

The Effect of Job Insecurity on Job Performance with Subjective Wellbeing as a Mediating Variable

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ABSTRACT

Job performance is one of the most frequently researched phenomena in Human Resource Management (HRM) literature, with job insecurity and subjective well-being being essential managerial practices to research. However, the relationship between these practices has received little attention in the literature. Therefore, this study examines the effect of job insecurity on job performance and subjective well-being as a mediating variable. This research is causal. The sampling technique was taken using total sampling, where the number of samples was the same as the population of 41 people. Data collection using a questionnaire with a Likert scale. The analysis technique used is SEM using SmartPLS4 analysis. The results of data processing. The results showed that job insecurity negatively and significantly affects job performance through subjective well-being.

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INTRODUCTION

Job performance is the main factor in organizational success (Karakoc & Ozer, 2016). Job performance is an individual's ability to complete a task with optimal results. Job performance plays an important role for organizations and individuals. For organizations, good job performance encourages the achievement of organizational goals and increases competitiveness in the market. For individuals, completing tasks well provides a sense of satisfaction and motivates them to continue to develop (Al-Omari & Okasheh, 2017; Muchhal, 2014).

Based on research conducted by (Maliha Sarfraz et., al 2023) said that job performance is influenced by various factors, one of which is subjective well-being and job insecurity. Job insecurity has become a crucial issue in the modern world of work, where individuals are haunted by fears of job loss, decreased income, and less stable career prospects. This phenomenon can have significant negative consequences on individual job performance and the organization as a whole. Darvishmotevali et al. (2020) show that the relationship between job insecurity and job performance is complex and multidimensional. Research by Darvishmotevali et al. (2020) shows a strong negative correlation between these two variables. Individuals with high levels of job insecurity tend to experience a decrease in various aspects of job performance, equivalent to the role of Subjective well-being, which mediates the relationship between the two variables and has an important influence.

Jon insecurity is when employees feel anxious and uncertain about their job stability. This can be caused by various factors, such as unstable economic conditions, changes in organizational structure,

or the threat of termination (Chirumbolo et al., 2020; De Witte et al., 2015). Job insecurity can affect employees differently. Some employees may experience anxiety and depression, while others may feel motivated to work harder to keep their jobs (Akkuşunduz & Eryılmaz, 2018; Huang et al., 2012). Research shows that job insecurity can negatively impact job performance (Shin & Hur, 2021; Van et al., 2020; VO-Thanh et al., 2021).

Subjective wellbeing refers to an individual's assessment of their quality of life, including emotions, feelings, and life satisfaction. Subjective wellbeing can vary from hopelessness to contentment, and is influenced by various factors, such as momentary dispositions and long-term judgments about life. High subjective wellbeing is associated with feelings of pleasure, minimal negative emotions, and high life satisfaction (Diener et al., 2009).

Research from Darvishmotevalia and Alib (2017) shows that health and subjective wellbeing are important predictors of organizational success and performance. Well-being employees have higher levels of job performance, which in turn leads to increased productivity, client satisfaction, and employee engagement. Several studies have found a positive relationship between subjective well-being and job performance at the individual level. (Bryson et al., 2017).

This study using the Job Demands-Resources (JD-R) model by previous research that uses the JDR theory in explaining the relationship between job insecurity and job performance with subjective well-being as a mediating variable (Darvishmotevali et.al (2020), aims to understand how job insecurity can affect employee job performance by reducing their subjective wellbeing, this can harm employee health and happiness, which in turn can affect their performance. Subjective well-being refers to how well employees feel and function at work. However, it should be noted that current research on the correlation between job insecurity and job performance has not fully considered the mediating function performed through subjective well-being. Therefore, this study aims to further investigate the effect of job insecurity on job performance by examining the mediating role of subjective well-being.

