

Effect of Job Insecurity on Job Satisfaction: The Moderating Role of Perceived Organizational Support

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ABSTRACT

Job satisfaction is an important concern in various studies in the field of management. Many things need to be explored and developed again on this topic. The rapid pace of technological change combine with organization desire to reduce its costs as well as increase efficiency, make employees' insecure about the their work nowadays and in the future. This research aim to analyse the effect of Job Insecure on Job satisfaction, and the role of Perceive Organizational Support as moderating variable. The sample size using 100 temporary employees in Central Jakarta. Moderated Regression Analysis (MRA) implemented to analyse the data. The findings suggest that job insecurity negatively affects job satisfaction and perceived organizational support moderates the influence.

Keywords: Job Insecurity, Job Satisfaction, Perceived Organizational Support.

1. Introduction

1.1 Background

Job satisfaction is an important concern in various studies in the field of management to date, so many things need to be explored and developed again on this topic. Robbins & Judge (2013) describe job satisfaction explain positive feelings about the job generated through evaluation of characteristics. Downsizing, outsourcing, restructuring, and other changes to the organization foster instability between employees and the organization that can lead to negative feelings regarding employee security and sustainability in the organization.

Some studies say that job insecurity negatively affects job satisfaction (Cheung et al., 2019). Cheung (2019) mentioned that job insecurity felt by individuals will have a negative impact on

company productivity. When employees' relationships with organizations are marred by mistrust and lack of support, workers are more likely to feel dissatisfied with their jobs.

In reducing the negative influence between job insecurity and job satisfaction, the relationship between these two variables can be influenced by perceived organizational support. Perceived organizational support is valued as support from the organization that is available when needed to carry out the work of employees effectively in the face of uncertain situations (Rhoades & Eisenberger, 2002).

Central Jakarta is one of the fastest growing business centre in Indonesia. Because this is one of the fastest growing business places in Indonesia. According to Syachradjat (2015) if the work of temporary employees is completed or unilaterally terminated by the organization, they may be dismissed. This condition can cause anxiety in temporary employees because they do not have certainty in the future about their careers.

Based on the above, we are interested in conducting research on the effect of job insecurity on job satisfaction moderated by perceived organizational support for temporary employees in Central Jakarta.

2. Literature Review and Hypothesis

2.1 Job Insecurity and Job Satisfaction

Locke (1969) defines job satisfaction as a pleasant or good emotional state caused by a job evaluation or a person's work event. In addition, other studies have found that job satisfaction explains positive feelings about the resulting job through evaluation of characteristics (Robbins & Judge, 2013). Moreover, according to a global perspective, job insecurity refers to employees who worry about losing their jobs and becoming unemployed (Witte, 1999). Job insecurity is defined as an employee's perception of working conditions, in particular the loss of work stability due to organizational changes and a direct relationship with the organization (Zheng et al., 2014).

Previous research on the effect of job insecurity on job satisfaction has often been linked to negative effects (Nemteanu et al., 2021; Smit et al., 2016). In recent centuries, work has undergone a transformation that especially recently faced the challenges of volatility, uncertainty, complexity, and ambiguity (VUCA) (Baran & Woznyj, 2021). Rapid technological advances and the desire within organizations to reduce costs and increase efficiency make employees feel insecure about the nature and whereabouts of their future work (Sverke et al., 2019). Temporary status is one of the concerns of employees because they feel insecure and afraid of losing their jobs in the future. Thus, the researcher proposes a hypothesis:

H1: Job insecurity negatively affects job satisfaction.

