

Staying Despite Unethical Leadership: Evidence from Indonesian State-Owned Enterprises

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Abstract

Purpose: This study examines the effect of UL on employees' Intention to Stay (ITS) in Indonesian SOEs, investigating the mediating role of PGS and the moderating role of RC.

Research Methodology: Data were collected through an online survey of SOE employees aged 18–60 years with a minimum tenure of two years. Using non-probability sampling, 156 valid responses were analyzed using PLS-SEM.

Results: PGS had a strong positive effect on ITS ($\beta = 0.638$, $p < 0.001$), emerging as the primary driver of employee retention intentions. In contrast, UL did not significantly influence PGS ($\beta = 0.094$, $p > 0.05$), and PGS did not mediate the relationship between UL and ITS. Likewise, the moderating effect of RC on the UL–PGS relationship was non-significant ($\beta = 0.004$, $p > 0.05$).

Conclusions: Based on the empirical results, this study concludes that ITS in Indonesian SOEs is driven primarily by PGS rather than direct exposure to UL.

Limitations: The event-based measurement of UL may not capture cumulative exposure effects, and the focus on Indonesian SOEs may limit generalizability to other organizational contexts.

Contributions: Strengthening the PGS is a more effective retention strategy than focusing solely on reducing the UL. This study highlights the importance of development-oriented work design and accountability structures in sustaining ITS within highly structured organizations, such as Indonesian SOEs.

Keywords: *Employee Development, Leadership Behavior, Organizational Climate, Retention Intention, Workplace Ethics*

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1. Introduction

Intention to Stay (ITS) plays a pivotal role in ensuring organizational stability, as it reflects employees' conscious commitment to remain within an organization, driven by multidimensional factors that extend beyond simply avoiding turnover (Shahid, 2018). In organizational behavior theory, ITS is regarded as a positive construct, distinct from turnover intention, as it emphasizes proactive psychological attachment rather than mere avoidance of dissatisfaction (Qian, Lyu, & Guo, 2021). A strong ITS not only contributes to reduced recruitment and training costs but also enhances organizational knowledge retention and team cohesion (Abraham, Kaliannan, Avvari, & Thomas, 2023; Allen, Bryant, & Vardaman, 2010). Employees who demonstrate a high ITS are more likely to engage in organizational citizenship behaviors, invest in long-term skill development, and cultivate a supportive workplace culture (Atan, Fargnoli, Obeng, & Atan, 2024).

In the Indonesian context, the challenges surrounding employee ITS are increasingly complex and multifaceted. In the digital industry, high turnover, reaching 30% annually, is driven by low wages, limited upskilling opportunities, and widespread burnout, particularly among Gen Z and Y workers (Ayumi & Monika, 2024). Small and Medium Enterprises (SMEs) face similar issues; 76% lack health benefits, and 83% of employees cite career stagnation as a key reason for leaving (Dwianto, Agus

[Mokodompit, Karya, Muna, & Oleo, 2024](#)). Generational misalignment is also evident in the banking sector, where Gen Z workers report higher turnover intentions due to emotional exhaustion and skill-role mismatches ([Adelia et al., 2024](#)). Structural HR gaps further weaken retention in manufacturing firms, where most training programs are misaligned with growth goals and compensation lags inflation. Even in State-Owned Enterprises (SOEs) like Perhutani, underinvestment in leadership development and compensation continues to undermine employee retention ([Suryani & Syamsulbahri, 2024](#))

Ethical leadership fosters trust, fairness, and accountability, strengthening employee attachment and enhancing organizational performance ([Christensen-Salem, Walumbwa, Babalola, Guo, & Misati, 2021](#); [Feng, Wang, Lawton, & Luo, 2019](#)). In contrast, unethical Leader Behavior (UL) creates psychologically distressing and morally compromised work environments that heighten turnover intentions and weaken organizational attachment ([Cialdini, Li, Samper, & Wellman, 2021](#)). Similarly, abusive leadership erodes psychological empowerment, accelerating disengagement and withdrawal ([Lyu, Ji, Zheng, Yu, & Fan, 2019](#)). Importantly, the effect of the UL on ITS was not uniform.

Prior research indicates that leadership influences retention primarily through employees' psychological and developmental experience. Specifically, UL undermines ITS by constraining Personal Growth Satisfaction (PGS), while Responsibility Climate (RC) may partially buffer these negative effects ([Ruiz-Palomino, Martínez-Cañas, & Bañón-Gomis, 2021](#)). However, empirical findings on the role of PGS remain mixed, with some studies reporting a limited influence on turnover intentions ([Mahantshetti & Kudachimath, 2019](#)) and others emphasizing its critical role in sustaining retention ([An & An, 2022](#)). These inconsistencies, combined with the structural rigidity of Indonesian SOEs, underscore the need to further examine how UL, PGS, and RC jointly shape employees' ITS in this context.

