

The effect of job insecurity and work overload on outsourcing employee performance with job satisfaction as a mediating variable at PT. Swabina Gatra Gresik

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Abstract

This study aims to analyze the effect of job insecurity and work overload on employee performance through job satisfaction as a mediating variable at PT. Swabina Gatra Gresik. The research background stems from the phenomenon of suboptimal performance among security personnel, which is suspected to be influenced by job uncertainty and excessive workload. These conditions create psychological pressure, reduce motivation, and ultimately lower both job satisfaction and performance. The research employed a quantitative approach by collecting data through questionnaires distributed to 108 outsourcing employees at PT. Swabina Gatra Gresik. Data analysis was conducted using the Partial Least Squares (PLS) method to examine direct and mediating relationships among variables. Validity and reliability tests were also performed to ensure the accuracy of measurement within the research model. The results showed that job insecurity had a significant effect on employee performance, whereas work overload did not significantly affect employee performance. Furthermore, job satisfaction significantly mediated the relationship between job insecurity and employee performance, but did not significantly mediate the effect of work overload on employee performance. These findings highlight the importance of managing employees' sense of job security to enhance satisfaction and performance, while workload management requires further attention to maintain balance and efficiency among outsourcing employees.

Keywords: Job Insecurity; Work Overload; Job Satisfaction; Employee Performance

1. Introduction

Employee performance is a crucial aspect of organizations and businesses, measured based on the results of efforts over a certain period, in accordance with set targets and standards (Astika et al., 2022). The phenomenon at PT. Swabina Gatra shows that the performance of outsourcing security staff is still not optimal, as evidenced by stagnant performance values, even though PT. Swabina Gatra has provided training, mentoring, and conducted regular performance evaluations. This condition is closely related to the characteristics of outsourcing employees, which are full of uncertainty, such as short-term contracts that heavily depend on cooperation with the client company, leading to high job insecurity. This results in anxiety, stress, and a decline in motivation and commitment from outsourcing employees to their work. On the other hand, excessive workloads and high overtime hours, especially in areas with large work zones and high activity levels, can lead to work overload, which triggers physical and mental exhaustion, increases the risk of mistakes, and reduces the quality of security staff performance.

Job satisfaction plays an important role in mediating the relationship between job insecurity and work overload on employee performance. When outsourcing employees feel unappreciated or pressured by job uncertainty and heavy workloads, they tend to feel dissatisfied with their jobs, which ultimately affects their performance. Conversely,

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outsourcing employees who feel secure in their jobs and have a balanced workload are more likely to be satisfied with their work, which enhances motivation and performance (Augistine, et al., 2022).

This phenomenon is in line with the Goal Setting Theory developed by Edwin Locke and Gary Latham (1968), which emphasizes the importance of setting clear, challenging, and realistic work goals to motivate employees to work optimally. This theory also highlights that working conditions, organizational support, and performance feedback play important roles in maintaining motivation and job satisfaction.

Although many studies show a negative relationship between job insecurity and performance, some findings show inconsistency. For instance, Runtu et al. (2023) found a significant effect between job insecurity and employee performance, while Amin and Pancasasti (2022) did not find a negative and significant effect between job insecurity and employee performance. The same inconsistency occurs with the variable work overload, where Purwanto et al. (2024) found a significant effect on performance, but Triana et al. (2023) stated that work overload does not affect employee performance. Additionally, studies on job satisfaction, such as those conducted by Malau and Kasmir (2021), show that job satisfaction significantly affects employee performance. It can be concluded from several previous studies that the higher the job satisfaction, the higher the performance achieved by employees. However, Annisa et al. (2022) argue the opposite, stating that job satisfaction has no effect on employee performance.

On the other hand, there is an interesting research gap to explore, as previous studies on the effects of job insecurity and work overload on performance have yielded inconsistent results. Some studies find a significant negative effect, while others show no significant effect, either directly or through job satisfaction. This inconsistency opens the opportunity for further research in the context of outsourcing security staff at PT. Swabina Gatra to re-examine how job insecurity and work overload affect performance with job satisfaction as an intervening variable. This can provide theoretical and practical contributions to human resource management at PT. Swabina Gatra.

2. Material and methods

2.1. Literature and Hypotheses

2.1.1. Theory Goal Setting

According to Locke and latham (1968), Goal Setting Theory is a major theory (grand theory). Goal setting theory is a form of performance theory. In Goal Setting Theory, individuals have several goals, choose goals, and employees are motivated to achieve these goals. Goal setting theory emphasizes the importance of the relationship between set goals and resulting performance. The Goal Setting Theory approach is used to measure good performance in carrying out work as its goal, where the goal will be achieved if the employee has an adequate level of ability. Ability refers to an individual's capacity to perform various tasks in a job.

