

The Effect of Psychological Contract, Perceived Organizational Support, And Empowering Leadership on Work Engagement Through Psychological Capital in The Public Sector

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Keywords:	Abstract
Psychological Contract; Perceived Organizational Support; Empowering Leadership; Psychological Capital; Work Engagement	This study examines the influence of psychological contract, perceived organizational support, and empowering leadership on work engagement through psychological capital as a mediating variable among State Civil Apparatus (ASN) employees at The Ministry of XYZ, Indonesia. The study was motivated by findings from The Ministry of XYZ's 2025 Mental Health and Well-Being Assessment Survey, which indicated psychological vulnerability and suboptimal well-being among First Expert Functional Position employees, raising concerns regarding their level of work engagement. This study employed a quantitative causal research design using purposive sampling to collect data from 178 First Expert Functional Position employees through an online questionnaire. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4. The results indicate that psychological contract, perceived organizational support, and empowering leadership each have a positive and significant effect on both work engagement and psychological capital. Furthermore, psychological capital has a positive and significant effect on work engagement and partially mediates the relationship between each of the three exogenous variables and work engagement. These findings demonstrate that fulfilling psychological contracts, strengthening organizational support, and implementing empowering leadership practices can enhance employee engagement both directly and indirectly by developing employees' psychological capital, including self-efficacy, hope, optimism, and resilience. This study contributes theoretically by integrating these three variables into a single mediation model within the context of Indonesian public sector bureaucracy and provides practical implications for public sector human resource management strategies aimed at strengthening psychological capital and sustaining civil servants' work engagement.

INTRODUCTION

State Civil Apparatus (ASN) represents a strategic national resource that plays a vital role in government operations, public policy implementation, and public service delivery. In the context of bureaucratic reform and increasingly complex environmental changes, ASN employees are expected not only to possess technical competencies and professional ethics but also adaptability, innovation, and high work engagement. Modern public sector human resource management therefore emphasizes not only administrative functions and regulatory compliance but also the creation of supportive work environments that foster employee engagement,

motivation, and psychological attachment to work, ultimately contributing to sustainable organizational performance (Boselie et al., 2021; Fredericksen et al., 2015; Olowu, 2024; Rosenbloom et al., 2022). Work engagement has become a key factor influencing productivity, service quality, organizational innovation, and the success of bureaucratic reform because engaged employees demonstrate greater enthusiasm, dedication, responsibility, and commitment to organizational goals, whereas low engagement may reduce productivity, increase burnout, and weaken public service quality (Armstrong & Taylor, 2023; Bakker & Albrecht, 2018; Bakker & Demerouti, 2017; OECD, 2023).

Work engagement develops through reciprocal relationships between employees and organizations rather than occurring automatically (Saks, 2006). Employees are more likely to become engaged when organizations provide support, recognition, psychological safety, development opportunities, and empowering leadership, while excessive job demands, limited organizational support, and unclear employment relationships may reduce engagement (Albrecht et al., 2018; Bakker & Demerouti, 2017; Schaufeli, 2018). In this context, the 2025 Mental Health and Well-Being Assessment Survey conducted at The Ministry of XYZ involving 250 ASN employees revealed persistent psychological vulnerability and suboptimal well-being. Moderate to very severe levels of stress, anxiety, and depression were identified, with anxiety emerging as the most prominent concern. Employees in First Expert Functional Positions and Executors/Skilled Functional Positions experienced the highest psychological vulnerability, suggesting that early-career employees face greater challenges in adapting to work demands and organizational change, which may ultimately reduce work engagement (Alev, 2022).

The survey further showed that although more than half of employees reported high levels of employee well-being, substantial proportions remained in the low categories across employee well-being, financial well-being, and physical wellness. First Expert Functional Position employees consistently appeared among the most vulnerable groups, while employee evaluations highlighted concerns regarding limited facilities, career development opportunities, training access, compensation, and organizational support despite recognizing the importance of health facilities, work flexibility, competency development, appreciation, and family support (Al-Jubari et al., 2022; Kutebayev et al., 2024; Okojie et al., 2023; Rai & Chawla, 2022; Voordt & Jensen, 2023; Lee & Jo, 2023). These findings indicate that psychological, economic, and occupational demands may influence both employee well-being and work engagement.

