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Original Article

The Impact of Job Insecurity on Employee Engagement and Job Performance: Mediating Role of Engagement

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Abstract: This study investigates the effect of job insecurity on employee engagement and job performance and examines the mediating role of employee engagement in the relationship between job insecurity and job performance. Employing a quantitative research approach with a causal design, the study was conducted at RSUD Dr. H. Moh. Anwar Sumenep, involving all 169 non-civil servant (non-PNS) employees using a total sampling technique. Data were analyzed using Structural Equation Modeling (SEM) to determine the strength and direction of the relationships among variables. The findings indicate that job insecurity has a positive and significant impact on both employee engagement and job performance. Moreover, employee engagement significantly enhances job performance and mediates the relationship between job insecurity and job performance. These results highlight the complex dynamics in the workplace, where job insecurity, despite traditionally being viewed as a negative factor, can drive employees to engage more actively and perform better, possibly due to heightened motivation to secure their positions. The study offers important policy implications for healthcare institutions. Hospital management should prioritize initiatives that foster employee engagement, such as open communication, career development opportunities, and supportive leadership, to buffer the effects of job insecurity. These strategies can help maintain high performance levels even in uncertain employment contexts. Future research is encouraged to validate these findings in other sectors or regions, employ longitudinal designs to track changes over time, and integrate additional variables such as organizational culture, leadership style, and psychological resilience to enrich the analysis.

Keywords: Job Insecurity, Employee Engagement; Job Performance; Mediation Effect



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1. Introduction

The issue of human resource management in government hospitals has become increasingly critical since the implementation of the moratorium on civil servant recruitment in 2011, followed by the adoption of the zero-growth policy in 2013. To maintain the delivery of optimal healthcare services amid staffing shortages, government hospitals have resorted to employing non-civil servant (non-PNS) personnel. As a result, two categories of employees exist within these institutions: civil servants and non-civil servants. At Dr. H. Moh. Anwar Regional Hospital in Sumenep, non-civil servant employees include individuals employed under cooperation agreements (PKS), those under the Regional Public

Service Agency (BLUD) scheme, and government employees with work agreements (P3K). This study focuses on non-PNS employees, who often experience job insecurity due to their employment status (Amalia et al., 2022). Despite the hospital's continuous efforts to develop strategies that avoid layoffs, such as performance-based contract renewals, non-PNS employees, particularly those under PKS, BLUD, and P3K schemes, must periodically renew their contracts in accordance with prevailing policies (Ramadhanti et al., 2021). This contractual uncertainty leads to persistent insecurity among these employees, as their continued employment largely depends on performance. Moreover, the high interest from external job seekers further complicates management's decisions in replacing underperforming staff (Zakaria et al., 2019).

A survey conducted by SurveySensum involving 540 respondents from 70 companies in September 2020 revealed that 25% of respondents were concerned about their health and that of their families. Additionally, 24% worried about the economic implications of the pandemic, 22% about its effects on their social lives, 17% feared job loss, and 12% expressed concern about salary reductions (Pandamsari & Alvionita, 2020). These findings underscore the growing relevance of research on job insecurity. Jung et al. (2021) also emphasized that even before the COVID-19 pandemic, the modern work environment had already been marked by uncertainties stemming from technological change, economic volatility, and political instability, which collectively undermined job security. An issue exacerbated during prolonged crises. Etehadi and Karatepe (2018) further highlighted that job stability has become increasingly elusive. In response to these challenges, hospitals are likely to undertake restructuring and human resource efficiency measures, further amplifying employees' perceptions of job insecurity. According to Niesen et al. (2018), job insecurity can emerge due to two main factors: first, organizational changes such as layoffs, downsizing, or mergers categorized as quantitative job insecurity—can impact specific groups, fostering a sense of vulnerability; second, employees across different departments may collectively perceive threats or stressors in similar ways, leading to widespread feelings of job insecurity.

Job insecurity has been found to negatively influence employee engagement and performance. As noted by Jung et al. (2021) and Karatepe et al. (2020), job insecurity diminishes employee engagement, as uncertain working conditions reduce employees' commitment to achieving organizational goals. However, this perspective contrasts with findings from Permatasari and Hadi (2018), who reported that job insecurity positively and significantly affected job engagement among honorary teachers in public high schools. Despite facing prolonged contracts, low pay, and job instability, these teachers' strong sense of dedication and public service enhanced their work engagement. Similarly, job insecurity is commonly associated with a decline in job performance. Research by Darvishmotevali and Ali (2020), and Darvishmotevali et al. (2017), showed that job insecurity negatively impacts employee performance due to the psychological stress it generates, disrupting focus and productivity. Conversely, Aprianita and Nurhayati (2021) found a positive, albeit insignificant, relationship between job insecurity and performance, suggesting that fear of job loss may drive employees to increase their efforts and improve work ethic. These contrasting findings indicate inconsistencies in the existing literature, which provides the rationale for this research. Therefore, the purpose of this study is to examine the effect of job insecurity on employee engagement and job performance, as well as to analyze the impact of employee engagement on job performance. Furthermore, this study investigates the mediating role of employee engagement in the relationship between job insecurity and job performance.