LITERATURE REVIEW

Job Performance

Job performance is an important component for both organizations and individuals. Organizations need high-performing employees to achieve goals, increase productivity, and improve competitiveness (Borman & Motowidlo, 1997). Better performance is related to improved work quality, potential, and individual satisfaction (Goodhue & Thompson, 1995). Based on the definition of Sonnentag and Frese (2002), job performance can be defined as the level of task achievement and individual performance in the context of their work. Job performance involves the extent to which individuals successfully achieve set work goals, produce desired outputs, and meet established quality standards.

According to (Na-nam et al. (2017) assess job performance into three dimensions, namely job quality (involving the fulfillment of criteria and standards related to procurement, production, quality inspection, and delivery of what factors affect job performance of goods and services), job quantity (reflecting the deployment of employees' physical and mental abilities to fulfill their responsibilities), and job time (relating to the amount of time required to complete work-related activities related to the level of difficulty of the task).

Job Insecurity

De Witte et al. (2015) explained that job insecurity is very personal. Even though two people work in the same company and under the same conditions, they can have very different levels of insecurity. This is because job insecurity is more influenced by how the individual interprets the situation around them.

Job insecurity is a complex phenomenon and is rooted in concerns about the future. By understanding that job insecurity is more than just a response to the current situation, organizations can develop more effective strategies to manage and reduce its negative impact. (Vander Elst et al., 2014).

Indicators of job insecurity measurement according to (De Witte et al, 2010) job insecurity indicators include: quantitative (the emergence of a feeling of threat to one's total job, for example, a person is transferred to a lower position in the organization, transferred to another job with the same level in the organization or temporarily dismissed) and qualitative (organizational changes may cause a person difficulty to progress in the organization, maintain salary or increase income).

Subjective Wellbeing

According to (Diener et.al, 2005) subjective wellbeing is an individual's cognitive and affective evaluation of his life, which includes emotional reactions to events as well as cognitive assessments of life satisfaction and fulfillment. Thus, subjective wellbeing is a general concept that includes experiencing pleasant emotions, low levels of negative mood, and high life satisfaction. The positive experiences contained in high subjective wellbeing are a core concept of positive psychology because they make life worthwhile.

Subjective well-being includes several indicators. Some scientists state the indicators of subjective well-being. According to (Diener et al., 2005) (Darvishmotevali & Ali, 2020), these indicators are divided into two, namely cognitive indicators and affective indicators. Cognitive indicators include an evaluation of global life satisfaction and an evaluation of specific domain satisfaction. Meanwhile, affective indicators include an evaluation of the presence of positive affect and an evaluation of the presence of negative affect.

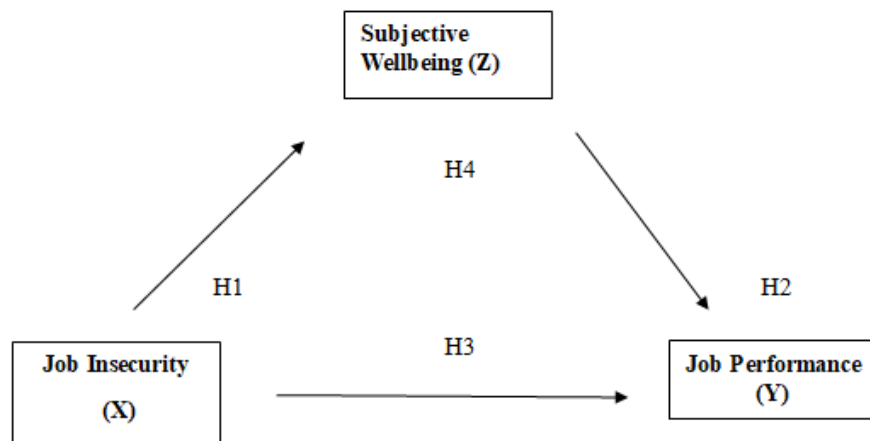


Figure 1. Conceptual Framework

Hypothesis

Job insecurity has a significant negative effect on an individual's subjective wellbeing, which is defined as an individual's evaluation of their overall quality of life, including emotional, cognitive, and social aspects. (Fransiska, 2021). Numerous studies have examined and empirically negatively by job the connection between job instability and subjective wellbeing. Numerous research have demonstrated a strong negative link between job instability and a number of subjective wellbeing metrics.

