

The Effect of Perceived Organizational Support and Optimism on Job Insecurity in Contract Employees

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Abstract — This study aims to examine and analyze the impact of perceived organizational support and optimism on job insecurity for contract employees. A contract worker is a worker who makes a work agreement directly with the company where the employee and the work agreement is made for a certain time. Contract employees are generally given a work load similar to permanent employees and even heavier. However, the salary and facilities provided will be very different, including the provision of severance pay when the company is no longer use the services of contract labor. In this study data collected on 118 contract employees in Columbia Asia Hospital Medan and using Likert Scale for all variables. The result is that perceived organizational support has a negative and significant effect on job insecurity for contract employees. It means that the higher the perceived organizational support felt by employees, the lower the job insecurity felt by employees. The amount of the contribution of perceived organizational support and optimism together towards job insecurity is 43.2%.

Keywords — Job Insecurity; Perceived Organizational Support; Optimism; Contract Employees

I. INTRODUCTION

The phenomenon of contract employees in Indonesia has actually been going on for quite a long time and continues to be an issue that continues to be discussed today. Based on research data conducted by the World Bank and the International Labor Organization (ILO), it shows that 35% of the 33 million formal workers in Indonesia or around 11.55 million workers are outsourced or contract workers. In the past, the number of permanent employees reached 70%, meaning that as many as 65% of current employees are employees with contract status (Fitrizky, 2012).

According to Indasari (2010), a contract worker is a worker who makes a work agreement directly with the company where he is employed and the work agreement is made for a certain time. Contract employees are generally given a work load similar to

permanent employees and even heavier. However, the salary and facilities provided will be very different, including the provision of severance pay if the company no longer uses the services of contract labor.

However, on the workers side, this creates anxieties and uncertainty about whether to continue or be dismissed from their jobs. This raises its own anxiety for employees. Although the government has issued regulations regarding contract employees, employees of contracted employees still feel anxious about their future careers. This condition raises feelings of anxiety or is known as job insecurity in the employee.

Job insecurity according to Ashford, Lee & Bobko (1989) is a level where workers feel their job is threatened and feel powerless to do anything about the situation. The current concept of job insecurity describes job insecurity as a perceived threat or risk to a job (Schreurs, Van Emmerik, Günter & Germeys, 2012; Vander Elst, De Cuyper, Baillien, Niesen & De Witte, 2016). Several previous studies stated that how the practice of contract workers can trigger a negative impact on employees, especially in terms of job insecurity that they experience, namely having a negative impact on employees (De Cuyper and De Witte, 2007; Sverke et al., 2002). Job insecurity is mostly associated with contract work, where this condition raises the perception of a threat to job security and also fear of losing a job. So that the impact of job insecurity can affect job satisfaction, organizational commitment, work performance, absenteeism and organizational citizenship behavior (De Cuyper and De Witte, 2006).

From the employee's point of view, job insecurity is not only a threat from losing a job, but also includes the thought of losing other things that are equally important, namely salary, status, opportunities to be promoted. Hartley et al (1991) also stated that job insecurity can be one of the causes of the emergence of high stress on employees in dealing with work situations. This kind of condition creates anxiety and discomfort for employees, especially for those with families who are worried about their survival.

Job insecurity does not only affect individuals, but also negatively affects the company. This is in line with what was expressed by (Ashford, Lee, & Bobko, 1989) which stated that from an organizational perspective, job insecurity can have negative consequences for employee behavior towards the organization such as, employee performance tends to decline, high turnover and increased absenteeism in employees. Research conducted by Gillet, Gagne, Sauvagere & Fouquereau (2013) found that perceived organizational support can help organizations or companies reduce job insecurity for employees.

Perceived organizational Support is generally defined as the extent to which an organization's employees feel appreciated them and cares about their welfare. Another study conducted by Morgan (2018) says that with increase the perceived organizational support can help reduce feelings of job insecurity on the employee, especially that big influence on the companies that will make changes in its organization as doing merger, downsizing, etc.

Not only support from superiors that affects employee job insecurity, there are other factors within the individual that also play a role in influencing job insecurity, namely the characteristics of the individual. According to research conducted by Greenhalgh and Rosenblatt in Kinnunen, Mauno, Nätti & Happonen (2000), it is stated that one of the factors that affect job insecurity in a person is individual personality characteristics such as internal locus of control, optimism - pessimism, and a sense of concurrence. Peterson (2000) also explains that one way to reduce the feeling of job insecurity is optimism.

Optimism according to Seligman (2006) is an individual belief that a bad event or failure is only temporary, will not affect other activities, and is not absolutely self-induced but can be caused by other things. Gillham (2000) describes the many positive effects of optimism. When faced with situations that result in job insecurity, individuals with a high level of optimism are more likely to stay, stay motivated, complain less about working conditions, and remain valuable (and motivated) even when they anticipate the possibility of job insecurity in them. Job insecurity may reduce job satisfaction, but it can be faced by people who have a positive outlook.