Taken together, the interaction between UL, PGS, and RC offers a critical lens for understanding Indonesia's persistent employee retention challenges, which extend beyond structural constraints to include employees' perceptions of leadership conduct, growth opportunities, and autonomy at work. Across sectors, career stagnation, limited developmental support, and weak leadership accountability continue to undermine ITS, particularly in highly structured environments, such as SOEs. Although prior studies suggest that PGS and RC can attenuate the negative effects of UL on retention outcomes, this evidence is largely derived from Western and private-sector contexts, leaving a limited understanding of how these mechanisms operate simultaneously within Indonesia's organizational landscape. Addressing this gap, the present study examines how UL influences ITS through the mediating role of PGS and the moderating role of RC in Indonesian SOEs. By integrating leadership behavior, developmental satisfaction, and organizational climate into a unified framework, this study contributes to behavioral science by extending existing models of UL to underexplored public sector settings and providing practical insights into sustaining ITS amid structural rigidity and generational change.

2. Literature review and hypothesis/es development

2.1 Information Processing Theory

The Information Processing Theory (IPT) offers a valuable framework for understanding how employees cognitively and affectively interpret leadership behaviors, ultimately shaping workplace attitudes and behavioral outcomes. Rooted in the social information processing paradigm, IPT posits that employees do not react solely to objective events but rather to the subjective meaning they assign to those events, particularly cues from leaders ([Prasetya, 2017](#)). Leadership communication and actions serve as informational inputs that are filtered through individual cognitive schemas and emotional responses to form judgments about trust, fairness, development opportunities, and role clarity.

From this perspective, transformational leadership provides a compelling illustration of IPT in action. Transformational leaders articulate a compelling vision, challenge assumptions, and model organizational values in ways that stimulate followers' self-concept and development trajectories ([Maulidani, Hakim, Santoso, Riduansah, & Saiful, 2025](#); [Pratama et al., 2019](#)). These behaviors serve as "career signals" informational cues that guide employees' appraisal of their qualifications, fit, and future within the organization. [Maulidani et al. \(2025\)](#) emphasized that idealized influence and

intellectual stimulation, in particular, help employees make sense of complex organizational realities by providing structured information aligned with strategic objectives.

2.2 Intention to Stay (ITS)

Employees' attachment to an organization is often revealed through their forward-looking employment plans and willingness to maintain their membership over time. ITS reflects this orientation by capturing the extent to which employees plan to continue working in their current organization and refrain from seeking alternative employment opportunities ([Martínez Cañas, Bañón Gomís, Silva, & Opute, 2024](#)). Rather than indicating mere inertia, ITS signals a proactive commitment grounded in perceived fit, future prospects and psychological attachment. As such, it is widely treated as a positive retention-focused construct that contrasts with intention to quit and emphasizes employees' active choice to remain with their employer ([Azzahra Al-Idrus, Mayasari, & Christiana Iman Kalis, 2026](#); [Silva, Dias, & F. Pereira, 2024](#)).

2.3 Unethical Leadership (UL)

Unethical Leadership (UL) refers to leadership behaviors that violate ethical standards, moral norms, and organizational practices, including dishonest, aggressive, manipulative, or exploitative actions that prioritize personal interests over the well-being of followers and the organization ([Mackey, Frieder, Brees, & Martinko, 2017](#); [Mackey, Parker Ellen, McAllister, & Alexander, 2021](#)). Importantly, UL is increasingly conceptualized as an event-based construct characterized by discrete unethical acts or episodes rather than a stable leadership style or continuous trait. Even isolated incidents of unethical behavior can have disproportionate effects on employees, as such events signal moral transgressions, abuse of power, and disregard for employee dignity.

These behaviors fail to meet subordinates' fundamental job-related needs, such as respect, fairness, honesty, and security, thereby undermining personal dignity and opportunities for growth ([Palanski, Avey, & Jiraporn, 2014](#)). Research has further shown that exposure to unethical leadership events can trigger emotional distress ([Cialdini et al., 2021](#)), exacerbate workplace inequities ([Lyu et al., 2019](#)), and prompt employees to question their competence and self-worth, often resulting in reduced self-esteem ([Mackey et al., 2021](#)).

2.4 Responsibility Climate (RC)

Employee views of the work environment as a whole influence the attitudes and actions that the employer expects, supports, and rewards is known as the organizational climate ([Ahmad, Jasimuddin, & Kee, 2018](#); [Carr, Schmidt, Kevin Ford, & DeShon, 2003](#)). The term "organizational climate" describes how staff members feel about the general atmosphere of a company, which includes the attitudes, values, and behaviors that the company encourages, supports, and anticipates. One of the characteristics of organizational climate is the degree of responsibility or autonomy usually given to employees ([Demircioglu & Berman, 2019](#)). RC, on the other hand, is a particular aspect of the organizational climate that focuses on how much employees feel accountable for their work and have the freedom to resolve issues without frequent guidance or endorsement from higher-ups or their supervisors. It represents the level of empowerment and autonomy that workers feel they have in their workplaces ([Ruiz-Palomino et al., 2021](#)).

2.5 Personal Growth Satisfaction (PGS)

Within the workplace, employees often evaluate their jobs not only in terms of tasks and rewards but also by the extent to which their work contributes to their personal development and self-realization. The PGS captures this evaluative experience by reflecting how employees perceive growth, challenge, autonomy, and accomplishment in their job roles. Although positive psychology has traditionally examined growth through constructs such as growth-oriented goals, life narratives, growth mindset, grit, intrinsic motivation, and psychological need fulfillment ([Martínez Cañas et al., 2024](#)), PGS represents a more context-specific and affective outcome rooted in everyday work experience. Emerging from job design theory, it has long been recognized as a central outcome of meaningful work, signaling whether employees view their jobs as vehicles for development rather than as barriers to personal advancement ([Ruiz-Palomino et al., 2021](#)).

