary of the research procedure is presented in Figure 1, illustrating the flow from sampling to data analysis.

Figure 1. Research Procedure Flow



2.3 Measures

All items were assessed using a 7-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). The constructs were measured as follows:

- Self-Concept (3 items) – Adapted from Shamir and Eilam (2005), this scale measures employees’ perception of their confidence, competence, and self-worth (e.g., “I feel confident about my abilities to perform my job well”).
- *Akhlaq* Culture (3 items) – Developed to capture employees’ behavioral alignment with the six core dimensions of Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif, reflecting the internalization of organizational values (BUMN Forum, 2020). Example item: “I consistently demonstrate behavior that reflects the *Akhlaq* values in my daily work.”
- Work Engagement (3 items) – Measured using the short version of the Utrecht Work Engagement Scale (UWES-3) by Schaufeli and Bakker (2004), which assesses vigor, dedication, and absorption (e.g., “I am enthusiastic about my job”).

To ensure construct validity, all items were reviewed by subject matter experts in organizational psychology and management to confirm contextual relevance to Indonesian SOEs.

2.4 Data Analysis

Data analysis was performed using SmartPLS 4, chosen for its ability to estimate complex structural models with smaller sample sizes and non-normal data distributions. The analysis followed the two-step approach recommended by Hair et al. (2021):

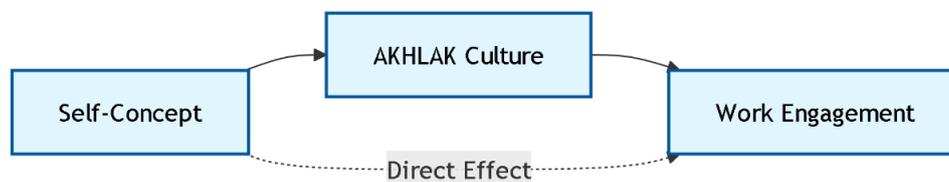
1. Measurement Model Assessment – The reliability and validity of each construct were tested using the following criteria:
 - Cronbach's Alpha (CA) ≥ 0.70
 - Composite Reliability (CR) ≥ 0.70
 - Average Variance Extracted (AVE) ≥ 0.50
 - Heterotrait-Monotrait Ratio (HTMT) < 0.85

These indicators confirm internal consistency, convergent validity, and discriminant validity of the constructs.

2. Structural Model Assessment – The hypothesized relationships were evaluated using bootstrapping with 5,000 resamples to obtain robust path coefficients and significance levels. Model quality was assessed using:
 - Coefficient of determination (R^2) to indicate explanatory power,
 - Effect size (f^2) to assess the contribution of each predictor, and
 - Predictive relevance (Q^2) for model validation.

The analytical framework is illustrated in Figure 2, outlining the relationships between the three key constructs.

Figure 2. Conceptual Model of the Study



2.5 Reliability, Validity, and Ethical Considerations

All statistical assumptions for PLS-SEM were verified, including collinearity ($VIF < 5$) and indicator loadings (> 0.70). Reliability was ensured through consistent internal measures, while validity was verified through theoretical grounding and expert review.

The study adhered to ethical research standards. Respondents participated voluntarily, data confidentiality was guaranteed, and no personally identifiable information was collected.

3. Results and Discussion

This section presents the results of the statistical analyses conducted to test the proposed research model. The data analysis was performed using SmartPLS 4, following the two-stage procedure recommended by Hair et al. (2021). The first stage examined the measurement model to ensure the reliability and validity of the constructs, while the second stage tested the structural model to evaluate the hypothesized relationships.

All results are reported in accordance with the guidelines of the *American Psychological Association* (2001, p. 20), ensuring sufficient detail for replication and interpretation.

3.1 Descriptive Statistics

A total of 150 valid responses were analyzed. Table 1 summarizes the demographic profile of the respondents.