2. Literature Review

2.1. Maslow's Theory of Needs

Maslow's theory of human motivation posits that individuals are driven by a hierarchy of needs, ranging from basic physiological necessities to higher-level psychological aspirations, such as self-actualization (Vansteenkiste et al., 2020; Aruma & Hanachor, 2017; Cao et al., 2013; Bridgman et al., 2019). This framework provides a foundational understanding of human behavior, suggesting that once basic needs are fulfilled, individuals seek to satisfy more complex and intangible needs. Maslow's approach emphasizes the role of needs as a key motivator of human action, forming a structured hierarchy from fundamental survival to the fulfillment of potential (Desmet & Fokkinga, 2020). In relation to this study, Maslow's theory is particularly relevant in understanding employee motivation at RSUD Dr. H. Moh. Anwar Sumenep. Employees strive to fulfill needs such as financial security, recognition, and social standing. Consequently, they are motivated to perform optimally in order to secure their positions within the organization and maintain continued employment opportunities.

2.2. Job Insecurity

Job insecurity refers to an employee's perception of uncertainty regarding the continuity and stability of their current job. It reflects a sense of powerlessness in maintaining employment amid perceived threats (Darvishmotevali & Ali, 2020). According to Greenhalgh and Rosenblatt (1984), job insecurity involves feelings of helplessness due to perceived threats to job stability and the inability to influence these threats. Similarly, Ruvio and Rosenblatt (1999) argue that job insecurity is shaped by individual perceptions, which may vary based on personal characteristics and situational

factors. Job insecurity is multidimensional, encompassing concerns related to employment conditions, organizational changes, or external threats. It often results in emotional distress, such as anxiety, worry, and stress. Karatepe et al. (2020) note that financial concerns and lack of social protection can amplify the negative consequences of job insecurity. Additionally, Darvishmotevali et al. (2017) emphasize the psychological burden associated with job insecurity, including fears of demotion, job loss, and overall deterioration in work conditions. From these perspectives, job insecurity can be defined as a psychological state characterized by uncertainty, tension, and fear about the future of one's employment. This fear often motivates employees to exert additional effort to avoid potential job loss. In this study, job insecurity is measured based on the framework developed by Piccoli et al. (2018), which includes:

1. Fear of being fired – anxiety about termination due to unmet expectations.
2. Fear of losing one's job – concern about job stability due to organizational changes or competition.
3. Fear of unemployment – distress over the possibility of not finding new employment if the current job is lost.

2.3. Employee Engagement

Employee engagement is defined as a positive, fulfilling, and motivated mental state experienced by employees in relation to their work. Engaged employees exhibit enthusiasm, dedication, and commitment, often going beyond formal job requirements to support organizational goals (Tabak & Hendy, 2016). Engagement manifests through energy, passion, pride, and the willingness to invest discretionary effort in one's work (Tenerife, 2017). According to Aulia (2016), employee engagement is rooted in high motivation and satisfaction, driving individuals to contribute meaningfully to both personal and organizational success. Aprianita and Nurhayati (2021) further describe engagement as the mobilization of physical, cognitive, and emotional resources during work. Conversely, disengaged employees tend to withdraw and refrain from applying their full capabilities. Karatepe et al. (2020) characterize engagement as a state of high enthusiasm and commitment, reflecting employees' dedication to their roles and their contributions to organizational success. Therefore, employee engagement is considered a key factor in achieving optimal organizational performance. This study adopts the measurement indicators of employee engagement as proposed by Sugianingrat et al. (2019), drawing from the foundational work of Schaufeli et al. (2006) and Schaufeli and Bakker (2003):

1. Vigor – high energy levels and mental resilience at work (Schaufeli & Bakker, 2003; Balakrishnan et al., 2013).
2. Dedication – strong involvement in one's work, accompanied by a sense of meaning, pride, and enthusiasm.
3. Absorption – full concentration and immersion in work, often losing track of time due to deep engagement.