2.6 Research Hypotheses

Unethical Leadership (UL) undermines employees' Personal Growth Satisfaction (PGS) by disrupting the psychological and job-related conditions required for development. Coercive and harmful leader behaviors erode trust, create psychological threats, and diminish employees' sense of worth, even when such behaviors occur infrequently ([Palanski et al., 2014](#)). From the perspective of Social Exchange Theory, UL violates the norms of reciprocity, leading employees to perceive their leaders as unfair and unsupportive of growth, which weakens trust and expectations of developmental support. Similarly, the Job Characteristics Model suggests that unethical behaviors suppress autonomy, feedback, and task significance, which are key drivers of learning and personal development, thereby constraining employees' experience of growth and accomplishment at work ([Martínez Cañas et al., 2024](#)). As a result, UL limits meaningful developmental opportunities and reduces motivation for self-improvement, making it detrimental to PGS ([Ruiz-Palomino et al., 2021](#)).

H₁: UL has a negative influence on PGS

Drawing on IPT, employees' intention to stay is shaped by how they cognitively and affectively interpret growth-related cues in their work environment. When employees perceive their jobs as providing opportunities for learning, autonomy, and accomplishment, these cues are processed as signals of organizational support for personal development, strengthening psychological attachment and future-oriented commitment ([Silva et al., 2024](#)). Empirical evidence consistently supports this relationship. PGS has been identified as a core element of job enrichment and job embeddedness, both of which are positively associated with employee retention ([Shahid, 2018](#)). Moreover, PGS has been shown to predict ITS across diverse organizational contexts, with higher growth satisfaction increasing employees' willingness to remain and lower satisfaction heightening withdrawal intentions ([Mehmood, Nadarajah, & Akhtar, 2018](#); [Ong, Rahim, Hanifah, & Jauhar, 2023](#); [Qian et al., 2021](#); [Ruiz-Palomino et al., 2021](#)).

H₂: PGS has a positive influence on ITS

When unethical leadership constrains employees' sense of growth by undermining autonomy, discouraging initiative, or failing to recognize achievement, it triggers psychological withdrawal and weakens their long-term organizational commitment. In this process, employees respond not only to leaders' unethical behaviors but also to the diminished developmental value they perceive in their work. Prior research suggests that the UL influences retention primarily through employees' developmental experiences, with PGS acting as a key psychological mechanism linking leadership behavior to ITS ([Ruiz-Palomino et al., 2021](#)). As PGS declines, employees are more likely to view their current jobs as barriers to growth, increasing the attractiveness of external opportunities and accelerating withdrawal decisions ([Ghosh, Satyawadi, Joshi, & Shadman, 2013](#); [Ong et al., 2023](#)).

H₃: PGS mediates the negative relationship between UL and ITS

Responsibility Climate (RC) reflects the extent to which an organization supports employee autonomy, initiative, and individual accountability, enabling employees to take ownership of their tasks and make decisions with minimal supervisory control ([Ahmad et al., 2018](#); [Ruiz-Palomino et al., 2021](#)). As a dimension of organizational climate, RC enhances perceived job autonomy and fosters competence, trust, and intrinsic motivation, all of which support personal growth ([Lyu et al., 2019](#)). Its role becomes particularly salient in the presence of unethical leadership, which typically undermines psychological safety and constrains development opportunities. Drawing on substitutes for leadership theory, RC may function as a structural condition that partially neutralizes the negative effects of destructive leadership by preserving employees' sense of agency and growth despite poor leadership behavior ([Ruiz-Palomino et al., 2021](#)). By focusing on RC as an organizational-level moderator, this study extends prior research that has largely emphasized individual-level buffering mechanisms.

H₄: RC moderates the relationship between UL and PGS

Figure 1 shows the conceptual framework of the study, illustrating the hypothesized causal paths among the study constructs, including the indirect mechanism through which the focal relationship operates and the contextual conditions under which this mechanism may be strengthened or weakened.