The Job Demands-Resources theory developed by Bakker and Demerouti (2007) (in Darvishmotevali et.,al (2020) Job Demands-Resources theory explains that each job has specific risk factors related to work anxiety which are divided into two major factors, namely the demands factor (work demands) and resources (resources to complete the job). Job demands and resources are two major factors that determine the achievement of organizational outcomes.

A person with high job expectations experiences less psychological and physical stress, which results in a

decrease in energy and other physical and mental health issues. This theory states that work insecurity refers to employees' perceptions about their jobs, which they risk losing, and is regarded as a job demand (Rigotti et al., 2015; Schreurs et al., 2014). According to empirical research, job insecurity is a major barrier to job anxiety, which can lead to detrimental physical, psychological, logical, and behavioral effects. It is also negatively connected with various work attitudes and outcomes at the individual, team, and national organizational levels (Blom et al., 2018; Costa and Neves, 2017; Wang et al., 2014).

H1: Job insecurity is negatively related to subjective wellbeing.

Subjective wellbeing and job performance are two important concepts in organizational psychology. Subjective wellbeing refers to an individual's evaluation of their overall quality of life, including emotional, cognitive, and social aspects. Meanwhile, job performance refers to an individual's ability to complete tasks and achieve goals related to their work. (Fransiska, 2021). Research over the past few decades has shown that there is a positive relationship between subjective wellbeing and job performance. That is, individuals with high levels of subjective wellbeing generally have better job performance compared to individuals with low levels of subjective wellbeing. (Sarfranz Maliha, 2023).

H2 : Subjective wellbeing is positively related to job performance.

Job insecurity has become a crucial issue in the modern world of work, where individuals are haunted by fears of job loss, decreased income, and less stable career prospects. This phenomenon can have significant negative consequences on the job performance of individuals and the organization as a whole. (Tinka, 2020). Research shows that the relationship between job insecurity and job performance is complex and multidimensional. Empirical research has shown a strong negative correlation between these two variables. Individuals with high levels of job insecurity tend to experience a decrease in various aspects of job performance. (Sun, 2022)

H3 : Job insecurity is negatively related to job performance

Research shows that the relationship between job insecurity and job performance is not as simple as a negative correlation. Subjective wellbeing, which is defined as an individual's evaluation of their overall quality of life, including emotional, cognitive, and social aspects, acts as a mediator in the relationship (Sarfranz, 2023). The mediation model explains that job insecurity can negatively impact job performance through its effect on subjective wellbeing. Individuals with high subjective wellbeing generally have better resilience, so they are better able to adapt to changes and challenges at work. This can help them to maintain good job performance even in conditions of job insecurity. (Anwar, 2023)

H4 : The relationship between job insecurity and job performance is mediated by subjective wellbeing.

RESEARCH METHODS

Research Design

This study uses a causative descriptive research design. Through this method, researchers intend to further investigate and understand the extent of the influence of job insecurity on job performance with subjective wellbeing as a mediating variable. In this study, data and information were obtained from respondents who were employees at PT Bank Nagari Batusangkar branch using a questionnaire.

Measures

The supervision questionnaire consists of three main parts. First, job performance can be measured using three indicators (Na-nam et al, 2017), namely job quality, job quantity, and job time. Second, job insecurity can be measured using two indicators (De Witte et al, 2010), namely quantitative and qualitative. Third, subjective well-being can be measured using two indicators (Diener et al., 2005), namely cognitive and affective. All items were measured using a Likert Scale consisting of 5 items, namely from "Strongly Disagree" (1) to "Strongly Agree" (5).