Although OECD (2023) emphasizes organizational flexibility, leadership quality, and incentive systems in sustaining public sector employee engagement, effective public human resource management increasingly depends on organizations' ability to build supportive and meaningful employment relationships. A preliminary survey involving 32 First Expert Functional Position employees identified Psychological Contract (96.7%), Perceived Organizational Support (75%), Psychological Capital (96.9%), and Empowering Leadership (96.9%) as the most relevant factors affecting work engagement. Previous studies have also highlighted the importance of these variables in shaping employee psychological well-being and engagement. However, empirical findings remain inconsistent, particularly regarding the relationship between Psychological Capital and Work Engagement. While some studies report positive relationships, others found insignificant, weak, or even negative effects under certain conditions (Akter et al., 2021; Khoiriah & Viranda, 2024; Nordin et al., 2019; Yao, 2022).

These inconsistencies reveal an important research gap, particularly within Indonesian public sector organizations characterized by bureaucratic systems, hierarchical structures, and service-oriented work environments. Most previous studies have been conducted in private organizations, educational institutions, healthcare settings, or different national contexts. Moreover, limited research has simultaneously integrated Psychological Contract, Perceived Organizational Support, and Empowering Leadership within a single mediation model through Psychological Capital among ASN employees. Accordingly, this study contributes theoretically by extending the Job Demands–Resources (JD-R) Model and Social Exchange Theory to explain how organizational resources are transformed into work engagement through employees' psychological resources within long-term public employment relationships governed by state regulations.

As a strategic institution responsible for formulating and overseeing ASN management policies and national bureaucratic reform, The Ministry of XYZ plays a central role in establishing public sector human resource management standards and practices. The institution serves not only as a regulator but also as a role model in implementing merit systems, competency development, performance management, and organizational culture strengthening. Consequently, employee work engagement within XYZ reflects the effectiveness of its human resource management practices and provides an important reference for other public sector organizations in Indonesia (Adha, 2026; Aji & Fitriani, 2026; Fitriyani & Salomo, 2025; Manurung & Desiana, 2025; Sudewo & Amini, 2025). Examining the relationships among psychological contract, perceived organizational support, empowering leadership, psychological capital, and work engagement is therefore both theoretically and strategically relevant.

Based on these considerations, this study examines the influence of psychological contract, perceived organizational support, and empowering leadership on work engagement through psychological capital among ASN employees at The Ministry of XYZ. Specifically, the study investigates the direct effects of psychological contract, perceived organizational support, and empowering leadership on both work engagement and psychological capital, the effect of psychological capital on work engagement, and the mediating role of psychological capital in these relationships. The findings are expected to contribute theoretically by enriching human resource management literature in the Indonesian public sector and practically by providing recommendations for strengthening psychological contracts, organizational support, empowering leadership, employee well-being, competency development, and psychological capital to sustain ASN work engagement.

METHOD

This study was conducted during the second quarter of 2026 at The Ministry of XYZ, South Jakarta, Indonesia. The institution was selected because it represents a strategic public sector organization responsible for State Civil Apparatus (ASN) management and provides an appropriate context for examining employee work engagement under dynamic policy changes and increasing organizational demands. The study focused on First Expert Functional Position employees who had worked for at least one year. A quantitative causal research design was employed to examine the direct and indirect relationships among Psychological Contract, Perceived Organizational Support, Empowering Leadership, Psychological Capital, and Work

Engagement (Bougie & Sekaran, 2020; Sugiyono & Lestari, 2021). The population consisted of 305 active employees, while 175 respondents were selected using non-probability purposive sampling based on the Krejcie and Morgan sampling guideline (Bougie & Sekaran, 2020). Respondents met the following criteria: (1) First Expert Functional Position ASN employees at XYZ, (2) employed for at least one year, (3) participated in competency development or self-learning activities during the previous year, and (4) voluntarily agreed to participate in the study. Data were collected through a closed online questionnaire distributed via Google Forms after respondents received information regarding the research purpose, confidentiality, and informed consent. The questionnaire measured five higher-order constructs: Psychological Contract, Perceived Organizational Support, Empowering Leadership, Psychological Capital, and Work Engagement, with indicators adapted from established scales developed by Rousseau (1995; 2000), Eisenberger et al. (1986; 2020), Ahearne et al. (2005), Luthans et al. (2007), and Schaufeli et al. (2004). All variables were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), and descriptive interpretations followed Sugiyono (2022).