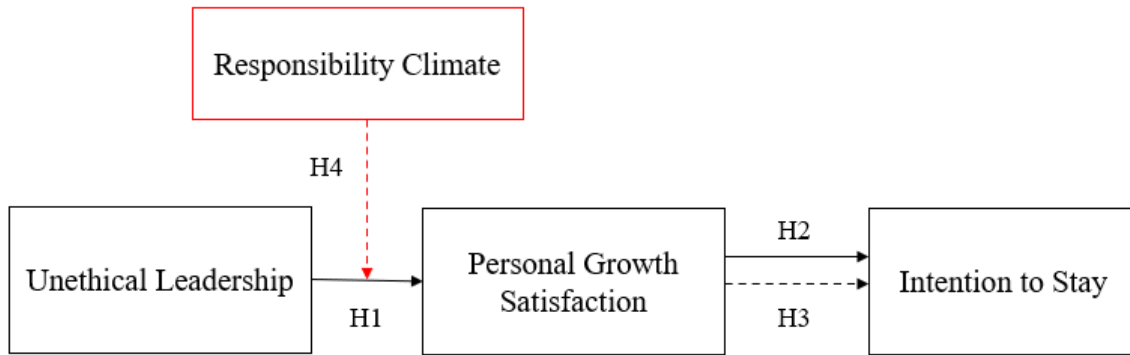


Figure 1 Conceptual framework

3. Methodology

This study adopted a quantitative, explanatory research design to examine the relationships among unethical leadership, personal growth satisfaction, responsibility climate, and intention to stay. Consistent with [Sugiyono \(2021\)](#), the research design served as a systematic plan that guided data collection and analysis to address predefined research questions while controlling potential sources of variance. In line with [Hair, Singh, Kaur, and Dana \(2022\)](#), the design emphasized a logical structure prior to data collection to ensure empirical rigor. Grounded in the positivist paradigm, this study assumes that social phenomena can be measured and analyzed objectively using statistical techniques. A cross-sectional survey approach was employed to capture employees' perceptions at a single point in time and test the proposed hypotheses using statistical modeling.

This study was conducted within Indonesian State-Owned Enterprises (SOEs), which represent a highly structured organizational context characterized by centralized decision-making, rigid career systems, and formalized authority relationships. SOEs were selected as the research setting because of recurring concerns related to leadership accountability, limited developmental opportunities, and employee retention challenges reported in prior studies. This context provides a suitable environment for examining how leadership behavior, developmental satisfaction, and organizational climate interact to shape employees' intentions to stay.

The target population comprised employees working in Indonesian SOEs who were within the productive working age range of 18 to 60 years and had a minimum organizational tenure of two years. These criteria were applied to ensure that the respondents had sufficient exposure to their supervisors and organizational environment to form meaningful evaluations of leadership behavior, growth experiences, and workplace climate. Based on the aggregated data from the 2022 annual reports of 44 Indonesian SOEs, the estimated total population was 481,116 employees.

This study employed a non-probability sampling approach with purposive criteria. Eligible participants were required to (1) be currently employed in an Indonesian state-owned enterprise (SOE), (2) be between 18 and 60 years of age, and (3) have a minimum organizational tenure of two years or more. These inclusion criteria were applied to ensure that the respondents had sufficient exposure to leadership practices and organizational conditions to provide informed evaluations. Responses that did not meet the criteria or were incomplete were excluded from the analysis. Sample size adequacy was determined using the 10-times rule for PLS-SEM ([Hair et al. \(2022\)](#)), which recommends a minimum sample size equal to ten times the largest number of indicators or the maximum number of structural paths directed at any construct. Given that the construct with the highest number of indicators in this study was unethical leadership (16 indicators), the minimum required sample size was 160.

Table 1. Questionnaire constructs and items

Variable	Items		Source
Unethical Leadership	UL1	My supervisor never took property from work without permission	(Ruiz-Palomino et al., 2021)
	UL2	My supervisor never falsified a receipt to get reimbursed for more money than they spend on business expenses	
	UL3	My supervisor never took an additional or longer break than is acceptable	
	UL4	My supervisor never intentionally worked slower than I could have worked	
	UL5	My supervisor never discussed confidential company information with an unauthorised person	
	UL6	My supervisor never used an illegal drug or consumed alcohol on the job	
	UL7	My supervisor never dragged-out work to get overtime	
	UL8	My supervisor never blamed me for their mistakes	
	UL9	My supervisor did not discriminate me based on my ethnicity	
	UL10	My supervisor never risked me to get back at someone else	
	UL11	My supervisor never used my performance appraisal to criticise me as a person	
	UL12	My supervisor never made fun of my mistakes; they coached me to do my job better instead	
	UL13	My supervisor never deliberately distorted what I said	
	UL14	My supervisor never deliberately made employees angry at each other	
	UL15	My supervisor was not a hypocrite	
	UL16	My supervisor did not find pleasure in turning down my requests	
Personal Growth Satisfaction	PGS1	I am satisfied by the amount of personal growth and development I get in doing my job	(Ruiz-Palomino et al., 2021)
	PGS2	I get the feeling of worthwhile accomplishment from doing my job	
	PGS3	I am satisfied by the amount of independent thought and action I can exercise in my job	
	PGS4	I am satisfied by the amount of challenge I experience in my job	
Responsibility Climate	RC1	My supervisor does not resent me for checking everything with them; if I think I have got the right approach, it's important for me to ask for their permission first	(Ruiz-Palomino et al., 2021)
	RC2	My supervisor sets some guidelines for employees and let them take responsibilities for the job	
	RC3	My organization's philosophy emphasizes that people should solve their problems together.	
Intention to Stay	ITS1	I rarely consider leaving my job	(Qian et al., 2021)
	ITS2	I am satisfied by how my job fulfils my personal needs	

	ITS3	I am not frustrated when I am not given the opportunity at work to achieve my personal work-related goals	
	ITS4	I rarely dream about getting another job that will better suit my personal needs	
	ITS5	I am not likely to accept another job at the same compensation level	

This study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the proposed model, following a two-stage analytical procedure consisting of measurement model and structural model evaluation. The measurement (outer) model was first assessed to ensure the constructs' reliability and validity. Indicator reliability was evaluated by examining outer loadings, with values of 0.70 or higher considered acceptable, indicating that the indicators adequately represented their respective constructs. Internal consistency reliability was assessed using Composite Reliability (CR), where values of 0.70 or above indicated satisfactory reliability.