2.1.2. Job Insecurity

The definition of job insecurity according to Greenhalgh and Rosenblatt (1984), Job Insecurity is defined as a condition where a person feels unable to maintain his job in threatening conditions. According to Amin and pancakesati (2022), job insecurity refers to a situation that continuously threatens employees with various insecurities in the workplace at their company.

- H1 : Job insecurity has a positive effect on employee performance

2.1.3. Work Overload

According to Ewaldy et al., (2022), workload is an activity or process that a worker must complete within a certain time. Workload takes the form of psychological and physical workload. Physical workload refers to the severity of the task, such as pushing or lifting. Psychological workload, on the other hand, relates to a person's skill level. Everyone has experienced work overload at some point. Work overload is a condition that occurs when the environment places demands beyond an individual's capabilities (Masriati et al., 2020).

- H2 : Work overload has a positive effect on employee performance

2.1.4. Job Satisfaction

The definition of job satisfaction according to Robbins and Judge, (2017) Job satisfaction is a positive feeling that a person has about their job based on an evaluation of the characteristics of the job. Another definition by Hasibuan (2014), job satisfaction is an emotional behavior experienced by someone who enjoys and enjoys their work. This behavior is characterized by work roles, discipline, and work performance. This emotional behavior is essentially individual.

- H3 : Job insecurity has a positive effect on employee performance through job satisfaction

2.1.5. Employee Performance

The definition of performance is a work result achieved by an individual that is adjusted to the individual's role or task in an organization that is linked to a certain value measure or standard of the organization where the individual works (Bernardin & Russell, 1993). According to Kogoya and Anwar (2020), performance is defined as a description of the level of achievement of the implementation of an activity, program, or policy in order to realize the goals, objectives, vision, and mission of the organization, such as the organization's strategic plan.

- H4 : Work overload has a positive effect on employee performance through job satisfaction

3. Methodology

The research method used in this thesis is a quantitative approach with a causal associative design. The aim is to analyze the influence of job insecurity and workload on employee performance, with job satisfaction as a mediating variable. The population used in this study was PT. ECCO, PT. SIG, and PT. ETIKA, totaling 108 employees who are partners of PT. Swabina Gatra Gresik's security outsourcing department. The sampling technique used was saturated or census sampling, with 108 outsourced security employees of PT. ECCO, PT. SIG, and PT. ETIKA, all partners of PT. Swabina Gatra. The criteria set for this study were as follows:

- Age between 18 and 55 years
- Outsourced security employees of PT. ECCO, PT. SIG, and PT. ETIKA, all partners of PT. Swabina Gatra.

Table 1 Variable Indicators

| Variables | Indicators | Sources |
|--------------------------|---|----------------------------|
| Job Insecurity (X1) | Job loss insecurity Organizational insecurity Job change insecurity Marginalization Insecurity | O'neil and Sevastos., 2013 |
| Work Overload (X2) | Time load Mental effort load Psychologis stress load | Tarwaka, 2014 |
| Job Satisfaction (Z) | Work It Self Supervision Worker Promotion | Robbins and Judge, 2017 |
| Employee Performance (Y) | Quality of work Initiative Adaptability Cooperation | Suwanto and Donni, 2016 |

Source: smart-PLS output (2025)

The independent variables included job insecurity and workload. The dependent variable was employee performance, with job satisfaction as an intervening variable. The questionnaire was distributed via Google Forms and contained 15 questions. Data analysis was performed using Smarts 4.0.

4. Result

4.1. Construct Validity and Reliability

Quality of construct measurement through reliability and validity tests. Construct reliability uses Cronbach's Alpha and Composite Reliability. Reliability test to ensure that the construct is free from measurement bias. Next, the instrument validity test uses the combined loading and cross loading methods, namely average variance extracted (AVE) for convergent validity and square root AVE for discriminant validity.

Table 2 Construct Validity and Reliability

| | Cronbach's Alpha | Composite reliability (rhea) | Composite Reliability (hoc) |
|--------------------------|------------------|------------------------------|-----------------------------|
| Job Insecurity (X1) | 0.734 | 0.764 | 0.835 |
| Work Overload (X2) | 0.715 | 0.743 | 0.801 |
| Job Satisfaction (Y) | 0.789 | 0.799 | 0.809 |
| Employee Performance (Z) | 0.773 | 0.776 | 0.854 |

Source: smart-PLS output (2025)

As shown in Table 2, the Cronbach's alpha value of the four latent variables is higher than the threshold value of 0.70 (Hair et al., 2019). Likewise, the Composite Reliability Coefficient of the four latent variables is more than the threshold value of 0.70 (Hair et al., 2019). Thus, the four latent variables meet the reliability requirements, and the latent variables have good internal consistency, and the indicators are construct measures. For validity, use the AVE value. The results show that it has good validity because the estimated AVE value is higher than the specified standard normal value, namely 0.50.