The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 because this approach is suitable for complex causal models, prediction-oriented research, non-normal data, and higher-order construct analysis (Hair et al., 2017; Hair et al., 2021). Following Hair et al. (2021), the analysis comprised four stages: (1) outer model evaluation through convergent validity (outer loading > 0.70; AVE $\geq$ 0.50), discriminant validity using the Fornell–Larcker criterion and HTMT ($\leq$ 0.85–0.90), and construct reliability using Cronbach’s Alpha and Composite Reliability ($\geq$ 0.70); (2) inner model evaluation using the coefficient of determination (R^2), effect size (f^2), variance inflation factor (VIF), and standardized root mean square residual (SRMR), with interpretation based on Chin (1998), Hair et al. (2021), and Hu and Bentler (1999); (3) hypothesis testing using bootstrapping with 10,000 subsamples, where hypotheses were accepted when t-statistics exceeded 1.96 and p-values were below 0.05; and (4) mediation analysis through specific indirect effects using the same bootstrapping procedure to determine whether Psychological Capital functioned as full, partial, or non-significant mediation between the exogenous variables and Work Engagement (Hair et al., 2021).

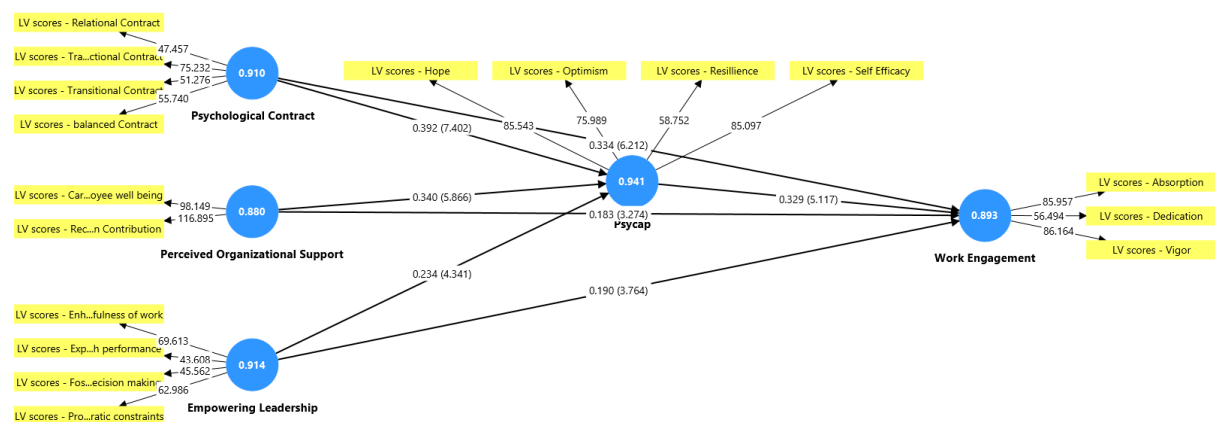


Figure 1. Final Structural Model

RESULTS AND DISCUSSION

Description of Analysis Unit

This research was conducted at The Ministry of XYZ, a government institution under and responsible to the President of the Republic of Indonesia tasked with organizing government affairs in the field of state apparatus utilization and bureaucratic reform. The institution plays a strategic role in realizing effective, efficient, professional, accountable, and public service-oriented governance. Based on its organizational regulation effective in 2025, the organizational structure consists of the Secretariat, several Deputy Offices responsible for bureaucratic reform, institutional development, apparatus human resources, public services, and government digital transformation, as well as several Expert Staff supporting the head of the institution.

