The Effect of Job Insecurity on Job Performance and Absenteeism with Job Satisfaction and Commitment Organizational as Intervening Variables (Study on PT Nusa Pusaka Kencana)

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ABSTRACT

PT Nusa Pusaka Kencana is engaged in the oil palm plantation business which focuses on CPO. The use of contract workers or Specific Time Work Agreements and Freelance Workers is one of the alternatives used by this company to minimize company costs and expenses. But on the other side of workers, this policy will lead to anxiety about the certainty of the status employment contract. The purpose of this study was to determine the effect of Job Insecurity on Job Performance and absenteeism that was intervened by Job Satisfaction and Organizational Commitment. In this study a structured questionnaire instrument with a 5-point Likert scale was used to measure the Job Insecurity index on freelancer and contract workers in PT Nusa Pusaka Kencana. The population in this study were 174 people and all of the population was sampled in the study. The data obtained were analyzed using descriptive statistical methods. This study shows that Job Insecurity has a positive and significant effect on Job Performance, a positive and significant effect on absenteeism and a positive and significant effect on intervening variables (Job Satisfaction and Organizational Commitment).

Keywords: Job Insecurity, Job Performance, Attendance, Job Satisfaction, Organizational Commitment

BACKGROUND

Human resources are seen as a very important organizational asset, because humans are a dynamic resource and are always needed in the process of producing goods and services. Especially in oil palm plantation companies, where this business has its own characteristics when compared to companies engaged in other businesses. Especially in terms of manpower, either managing or empowering the workforce is regulated by the company as a whole. The division or classification of this workforce varies, namely staff and non-staff, the staff category is part of a large organizational structure, the majority of which are in the head office and non-staff divided into workers with status; permanent field workers or general working conditions, contract workers or fixed-time work agreements, and freelancers. Basically, this category is a form of career path in terms of increasing morale for workers.

The current globalization has had a significant impact on the survival of the company where companies are required to be more adaptable, resilient, able to make changes in direction quickly and focus their attention on customers. For example, in the previous oil palm plantation companies, it took about 4 to 5 people to harvest one land / block. However, due to the transformation from the use of labor to machine assistance, it resulted in a reduction in the workforce where only 1 person was needed to become a driver who could harvest one land / block. For companies this change provides cost efficiency but for the workforce this is a form of threat if they are unable to increase
their productivity. Moreover, with the emphasis on the oil palm commodity trading market to reduce CPO prices to the lowest possible price, companies are trying to minimize existing expenditure.

Every company wants to have workers who are able to achieve high productivity, become market leaders and always focus on achieving production targets. Failure to achieve work targets will have an impact on the rewards or wages that will be given. The threat of wage cuts is considered an important factor in work, so this policy makes workers feel increasingly threatened by their work. If the company continues to demand high achievement targets so that workers are unable to achieve them, then the reflection from workers will be seen in decreased job satisfaction and decreased organizational commitment.

Another policy set by the company is the use of freelancers to minimize costs and burdens for the company. In types of work that do not really require high competence, companies usually prefer to use freelancers because there are several benefits such as flexibility in placing or assigning tasks to workers and not needing to provide benefits or health facilities to workers. Freelancers are workers who are tied to a day-to-day work relationship and receive wages according to the number of working days, or working hours or the number of goods or types of work provided. However, when viewed from the workers' side, the policy of using freelancers is very risky because companies can terminate employment or lay off workers at any time due to the absence of ties with the company. Given the difficulty of someone finding a job that can help their economy, being a freelancer will also still be considered with all its advantages and disadvantages.

It is the freelancer's work status that feels the most uncertainty in the work relationship within the company which will cause low job satisfaction and organizational commitment which ultimately results in decreased performance of each worker. This condition can be a threat to employees and cause a feeling of insecurity at work. Uncertainty in the company will ultimately create a feeling of job insecurity for employees and will have an impact on their performance. Performance achievement of workers is also influenced by absenteeism. This causes a negative impact on the achievement of company targets. Even though the job status is that of a freelancer, both of them are a support for the success of the product target being achieved. If one of the freelancers in terms of attendance is often late, especially if they don't enter, it means that the condition is said to be unable to meet the attendance level, it will affect the determination of whether the target can be achieved or not. A sense of security at work is needed in the company; this shows the level of confidence of workers about their current employment status which is far from being a threat until the next few years. Job insecurity felt by employees in the long term will have a negative effect on employee performance which results in a decrease in organizational productivity, employee performance, organizational efficiency, and has a negative impact on job satisfaction.