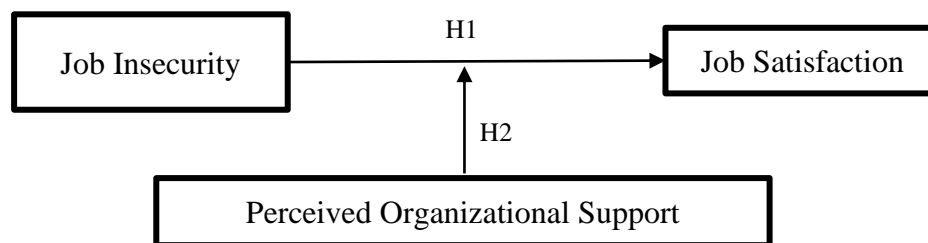
2.2 Perceived Organizational Support

Perceived organizational support is defined as the perceived by employees regarding the extent to which the organization cares about the contributions and well-being of its employees (Bohle et al., 2018). Individuals who feel high organizational support will create positive emotions in themselves, this is in accordance with the interactionist perspective where the environment

becomes a moderation factor between individuals and behaviours. So that those who feel organizational support will be more satisfied with the work they do. We found that there is still a lack of research that uses perceived organizational support as moderation. Previous research examining the direct effect of POS on job insecurity with the results negatively affected (Salvador et al., 2022) while it has a positive effect on job satisfaction (Islam & Ahmed, 2018). Thus, the researcher proposed a hypothesis:

H2: Perceived organizational support moderates the negative affects between job insecurity and job satisfaction, employees who perceived organizational support will weaken the affects of job insecurity on job satisfaction.

Figure 1. Research Model



3. Research Methodology

3.1 Types of Research

This study uses a quantitative approach and uses survey research methods because this study does not give special treatment to the subjects to be studied. Data sources, data collection instruments, and information we obtain using questionnaires.

3.2 Population, Sampling and Sampling Techniques

The sampling technique uses convenience sampling of temporary employees in Central Jakarta because the population is too large and researchers did not know the exact number of population. Sample measurement using the lemeshow formula is:

$$n = \left(\frac{Z^2 p(1-p)}{d^2} \right) = \left(\frac{(1,96)^2 \times 0,5(1-0,5)}{(0,10)^2} \right) = 96,04$$

The sample size calculation result was 96.04. To avoid errors in filling out questionnaires or errors, researchers recommend completing the sample to 100. Then we found a sample of 59% male, 70% at the age of 25-34 years, 80% undergraduate education, and length of work 2-5 years by 72%.

3.3 Measurement

Researchers conducted measurements for job insecurity, job satisfaction, and perceived organizational support based on relevant literature. Measurement using a questionnaire with a Likert scale from 1 = strongly disagree to 5 = strongly agree. Job insecurity was measured using 5 items developed by De Witte et al. (2015). Job satisfaction is measured using 6 items developed

by Spector (1985). Perceived organizational support was measured using 9 items developed by Eisenberger et al. (1986). Each variable has one open-ended question item that is answered in an essay.

3.4 Data analysis

In this study, the data analysis technique used is Moderated Regression Analysis (MRA) with operation through SPSS Statistics 27 Program.

4. Results

4.1 Validity Test

Based on the output Correlations on SPSS there is a significant correlation to the variables of Job Insecurity (X), Job Satisfaction (Y), and Perceived Organizational Support (Z). This is evidenced by the r statistic $>$ r table (0.165) and the significance value (1-tailed) $<$ 0.05, so that each indicator is declared valid to measure each variable.

4.2 Reliability Test

Table 1. Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.826	17

Based on the results of the analysis of Cronbach's alpha (0.826) $>$ 0.60, the instrument variables Job Insecurity (X), Job Satisfaction (Y), and Perceived Organizational Support (Z) were declared reliable.

4.3 Hypotesis Test

Table 2. Regression Test 1

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29.398	.329		89.464	.000
	JI_TOTAL	-1.235	.025	-.981	-49.631	.000

a. Dependent Variable: JS_TOTAL

Table 3. Regression Test 2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.687	2.821		1.661	.100
	JI_TOTAL	-.177	.122	-.141	-1.457	.148
	POS_TOTAL	.514	.058	.850	8.793	.000

a. Dependent Variable: JS_TOTAL

Table 4. Regression Test 3

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.362	3.623		-.376	.708
	JL_TOTAL	.275	.213	.218	1.292	.199
	POS_TOTAL	.741	.106	1.227	7.019	.000
	JL.POS	-.022	.009	-.070	-2.557	.012