Table 1. Respondent Demographics (n = 150)

Variable	Category	Frequency	Percentage
Gender	Male	84	56%
	Female	66	44%
Age	21-30 years	58	39%
	31-40 years	61	41%
	> 40 years	31	20%
Tenure	1-3 years	46	31%
	4-7 years	62	41%
	> 7 years	42	28%
Education Level	Bachelor's degree	109	73%
	Master's degree	41	27%

Descriptive analysis indicated relatively high mean values for the three main constructs:

- Self-Concept (M = 5.87, SD = 0.72)
- *Akhlak* Culture (M = 6.01, SD = 0.68)
- Work Engagement (M = 5.92, SD = 0.70)

These results suggest that most SOE employees in Makassar perceive themselves as competent and aligned with *Akhlak* values, and report strong engagement with their work.

3.2 Measurement Model Results

The reliability and validity of the constructs were first tested using the reflective measurement model criteria.

Table 2. Construct Reliability and Validity

Construct	Cronbach's Alpha	CR	AVE	HTMT (Max)
Self-Concept	0.82	0.88	0.70	0.67
<i>Akhlak</i> Culture	0.85	0.90	0.74	0.63
Work Engagement	0.87	0.91	0.76	0.61

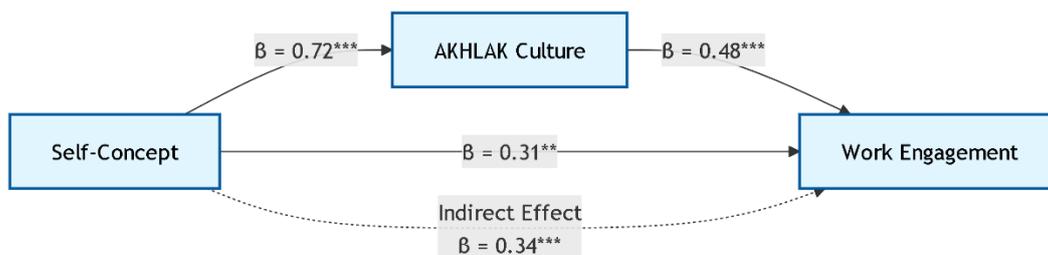
All indicators met the recommended thresholds (CA \geq 0.70; CR \geq 0.70; AVE \geq 0.50), confirming internal consistency and convergent validity. The HTMT ratios ($<$ 0.85) indicate that discriminant validity among constructs was also satisfactory.

Indicator loadings ranged from 0.78 to 0.91, further supporting the reliability of each item. Thus, the measurement model demonstrated adequate psychometric quality and was deemed appropriate for hypothesis testing.

3.3 Structural Model Results

The structural model was evaluated to test the hypothesized relationships among Self-Concept (SC), *Akhlak* Culture (AC), and Work Engagement (WE). Multicollinearity checks indicated no major issues (VIF $<$ 3.5). The model explained a substantial portion of variance in the dependent variables (R^2_{AC} = 0.52; R^2_{WE} = 0.63), indicating moderate to strong explanatory power.

Figure 3. Structural Model Results



Interpretation of Results:

- 1) Strong Direct Influence: Self-Concept has a significant and strong direct influence on *Akhlak* Culture ($\beta = 0.72$).
- 2) Partial Mediation: *Akhlak* Culture acts as a partial mediator in the relationship between Self-Concept and Work Engagement.
- 3) Total Effect: The total effect of Self-Concept on Work Engagement is 0.31 (direct) + 0.34 (indirect) = 0.65.
- 4) Statistical Significance: All path coefficients are statistically significant at the $p < 0.01$ level or better.

This visualization confirms a strong partial mediation model, where the indirect effect of Self-Concept on Work Engagement (through *Akhlak* Culture) is larger than its direct effect.

Table 3. Path Coefficients and Hypothesis Testing (Bootstrapping = 5,000)

Hypothesis	Path	β	t-value	p-value	Decision
H1	Self-Concept → Work Engagement	0.31	3.25	0.001	Supported
H2	Self-Concept → <i>Akhlak</i> Culture	0.72	11.04	0.000	Supported
H3	<i>Akhlak</i> Culture → Work Engagement	0.48	5.62	0.000	Supported
H4	Self-Concept → WE (Indirect via AC)	0.34	4.28	0.000	Supported (Partial Mediation)

All hypothesized relationships were statistically significant. Self-Concept had both a direct effect on Work Engagement and an indirect effect through *Akhlak* Culture, confirming partial mediation.

