

Job Insecurity and Work Environment: How Job Satisfaction Affects Performance at PT Chang Jui Fang Indonesia

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ABSTRACT

In the competitive era of globalization, employee performance plays a crucial role in maintaining the sustainability and productivity of a company. This study aims to analyze the effect of job insecurity and work environment on employee performance, with *job satisfaction* as a mediating variable at PT Chang Jui Fang Indonesia. The issue arises from a decline in employee performance achievements, which are suspected to be influenced by job insecurity and suboptimal work environment conditions. This research uses a quantitative approach with a survey method by distributing questionnaires to 326 production employees, selected using simple random sampling. Data analysis is performed using Structural Equation Modeling with Partial Least Square (SEM-PLS) approach through SmartPLS 4 software. The independent variables in this study are *job insecurity* (X1) and *work environment* (X2), the mediating variable is *job satisfaction* (Z), and the dependent variable is *employee performance* (Y). The results of the study show that *job insecurity* negatively and significantly affects *job satisfaction* and *performance*. On the other hand, the *work environment* positively and significantly affects *job satisfaction* and *performance*. Furthermore, *job satisfaction* was found to have a positive and significant effect on *employee performance*. The analysis of indirect effects indicates that *job satisfaction* significantly mediates the effect of *job insecurity* and *work environment* on *performance*. Thus, companies need to pay attention to psychological factors, particularly in reducing *job insecurity* and creating a conducive *work environment* to improve *job satisfaction* and ultimately lead to better *employee performance*.

Keywords : Job Insecurity, Work Environment, Job Satisfaction, Employee Performance, SEM-PLS



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INTRODUCTION

In this era of increasing globalization, businesses and organizations must be agile enough to confront and re-evaluate opportunities, risks, and strengths on a broader scale. Because they have the knowledge, skills, and experience necessary to run a business, the workforce is an irreplaceable resource that has a significant impact on the life of the organization (Abun et al., 2022). As a result, people are the company's most valuable asset. When it comes to getting things done and staying ahead of the competition, *human resources* play a major role in how well a company

performs. In *human resource management*, *employee performance* is one of the aspects that is taken into account. Work done by employees in a certain period of time is an indicator of good performance, which can be tracked and evaluated to uncover problems faced by employees (Susi Listiani, Prihatin Lumbanraja, 2022). The correlation between *job insecurity*, *working conditions*, and productivity can be better understood when workers are happy with their jobs. Our phenomenon links *job insecurity*, the *work environment*, and *performance*, making it an interesting issue in our study research.

Assignments with strict time constraints are known as *performance* (Kasmir, 2020). The *performance* of an individual or group in the context of their organization is a key indication of how well they are achieving their goals. It can be said that this *performance* represents the best that an organization can offer, given the capabilities of each employee. Some of the ideas and definitions presented in the management literature are consistent with this. Due to its far-reaching impact on businesses, this *performance* improvement is essential. It seems that *job insecurity* is a factor that can affect *employee performance*.

When workers are not sure their jobs will last long, it is called *job instability*. Disengagement and lack of concentration on work can stem from this subjective anxiety, which in turn may stem from concerns about one's future job security. Here we are talking about the social and psychological factors that affect the way people interact with each other in the workplace. A number of factors, such as economic uncertainty and organizational restructuring, can contribute to *job insecurity*. Employee attitudes and *performance* in the workplace have also decreased as a result. Lack of stability in one's job is associated with cynicism towards one's boss, which in turn leads to lower productivity and an increased likelihood of a person leaving the position. Lack of dedication and drive from employees due to *job instability* negatively impacts their *performance* in the workplace (Kayar & Yeşilada, 2024).

In addition, factors related to the *work environment* can directly or indirectly affect the success of an organization or company (Juliani et al., 2023). To improve morale and productivity, businesses must invest in making their workplaces more accommodating to the needs of workers in terms of facilities and interpersonal relationships. In contrast, *job uncertainty* already has a detrimental effect on productivity, and a poor *work environment* can exacerbate it (Gulo et al., 2024). Various studies have shown that employees perform better when they are part of a good and supportive *work environment*. Workers whose needs are met and whose opinions are most important in the workplace tend to give more. Workers can do more when they are not stressed and can concentrate on their work, according to research by Setiawan et al. (2022). However, bad weather or the absence of social support are examples of unpleasant environments that can hinder *performance* (Budiono et al., 2021).

Furthermore, there is a strong correlation between workers' happiness and their workplace standards. The main factor that can affect *employee performance* is their *job satisfaction* level. According to Sabuhari et al. (2020), employees' *job*

satisfaction levels are a reflection of how they feel about their work as a whole, and these emotions are influenced by their expectations of the work and the achievements they achieve. There are a number of personal factors that can affect how satisfied a person is with their job, which impacts their productivity. Factors such as *job instability* and the quality of the *work environment* can further affect employees' *satisfaction* levels with their positions. A positive *work environment* is one of the most important factors in determining how satisfied a person is with their job, but the stress caused by *job instability* lowers motivation and *performance*. Workers who are happy with their jobs and have a supportive workplace tend to be better able to work better (Stepanus Dedy Deomedes, 2021).