**Job Insecurity**

Job Insecurity is a level where employees feel that their work is threatened and are powerless to do anything in that position. Job insecurity can have a negative impact on both psychological and non-psychological aspects. Job insecurity according to Rowntree (2005) is defined as a condition related to a person's fear of losing their job or the prospect of demotion or demotion and various other threats to working conditions that are associated with decreased psychological well-being and decreased work performance.

**Job Insecurity Indicators**

Indicators to measure job insecurity such as:

1. **What the work means to the individual**
   It is a job that has a positive value on career development so that the job has an important meaning for the continuity of its work.
2. The level of threat felt by employees regarding aspects of the job
   It is the level of threat felt by employees regarding aspects of their work.

3. The level of threat that is likely to occur and affects the overall work of the individual.

4. The helplessness felt by the individual
   Is the potential of every event that occurs in the company related to interests that are felt to be good for him.

5. The level of threat to employment in the following year
   Is the level of threat that employees feel to their job in the following year.

**Absence**

According to (Simonna, 2009)

Absence is a data collection or recording of employee attendance at work, a part of reporting the activities of a company which contains employee attendance data that is arranged and arranged in such a way that it is easy to find and use whenever needed. by interested parties in the company. The limit of absenteeism from within the company is 5.7% and if the absences from a company have been reached above 5.7%, attention is needed because it has exceeded the fairness limit. The causes of employees doing absenteeism are influenced by the following things according to (Nelson, 2008):
   a. Employee dissatisfaction with existing jobs in the company.
   b. The working conditions at the company are not satisfactory.
   c. There is a conflict between employees.
   d. Lack of motivation at work.
   e. Salary that doesn't match the job.
   f. High employee stress levels.
   g. Uncomfortable work environment.
   h. Employee health.
   i. Physical abilities of employees who are less supportive.

**Absence Indicator**

1. Attendance of employees at work
2. The accuracy of employees coming and going home from work

**Job Performance**

Rivai and Basri (2005) state that performance is a work result that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve company goals illegally, does not violate the law and does not conflict with morals and ethics. Performance is also a work result produced by an individual through a process from the organization or company that can be measured concretely and compared to the standards set by the company or organization. Factors that influence performance are individual factors, psychological variables and organizational variables. Individual variables include abilities and skills both physical and mental, background such as family, social level and experience; demographics regarding age, origin and gender. Meanwhile, psychological variables include perceptions, attitudes, personality, learning, and motivation.

**Job Performance Indicators**

Robbins (2006) states that performance indicators can be measured through quality, quantity (amount), timeliness, effectiveness and efficiency.

**Job Satisfaction**

Job satisfaction shows the conformity between someone's expectations that arise and the rewards that work provides (Hasibuan, 2009). Basically, job satisfaction is an individual thing, each individual has a different level of satisfaction according to the value system that applies to him, this is due to differences in himself and each individual. The more aspects of work according to the individual’s wishes, the higher the level of satisfaction is felt and vice versa (Surya, 2013). Job satisfaction will reflect a person's attitude towards his job and everything that is faced in his work environment. Management must always monitor job satisfaction, because this can affect absenteeism levels, workforce turnover, morale, complaints and other personnel problems.
Job Satisfaction Indicators

There are 5 indicators for measuring job satisfaction of an employee according to Herzberg (in Robbins, 2008), namely:

1. The work itself (work it self), that is, it is a major source of satisfaction where the job provides interesting assignments, opportunities to learn, opportunities to accept responsibility and progress for employees.
2. Salary / Wages (pay), which is a multidimensional factor in job satisfaction. The amount of wages / money received by employees becomes an assessment for satisfaction, where this can be seen as something that is deemed appropriate and appropriate.
3. Promotion, namely the opportunity to develop intellectually and expand expertise is the basis of important concerns for progress in the organization so as to create satisfaction.
4. Supervision, that is, the supervisor's ability to provide technical assistance and behavioral support. The first is employee-centered, measured by the degree to which supervisors use personal interest and care for employees. The second is a climate of participation or influence in decision making that can affect employee work.
5. Coworkers that is, cooperative colleagues are the simplest source of job satisfaction. Working groups, especially cohesive teams, act as a source of support, comfort, advice, and assistance to individual members.

Organizational Commitment

Organizational commitment according to Fred (2005) is a reflection of employee loyalty and a continuous process in which organizational members express their concern for the organization and their belief in accepting organizational values and goals. According to Robbin and Judge (2008), organizational commitment is a condition in which an employee sides with the goals of the organization and has the desire to maintain his membership in the organization.