Description of Respondent Characteristics

A total of 178 First Expert Functional Position employees at XYZ met the research criteria and completed the questionnaire. The respondents consisted of 91 females (51.1%) and 87 males (48.9%), indicating a relatively balanced gender composition. Most respondents were aged 26–30 years (41.0%), followed by 31–35 years (39.9%), 36–40 years (12.4%), 21–25 years (6.2%), and over 41 years (0.6%), indicating that the majority were in the productive early to mid-career stage. Regarding work experience, most respondents had served for 4–6 years (48.3%), followed by 7–10 years (30.9%), 1–3 years (18.5%), and more than 10 years (2.2%), suggesting sufficient organizational experience to provide informed responses. Respondents represented all work units, with the largest proportion coming from the Deputy for Bureaucratic Reform and Apparatus Accountability (23.0%), followed by the Deputy for Public Services (17.4%), the Deputy for Apparatus Human Resources (14.6%), the Deputy for Government Digital Transformation (14.0%), and the Deputy for Institutional and Procedural Affairs (12.4%). In terms of position nomenclature, most respondents were Policy Analyst First Experts (71.3%), followed by Planner First Experts (7.9%), Computer Administrator First Experts (6.2%), Apparatus Human Resources Analyst First Experts (5.6%), Public Relations Officer First Experts (2.8%), Legal Analyst First Experts (2.2%), Archivist First Experts (2.2%), while the remaining functional positions each accounted for 0.6% of the sample.

Variable Description

Descriptive analysis showed that all research variables were rated in the high category. Work Engagement (Y) achieved an overall mean score of 3.55, with Dedication recording the highest mean (3.60), indicating that employees demonstrate enthusiasm toward their work and perceive it as meaningful and inspiring, while Absorption had the lowest mean (3.50), suggesting that employees' full involvement in their work remains relatively lower than the Vigor and Dedication dimensions. Psychological Contract (X1) obtained an overall mean of 3.63, with Transitional Contract recording the highest mean (3.67), indicating that respondents generally disagreed with statements reflecting organizational commitment uncertainty or reduced reciprocity, whereas Balanced Contract had the lowest mean (3.62), suggesting opportunities to strengthen competency development and employees' ability to meet evolving performance demands. Perceived Organizational Support (X2) achieved an overall mean of 3.68, with both Recognition and Valuation of Contribution and Care for Employee Well-Being obtaining identical mean scores (3.69), indicating that employees perceived strong

organizational support in terms of recognition and concern for their well-being. Empowering Leadership (X3) recorded the highest overall mean among the independent variables (3.75), with Expressing Confidence in High Performance showing the highest dimension mean (3.84), reflecting employees' perceptions that supervisors place substantial trust in their capabilities, while Enhancing the Meaningfulness of Work had the lowest mean (3.67), indicating room for leaders to strengthen employees' understanding of the significance of their work and its contribution to organizational objectives. Finally, Psychological Capital (Z) achieved an overall mean of 3.59, with Optimism and Resilience sharing the highest mean (3.61), demonstrating employees' positive outlook and ability to recover from challenges, whereas Self-Efficacy recorded the lowest mean (3.57), suggesting further opportunities to strengthen employees' confidence in their own abilities.

Data Analysis

Outer Model Testing

Convergent Validity: All dimensions had loading factors above 0.70, and all constructs had AVE values above 0.50, as shown in Table 1 below:

Table 1. Convergent Validity Results

Variable	Dimension	Loading Factor	AVE
Psychological Contract	Relational Contract	0.869	0.788
	Transactional Contract	0.912	
	Balanced Contract	0.887	
	Transitional Contract	0.883	
Perceived Organizational Support	Recognition & Valuation	0.948	0.893
	Care for Employee Well-Being	0.942	
Empowering Leadership	Enhancing Meaningfulness	0.912	0.795
	Fostering Participation	0.873	
	Expressing Confidence	0.870	
	Providing Autonomy	0.911	
Work Engagement	Vigor	0.923	0.825
	Dedication	0.883	
	Absorption	0.917	
Psychological Capital	Self-Efficacy	0.932	0.848
	Hope	0.924	
	Optimism	0.916	
	Resilience	0.911	

Source: Primary data processed using SmartPLS 4 (2026)

Discriminant Validity: Cross-loading analysis showed that each dimension had the highest loading on its respective construct. HTMT values ranged from 0.311 to 0.778 (all below 0.9), and square roots of AVE for each construct were greater than correlations with other constructs, confirming good discriminant validity.