Convergent validity was established through the Average Variance Extracted (AVE), with a minimum threshold of 0.50, confirming that constructs explain more than half of the variance in their indicators. Discriminant validity was evaluated using the Fornell–Larcker criterion and the heterotrait–monotrait ratio (HTMT). The square root of each construct's AVE must exceed its correlations with other constructs, while HTMT values below 0.85–0.90 indicate adequate construct distinctiveness. Additionally, collinearity among indicators was examined using Variance Inflation Factor (VIF) values, with values below 3.3 suggesting the absence of critical multicollinearity issues.

Following the confirmation of the measurement model, the structural (inner) model was evaluated to test the hypothesized relationships among the constructs. Collinearity among the predictor constructs was assessed using VIF values, with thresholds below 3.3 indicating no multicollinearity concerns. The strength and significance of the structural relationships were examined using standardized path coefficients, along with their t-statistics and p-values, obtained via a bootstrapping procedure with 5,000 resamples. Statistical significance was set at $p < 0.05$. The model's explanatory power was assessed using R^2 values, which were interpreted according to established benchmarks for weak (0.25), moderate (0.50), and substantial (0.75) variance explanation. Furthermore, effect sizes (f^2) were calculated to evaluate the relative contribution of each exogenous construct to the endogenous variables, where values of 0.02, 0.15, and 0.35 indicate small, medium, and large effects, respectively. Finally, predictive relevance was examined using Stone–Geisser's Q^2 , with values greater than zero indicating that the model possessed predictive capability.

4. Results and Discussions

4.1 Results

4.1.1 Sample Characteristics

A total of 156 valid responses were retained for analysis after screening for eligibility and response completeness criteria. Although the recommended minimum sample size based on the PLS-SEM 10-times rule [Hair et al. \(2022\)](#) was 160, derived from the construct with the largest number of indicators, the final sample fell only marginally below this heuristic guideline. Contemporary PLS-SEM literature recognizes the 10-times rule as a conservative benchmark rather than as a strict cutoff. Given the model's moderate complexity and the stability of the measurement and structural estimates, the available sample was deemed sufficient to support a reliable model evaluation.

The demographic profile indicates that most respondents held at least a bachelor's degree (62.4%), reflecting a relatively well-educated workforce. In terms of organizational tenure, employees with two to three years (44.9%) and three to five years (44.4%) of experience constituted the largest groups, suggesting that most participants had sufficient exposure to organizational leadership. Regarding job position, staff-level employees accounted for 63.5% of the sample, indicating that the findings primarily reflect non-managerial perspectives. The age distribution was skewed toward younger employees, with

respondents aged 25–29 years representing 47.8% of the sample, suggesting that experiences of unethical leadership and their implications for intention to stay emerge early in employees' career trajectories. Gender representation was relatively balanced, with 51.7% of the respondents being male and 47.8% female. Geographically, most participants were based in the Greater Jakarta Area (Jabodetabek), accounting for 63.5% of the sample, consistent with the concentration of SOE offices in this region.

4.1.2 Outer and Inner Model Evaluation

The measurement model evaluation began with an assessment of the indicator reliability of all constructs included in the study. Initially, the model comprised 16 indicators for UL, 4 for PGS, 3 for RC, and 5 for Intention to Stay ITS. The model was first estimated to examine the outer loadings of each indicator using the recommended threshold of 0.70 to determine acceptable indicator reliability. The initial results (Run Model 1) indicated that several indicators did not meet the recommended loading criteria. Specifically, ITS4 (0.6267), ITS5 (0.4686), RC1 (0.6817), and UL12 (0.6547) exhibited loadings below the acceptable thresholds.

Consistent with the established PLS-SEM guidelines, these indicators were removed to improve the measurement quality and construct reliability. Following the removal of the underperforming indicators, the measurement model was reestimated. The revised model demonstrated improved indicator reliability and overall measurement adequacy. The final measurement model used for the subsequent structural analysis is shown in Figure 2.