a. Dependent Variable: JS_TOTAL

To test hypothesis 1 which states that Job Insecurity (X) has an effect on Job Satisfaction (Y) using the t test. The results of the t test analysis showed that the significance value of t Job Insecurity was 0.000 which was smaller than 0.05 ($0.000 < 0.05$), so it was proven that Job Insecurity variable (X) had a negative and significant effect on Job Satisfaction (Y). Thus the first hypothesis is statistically accepted. Then in table 3 results of the t test analysis showed that the significance value of t Perceived Organizational Support (Z) was 0.000 which was smaller than 0.05 ($0.000 < 0.05$), so it was proven that Perceived Organizational Support (Z) had a positive and significant effect on Job Satisfaction (Y).

To test hypothesis 2 which states that Perceived Organizational Support (Z) moderates the negative affects between Job Insecurity (X) and Job Satisfaction (Y) using the t test. The results of the t test analysis showed that the significance value of t Job Insecurity and Perceived Organizational Support was 0.012 which was smaller than 0.05 ($0.012 < 0.05$), so it was proven that Perceived Organizational Support (Z) moderates the negative affects between Job Insecurity (X) and Job Satisfaction (Y). Thus the second hypothesis is statistically accepted and make this variable a quasi-moderator.

5. Discussion

The purpose of this study was to examine the negative effect of job insecurity on job satisfaction. This finding found that job insecurity has a significant negative effect on job satisfaction. In other words, employees who feel increasingly insecure about their jobs will feel more dissatisfied at work, and vice versa. This is in accordance with research conducted by Cheung et al. (2019) who found that job insecurity negatively affected job satisfaction. In answering open-ended questions, researchers saw that respondents felt anxious when their employment contracts were nearing expiration. They are afraid that later the organization will not renew the contract again. In accordance with Zheng et al. (2014) who argue that perceptions of job insecurity can trigger negative employee reactions because resources are threatened. In addition, those who feel insecure often feel a special difference between temporary employees and permanent employees. This kind of thing can cause job dissatisfaction in temporary employees. Some also stated that they felt dissatisfied because they felt there was no progress in their careers.

In addition, this study also focuses on looking for the moderating effect of perceived organizational support in strengthening or weakening the effect of job insecurity on job satisfaction. This study found that perceived organizational support weakens the negative effect of job insecurity on job

satisfaction. Employees who feel the support of the organization tend to feel more secure at their jobs. In accordance with research conducted by Bohle et al. (2018), individuals who feel high organizational support will create positive emotions in themselves. The theory of interactionist perspective is also proven where the environment influences in moderating between individuals and behavior. One of the open-ended question answers said that their organization cares about employee well-being. It also fits the definition by Bohle et al. (2018) that perceived organizational support is defined as the perceived by employees regarding the extent to which the organization cares about the contributions and well-being of its employees.

6. Conclusions and Implications

6.1 Conclusions

Our research draws on the perceived organizational support of temporary employees to buffer their insecurity at work. The results we found that organizational support felt by employees succeeded in weakening the negative influence between job insecurity and job satisfaction. Our findings are also consistent with previous research on how perceived organizational support has a negative influence on job insecurity and a positive influence on job satisfaction (Islam & Ahmed, 2018; Salvador et al., 2022). Overall, employees who feel support from the organization will reduce the insecurity. So that those who feel support from the organization will form high job satisfaction.

6.2 Implications

The findings in this study are that the negative influence of job insecurity on job satisfaction and perceived organizational support can be moderating to weaken the negative influence. Practically, management needs to pay attention to how the organization prospers its employees. Moreover, these employees are temporary employees. Despite having contractual status, they also contribute to advancing the performance of the organization. Empirically, our findings contribute to enriching the science on the existence of moderation factors that can weaken the effect of job insecurity on job satisfaction. This can be an opportunity for other researchers to explore more deeply the moderation factors that can weaken between these two influences.

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