Construct Reliability: All constructs had Composite Reliability values ranging from 0.934 to 0.957 and Cronbach's Alpha values from 0.880 to 0.940, all exceeding the 0.70 threshold, confirming good internal consistency.

Inner Model Testing

R-Square: Psychological Capital had an R^2 adjusted of 0.514, meaning 51.4% of its variance was explained by Psychological Contract, Perceived Organizational Support, and

Empowering Leadership. Work Engagement had an R^2 adjusted of 0.636, meaning 63.6% of its variance was explained by all four constructs.

Effect Size (f^2): Psychological Contract had moderate effects on both Psychological Capital (0.262) and Work Engagement (0.198). Perceived Organizational Support had a moderate effect on Psychological Capital (0.198) but a small effect on Work Engagement (0.063). Empowering Leadership had small effects on both Psychological Capital (0.101) and Work Engagement (0.081). Psychological Capital had a moderate effect on Work Engagement (0.151).

Multicollinearity: All VIF values ranged from 1.127 to 2.094, all below 5.00, indicating no multicollinearity issues.

Model Fit: SRMR was 0.043 (<0.08) and NFI was 0.891 (approaching 1), indicating good model fit.

Hypothesis Testing

Table 2. PathCoefficient Results

Hypothesis	Path	Original Sample	T-Statistics	P-Value	Decision
H1	PC → WE	0.331	6.161	0.000	Accepted
H2	POS → WE	0.181	3.240	0.001	Accepted
H3	EL → WE	0.189	3.731	0.000	Accepted
H4	PC → PsyCap	0.392	7.429	0.000	Accepted
H5	POS → PsyCap	0.339	5.871	0.000	Accepted
H6	EL → PsyCap	0.234	4.320	0.000	Accepted
H7	PsyCap → WE	0.335	5.210	0.000	Accepted

Note: PC = Psychological Contract, POS = Perceived Organizational Support, EL = Empowering Leadership, PsyCap = Psychological Capital, WE = Work Engagement

Source: Primary data processed using SmartPLS 4 (2026)

All seven direct hypotheses were accepted with positive and significant path coefficients at $p < 0.05$.

Mediation Effect Testing

Table 3. Indirect Effect Results

Hypothesis	Indirect Path	Original Sample	T-Statistics	P-Value	Decision
H8	PC → PsyCap → WE	0.131	4.455	0.000	Accepted
H9	POS → PsyCap → WE	0.114	3.739	0.000	Accepted
H10	EL → PsyCap → WE	0.078	3.129	0.002	Accepted

Source: Primary data processed using SmartPLS 4 (2026)

All three mediation hypotheses were accepted, indicating that Psychological Capital significantly mediates the influence of Psychological Contract, Perceived Organizational Support, and Empowering Leadership on Work Engagement.

Influence of Psychological Contract on Work Engagement

The results show that Psychological Contract positively and significantly influences Work Engagement ($\beta = 0.331$, $p < 0.001$), supporting H1. This indicates that the higher ASN employees perceive fulfillment of reciprocal obligations between employees and organizations, the higher their Work Engagement through vigor, dedication, and absorption. When employees feel the organization fulfills commitments, promises, and expectations established in the employment relationship, they tend to have higher engagement with their work. This finding

aligns with the Job Demands–Resources Model (Bakker & Demerouti, 2017), which positions Psychological Contract as a job resource that enhances motivation and work engagement. Social Exchange Theory (Blau, 1964) explains that when organizations fulfill their commitments, employees respond positively through increased enthusiasm, dedication, and work involvement. Rousseau (1995; 2000) affirms that Psychological Contract fulfillment builds trust and commitment that ultimately increases Work Engagement. This research is supported by Büyükaslan & İyigün (2025), Wonda et al. (2024), and Soares & Mosquera (2019), who found that Psychological Contract fulfillment positively influences Work Engagement. The descriptive analysis shows that Transitional Contract had the highest mean, indicating positive perceptions of organizational commitment, while Balanced Contract had the lowest mean, indicating room for improving competency development opportunities.

