



Investigating the Impact of Job Insecurity and Burnout towards Employee Performance in Mitsubishi Pontianak: The Mediating Role of Work Engagement

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

Aims: This study examined the effects of job insecurity and burnout on employee performance and work engagement as mediating variables at Mitsubishi Pontianak.

Study Design: A quantitative approach was used to investigate this study, and as many as 233 respondents who met the required requirements participated.

Place and Duration of Study: The study took place at Pontianak, West Kalimantan with Mitsubishi Pontianak as a background study and was conducted between September 2022 and November 2022.

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Methodology: The samples included a total of 233 respondents (80 men, 153 women; age range 20-50 years). The sample criteria in this study were all workers with active status without any minimum years of service and age requirements. Researchers used AMOS 24 software and structural equation modeling (SEM) to process the data.

Results: The t-score value of job insecurity on employee performance is -3.630, which is greater than the t-table value (1.96) and the p-value shows a number below 0.001, less than 0.05 ($\alpha = 0.05$). These results indicate that job insecurity has a statistically significant negative relationship with employee performance. The test also showed that there is a negative relationship between burnout and employee performance. It proved by the t-score of burnout indicates this on employee performance of -2.234 and a p-value of less than 0.05, which is 0.25. Job insecurity and burnout have a negative indirect influence on employee performance via job engagement.

Conclusion: This research found that job insecurity and burnout significantly influenced employee performance at Mitsubishi Pontianak. That indicates job insecurity and burnout were statistically significant factors influencing employee performance. Work engagement serves as a mediator, indirectly strengthening the impact of job insecurity and burnout on employee performance.

Keywords: Job insecurity; burnout; work engagement; employee performance; Mitsubishi.

1. INTRODUCTION

Globalization has advanced the technology and education sectors, increased the quality of Human Resources (HR), and made the employment market more competitive. Workplace competition has undoubtedly intensified in Indonesia during the previous few decades. This is seen by the rise in the workforce from the previous year from 140.15 million to 144.01 million in 2022 [1,2]. Intense and competitive competition is not only felt by employees but also by job seekers. This triggers employees to feel anxious and insecure about the job they have or what is often referred to as job insecurity.

Job insecurity is still a hot topic of conversation in the last two decades because of its significant adverse effects on employees and companies [3]. Until recently, job insecurity has been identified as one of the most significant stresses for employees [4,5]. Job insecurity occurs when employees feel helpless and intimidated by the continuation of their current position since they are still determining where they will go if they retain the job [6]. The perceived insecurity and uncertainty will make workers consider how long it will take them to maintain their job [7]. It was found that many workers who felt insecure about their jobs were faced with circumstances where their attitudes and behavior did not work as expected, both from the workers themselves and from the company's side [8]. Employees experiencing job insecurity are likely to be concerned about their future since they are still determining whether their present employment status will be

retained. This feeling makes it difficult for employees to decide how to prepare for the future [9].

In addition to feeling uncertain about their work, employees in this competitive era are prone to burnout, where the energy or motivation of employees to complete their work is reduced [10]. Burnout syndrome is not a foreign term for many people and has been a phenomenon that has been researched for a long time [11]. One disadvantage of this condition is that most workers who experience it tend to lock themselves off from what they genuinely feel, leaving those around them clueless and unable to answer these difficulties [12]. The danger faced by workers who suffer burnout is a drop-in job satisfaction which will also impact the quality of life of these individuals [13,14]. Burnout impacts not only physical but also emotional exhaustion. Heavy pressure and job demand burden workers, so burnout appears in employees slowly. Employees suffering from burnout exhibit extreme weariness, anger, and distrust of their surroundings [15]. Burnout is thought to diminish employees' ability to make contributions that impact the company over time [10].

Employee performance is one of the most important factors for maintaining a company's existence. All approaches taken by the company will focus on employee performance. Employee performance is a foundation in an organization or company that frequently receives greater attention since it affects a company's success or failure [16]. Employee performance is a standard for determining how

well or inadequately an employee performs at work [17]. Employee performance refers to how an employee determines and implements his or her work [18]. Job insecurity will affect employee behavior at work because uncertainty about the future of the job that is currently owned makes employees emotionally disturbed [8], which will ultimately have a negative impact on the performance of company employees [19]. Results from other studies also state that decreasing subjective well-being in employees as a result of job insecurity causes employee performance to decrease [18]. Employee performance is negatively impacted by job insecurity and burnout. Employees are less able to achieve the company's expectations due to the impacts of burnout, and their performance suffers as a result [20]. Employee performance and burnout have a significant negative association because burnout alters workers' perceptions of their work in a negative way [10].

To keep the company's favorable trend of employee performance going, it is important to include employees in morale-boosting events. Work involvement is also essential in keeping employees from experiencing job insecurity since job instability poses several hazards that can affect employee productivity and performance. Three dimensions need to be considered to build work engagement within the company: vigor, absorption, and dedication [21]. Vigor refers to the positive energy of employees with a high willingness to learn new things, find solutions to problems they face, and always give their best at work [22]. Meanwhile, absorption is characterized by employees' total concentration at work and feeling happy with their work [21,23]. Employees with a high level of dedication will do their job with pride and enthusiasm. They also see their work not as a burden but as a challenge [24]. Maximum handling may be obtained by completely comprehending the significance of work engagement and incorporating it into firm work operations to sustain staff performance [25]. Workers with a high level of engagement will tend to think that the job they have is not a burden that can trigger boredom and stress [26]. Therefore, the performance of these employees will be maintained and even increased [15]. Burnout has a more significant potential to be felt by employees with a low level of engagement, and this is a challenge for both employees and the company to determine the best way to deal with this problem [27].

The phenomenon of competitiveness in the workplace, which is becoming more intense by the year, produces stress and exhaustion in employees, affecting their physical health and having to be examined more thoroughly. This study will demonstrate how job uncertainty and burnout affect employee performance. In addition, this study also describes the role of job engagement as a mediating variable so that it is intended to give a broader understanding.

2. MATERIALS AND METHODS

2.1 Sampling and Data Collection

The number of employees in Mitsubishi Pontianak were 233 employees. The researchers included all of the population as the sample because the sampling criteria in this study were all workers with active status without any minimum years of service and age requirements. Before distributing the questionnaires, the researchers obtained permission, and the questionnaires were distributed online. The sample collection site was restricted by disseminating it solely to the Mitsubishi Company's Pontianak branch.

2.1.1 Data analysis

This study's measurement and structural models were analyzed and evaluated using Structural Equation Modeling (SEM) with the AMOS 24 statistical tool. There are nine goodness of fit index parameters to measure and assess the fit test model in this study, namely chi-square (χ^2), Root Mean Square Error of Approximation (RMSEA), root means squared residual (RMR), goodness of fit index (GFI), Tucker Lewis Index (TLI), Incremental Fit Index (IFI), Comparative Fit Index (CFI), Normed Fit Index (NFI). In addition to testing the fit model, researchers also tested the validity value derived from the value of the standardized loading factor (SLF), where the value obtained must be ≥ 0.50 [28]. The reliability value is obtained based on construct reliability (CR) tabulation and average variance extracted (AVE) values. After that, researchers analyze the hypotheses formed based on theoretical studies and evidence from previous studies that have been accepted or rejected. To test the hypotheses that is classified as having a causal relationship, it is necessary to achieve a t-test value $\geq t$ table (1.96) with a significant level of α (with $\alpha = 0.05$). In the final stage, the researcher tested the value of the role of the mediating variable whether it was significant or not by using