Sample

The population of this research is all employees of PT. Bank Nagari Batusangkar branch. This research used a total sampling technique, where the sample in this study was 41 people. Based on gender, there were 20 male respondents with a percentage of 48%, while there were 20 female respondents (52%). If we

look at age, the majority of respondents were those aged 31-35 years, namely 20 people (48%) of the total respondents. In terms of education level, the majority of respondents had completed education at bachelor's level, namely 20 people (48%) of the total respondents. Respondents generally work at PT. Bank Nagari Batusangkar branch has been established for more than 5 years, namely 30 people or 73%.

RESULT AND DISCUSSION

Measurement Model (Outer Model)

This measurement model aims to assess the extent of the model's validity and reliability.

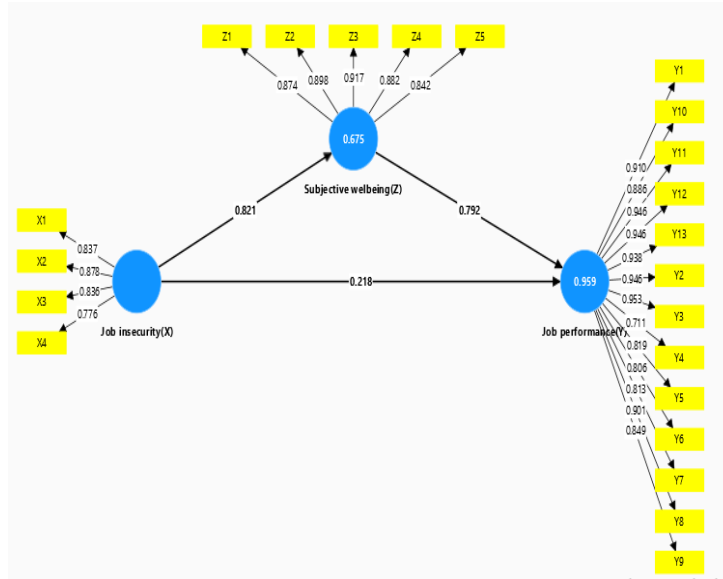


Figure 2. Outer Model

The outer loading outcomes indicate strong convergent validity for each variable, as all loading factors surpass 0.5. Furthermore, the cross-loading values demonstrate satisfactory discriminant validity, indicating that the correlation among indicators within a variable outweighs their correlation with other variables. Reliability assessment involves examining the combined reliability values in blocks of indicators to evaluate constructs. If the composite reliability result exceeds 0.7, it can be considered reliable.

Table 1. Composite Reliability Analysis Results

	Composite reliability	Average Variance Extracted (AVE)
Job Insecurity	0,852	0,693
Job Performance	0,975	0,777
Subjective Wellbeing	0,929	0,780

Sumber : Processed primary data (2024)

Each construct's composite dependability value is greater than 0.7, as the table shows. This shows that every construct in the estimate model is either regarded as reliable or satisfies the reliability requirements.

Inner Model

To evaluate the relationships between variables, inner model testing utilized. The T test is used to evaluate the importance of exogenous factors on endogenous variables, while R-square is used to calculate the degree of influence exogenous variables have on endogenous variables..

Table 2. R-square analysis results

	R-Square
Jon Performance	0,959
Subjective Wellbeing	0,675

Sumber : *Processed primary data (2024)*

The table depicts the R-square value of the job performance variable which gets a score of 0.959. This shows that the ability of job insecurity and subjective wellbeing variables to explain innovative work behavior reaches 95.9%. Meanwhile, for the subjective wellbeing variable, the result is 0.675, indicating that 67,5% of the variation in the subjective wellbeing variable can be influenced by the job insecurity variable. Based on these findings, it can be concluded that the inner model in this study has good goodness of fit.