Based on the above phenomenon, the existence of job insecurity faced by workers has a considerable impact on individuals and organizations, so that it makes researchers interested in conducting further research on job insecurity that occurs in contract employees, about how perceived organizational support affects them and optimism give impact for contract employees.

II. METHOD

The method used in data collection in this study is the scale method. The scale to be given in this study is the Likert scale model. Each statement contains five answer choices, namely Strongly Agree (SS), Agree (S), Neutral (N), Disagree (TS) and Strongly Disagree (STS). The scale contains statements that are favorable and unfavorable. The value of each choice moves from 1 to 5. For

the favorable statement the score given is: Very Agree = 5, Agree = 4, Neutral = 3, Not Agree = 2, Very Not Agree = 1. As for the unfavorable statement the score is vice versa.

In this study, researchers used three measuring tools, namely the self-report scale in the form of a psychological scale with job insecurity variables, perceived organizational support and optimism. Measuring instruments are arranged based on the dimensions and aspects contained in each research variable. The following is an explanation of each scale as a measuring tool for this research. In this study, the characteristics of the population used are all employees with contract status at Columbia Asia Hospital Medan. The population in this study amounted to 118 people. All members of the population will be used as subjects in this study.

In this research, the data analysis method used is the quantitative method, namely the statistical analysis method. The statistical analysis method is used because this method can show conclusions (generalizations) of research from an objective analysis of numbers (Azwar, 2012). In this study, the statistical measurement used to test the hypothesis is to use the multiple linear regression analysis method. This analysis is used to determine the effect of independent variables on the dependent variable. Overall analysis will be done with the help of a computer and SPSS 16.00 for windows with method Enter.

III. RESULTS

The data taken in this study amounted to 118 people. The results of the effect of perceived organizational support and optimism on job insecurity in contract employees can be seen from the multiple regression analysis with the results as below:

TABLE I. Multiple Regression Test Results

ANOVA					
<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
Regression	3416.394	2	1708.197	43.721	.000 ^a
Residual	4493.072	115	39.070		
Total	7909.466	117			

Based on the table above, it can be seen that the significance value is $p = 0.000$ ($p < 0.05$). Thus, it can be concluded that perceived organizational support and optimism have a significant effect on job insecurity. Furthermore, to determine the magnitude of the effect of perceived organizational support and optimism on job insecurity, the R determination test was carried out with the results as in the following table:

TABLE II. Results of the Determination Test R

Model Summary				
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.657 ^a	.432	.422	6.251

Based on the table can be seen the R value of 0.657 and found that the value of the determinant coefficient (R Square) of 0.432 or 43.2%, meaning that the contribution of perceived organizational support and optimism together against job insecurity is 43.2 % while the remaining 56.8% is explained by reasons other than this study. Thus, from the explanation above, it can be concluded that perceived organizational support and optimism together have a significant effect on job insecurity.

IV. DISCUSSION

The first results in this study indicate that perceived organizational support has a negative and significant effect on job insecurity. According to social exchange theory, generally explaining the negative effects of job insecurity have an impact on employee attitudes and behavior, especially when organizations fail to provide a safe work environment and make employees experience job insecurity, employees tend to respond with negative attitudes and behaviors in accordance with reciprocal norms (Lam, Liang, Ashford & Lee, 2015) and vice versa if employees feel that they receive resources from work and also career opportunities from the organization, then they will tend to feel responsible and they will respond well to the organization in the form of an attitude and positive work behavior (Shore & Wayne, 1993).

The second result in this study describes the effect of optimism on job insecurity, where these results state that there is a negative and significant influence between optimism on job insecurity. People who are optimistic are likely more will respond actively in solving future have been the source of a stressor, such as to improve their performance when they are experiencing job insecurity (Aspinwall & Taylor, 1997; Carver & Connor-Smith, 2010). Because organizations currently face many threats of change and challenges, employees are becoming increasingly vulnerable to job losses (Lee, Huang, & Ashford, 2018), so organizations need to consider optimism as an important aspect in overcoming job insecurity conditions. Employees who are optimistic can be create a work environment that allows them to build a career high grama, and more diligent even in stress situations (Peterson, 2000). Medlin & Green (2010) added that in organizations, employee optimism can increase if the company is oriented towards their welfare.

The third result in this study shows that there is a negative and significant influence between perceived organizational support and optimism together on job insecurity with a coefficient of determination (R Square) of 0.432 or it can be said that the variable Perceived Organizational Support and optimism have an influence on the variable. job insecurity was 43.2%, while the remaining 56.8% was explained by other causes outside the factors that influenced this study. This significant influence given together provides an understanding that perceived organizational support and optimism simultaneously contribute to the size or size of job insecurity in a company.

V. CONCLUSION

Based on the analysis and interpretation of research data, the conclusion that can be made is perceived organizational support and optimism together give a significant effect on job negaitf and insecurity. This means that the higher the perceived organizational support and optimism, the lower the job insecurity felt by employees. Contract employees at the Columbia Asia Hospital in Medan generally have perceived organizational support and job security is in the medium category. Meanwhile, optimism is in the high category.

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