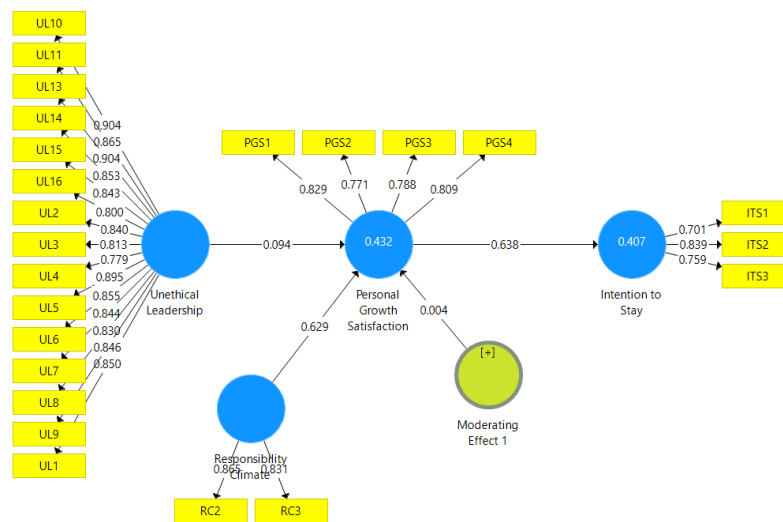


Figure 2 Revised measurement model

Following model refinement, all outer loading values exceeded the recommended threshold of 0.70, indicating satisfactory reliability. Composite Reliability (CR) and Average Variance Extracted (AVE) were assessed to confirm internal consistency and convergent validity. All constructs demonstrated CR values ranging from 0.8112 to 0.9747, exceeding the recommended threshold ($CR \geq 0.70$), indicating a satisfactory reliability. The moderating construct reported a CR of 1.0000, which is acceptable, given its interaction specification. Similarly, the AVE values ranged from 0.5902 to 0.7202, surpassing the minimum criterion ($AVE \geq 0.50$), confirming adequate convergent validity.

Discriminant validity was assessed using the heterotrait–monotrait ratio (HTMT). Most HTMT values were below the recommended threshold ($HTMT < 0.90$), indicating satisfactory construct distinctiveness. However, the HTMT value between PGS and RC ($HTMT = 0.9171$) slightly exceeded the recommended criterion, suggesting potential overlap between these constructs. Despite this minor deviation, the overall pattern of the results supports the adequacy of the measurement model. Therefore, the outer model is sufficiently robust to proceed with the structural model analysis while interpreting the relationship between these constructs with appropriate caution.

The structural (inner) model was evaluated by examining collinearity, path relationships, explanatory power, and effect sizes. Collinearity among predictor constructs was assessed using the Variance Inflation Factor (VIF) values. All inner VIF values ranged from 1.0000 to 1.2112, well below the recommended threshold ($VIF < 3.3$), indicating that multicollinearity was not a concern and that the predictor constructs could reliably estimate the structural relationships.

The standardized path coefficients revealed that PGS had a strong positive effect on ITS ($\beta = 0.6376$), indicating that higher personal growth satisfaction was associated with an increased intention to stay. Similarly, RC had a substantial positive effect on PGS ($\beta = 0.6287$), suggesting that a supportive responsibility climate enhances employees' growth satisfaction. In contrast, the direct influence of UEL on PGS was relatively weak ($\beta = 0.0941$), while the Moderating Effect (ME) showed a negligible relationship with PGS ($\beta = 0.0041$).

The explanatory power of the model was evaluated using the coefficient of determination. The predictors explained 40.65% of the variance in ITS ($R^2 = 0.4065$) and 43.22% of the variance in PGS ($R^2 = 0.4322$), indicating a moderate explanatory capability according to the established PLS-SEM benchmarks. Effect size analysis (f^2) further clarified the relative contributions of each predictor. PGS had a large effect on ITS ($f^2 = 0.6850$), whereas RC had a large effect on PGS ($f^2 = 0.6239$). In contrast, UEL had a negligible effect on PGS ($f^2 = 0.0129$), and the Moderating Effect (ME) had no meaningful effect ($f^2 = 0.0000$). Overall, these findings suggest that PGS and RC are the primary drivers of the structural model.

4.1.3 Hypotheses Testing

Hypotheses were tested using a bootstrapping procedure with 5,000 subsamples (Figure 3), which generated standard errors, t-statistics and p-values for all structural paths.

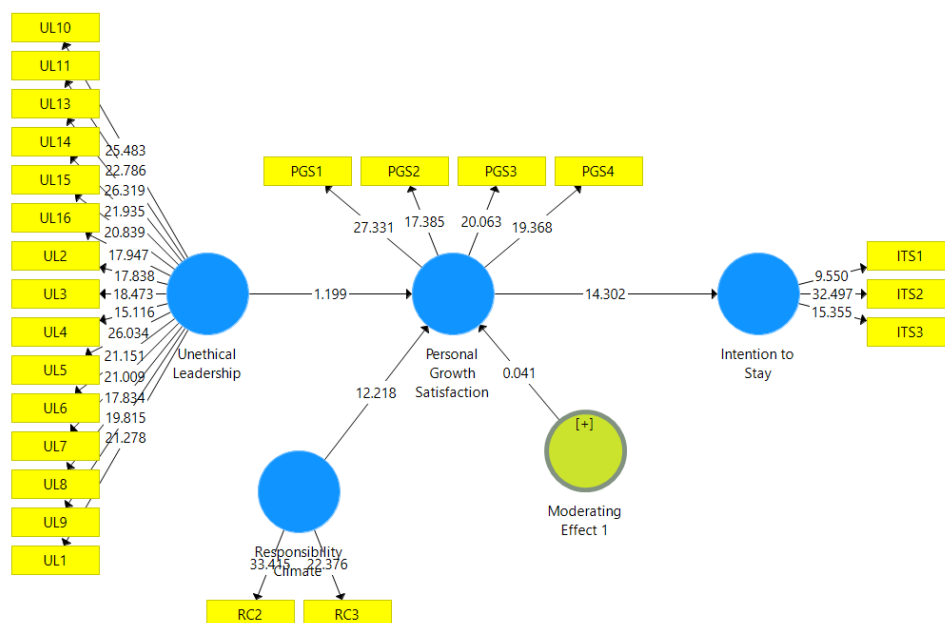


Figure 3 Bootstrapping model (Bootstrapping, N = 5,000)

The direct and moderating relationships proposed in the structural model were evaluated using the obtained standardized path coefficients. These coefficients indicate the direction, strength, and statistical significance of hypothesized effects. Significance was determined based on the associated t-statistics and p-values, allowing for a systematic assessment of each direct and moderating hypothesis. The results of the path coefficient analysis are shown in Table 2.