Influence of Perceived Organizational Support on Work Engagement

The results demonstrate that Perceived Organizational Support positively and significantly influences Work Engagement ($\beta=0.181$, $p=0.001$), supporting H2. This shows that the higher employees perceive organizational support, the higher their Work Engagement. When employees feel the organization values their contributions and cares about their well-being, they are motivated to work with greater enthusiasm, dedication, and full involvement. This aligns with the JD-R Model (Bakker & Demerouti, 2017), positioning POS as a job resource enhancing intrinsic motivation and work engagement. Social Exchange Theory (Blau, 1964) explains that organizational care and appreciation elicit positive responses from employees. Eisenberger et al. (1986) state that POS fosters feelings of being valued and increases organizational concern, encouraging greater contributions. This is supported by Nikhil & Arthi (2018), Imran et al. (2020), Jankelová et al. (2021), Zhang & Chang (2023), and Tian et al. (2023), who found POS positively influences Work Engagement. Descriptive analysis shows both dimensions (Recognition & Valuation of Contribution and Care for Employee Well-Being) scored equally at 3.69, indicating balanced and positive perceptions of organizational support.

Influence of Empowering Leadership on Work Engagement

The findings indicate that Empowering Leadership positively and significantly influences Work Engagement ($\beta=0.189$, $p<0.001$), supporting H3. This demonstrates that the higher the implementation of empowering leadership, the higher employee Work Engagement. When leaders enhance work meaningfulness, encourage participation in decision-making, express confidence in employee abilities, and provide autonomy, employees demonstrate higher vigor, dedication, and absorption. Through the JD-R Model, Empowering Leadership serves as a job resource enhancing motivation. Social Exchange Theory explains that trust and autonomy given by superiors are perceived as appreciation, prompting reciprocal commitment and involvement. Ahearne et al. (2005) explain that empowering leaders enhance employee confidence and encourage active participation. This is supported by Peral & Weitz (2025), Töre & Uzun (2024), Ishfaq & Ali (2023), and Helland et al. (2020), who found Empowering Leadership positively influences Work Engagement. Descriptive analysis shows Expressing Confidence in High Performance had the highest mean (3.84), indicating high leader trust in employee abilities, while Enhancing the Meaningfulness of Work had the lowest mean (3.67), suggesting room for leaders to better communicate work meaning and purpose.

Influence of Psychological Contract on Psychological Capital

The results show Psychological Contract positively and significantly influences Psychological Capital ($\beta=0.392$, $p<0.001$), supporting H4. This indicates that the higher ASN employees perceive organizational commitment fulfillment, the higher their Psychological Capital through self-efficacy, hope, optimism, and resilience. Through the JD-R Model, Psychological Contract serves as a job resource that strengthens personal resources. Social Exchange Theory explains that organizational commitment fulfillment is reciprocated through positive psychological conditions. Rousseau (1995; 2000) affirms that Psychological Contract fulfillment builds trust and psychological security that forms the basis for developing individual psychological capacities. This is supported by Yang & Chao (2016), Costa & Neves (2017), Ansari, Malik, & Singh (2024), Xu et al. (2024), and Koko & Mphirime (2022), who found Psychological Contract fulfillment positively influences Psychological Capital. Descriptive analysis shows Transitional Contract had the highest mean in Psychological Contract, while Optimism and Resilience had the highest means in Psychological Capital, with Self-Efficacy having the lowest mean, indicating room for improving employee confidence through competency development and challenging work experiences.