2.4. Employee Performance

Employee performance refers to the output, efficiency, and effectiveness with which an individual fulfills assigned tasks, often measured by the quality and quantity of work produced (Mangkunegara, 2017; Darvishmotevali et al., 2017). Gomes characterizes performance as a reflection of productivity, while Mangkunegara emphasizes the fulfillment of duties aligned with organizational expectations and responsibilities. Darvishmotevali and Ali (2020) conceptualize performance as the successful execution of job tasks, driven by individual willingness and organizational structure. Baskaran et al. (2021) add that performance includes reliability in task completion and the capacity to achieve desirable outcomes. Piero et al. (2020) highlight the role of individual characteristics and job perception in determining performance levels, while Davidescu et al. (2020) emphasize measurable aspects such as quality, quantity, and efficiency. In this context, employee performance is viewed as a critical indicator of organizational success, reflecting the extent to which employees meet or exceed job expectations. The study utilizes performance indicators as outlined by Pradhan and Jena (2017) and Sugianingrat et al. (2019), which include:

1. Task performance – core behaviors related to producing goods, managing services, or leading others.
2. Adaptive performance – the ability to adjust to changes and improvise in dynamic work environments.
3. Contextual performance – discretionary behaviors that go beyond formal job requirements, contributing to the social and psychological environment of the workplace.

2.5. Hypothesis development:

2.5.1. Job Insecurity and Employee Engagement

Job insecurity is hypothesized to influence employee engagement, as employees who experience job insecurity may intensify their efforts to demonstrate their commitment and work ethic in order to secure their positions within the organization. This heightened effort is often aimed at garnering recognition from leadership to ensure job stability despite the uncertainty surrounding organizational dynamics. However, this proposition contrasts with previous studies suggesting that job insecurity negatively impacts employee engagement. Jung et al. (2021) and Karatepe et al. (2020) found that job insecurity has a detrimental effect on employee engagement, arguing that fear of job loss or demotion, along with various threats to working conditions, diminishes psychological well-being and job satisfaction

(Darvishmotevali & Ali, 2020). According to this perspective, employees experiencing job insecurity may be psychologically disturbed, inhibiting their ability to fully realize their potential (De Cuyper et al., 2019; Sverke et al., 2002). While employees may still wish to demonstrate engagement, the underlying fear of job insecurity may create feelings of disengagement (Greenhalgh & Rosenblatt, 1984). Therefore, before implementing policies to enhance employee engagement, organizations should first address job insecurity (Jung et al., 2021; Karatepe et al., 2020). However, contrary to the general negative view, some studies, such as Permatasari and Hadi (2018), suggest that job insecurity may have a positive and significant relationship with employee engagement. Based on this discussion, the following hypothesis is proposed:

H1: Job insecurity influences employee engagement.

2.5.2. Job Insecurity and Job Performance

Employees generally seek job security to perform effectively within a company. Secure working conditions are fundamental to fostering high employee performance (De Cuyper et al., 2019; Callea et al., 2014). In contrast, when employees experience job insecurity, they perceive their jobs to be threatened and may feel powerless to influence their circumstances (Darvishmotevali et al., 2017; Darvishmotevali & Ali, 2020). Job insecurity arises from the loss of favorable working conditions, and it is considered a multidimensional concept involving various aspects of job stability (Ruvio & Rosenblatt, 1999). While job insecurity typically generates fear, it may also drive employees to work harder to avoid the consequences of job loss. This notion is supported by Aprianita and Nurhayati (2021), who found a positive, though not significant, effect of job insecurity on employee performance. Based on these findings, the following hypothesis is proposed:

H2: Job insecurity influences job performance.

2.5.3. Employee Engagement on Job Performance

Employees who feel a strong attachment to their organization are likely to exhibit greater commitment and effort, resulting in enhanced performance. This attachment, which can be defined as employee engagement, reflects a positive mental state characterized by high motivation and dedication (Tabak & Hendy, 2016). Engaged employees tend to work energetically and strive to make significant contributions to both personal and organizational goals (Aulia, 2016). Karatepe et al. (2020) describe engaged employees as highly enthusiastic about their work, demonstrating commitment to the organization's success. Employee engagement is thus considered a crucial factor in achieving organizational objectives. Engaged employees invest substantial energy, effort, and ability into their work, ultimately enhancing performance. Employee performance is viewed as a contractual understanding between managers and subordinates, where tasks are executed with technical skills, business judgment, and leadership (Pradhan & Jena, 2017; Tripathi, 2014). Research by Ismail et al. (2018) and Sugianingrat et al. (2019) has confirmed that employee engagement significantly and positively impacts job performance. Therefore, the following hypothesis is proposed:

H3: Employee engagement influences job performance.