Table 2. Path Coefficients, T-Statistics, and P-Values from the Structural Model

Structural Path	β (Original Sample)	Sample Mean	Std. Deviation	t-Statistic	p-Value
Moderating Effect 1 → Personal Growth Satisfaction	0.0041	0.0004	0.0985	0.0413	0.9671
Personal Growth Satisfaction → Intention to Stay	0.6376	0.6445	0.0446	14.3016	0.0000
Responsibility Climate → Personal Growth Satisfaction	0.6287	0.6332	0.0515	12.2183	0.0000
Unethical Leadership → Personal Growth Satisfaction	0.0941	0.1037	0.0785	1.1986	0.2307

To examine the mediating relationships within the model, an indirect effect analysis was conducted using the same bootstrapping procedure as described above. The indirect path estimates assess whether the influence of the predictor constructs is transmitted through the mediator. Statistical significance was evaluated using the corresponding t-statistics and p-values to determine the presence of mediation effects. The results of the indirect effects are summarized in Table 3.

Table 3. Result of indirect effect after bootstrapping

Indirect Path	β (Original Sample)	Sample Mean	Std. Deviation	t-Statistic	p-Value
Moderating Effect 1 → Personal Growth Satisfaction → Intention to Stay	0.0026	0.0002	0.0638	0.0406	0.9676
Responsibility Climate → Personal Growth Satisfaction → Intention to Stay	0.4008	0.4088	0.0493	8.1232	0.0000
Unethical Leadership → Personal Growth Satisfaction → Intention to Stay	0.0600	0.0666	0.0506	1.1847	0.2362

Based on Tables 2 and 3, the hypothesis testing results were derived from the standardized path coefficients for the direct and specific indirect effects for the mediation analysis. The path coefficients indicate the direction and strength of the hypothesized relationships, whereas the indirect effects evaluate whether mediation occurs through the intervening construct. Statistical significance was determined using the associated t-statistics and p-values obtained from the bootstrap procedure. For clarity, these findings are consolidated and presented in Table 4, which provides an integrated summary of the hypothesis testing outcomes across both direct and indirect effect analyses.

Table 4. Hypothesis testing summary

Hypothesis	Relationship Tested	Effect Type	β	t-Statistic	p-Value	Decision
H_1	Unethical Leadership → Personal Growth Satisfaction	Direct	0.0941	1.1986	0.2307	Not supported
H_2	Personal Growth Satisfaction → Intention to Stay	Direct	0.6376	14.3016	0.0000	Supported
H_3	Unethical Leadership → PGS → Intention to Stay	Indirect (mediation)	0.0600	1.1847	0.2362	Not supported
H_4	Responsibility Climate moderates UL → PGS	Moderation	0.0041	0.0413	0.9671	Not supported

The hypothesis testing results indicate that H_2 (PGS \rightarrow ITS) is the only statistically significant relationship in this model. The effect of personal growth satisfaction on the intention to stay was strong and positive ($\beta = 0.6376$, $t = 14.3016$, $p = 0.0000$), demonstrating that employees who experience greater personal growth satisfaction are substantially more likely to remain with their organization. This finding underscores the central role of developmental fulfillment in shaping retention intentions and confirms that personal growth satisfaction is a key driver of employees' willingness to remain.

The remaining hypotheses were not statistically significant. The direct effect of UL \rightarrow PGS (H_1) was non-significant ($\beta = 0.0941$, $t = 1.1986$, $p = 0.2307$). The mediation pathway UL \rightarrow PGS \rightarrow ITS (H_3) was also non-significant ($\beta = 0.0600$, $t = 1.1847$, $p = 0.2362$). Similarly, the moderating effect of responsibility climate on the relationship between unethical leadership and personal growth satisfaction (H_4) was negligible and non-significant ($\beta = 0.0041$, $t = 0.0413$, $p = 0.9671$).

4.2 Discussions

The strong positive relationship between Personal Growth Satisfaction (PGS) and Intention to Stay (ITS) underscores the central role of developmental experiences in shaping employee retention. These findings echo prior studies highlighting growth satisfaction as a core component of job embeddedness and long-term commitment ([Martínez Cañas et al., 2024](#); [Mehmood et al., 2018](#); [Ruiz-Palomino et al., 2021](#)). Employees who perceive their roles as providing learning opportunities, meaningful challenges, and skill enhancement are more likely to develop a forward-looking attachment to their organization, even in the absence of rapid structural advancements.