Effect size analysis revealed large effects of Self-Concept on *Akhlak* Culture ($f^2 = 0.37$) and medium effects of *Akhlak* Culture on Work Engagement ($f^2 = 0.21$). Predictive relevance ($Q^2 = 0.46$) indicated strong model predictive capability.

3.4 Discussion

The findings provide robust empirical support for the hypothesized model and contribute to a deeper understanding of how psychological self-perceptions and organizational culture interact to enhance employee engagement in Indonesia’s SOEs.

First, the strong positive relationship between Self-Concept and Work Engagement (H1) supports prior research emphasizing that individuals with a positive self-view exhibit greater enthusiasm, persistence, and psychological resilience at work (Bandura, 1997; Bakker & Albrecht, 2018). Employees who perceive themselves as competent and worthy are more likely to find meaning and energy in their work roles.

Second, the significant relationship between Self-Concept and *Akhlak* Culture (H2) suggests that self-aware employees are more capable of internalizing organizational values. This supports the notion of *value congruence theory* (Kristof-Brown, Zimmerman, & Johnson, 2005), where alignment between personal identity and organizational culture enhances behavioral consistency.

Third, the strong path from *Akhlak* Culture to Work Engagement (H3) demonstrates that value-based cultural alignment fosters emotional and cognitive engagement. When employees perceive that their organization embodies ethical and collaborative values (as represented by *Akhlak*), they experience a stronger sense of belonging and purpose. This finding aligns with prior studies highlighting the role of culture and shared values in building sustainable engagement (Saks, 2019).

Finally, the mediation analysis (H4) indicates that *Akhlak* Culture partially mediates the relationship between Self-Concept and Work Engagement. This means that employees’ self-beliefs not only directly influence engagement but also do so through their perception of cultural alignment. In other words, psychological self-awareness transforms into behavioral engagement when reinforced by shared cultural values.

These results have both theoretical and managerial implications. Theoretically, the study integrates individual-level (self-concept) and organizational-level (culture) predictors of engagement, extending the JD-R framework with a cultural dimension. Practically, the results highlight the importance for SOE leaders

to design values-based HR initiatives such as *Akhlak* training, coaching, and feedback systems that strengthen the link between self-concept development and cultural internalization.

Contrary findings were minimal; however, some respondents with lower tenure reported weaker cultural alignment, suggesting that *Akhlak* internalization may require time and consistent reinforcement. This nuance aligns with longitudinal perspectives that emphasize the gradual nature of cultural assimilation.

3.5 Limitations and Future Research

While the results are promising, several limitations warrant attention:

1. Cross-sectional design limits causal inference; longitudinal data could better capture dynamic engagement processes.
2. Self-report bias may affect responses; future studies should incorporate supervisor or peer ratings.
3. Context specificity results may not generalize to non-SOE organizations or other regions of Indonesia.

Future research should expand the sample to include other regions and employ mixed-method approaches to capture deeper insights into the internalization of *Akhlak* values.

4. Conclusion and Implications

4.1 Conclusion

This study aimed to examine the relationship between Self-Concept, *Akhlak* Culture, and Work Engagement among employees of Indonesian State-Owned Enterprises (SOEs) in Makassar. Grounded in the Job Demands–Resources (JD-R) framework and the values-based leadership perspective, the research proposed that self-concept would influence work engagement both directly and indirectly through the mediating role of *Akhlak* culture.

The findings confirmed all proposed hypotheses. Self-concept demonstrated a significant positive effect on both *Akhlak* culture and work engagement, while *Akhlak* culture itself significantly enhanced employee engagement. Moreover, *Akhlak* culture was found to partially mediate the relationship between self-concept and work engagement. This implies that employees who possess a strong sense of self—confidence, competence, and self-worth are more capable of internalizing organizational values, which in turn strengthens their engagement and enthusiasm at work.