2.5.4. Mediating Role of Employee Engagement

Employee engagement is defined as a positive, fulfilling mental state driven by high motivation and dedication, making employees more energetic and committed to their work (Aulia, 2016). This level of engagement can mitigate the adverse effects of job insecurity, especially for non-PNS (non-civil servant) employees whose job futures are uncertain. Employees who experience anxiety, stress, and uncertainty regarding their job security may become more mentally resilient, enthusiastic, and focused on their work (Schaufeli & Bakker, 2003; Balakrishnan et al., 2013). Such a transformation in employee attitude and behavior contributes positively to job performance. The ability to engage employees despite their job insecurity can provide valuable insights for management when making decisions regarding contract renewals or employee retention. Based on this reasoning, the following hypothesis is proposed:

H4: Employee engagement plays a role in mediating the effect of job insecurity on job performance.

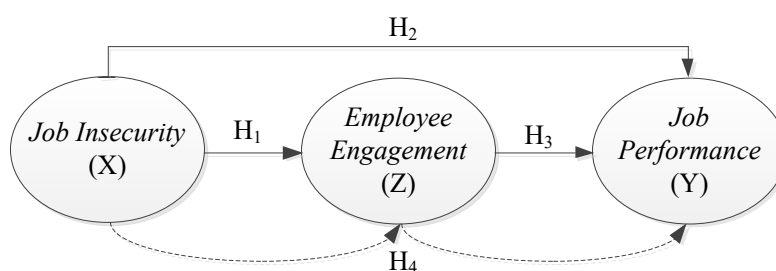


Figure 1. Research Framework

3. Materials and Methods

This study adopts an explanatory research design, specifically hypothesis testing with a causal approach, aimed at explaining the cause-and-effect relationships among variables through hypothesis testing. The primary focus is to investigate the causal links between job insecurity, employee engagement, and job performance, as outlined by Sugiyono (2013). The research seeks to determine how job insecurity influences employee engagement and subsequently impacts job performance. The concept of a population in research refers to the complete set of individuals, objects, events, or measurements under consideration for a study. In contrast to a sample, when statistical analysis is applied to a population, there is no standard error involved. Standard error typically applies when analyzing a sample, providing an estimate of how much the sample results might deviate from the true population parameters. For this study, the population consists of all non-civil servant (non-PNS) employees at RSUD Dr. H. Moh. Anwar Sumenep, which includes 169 individuals (Sugiyono, 2017). These employees were selected as they represent the group whose job insecurity, engagement, and performance dynamics are being examined.

To ensure that every member of the population is included in the study, a census sampling technique was employed. In this approach, the entire population of 169 non-PNS employees was selected as the sample, thus involving all individuals without any exclusions. This method is particularly useful for studies with a manageable population size, as it allows for a comprehensive analysis of the entire group, ensuring that the findings are representative and specific to this particular cohort. The analysis technique employed in this research is Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach. This method is widely used in social sciences and management research due to its capacity to analyze complex relationships between multiple variables and its flexibility in handling smaller sample sizes and non-normal data distributions. SEM allows the researcher to test and estimate the direct and indirect relationships between the variables under investigation, providing a robust framework for hypothesis testing. The PLS method specifically is implemented using software tools developed by Hair et al. (2023), which are designed to facilitate the modeling of complex structural relationships.

Data for this study was collected through the distribution of questionnaires directly to all 169 non-PNS employees at RSUD Dr. H. Moh. Anwar Sumenep. The questionnaires were designed to capture the perceptions and experiences of the respondents regarding job insecurity, employee engagement, and job performance. The survey method is an effective way to gather primary data, allowing respondents to provide insights into their job-related feelings and behaviors. In this case, the survey was designed to assess the various dimensions of job insecurity, the level of employee engagement, and their performance outcomes within the workplace. The questionnaires were administered to ensure that each employee had an opportunity to respond, contributing to the completeness of the data set.

To ensure the validity and reliability of the data collected, the survey instruments were developed based on existing, validated scales that have been used in similar research studies. This not only ensures consistency with previous literature but also enhances the credibility of the findings. The data collection process was carried out in person, allowing the researcher to clarify any misunderstandings and ensure that all respondents understood the questions being asked. Thus, this research employs an explanatory design with a causal approach to test the relationships between job insecurity, employee engagement, and job performance. A population of 169 non-PNS employees from RSUD Dr. H. Moh. Anwar Sumenep was selected, with data being collected through a census sampling method. The Structural Equation Modeling (SEM) technique using the PLS approach was utilized for data analysis, and the data was gathered via questionnaires distributed to all employees. This methodology ensures that the study provides a comprehensive and statistically rigorous understanding of the factors influencing employee behavior and performance in the healthcare setting.