This mechanism is particularly salient within Indonesian State-Owned Enterprises (SOEs), where promotion cycles are often slow, hierarchical mobility is tightly regulated, and performance-based differentiation is limited. In such environments, formal career progression may not adequately signal future prospects, leading employees to rely more heavily on day-to-day developmental experiences as indicators of career viability ([Azzahra Al-Idrus et al., 2026](#); [Fauziah, Ali, & Ediwarman, 2020](#); [Urfa & Tarigan, 2026](#)). For example, in SOEs such as PT Telkom Indonesia, employees frequently report strong organizational attachment despite long promotion timelines, largely because of their continuous exposure to project-based assignments, digital transformation initiatives, and internal training academies. These developmental opportunities allow employees to accumulate skills, broaden their expertise, and maintain a sense of professional growth, reinforcing their intention to remain within the organization even when upward mobility is delayed.

A similar pattern is evident in infrastructure-focused SOEs such as PT PLN, where engineers and technical staff may remain within the same job grade for extended periods of time. Participation in large-scale national projects, cross-regional deployments, and complex problem-solving assignments provides experiential learning that sustains the PGS. Employees who perceive such roles as intellectually demanding and skill-enhancing are more likely to view their work as meaningful and future-oriented, thereby strengthening their ITS. In this context, growth satisfaction functions as a psychological substitute for rapid promotion, enabling employees to derive purpose, stability, and long-term value from their jobs.

More broadly, the structured nature of SOEs, characterized by clear standard operating procedures, formal governance systems, and predictable career frameworks, creates an environment in which employees interpret organizational stability as a platform for sustained professional development. This institutional clarity reduces the uncertainty surrounding job expectations and future prospects, encouraging employees to strategically invest time in self-improvement while awaiting formal advancement opportunities. As employees acquire technical expertise, organizational knowledge, and experiential competencies through their daily responsibilities, PGS signals that their tenure yields meaningful developmental returns. Compared with less formalized environments, such as startups, where rapid change and role fluidity often drive short-term career decisions, SOEs foster a longer-term developmental orientation. Accumulated growth satisfaction strengthens employees' sense of professional continuity and attachment, reinforcing their intention to remain.

In contrast to these findings, H_1 , H_3 , and H_4 were not confirmed. The results indicate that UL does not significantly influence PGS, PGS does not mediate the relationship between UL and ITS, and RC does not moderate the UL–PGS relationship. These outcomes suggest that, within the present context, employees' perceptions of development and retention intentions are shaped more strongly by institutional and experiential factors than by leadership-related mechanisms. The absence of these effects highlights the possibility that structured organizational systems and embedded developmental opportunities may buffer employees' growth perceptions from leadership influences, reinforcing the dominant role of PGS in sustaining retention in the organization.

5. Conclusions

5.1 Conclusion

Based on the empirical findings, this study concludes that ITS in Indonesian SOEs is primarily driven by PGS, which is the only significant predictor in the structural model. Employees who experience higher levels of growth satisfaction are more likely to maintain their intention to stay, highlighting the importance of developmental experiences in structured organizational settings. In contrast, UL did not significantly influence PGS, nor did PGS mediate the relationship between UL and ITS. Additionally, RC did not moderate the UL–PGS relationship, indicating that leadership-related mechanisms play a limited role in shaping growth perceptions within this context.

5.2 Research Limitations

This study had several limitations. First, Unethical Leadership (UL) was measured as an event-based construct, capturing employees' perceptions of discrete unethical incidents rather than the frequency, duration, or severity of such behaviors over time. While this approach reflects the theoretical view that isolated unethical acts can have disproportionate effects, it may limit the ability to assess the cumulative or chronic exposure to unethical leadership. Second, the cross-sectional design restricts causal inference and does not capture how employees' growth satisfaction or intention to stay may evolve following repeated leadership event. Finally, focusing on Indonesian SOEs, which operate within highly regulated and centralized structures, may limit the generalizability of the findings to more flexible or market-driven organizations.

5.3 Suggestions and Directions for Future Research

These findings point to several directions for future research. Given that PGS emerged as the primary predictor of ITS, future studies should examine the growth-related mechanisms that sustain employee retention in structured organizational settings. Researchers may explore additional developmental constructs, such as perceived career progression clarity, skill accumulation opportunities, or future employability perceptions, to better capture how employees interpret long-term growth signals. Because UL and RC did not demonstrate significant effects in this model, future studies should investigate contextual moderators, organizational design factors, or cultural influences that shape how leadership behavior is interpreted within highly formalized institutions. Comparative research across public, private, and hybrid organizations would be valuable in clarifying how institutional structures condition the relative importance of growth satisfaction versus leadership dynamics in retention decisions.

From a practical perspective, the results suggest that SOE management should prioritize strengthening the developmental value of everyday work. Structured job enrichment, continuous learning systems, cross-functional exposure, and skill-building initiatives can reinforce employees' perceptions of growth, thereby sustaining ITS, even when formal career mobility is gradual. Rather than relying solely on leadership interventions, organizations may benefit from institutionalizing developmental pathways that consistently signal long-term investments in employee capabilities. By embedding growth opportunities within standardized systems, SOEs can cultivate stable retention through employees' ongoing perception of professional advancement.

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Author Contributions

ABP contributed to the conceptualization, research design, data analysis, and manuscript drafting. NOMB contributed to the data collection, literature review, and manuscript editing. CA contributed to the data validation, supervision, and final approval of the manuscript. All authors have read and agreed to the published version of the manuscript.

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