In summary, this research provides empirical evidence that individual psychological factors (such as self-concept) and organizational cultural factors (*Akhlak* values) work synergistically to foster employee engagement. In the context of Indonesia's ongoing transformation of SOEs, this relationship is vital to ensuring that the *Akhlak* initiative is not merely symbolic but genuinely embedded in daily employee behavior.

4.2 Theoretical Implications

Theoretically, this study contributes to the literature in several ways:

1. Integrating Personal and Cultural Dimensions. By linking self-concept (a personal resource) with *Akhlak* culture (an organizational resource), this study enriches the JD-R model with a cultural mediation mechanism. It shows that engagement is not only a result of psychological resources but also of value alignment within the organization.
2. Extending Values-Based Leadership Research. The findings support and extend values-based leadership theory (Shamir & Eilam, 2005) by demonstrating that the internalization of organizational values such as *Akhlak K* can mediate the translation of self-concept into productive work behaviors.
3. Contextualizing the *Akhlak* Framework. Empirical validation of the *AKHLAK* culture as a measurable construct offers a theoretical foundation for future research on national cultural transformation within SOEs. It positions *Akhlak* not just as a normative policy but as a cultural system capable of influencing psychological and behavioral outcomes.

4.3 Practical Implications

From a managerial perspective, the results highlight the importance of integrating psychological development programs with cultural transformation initiatives within SOEs. Several recommendations can be derived:

1. **Develop Self-Concept through HR Interventions.**
SOE leaders should implement programs that strengthen employees' confidence and self-efficacy such as coaching, mentoring, and career development workshops. Enhancing self-concept enables employees to approach work with greater enthusiasm and purpose.
2. **Reinforce *Akhlak* Culture through Leadership and Systems.**
To prevent *Akhlak* from becoming a mere compliance slogan, leaders must demonstrate value-based behavior through consistent decision-making, fair reward systems, and transparent communication. Embedding *Akhlak* into performance evaluation criteria and daily rituals can help institutionalize the culture.
3. **Enhance Employee Engagement through Cultural Alignment.**
Engagement should not be treated as an isolated HR metric but as an outcome of personal-organizational fit. Creating environments where employees experience alignment between their self-concept and *Akhlak* values will naturally increase vigor, dedication, and absorption.
4. **Continuous Cultural Monitoring.**
Organizations should periodically measure cultural internalization and engagement levels to assess progress and identify areas where *Akhlak* principles are not yet fully embraced. This can be done using survey instruments or focus groups.

4.4 Limitations and Future Research

While this study provides significant insights, several limitations open pathways for further research:

1. **Cross-Sectional Limitation.**
The use of a cross-sectional design restricts causal inference. Future studies should employ longitudinal designs to observe how self-concept and cultural alignment influence engagement over time.
2. **Self-Reported Data.**
All measures relied on self-reports, which may introduce common method bias. Incorporating multi-source data (e.g., supervisor ratings, peer evaluations) could increase the robustness of findings.
3. **Sample Scope.**
The sample was limited to SOEs in Makassar. Expanding to other regions or comparing across private and public sectors would enhance generalizability.
4. **Cultural Measurement Development.**
The *Akhlak* construct, though conceptually strong, is still in the early stages of empirical development. Future research should focus on refining and validating its dimensions across various organizational contexts.
5. **Potential Moderators.**
Future models could test moderating effects such as leadership style, organizational justice, or job autonomy to provide a more comprehensive understanding of the engagement process.

This study reinforces the idea that engagement thrives where self-awareness meets shared values. The *Akhlak* framework, when genuinely internalized, serves as a bridge between individual motivation and collective organizational excellence. For Indonesian SOEs striving toward transformation and sustainability, cultivating both self-concept strength and cultural congruence represents a strategic pathway to achieving deeper, more authentic employee engagement.

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