Organizational Commitment Indicators

According to Lincoln and Bashaw (in Sopiah, 2008) organizational commitment has three indicators, namely:

a. Willingness of employees, where there is the desire of employees to strive for the achievement of organizational interests.

b. employee loyalty, in which employees wish to maintain their membership to continue to be a part of the organization.

c. Employee pride, characterized by employees feeling proud to be part of the organization they are involved in and feeling that the organization has become a part of their lives.

Conceptual Framework

![Conceptual Framework](image-url)
The conceptual or theoretical framework will provide a general description of the flow of research thought. This study uses the Job Insecurity variable to analyze its effect on Job Satisfaction and Organizational Commitment and its impact on Job Performance and Attendance at freelancers who work at PT Nusa Pusaka Kencana. Based on the theory and review of previous research results, the conceptual framework in this study can be seen in Figure 1.

Hypothesis
Based on the conceptual framework described in the above sub-chapters, the following research hypothesis can be formulated:

H1: There is a negative effect of Job Insecurity on Job Performance at PT Nusa Pusaka Kencana.
H2: There is a positive effect of Job Insecurity on attendance at PT Nusa Pusaka Kencana.
H3: There is a negative effect of Job Insecurity on Job Performance through Job Satisfaction at PT Nusa Pusaka Kencana.
H4: There is a positive effect of Job Insecurity on Attendance through Organizational Commitments at PT Nusa Pusaka Kencana.

RESULTS AND DISCUSSION
Comparison of Job Insecurity for freelancers and contract workers
Based on the research results above, it can be seen that the average Job Insecurity for freelancers is 3.52 and Job Insecurity for contract workers is 3.79. It can be concluded that contract workers experience higher Job Insecurity when compared to freelancers. This is due to the work performance appraisal every month for contract workers, if the company feels that the contract workers' performance is not as expected, there is a possibility that the work relationship agreement will not be extended while for freelancers there is no performance appraisal. Contract workers also feel anxious about the company's policy regarding the “penalty” policy addressed to contract workers if they terminate the employment relationship before the work agreement deadline that has been determined between the contract workers and the company. Meanwhile, when compared to freelancers, there is no penalty policy because freelancers are not tied to the company.

Comparison of Job Satisfaction between freelancers and contract workers
Based on the research results above, it can be seen that the average Job Satisfaction for freelancers is 3.63 and Job Satisfaction for contract workers is 3.86. It can be concluded that contract workers experience higher Job Satisfaction when compared to freelancers because they get higher salaries and benefits so they feel more prosperous when compared to freelancers.

Comparison of Organizational Commitments of freelancers and contract workers
Based on the research results above, it can be seen that the average Organizational Commitment for freelancers is 3.03 and for contract workers is 3.48. It can be concluded that contract workers feel a higher Organizational Commitment when compared to freelancers. This is because...
contract workers feel that their career path is clearer when compared to freelancers. There is a desire for contract workers to keep doing their best for the company in order to pursue a work contract extension or be appointed as a permanent employee.

**Comparison of Job Performance for freelancers and contract workers**

Based on the research results above, it can be seen that the average Job Performance for freelancers is 3.55 and for contract workers is 3.73. It can be concluded that contract workers experience higher Job Performance when compared to freelancers. Contract workers feel that the responsibility is higher when compared to freelancers.

**Multiple Regression Results**

**Job Insecurity Variable Test Results on Job Performance intervening by Job Satisfaction on Freelancers**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>74,226</td>
<td>2</td>
<td>37,113</td>
<td>4,700</td>
<td>.013*</td>
</tr>
<tr>
<td>Residual</td>
<td>442,181</td>
<td>56</td>
<td>7,896</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>516,407</td>
<td>58</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From Table 1, the calculated F value obtained is 4,700 greater than F table 2.45 (F count> F table) with a significance level of 0.013. With a probability of 0.00 or less than 0.05. Then H0 is rejected and H1 is accepted, in other words there is an effect of Job Insecurity on Job Performance which is intervened by Job Satisfaction.

**Table 2: Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>8,003</td>
<td>2.322</td>
<td>3.446</td>
<td>.001</td>
</tr>
<tr>
<td>totalx</td>
<td>-.226</td>
<td>.084</td>
<td>-.339</td>
<td>-2.700</td>
</tr>
<tr>
<td>totaly1</td>
<td>-.123</td>
<td>.126</td>
<td>-.123</td>
<td>-0.977</td>
</tr>
</tbody>
</table>

Variables Job Insecurity and Job Performance (X and Y1): Based on Table 4.20, it can be seen that the t value for X is -2.700 and Y1 -0.977 where t is greater than t table (t count> t table; t table = 1.657) and a significance level of 0.05. This means that the variable X (Job Insecurity) and Y1 (Job Performance) have a significant negative effect on variable Z1 (Job Satisfaction).