Hypothesis Testing

Table 3. Total Effect

Indikator	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
<i>Job insecurity (X) -> Job performance (Y)</i>	0.228	0.234	0.07	3.276	0.001
<i>Job insecurity (X) -> Subjective wellbeing (Z)</i>	0.826	0.833	0.039	21.008	0
<i>Subjective wellbeing (Z) -> Job performance (Y)</i>	0.783	0.777	0.068	11.594	0
<i>Job insecurity(X) -> Subjective wellbeing(Z) -> Job performance(Y)</i>	0.647	0.647	0.058	11.07	0,00

Sumber : *Processed primary data (2024)*

Based on the table above, the findings of hypothesis testing are as follows: Firstly, job insecurity significantly affects job performance (t-statistic = 3.276, original sample = 0.228). Secondly, job insecurity significantly impacts subjective well-being (t-statistic = 21.008, original sample = 0.826). Thirdly, subjective wellbeing significantly influences job performance (t-statistic = 11.594, original sample = 0.783). Fourthly, job insecurity significantly influences job performance, with subjective well-being serving as a mediating variable (t- statistic = 11.07, original sample = 0.647).

This research shows that subjective well-being is a mediating variable in the relationship between job insecurity and job performance. The findings of this study have four main theoretical contributions. Initially, the job insecurity factor significantly and negatively impacted employee job performance. This is in line with the job demands-resources theory, which explains that every job has specific risk factors related to work anxiety, divided into two significant factors: demands (work demands) and resources (resources to complete the job). Insecurity has a negative impact on employee happiness

and a positive impact on their depression as the two main components of subjective well-being. Subjective wellbeing is considered a job demand and refers to employees' beliefs regarding their perceptions. This idea is further supported by research conducted by Stiglbauer and Batinik (2015) both of which emphasize the negative correlation between subjective well-being and job insecurity.

Second, from the results of the analysis it can be seen that the subjective well-being variable has a significant and positive influence on job performance in the company. In accordance with job demand-resource theory, subjective well-being refers to an individual's evaluation of the overall quality of their life, including emotional, cognitive and social aspects. Meanwhile, job performance refers to an individual's ability to complete tasks and achieve goals related to their work. In this context, individuals with a high level of subjective well-being generally have better job performance compared to individuals with a low level of subjective well-being. These findings are also supported by research. Fransiska, (2021) and Sarfraz Maliha, (2023)

Third, the job insecurity variable has a significant and negative influence on job performance in the company. Job demand-resource theory also supports this finding. This theory states that the relationship between job insecurity and job performance is complex and multidimensional. Empirical research has shown a strong negative correlation between these two variables. Individuals with high levels of job insecurity tend to experience a decline in various aspects of job performance. . In the context of job insecurity, employees who feel they have a high sense of job insecurity in carrying out their work will be more likely to show low job performance results. It can be concluded that with increasing job insecurity in employees, there will be a decrease in job performance results for these employees. The findings of this research are supported by Sun's research, (2022) concluding that job insecurity does have a negative and significant influence on employee job performance.

Fourth, the influence of job insecurity on job performance is mediated by subjective well-being. When employees have high job insecurity, they will experience a decrease in job performance, and the mediating effect explains that job insecurity can have a negative impact on job performance through its influence on subjective well-being. Individuals with high subjective well-being generally have better resilience, so they can better adapt to workplace changes and challenges. This can help them to maintain good job performance even in conditions of job insecurity. The findings of this research are supported by research by Anwar (2023) which shows that subjective well-being mediates the relationship between job insecurity and job performance.

CONCLUSION

The results of the measurement model confirm that the research instrument meets the validity and reliability assessment criteria. The research results show that job insecurity has a significant and negative influence on job performance, with subjective well-being as a mediator, but increasing subjective well-being is also able to improve the level of job performance for the better at PT. Bank Nagari Batusangkar branch. This means that increasing the level of job insecurity will reduce job performance. However, the mediating influence of increased subjective well-being can reduce the impact of decreasing job performance as a result of increasing job insecurity on employees.

SUGGESTION

It is hoped that future researchers can use this thesis as a reference. However, Future research could consider exploring different factors that have the potential to job performance, as well as expand the scope of research objects.

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