4. Results

4.1. Evaluation of Measurement Model

The evaluation of the measurement model begins with an assessment of construct validity and reliability, as presented in Table 1.

Table 1. Result of Construct Validity and Reliability

Variable(s)	Loadings	Composite Reliability	Cronbach Alpha	Average Variance Extracted
Employee Engagement	EE_1	0.713	0.931	0.602
	EE_2	0.732		
	EE_3	0.852		
	EE_4	0.826		
	EE_5	0.877		
	EE_6	0.806		

Variable(s)		Loadings	Composite Reliability	Cronbach Alpha	Average Variance Extracted
Job Insecurity	EE_7	0.715	0.903	0.873	0.61
	EE_8	0.726			
	EE_9	0.716			
	JI_1	0.812			
	JI_2	0.828			
	JI_3	0.740			
	JI_4	0.784			
	JI_5	0.777			
	JI_6	0.739			
Job Performance	JP_1	0.867	0.967	0.961	0.762
	JP_2	0.862			
	JP_3	0.879			
	JP_4	0.887			
	JP_5	0.873			
	JP_6	0.889			
	JP_7	0.885			
	JP_8	0.834			
	JP_9	0.881			

The results of the measurement model evaluation, as shown in Table 1, demonstrate strong construct validity and reliability for all variables involved in the study—Employee Engagement, Job Insecurity, and Job Performance. The validity of the constructs is first assessed through the factor loadings of each item. All individual indicators show loading values above the acceptable threshold of 0.70, indicating that each item adequately represents its corresponding latent construct. For Employee Engagement, the item loadings range from 0.713 to 0.877, suggesting good convergent validity. Similarly, Job Insecurity has item loadings ranging from 0.739 to 0.828, while Job Performance exhibits exceptionally high loadings between 0.834 and 0.889, further reinforcing the measurement's robustness. Reliability is assessed using Composite Reliability (CR) and Cronbach's Alpha. All three constructs exceed the commonly accepted threshold of 0.70 for both metrics, with CR values of 0.931 (Employee Engagement), 0.903 (Job Insecurity), and 0.967 (Job Performance), and Cronbach's Alpha values of 0.917, 0.873, and 0.961, respectively. These values confirm a high level of internal consistency among the items within each construct. Additionally, the Average Variance Extracted (AVE) for each construct exceeds the minimum threshold of 0.50, with values of 0.602 for Employee Engagement, 0.610 for Job Insecurity, and 0.762 for Job Performance. This indicates that each construct explains more than half of the variance of its indicators, supporting adequate convergent validity. Collectively, these results affirm that the measurement model demonstrates good psychometric properties and is suitable for further structural model analysis.

Table 2. Result of Discriminant Validity using Fornell and Larcker Criterion

Variable(s)	Employee Engagement	Job Insecurity	Job Performance
Employee Engagement	0.776		
Job Insecurity	0.610	0.781	
Job Performance	0.762	0.602	0.873

Table 2 presents the results of the discriminant validity analysis using the Fornell and Larcker criterion. According to this criterion, discriminant validity is established when the square root of the Average Variance Extracted (AVE) for each construct is greater than its correlations with other constructs in the model. The diagonal values in the table represent the square roots of the AVE for each construct: 0.776 for Employee Engagement, 0.781 for Job Insecurity, and 0.873 for Job Performance. These values are higher than the off-diagonal correlations, indicating that each construct shares more variance with its own indicators than with those of other constructs. Specifically, the square root of the AVE for Employee Engagement (0.776) exceeds its correlations with Job Insecurity (0.610) and Job Performance (0.762). Similarly, Job Insecurity's square root of AVE (0.781) is greater than its correlations with Employee Engagement (0.610) and Job Performance (0.602). Lastly, the square root of the AVE for Job Performance (0.873) is also greater than its correlations with Employee Engagement (0.762) and Job Insecurity (0.602). These findings indicate that each

construct is empirically distinct from the others, thus confirming the presence of discriminant validity in the measurement model.

4.2. Evaluation of Structural Model

In structural equation modeling (SEM), evaluating the structural model's coefficient determination and effect size is essential to assess the model's predictive power and the strength of relationships among the variables. The coefficient determination, often represented by R^2 , indicates how well the independent variables explain the variance in the dependent variables. Effect size, on the other hand, helps to understand the magnitude of the relationships in the model, providing insights into the practical significance of the findings. This section aims to explore the evaluation of these metrics and their implications for the validity and robustness of the proposed structural model.