Influence of Perceived Organizational Support on Psychological Capital

The results demonstrate that Perceived Organizational Support positively and significantly influences Psychological Capital ($\beta=0.339$, $p<0.001$), supporting H5. This indicates that the higher organizational support perceived by employees, the higher their Psychological Capital. Through the JD-R Model, POS serves as a job resource that strengthens personal resources. Social Exchange Theory explains that organizational care and appreciation elicit positive psychological responses. Eisenberger et al. (1986) state that POS increases feelings of being valued and security, strengthening Psychological Capital. This is supported by Ho & Chan (2022), Yang et al. (2020), Sarwar et al. (2023), Özgül & Çelenk (2024), and Sihag (2020), who found POS positively influences Psychological Capital. Descriptive analysis shows both POS dimensions scored equally at 3.69, indicating balanced perceptions of organizational support, while Optimism and Resilience had the highest means in Psychological Capital and Self-Efficacy the lowest, suggesting continued need for competency development to enhance employee confidence.

Influence of Empowering Leadership on Psychological Capital

The findings indicate that Empowering Leadership positively and significantly influences Psychological Capital ($\beta=0.234$, $p<0.001$), supporting H6. This demonstrates that the higher empowering leadership implementation, the higher employee Psychological Capital. Through the JD-R Model, leadership serves as a job resource that strengthens personal resources. Social Exchange Theory explains that trust and support from leaders build feelings of being valued, strengthening psychological capital. Ahearne et al. (2005) explain that Empowering Leadership enhances employee confidence through responsibility and development opportunities. This is supported by Park et al. (2017), Li (2024), Su Yan & Abd Rani (2025), Jabid et al. (2025), and Hanafy et al. (2025), who found Empowering Leadership positively influences Psychological Capital. Descriptive analysis shows Expressing Confidence in High Performance had the highest mean (3.84), indicating high leader trust, while Enhancing the Meaningfulness of Work had the lowest mean (3.67), with Optimism and Resilience scoring highest in Psychological Capital and Self-Efficacy lowest.

Influence of Psychological Capital on Work Engagement

The results demonstrate that Psychological Capital positively and significantly influences Work Engagement ($\beta=0.335$, $p<0.001$), supporting H7. This indicates that the higher Psychological Capital through self-efficacy, hope, optimism, and resilience, the higher Work Engagement through vigor, dedication, and absorption. Through the JD-R Model, Psychological Capital serves as a personal resource that enhances Work Engagement. Employees with strong psychological resources are better able to face work demands, maintain motivation, and demonstrate high energy, dedication, and involvement. Social Exchange Theory explains that positive psychological conditions prompt employees to respond through higher work involvement. Luthans et al. (2007; 2021) explain that individuals with high Psychological Capital are better able to manage challenges and maintain motivation. This is supported by Harris et al. (2025), Nordin et al. (2019), Niswaty et al. (2021), Masindi & Khashane (2025), and Biswal et al. (2023), who found Psychological Capital positively influences Work Engagement. Descriptive analysis shows Optimism and Resilience had the highest means (3.61 each), while Self-Efficacy had the lowest mean (3.57), with Dedication scoring highest in Work Engagement and Absorption lowest.

Psychological Capital Mediates the Influence of Psychological Contract on Work Engagement

The results confirm that Psychological Capital mediates the influence of Psychological Contract on Work Engagement ($\beta=0.131$, $p<0.001$), supporting H8. This indicates that Psychological Contract fulfillment not only directly increases Work Engagement but also does so through enhanced Psychological Capital. Through the JD-R Model, job resources can work through personal resources. Psychological Contract serves as a job resource providing security and certainty, while Psychological Capital serves as a personal resource strengthening employees' ability to face work demands. Social Exchange Theory explains that organizational commitment fulfillment elicits positive psychological conditions. Rousseau (1995; 2000) affirms that Psychological Contract fulfillment builds trust that strengthens Psychological Capital and encourages increased Work Engagement. This is supported by Wang (2025), Srivastava (2022), Alev (2022), Pandey et al. (2025), and Nawaz et al. (2014), who found Psychological Capital mediates the relationship between Psychological Contract and Work Engagement. Descriptive analysis shows Transitional Contract had the highest mean in Psychological Contract, Optimism and Resilience had the highest means in Psychological Capital, and Dedication had the highest mean in Work Engagement, indicating a positive chain from contractual fulfillment to psychological resources to work engagement.