4.2. Construct Validity and Reliability

Table 3 Outer Loading

| Indicators | Job Insecurity (X1) | Work Overload (X2) | Job Satisfaction (Y) | Employee Performance (Z) |
|------------|---------------------|--------------------|----------------------|--------------------------|
| X1.1 | 0.797 | | | |
| X1.2 | 0.839 | | | |
| X1.3 | 0.762 | | | |
| X1.4 | 0.775 | | | |
| X2.1 | | 0.742 | | |
| X2.2 | | 0.796 | | |
| X3.3 | | 0.792 | | |
| Y1 | | | 0.755 | |
| Y2 | | | 0.775 | |
| Y3 | | | 0.758 | |
| Y4 | | | 0.794 | |
| Z1 | | | | 0.759 |
| Z2 | | | | 0.709 |
| Z3 | | | | 0.719 |

| | | | | |
|----|--|--|--|-------|
| Z4 | | | | 0.780 |
|----|--|--|--|-------|

Source: smart-PLS output (2025)

Table 3 illustrates that the factor loading of each indicator of the four latent variables is more than the threshold value of 0.5 (Ghazali, 2015). It can be concluded that all indicators in the four latent variables have good validity, and based on empirical results, this research model is free from potential measurement bias.

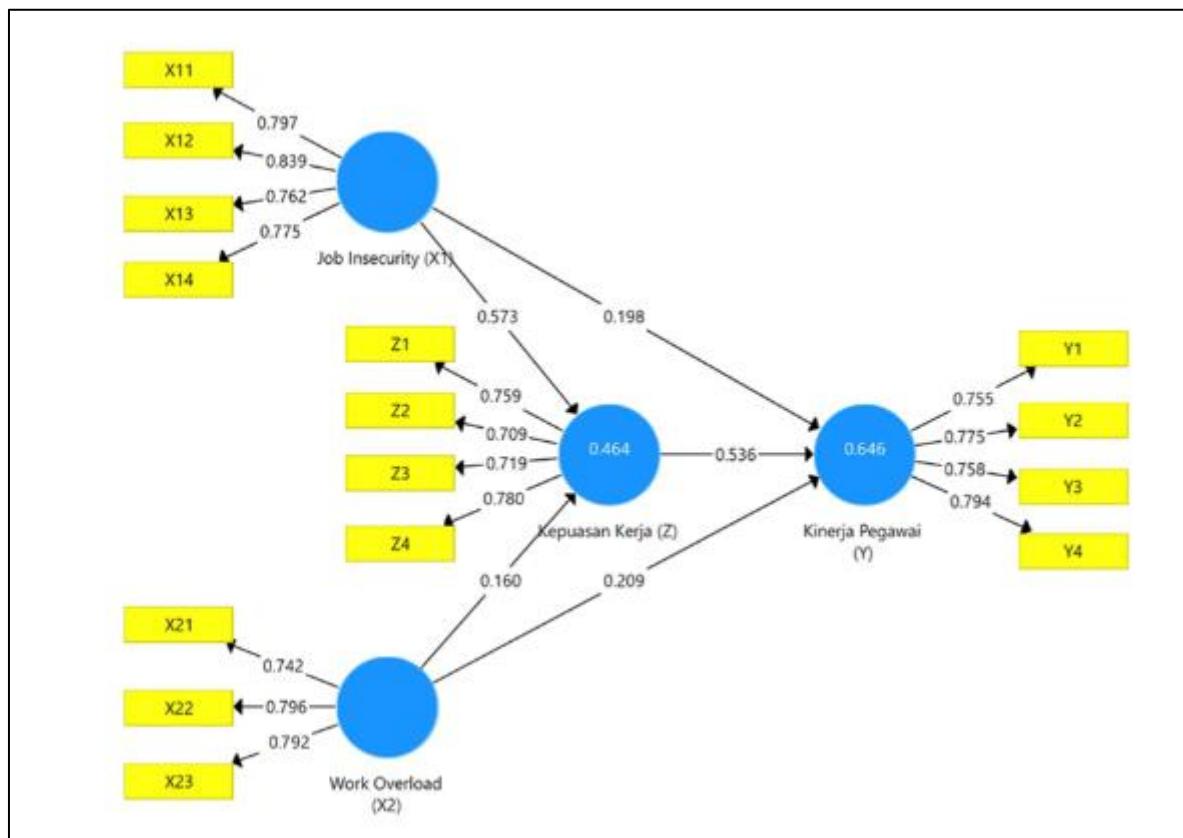


Figure 1 Outer Model

The estimated loading factor results for each construct indicator show that all indicators have met the validity criteria and are suitable for use, with loading factor values above 0.7. Because they have an additional factor value of 0.70 or more, each indicator meets the validity criteria. Therefore, validity through external load has been tested, and the measurement model is considered suitable to proceed to the next testing stage. Overall, the research variables Job Insecurity, Work Overload, Employee Performance and Job Satisfaction have AVE square root values greater than their correlation values with other variables, thus fulfilling discriminant validity.