Table 3. Result of Coefficient Determination and Effect size

Variable(s)	R Square	R Square Adjusted	f Square
Employee Engagement	0.468	0.462	0.384
Job Performance	0.414	0.401	

Table 3 presents the results of the evaluation of the structural model, specifically focusing on the coefficient of determination (R^2), adjusted R^2 , and effect size (f^2) for the two constructs, Employee Engagement and Job Performance. The R^2 value represents the proportion of variance explained by the independent variables in the model. For Employee Engagement, the R^2 value is 0.468, indicating that 46.8% of the variance in Employee Engagement is explained by the independent variables. This suggests a moderate level of explanatory power, though other factors may contribute to Employee Engagement that are not captured by the model. Similarly, the R^2 for Job Performance is 0.414, meaning that 41.4% of the variance in Job Performance is explained by the model, which also shows a reasonable degree of explanatory power. The adjusted R^2 values are slightly lower than the unadjusted R^2 values, with Employee Engagement having an adjusted R^2 of 0.462 and Job Performance having an adjusted R^2 of 0.401. These adjustments reflect the correction for overfitting, and although the reductions are minor, they suggest that the model could potentially be improved by adding other relevant predictors or refining existing variables. The f^2 value for Employee Engagement is 0.384, which is considered a large effect size. This indicates that the independent variables in the model have a substantial impact on explaining the variance in Employee Engagement. However, no f^2 value is provided for Job Performance, which may suggest that further analysis is required to assess the effect size for this variable. Overall, the results indicate that the model has a moderate explanatory power for both Employee Engagement and Job Performance, with a strong effect size for Employee Engagement. There is room for improvement in the model, particularly for Job Performance, where further exploration of additional predictors may help enhance the model's explanatory power.

4.3. Hypothesis Testing

Hypothesis testing for direct effects in structural equation modeling (SEM) is crucial for determining whether the relationships between variables are statistically significant. Direct effects represent the direct influence of one variable on another, without the mediation of any other variable. By testing these hypotheses, researchers can assess the strength and significance of the direct relationships proposed in the model. This section will focus on the methodology for testing direct effects, including the use of path coefficients, p-values, and confidence intervals to draw conclusions about the significance of these relationships in the context of the model. The result as seen in Table 4:

Table 4. Result of Hypothesis for Direct Effect

Path Analysis	Original sample	Sample mean	Std. Dev	T-Stats	P-Value
Employee Engagement --> Job Performance	0.281	0.277	0.112	2.511	0.012
Job Insecurity --> Employee Engagement	0.684	0.693	0.045	15.171	0.000
Job Insecurity --> Job Performance	0.417	0.428	0.104	4.002	0.000

The results presented in Table 4 show the outcomes of hypothesis testing for the direct effects in the path analysis model, focusing on the relationships between Employee Engagement, Job Insecurity, and Job Performance. The analysis reveals a positive relationship between Employee Engagement and Job Performance, with an original sample coefficient of 0.281 and a sample mean of 0.277. This indicates that higher levels of employee engagement are

associated with improved job performance. The standard deviation of 0.112 suggests some variability in the observed data, while the T-statistic of 2.511 and a p-value of 0.012 confirm that this relationship is statistically significant at the 5% level. The relationship between Job Insecurity and Employee Engagement is particularly strong, with a coefficient of 0.684 and a sample mean of 0.693. This indicates that higher levels of job insecurity lead to increased employee engagement, which may be explained by employees' efforts to enhance their job satisfaction or performance in uncertain work environments. The standard deviation of 0.045 shows relatively low variability in the data, and the T-statistic of 15.171, along with a p-value of 0.000, confirms that this effect is highly significant. Job Insecurity also has a significant positive effect on Job Performance, with a coefficient of 0.417 and a sample mean of 0.428. This suggests that employees experiencing job insecurity may be motivated to perform better in their roles. The standard deviation of 0.104 and the T-statistic of 4.002, along with a p-value of 0.000, indicate that this relationship is statistically significant. Overall, the results highlight the significant role of Job Insecurity in shaping both Employee Engagement and Job Performance, while also showing that Employee Engagement has a positive but relatively weaker influence on Job Performance.