This research was conducted at PT Chang Jui Fang Indonesia, one of the manufacturing companies engaged in the ceramic industry. The company has several factories spread across various regions of Indonesia and focuses on the production of various types of ceramics for household or industrial needs. As a large company, PT Chang Jui Fang Indonesia relies heavily on the *performance* of its employees to ensure that production continues to run efficiently. The following is the data on the results of employee *performance* appraisals at PT Chang Jui Fang Indonesia.

Table 2. Results of Employee Performance Achievements of PT. Chang Jui Fang Indonesia Year 2023 – 2024

Rating categories	Year 2023			Year 2024		
	Number of employees	Average	Percentage	Number of Employees	Average	Percentage
A-	2	85,6 – 86,5	0,58%	4	85,0 – 88,0	1,23%
B+	305	80,0 – 84,9	88.66%	162	80,0 – 84,9	49,69%
B	34	76,1 – 79,9	9,88%	156	75,2 – 79,9	47,58%
B-	0	-	0.00%	4	70,0 – 74,2	1,23%
C	3	61,3 – 74,8	0.87%	0	-	0.00%

Source: PT Chang Jui Fang Indonesia

Because the value of the achievement of work activities has not reached the set targets, the achievement of *performance* assessment at PT Chang Jui Fang is still not optimal, as seen in the table above. There has been a fairly obvious shift in the mix of employee *performance* assessment categories at PT Chang Jui Fang Indonesia from 2023 to 2024. In 2023, 88.66% of workers were in the B+ group, but in 2024 this number dropped dramatically to 49.69%. In 2024, the proportion of workers in category B increased significantly from 9.88% to 47.58%. In 2024, the proportion in category B- was 1.23%, after no one was classified there in 2023; in category A, there was a slight increase from 0.58% to 1.23%; and in category C, which was 0.87% in 2023, no workers entered this category in 2024, showing a fairly significant decrease. Based on the results of the *performance* assessment given to workers at PT Chang Jui Fang, the proportion of workers who fall into category B+ has decreased sharply, while the number of workers included in category B has increased sharply. These results show that not all *performance* goals

have been achieved to the best of the company's ability; in fact, there was a decrease in some areas compared to the previous year. While there was a slight increase in category A- and a decrease in category C in 2024, the overall trend suggests that there are still ongoing difficulties in retaining or improving employee *performance* to achieve organizational goals.

According to research (Susy Supartina, 2023), the impact of *job insecurity* on *performance* is unfavorable and statistically significant. Another study with the same conclusion (Neysyah et al., 2023) stated that *job uncertainty* significantly lowers *job satisfaction*. According to research (Siahaan, 2023), there is a beneficial and statistically significant relationship between *job satisfaction* and the *work environment*. Positive and statistically significant influences of the *work environment* on *performance* have been found in research (Muhamad Farih, Endro Sukojto, 2020). Happiness at work increases productivity, according to research (Paparang, Natalia C. P. Areros, 2021). The negative correlation between *job insecurity* and *employee performance* is explained by Pancasti (2022), while the latest results from Rachman (2021) show that *job satisfaction* has a positive effect on the *work environment* and *employee performance*.

This study aims to test, given the background, the role of *job satisfaction* mediation in the relationship between *job insecurity*, the *work environment*, and *performance* — titled "Job Insecurity and Work Environment: How Job Satisfaction Affects Performance at PT Chang Jui Fang Indonesia." In addition to explaining what drives success at PT Chang Jui Fang Indonesia, this research is expected to help shape policies that businesses can use to increase productivity in the long term. The researchers hope that by filling in the gaps in this research, effective solutions can be found to improve employee *performance* and address the challenges that exist in the manufacturing sector, especially in Indonesia, where there is still a lack of in-depth empirical studies focusing on the effects of *job insecurity* and the *work environment*.

RESEARCH METHOD

This study used a quantitative approach by focusing on observable quantities. Its purpose was to determine how each variable affected the dependent variable. *Work environment* (X2) and *job insecurity* (X1) served as independent variables. *Job satisfaction* (Z) acted as a mediating variable, while *performance* (Y) was the dependent variable.

Sugiyono (2022) defined "population" as "an area or group that is the focus of research," consisting of objects or people with certain characteristics selected for study. Based on this definition, the research population comprised 326 manufacturing staff members from PT Chang Jui Fang Indonesia. The study employed probability sampling using a simple random sampling method. This technique treats all population members as equal and does not consider stratification.