**Job Insecurity Variable Test Results on Attendance Intervening by Organizational Commitments on Freelancers**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>7,502</td>
<td>2</td>
<td>3,751</td>
<td>.511</td>
<td>.603*</td>
</tr>
<tr>
<td>Residual</td>
<td>411,074</td>
<td>56</td>
<td>7,341</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>418,576</td>
<td>58</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: totalz2

b. Predictors: (Constant), totaly2, totalx

Comparison of attendance for freelancers and contract workers

Based on the research results above, it can be seen that the average attendance for freelancers is 3.31 and for contract workers is 3.57. It can be concluded that the absence of contract workers is higher when compared to freelancers. This is due to the payroll system with the principle of no work no pay established by the company. Contract workers feel that when they don't come to work, they will still get a fixed salary without deduction. In contrast to freelancers who are not paid when not working.
From the table above the calculated F value obtained is 0.511 greater than F table 2.45 (F count > F table) with a significance level of 0.013. With a probability of 0.00 or less than 0.05. Then H0 is rejected and H1 is accepted, in other words there is an effect of Job Insecurity on Attendance which is intervened by the Organizational Commitment.

**Table 4: Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>11.742</td>
<td>1.914</td>
<td>6,135</td>
</tr>
<tr>
<td>totalx</td>
<td>-0.045</td>
<td>.081</td>
<td>-.076</td>
<td>-.565</td>
</tr>
<tr>
<td>totaly2</td>
<td>.122</td>
<td>.167</td>
<td>.098</td>
<td>.731</td>
</tr>
</tbody>
</table>

**Job Insecurity Variable Test Results on Job Performance Intervening by Job Satisfaction on Contract Workers for a Certain Time**

From the table above, the calculated F value obtained is 2.158, greater than the F table 2.45 (F count > F table) with a significance level of 0.124. With a probability of 0.00 or less than 0.05. Then H0 is rejected and H1 is accepted, in other words there is an effect of Job Insecurity on Attendance which is intervened by the Organizational Commitment.

**Table 5: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>37,329</td>
<td>2</td>
<td>18,664</td>
<td>2,158</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>570,874</td>
<td>66</td>
<td>8,650</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>608,203</td>
<td>68</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Variables Job Insecurity and Job Performance (X and Y2):** Based on Table 4, it can be seen that the t value for X is -0.565 and Y2 0.731 where t is greater than t table (t count > t table; t table = 1.657) and significance level of 0.05. This means that the variables X (Job Insecurity) and Y2 (Absence) have a significant negative effect on variable Z2 (Organizational Commitment).

**Table 6: Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>5.790</td>
<td>2.641</td>
<td>2,192</td>
</tr>
<tr>
<td>totalx</td>
<td>-2.00</td>
<td>-.097</td>
<td>-.249</td>
<td>-2.059</td>
</tr>
<tr>
<td>totaly1</td>
<td>.070</td>
<td>.115</td>
<td>-.073</td>
<td>-.067</td>
</tr>
</tbody>
</table>

**Job Insecurity Variable Test Results on Job Performance Intervening by Job Satisfaction on Contract Workers for a Certain Time**

From the table above, the calculated F value obtained is 1.775, greater than the F table 2.45 (F count > F table) with a significance level of 0.177. With a
probability of 0.00 or less than 0.05. Then H0 is rejected and H1 is accepted, in other words there is an effect of Job Insecurity on Attendance which is intervened by the Organizational Commitment.

Variables Job Insecurity and Job Performance (X and Y2): Based on Table 8, it can be seen that the t value for X is -1.685 and Y2 1.409 where t is greater than t table (t count> t table; t table = 1.657) and significance level of 0.05. This means that the variables X (Job Insecurity) and Y2 (absences) have no effect on the Z2 (Organizational Commitment) variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.195</td>
<td>2.820</td>
<td></td>
<td></td>
</tr>
<tr>
<td>totalx</td>
<td>-.180</td>
<td>.107</td>
<td>-.218</td>
<td>-1.685</td>
</tr>
<tr>
<td>totaly2</td>
<td>.211</td>
<td>.150</td>
<td>.182</td>
<td>1.409</td>
</tr>
</tbody>
</table>

CONCLUSION
1. There is a direct negative and significant effect of Job Insecurity on Job Performance on freelancers and contract workers.
2. There is a direct positive and significant effect of Job Insecurity on Absence of freelancers and contract workers.
3. There is a negative and significant indirect effect of Job Insecurity on Job Performance through Job Satisfaction.
4. There is a direct positive and insignificant effect of Job Insecurity on Attendance through Organizational Commitments.

REFERENCES