In addition, hypothesis testing for indirect effects in structural equation modeling (SEM) focuses on evaluating the mediated relationships between variables, where the effect of one variable on another occurs through one or more intermediary variables. Indirect effects are critical for understanding the underlying mechanisms that explain how and why certain relationships occur. This section will examine the process of testing indirect effects, including the estimation of mediation effects, the calculation of product terms, and the assessment of statistical significance through bootstrapping methods. By evaluating these indirect pathways, researchers can gain deeper insights into the complexity of the relationships within the model. The result as seen in Table 5 below:

Table 5. Result of Hypothesis for Indirect Effect

Path Analysis	Original sample	Sample mean	Std. Dev	T-Stats	P-Value
Job Insecurity --> Employee Engagement --> Job Performance	0.192	0.192	0.005	38.094	0.000

The results presented in Table 5 provide the findings for the indirect effect in the path analysis model, specifically examining the mediating role of Employee Engagement in the relationship between Job Insecurity and Job Performance. The coefficient for the indirect path, Job Insecurity → Employee Engagement → Job Performance, is 0.192, with a sample mean of 0.192, suggesting a moderate indirect effect of Job Insecurity on Job Performance through Employee Engagement. The standard deviation is very low at 0.005, indicating minimal variability in the observed values. The T-statistic for this indirect path is exceptionally high at 38.094, and the p-value is 0.000, indicating that the indirect effect is highly significant. These results confirm that Employee Engagement plays a crucial mediating role in the relationship between Job Insecurity and Job Performance, with Job Insecurity influencing Job Performance indirectly through its impact on Employee Engagement.

5. Discussion

5.1. The Effect of Job Insecurity on Employee Engagement

The analysis, conducted using Structural Equation Modeling (SEM) supported by statistical software, reveals that job insecurity has a significant effect on employee engagement. This conclusion is based on a p-value of 0.012, which is below the standard threshold of 0.05, thereby supporting the proposed hypothesis. Interestingly, the t-value has a positive coefficient, suggesting that when employees at RSUD Dr. H. Moh. Anwar Sumenep perceive their job positions as insecure; they tend to increase their work efforts. This behavior appears to be a coping strategy aimed at demonstrating their commitment and value to the organization in hopes of securing their positions. Such behavior reflects a form of proactive engagement, where employees strive to exhibit strong organizational attachment, work ethic, and performance, in response to perceived threats to job security. Their goal is to be recognized by management as dedicated and indispensable, potentially safeguarding their employment despite dynamic internal or external organizational changes.

These findings contrast with the general theoretical framework, which typically posits that job insecurity negatively affects employee engagement. Previous studies, such as those by Jung et al. (2021) and Karatepe et al. (2020), concluded that increased job insecurity correlates with decreased engagement. These scholars argued that job insecurity triggers psychological distress, undermining job satisfaction and overall well-being (Darvishmotevali & Ali, 2020). According to De Cuyper et al. (2019) and Sverke et al. (2002), employees facing job insecurity experience diminished mental focus, which restricts their ability to perform optimally. In this context, employees often feel conflicted—while they may wish to engage more, their uncertainty about job continuity fosters disengagement (Greenhalgh & Rosenblatt, 1984). Therefore, before developing strategies to enhance employee engagement,

organizations must first address job insecurity (Jung et al., 2021; Karatepe et al., 2020). Engagement is understood as a psychological state characterized by enthusiasm, satisfaction, and commitment to one's work, driven by intrinsic motivation (Tabak & Hendy, 2016). Nonetheless, the present study's findings indicate that job insecurity does not always have a detrimental effect. In line with Permatasari and Hadi (2018), this study found that job insecurity can positively and significantly influence employee engagement, suggesting the presence of contextual or individual differences in response to insecurity.

5.2. The Effect of Job Insecurity on Job Performance

The SEM analysis further demonstrates that job insecurity has a significant effect on job performance. With a p-value of 0.000—well below the 0.05 significance threshold—the hypothesis is empirically supported. The positive t-value suggests that employees who perceive their jobs as insecure tend to improve their performance, possibly as an effort to prove their worth and maintain their positions. Theoretically, employees generally prefer stable and secure work environments, which are conducive to optimal performance (De Cuyper et al., 2019; Callea et al., 2014). A lack of such assurance often leads to job insecurity, where individuals feel powerless and perceive threats to their employment (Darvishmotevali et al., 2017; Darvishmotevali & Ali, 2020). Job insecurity, understood as a multidimensional construct encompassing various aspects of employment conditions (Ruvio & Rosenblatt, 1999), typically evokes fear and anxiety. Yet, this fear can also act as a motivational force, compelling employees to work harder in an effort to safeguard their employment. These results align with the findings of Aprianita and Nurhayati (2021), who observed that while job insecurity had a positive influence on job performance, the effect was not statistically significant. However, the present study confirms a statistically significant positive relationship, indicating that under certain conditions, job insecurity may enhance performance as a self-preservation strategy.