Psychological Capital Mediates the Influence of Perceived Organizational Support on Work Engagement

The results confirm that Psychological Capital mediates the influence of Perceived Organizational Support on Work Engagement ($\beta=0.114$, $p<0.001$), supporting H9. This indicates that organizational support perceived by employees not only directly influences Work Engagement but also increases it through strengthened Psychological Capital. Through the JD-R Model, job resources can enhance Work Engagement through personal resource formation. POS serves as a job resource providing feelings of being valued, while Psychological Capital serves as a personal resource strengthening employees' ability to face work demands. Social Exchange Theory explains that organizational support elicits positive psychological conditions.

Eisenberger et al. (1986) affirm that POS increases feelings of being valued and belief that the organization cares, strengthening Psychological Capital that drives increased Work Engagement. This is supported by Yang et al. (2020), Purwasono (2019), Kılıç Kirilmaz (2022), Partama et al. (2025), and Ren et al. (2024), who found Psychological Capital mediates the relationship between POS and Work Engagement. Descriptive analysis shows both POS dimensions scored equally at 3.69, Optimism and Resilience had the highest means in Psychological Capital, and Dedication had the highest mean in Work Engagement, supporting the mediation chain.

Psychological Capital Mediates the Influence of Empowering Leadership on Work Engagement

The results confirm that Psychological Capital mediates the influence of Empowering Leadership on Work Engagement ($\beta=0.078$, $p=0.002$), supporting H10. This indicates that empowering leadership not only directly increases Work Engagement but also does so through enhanced Psychological Capital. Through the JD-R Model, Empowering Leadership serves as a job resource providing trust and autonomy, while Psychological Capital serves as a personal resource. Social Exchange Theory explains that leader trust and development opportunities elicit positive psychological conditions. Ahearne et al. (2005) explain that Empowering Leadership enhances employee confidence and intrinsic motivation that forms the basis for developing Psychological Capital and increasing Work Engagement. This is supported by Qatrunnada & Parahyanti (2019), Hashemi et al. (2025), Niswaty et al. (2021), Widowati & Satrya (2023), and Ciftci & Erkanli (2020), who found Psychological Capital mediates the relationship between leadership and Work Engagement. Descriptive analysis shows Expressing Confidence in High Performance had the highest mean (3.84) in Empowering Leadership, Optimism and Resilience had the highest means in Psychological Capital, and Dedication had the highest mean in Work Engagement, confirming that leader trust and empowerment strengthen psychological capital, which drives increased work engagement.

CONCLUSION

Based on the research findings, psychological contract, perceived organizational support, and empowering leadership each have a positive and significant effect on both work engagement and psychological capital among State Civil Apparatus (ASN) employees at The Ministry of XYZ. These findings indicate that the fulfillment of reciprocal obligations, stronger organizational support, and empowering leadership practices enhance employees' enthusiasm, dedication, and involvement in their work while simultaneously strengthening their self-efficacy, hope, optimism, and resilience. Furthermore, psychological capital has a positive and significant effect on work engagement and serves as a significant mediating variable, demonstrating that psychological contract, perceived organizational support, and empowering leadership influence work engagement not only directly but also indirectly through the enhancement of employees' psychological capital, thereby supporting higher employee engagement and the achievement of organizational objectives. This study has several limitations that provide opportunities for future research. First, the cross-sectional design limits the ability to capture changes in employees' perceptions over time and to establish causal relationships. Second, the study was conducted only among First Expert Functional Civil Servants at the Ministry of XYZ in Indonesia, which may limit the generalizability of the

findings to other organizational contexts. Future research is therefore encouraged to employ longitudinal designs, examine different public and private sector organizations, and incorporate additional variables such as *psychological safety*, *organizational justice*, *job crafting*, *employee well-being*, or *organizational commitment* to provide a more comprehensive understanding of the antecedents of *work engagement*. Furthermore, considering that *self-efficacy* and *absorption* were the lowest-rated dimensions in this study, future research may explore factors or interventions that strengthen these dimensions to further enhance employees' *psychological capital* and *work engagement*.

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