Table 4 R Square

| | R Square | R Square Adjusted |
|--------------------------|----------|-------------------|
| Employee Performance (Y) | 0.646 | 0.630 |

Source: smart-PLS output (2025)

This model has the ability to explain 64.60% of the variability in Employee Performance, as indicated by an R² value of 0.646. This means that employee performance is influenced by the variables Job Insecurity, Work Overload, and Job Satisfaction by 64.6%, while the remaining 35.4% is influenced by other variables not included in the research model. Therefore, it can be concluded that the model in this study has a fairly good predictive value in explaining the relationships between variables. The results of the combined reliability test and Cronbach's alpha show that all constructs have acceptable reliability with values exceeding 0.7.

4.3. Hypothesis Result

Table 5 Hypothesis Result

| Hypothesis | | Original Sample (0) | P-Values | Information |
|-------------------|---|----------------------------|-----------------|--------------------|
| H1 | Job Insecurity (X1) -> Employee Performance (Y) | 0.198 | 0.027 | Significant |
| H2 | Work Overload (X2) -> Employee Performance (Y) | 0.209 | 0.276 | Non Significant |
| H3 | Job Insecurity (X1) -> Job Satisfaction (Z) -> Employee Performance (Y) | 0.307 | 0.000 | Significant |
| H4 | Work Overload (X2) -> Job Satisfaction (Z) -> Employee Performance | 0.086 | 0.337 | Non Significant |

Source: smart-PLS output (2025)

5. Discussion

This study shows that job insecurity plays an important role in improving employee performance at PT. Swabina Gatra Gresik. This finding is in line with the Goal Setting theory proposed by Locke and Latham (1968), which states that clear goal-setting can enhance individual motivation and performance. When outsourcing employees feel that their position is not fully secure, they tend to work harder to retain their jobs. This study is consistent with the findings of Kinanti et al. (2020), which show that job insecurity can motivate employees to improve their performance in an effort to maintain job continuity.

However, this study also shows that high workload or work overload does not have a significant impact on employee performance. This contradicts the Goal Setting theory, which states that having clear goals can improve motivation and performance. When employees experience overload, their ability to set and achieve productive goals becomes impaired. In this study, despite the high workload, employees at PT. Swabina Gatra did not experience a significant decline in performance. This finding is similar to the results of Rasminingsih et al., (2021), which show that work overload does not significantly affect employee performance. This may be because security outsourcing employees are accustomed to high pressure and workload as part of their job routine, allowing them to manage and maintain productivity despite facing high work pressure.

Furthermore, job satisfaction plays a significant role in mediating the impact of job insecurity on employee performance. This study shows that even though employees feel job insecurity, their performance can still improve if they are satisfied with their jobs. This finding is supported by Habib et al., (2025) and Kuncoro & Ferine (2024), who found that job satisfaction positively strengthens the relationship between job insecurity and employee performance. Job satisfaction can serve as a motivating factor for employees to remain committed and perform well, even when facing job uncertainty.

Interestingly, in this study, job satisfaction did not mediate the impact of work overload on employee performance. This suggests that there may be other factors, aside from job satisfaction, that play a more significant role in linking workload and employee performance, or that high workload is not significant enough to impact employee performance if job satisfaction remains stable. This finding is supported by Malau & Kasmir (2021), who state that work overload does not significantly affect employee performance when job satisfaction is not drastically affected. Employees who are accustomed to a high workload can maintain their productivity even if the workload increases, as long as their job satisfaction remains stable.

Overall, the results of this study indicate that job insecurity can enhance employee performance by increasing their motivation to maintain their jobs. Meanwhile, work overload does not have a direct impact on employee performance unless the high workload reduces their job satisfaction. Other factors, aside from job satisfaction, should be considered in explaining how workload can influence employee performance in the company.

6. Conclusion

Based on the results of research and data analysis, Job insecurity plays a major role in driving the improvement of outsourced employees' performance. Although in theory job insecurity is often considered to reduce performance, in this context the feeling of insecurity actually becomes a motivation for employees to work harder in order to maintain their position in the company. Work overload was not proven to be a factor that decreases or increases the performance of outsourced employees. Employees are able to adapt to job demands as long as the company manages task distribution proportionally and ensures adequate managerial support. Job satisfaction functions as a bridge between job security and employee performance. When employees feel satisfied with their work, their perception of job security strengthens their motivation to work more optimally and focus on achieving better results. Job satisfaction has not been able to mediate the relationship between work overload and employee performance. This indicates that an increase in job satisfaction does not automatically arise from workload, so companies need to pay attention to other aspects such as reward systems, supervisor support, and work-life balance.

Compliance with ethical standards

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