5.3. The Effect of Employee Engagement on Job Performance

The results of SEM analysis also confirm a significant influence of employee engagement on job performance, supported by a p-value of 0.000. This value is lower than the 0.05 threshold, affirming the proposed hypothesis. The positive t-value suggests that employees who are strongly engaged with their organization are more likely to exert maximal effort and deliver superior performance. At RSUD Dr. H. Moh. Anwar Sumenep, such engagement is characterized by a strong emotional attachment to the organization, fostering behaviors akin to those of a family member rather than a mere employee. Employee engagement, as defined by Tabak and Hendy (2016), reflects a positive psychological state that includes satisfaction, enthusiasm, and a high degree of dedication to one's work. Engaged employees typically exhibit high energy levels and actively seek to contribute to organizational success (Aulia, 2016). Karatepe et al. (2020) further described engaged employees as those who demonstrate commitment and strong contributions toward achieving organizational goals. This level of dedication directly translates to improved job performance. In the organizational context, performance encompasses both technical-administrative tasks and leadership functions (Marchewka et al., 2020). Technical-administrative performance involves planning, organizing, and executing daily tasks using one's professional skills and judgment. Leadership performance, on the other hand, entails setting strategic goals, enforcing standards, motivating subordinates, and offering constructive feedback (Pradhan & Jena, 2017; Tripathi, 2014). Hence, employee engagement plays a crucial role in enhancing job performance. This conclusion is corroborated by findings from Ismail et al. (2018) and Sugianingrat et al. (2019), who found that higher levels of engagement significantly and positively influence performance outcomes.

5.4. Employee Engagement mediates the relationship between job insecurity and job performance

These findings demonstrate that employee engagement serves as a mediating (intervening) variable in the relationship between job insecurity and job performance. In this context, employee engagement reflects a positive psychological state characterized by satisfaction, enthusiasm, and a strong sense of motivation and dedication toward one's work (Aulia, 2016). Engaged employees are more likely to exert full effort and energy in their roles, contributing significantly to both personal and organizational goals. Such engagement is particularly critical for non-civil servant (non-PNS) employees who often face uncertainty regarding their employment continuity. For these individuals, engagement can play a vital role in mitigating the adverse psychological effects of job insecurity, including anxiety, stress, worry, and uncertainty about future employment (Schaufeli & Bakker, 2003; Balakrishnan et al., 2013). As employees become more engaged, they tend to develop greater mental resilience, enthusiasm, and seriousness in their work, which in turn positively influences their job performance. This transformation in attitude and emotional state contributes meaningfully to improved performance outcomes. Therefore, employee engagement not only buffers the negative effects of job insecurity but also serves as an important consideration for organizational management in evaluating employee suitability for contract extensions or long-term employment decisions.

6. Conclusions

This study concludes that job insecurity significantly influences employee engagement. This suggests that when employees at RSUD Dr. H. Moh. Anwar Sumenep perceive their positions as unstable; they tend to exert greater effort in their work to demonstrate their commitment to the organization and leadership. Job insecurity also significantly impacts job performance. When employees feel insecure in their roles, they are motivated to perform to the best of their abilities, aiming to prove their value and worth to the organization, thereby justifying their retention. Employee engagement has a significant effect on job performance. Employees with a strong sense of attachment and belonging to the organization tend to give their best efforts, contributing positively to the company's performance. Furthermore, employee engagement acts as an intervening variable in the relationship between job insecurity and job performance.

6.1. Policy Implications

The findings of this study provide important insights for hospital management and policymakers in the public health sector. To enhance employee performance, it is crucial to address the psychological aspects of job insecurity. Policies should be designed to ensure job stability through transparent communication, fair performance evaluation systems, and career development opportunities. Additionally, fostering a supportive organizational culture that encourages emotional well-being can help enhance employee engagement. Training programs that focus on building emotional intelligence and resilience among employees may further contribute to improving both engagement and performance. Managers should also be trained to identify signs of disengagement and job insecurity and intervene early with appropriate support mechanisms.

6.2. Suggestions for Future Research

Future studies should consider expanding the sample size and including hospitals from different regions to increase the generalizability of the findings. Additionally, incorporating other variables such as organizational culture, leadership style, and work-life balance may provide a more comprehensive understanding of the factors influencing employee engagement and performance. Longitudinal studies could also be conducted to examine how job insecurity and engagement evolve over time and their long-term effects on employee outcomes. Furthermore, qualitative approaches such as interviews or focus groups may provide deeper insights into the personal experiences and coping strategies of employees facing job insecurity. By addressing these areas, future research can contribute to the development of more robust strategies for improving employee well-being and organizational effectiveness in the healthcare sector.

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