The data were obtained from primary sources through surveys administered to participants and measured on a 5-point Likert scale: (1) Strongly disagree, (2)

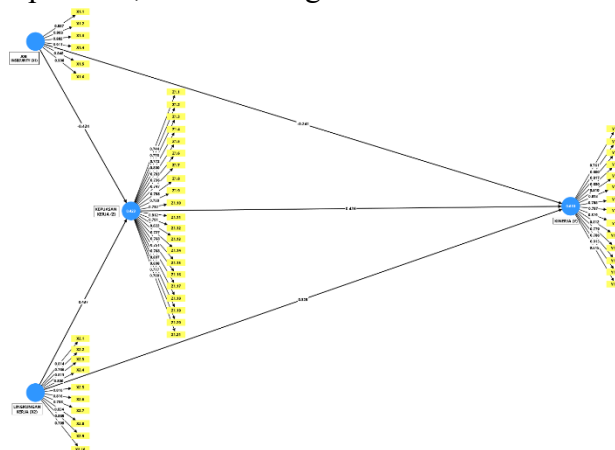
Disagree, (3) Sceptical, (4) Agree, and (5) Strongly agree, with each point representing respondents' opinions on the variables studied (*job insecurity, work environment, job satisfaction, and performance*).

Structural Equation Modeling with Partial Least Squares (SEM-PLS) was used for data analysis. SEM-PLS is effective because it allows modeling of structural equations without requiring normally distributed data. This technique relies on variance-based analysis and estimates path models that integrate latent variables through their correlations. The SMART-PLS 4 software was employed for analysis. According to Jauhari and Hidayat (2024), the PLS analysis process includes two submodels: the outer model, which assesses measurement validity, and the inner model, which evaluates the data structure.

RESULT AND DISCUSSION

Outer Model

In the process of testing the outer model or measurement model which aims to assess whether each group of indicators can be significantly connected to the latent variable it represents, the following results are obtained



From the measurement model above, it can be used to find out and assess the validity and realism of the construct.

Convergent Validity.

The following are the results of the research convergent validity test:

Table 2. Convergent Validity

	Job Insecurity (X1)	Work Environment (X2)	Performance (Y)	Job Satisfaction (Z)
X1.1	0.887			
X1.2	0.908			
X1.3	0.882			
X1.4	0.911			
X1.5	0.848			
X1.6	0.908			
X2.1		0.814		
X2.2		0.786		
X2.3		0.813		
X2.4		0.800		

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Job Insecurity (X1)	Work Environment (X2)	Performance (Y)	Job Satisfaction (Z)
X2.5	0.818		
X2.6	0.816		
X2.7	0.788		
X2.8	0.834		
X2.9	0.865		
X2.10	0.799		
Y.1		0.761	
Y.2		0.800	
Y.3		0.817	
Y.4		0.830	
Y.5		0.810	
Y.6		0.813	
Y.7		0.788	
Y.8		0.787	
Y.9		0.819	
Y.10		0.812	
Y.11		0.779	
Y.12		0.786	
Y.13		0.815	
Y.14		0.815	
Z.1			0.744
Z.2			0.773
Z.3			0.772
Z.4			0.800
Z.5			0.793
Z.6			0.736
Z.7			0.747
Z.8			0.798
Z.9			0.750
Z.10			0.732
Z.11			0.812
Z.12			0.791
Z.13			0.822
Z.14			0.727
Z.15			0.768
Z.16			0.751
Z.17			0.768
Z.18			0.807
Z.19			0.808

	Job Insecurity (X1)	Work Environment (X2)	Performance (Y)	Job Satisfaction (Z)
Z.20				0.777
Z.21				0.780

The validity of the indicators to their constructs was evaluated using outer loading testing. The optimal outer loading value is more than 0.7, as stated by Hair et al (2022). Each of the four variables in the study—Job Satisfaction, Work Environment, Performance, and Job Insecurity—had an outer loading value of more than 0.7, which means it consistently assesses the target construct. When the external loading value of the indicator is high, it means that it plays a significant role in forming the construct. Since each indicator has met its own validity criteria, we can maintain all of them in the model.

Cronbach's Alpha and Composite Reliability.

Table 3. Cronbach's Alpha and Composite Reliability

	Cronbach's alpha	Composite reliability (rho a)	Composite reliability (rho c)	Average variance extracted (AVE)
Job Insecurity (X1)	0.948	0.951	0.958	0.794
Work Environment (X2)	0.943	0.946	0.951	0.662
Performance (Y)	0.957	0.958	0.962	0.644
Job Satisfaction (Z)	0.967	0.967	0.969	0.600

The table shows that all latent variables have a composite reliability value above 0.7, indicating that they meet the composite reliability criteria. Similarly, all construct variables have Cronbach's alpha value greater than 0.6, indicating that they are suitable for use as research variables.

Validitas Convergence (AVE)

The results showed that the Average Variance Extrated (AVE) value of the Job Insecurity (X1) variable was 0.794, the Work Environment (X2) variable was 0.662, the Performance variable (Y) was 0.644 and the Job Satisfaction variable (Z) was 0.600. This shows that the construct in question covers more than 50% of the variation of the indicator, as the four AVEs are more than 0.5. This proves that, as proposed by Hair et al., (2022) all constructs have achieved convergent validity.

Discriminant Validity

Table 4. Discriminant Validity

	Job Insecurity (X1)	Work Environment (X2)	Performance (Y)	Job Satisfaction (Z)
X1.1	0.887	-0.006	-0.383	-0.393
X1.2	0.908	-0.055	-0.468	-0.433

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	Job Insecurity (X1)	Work Environment (X2)	Performance (Y)	Job Satisfaction (Z)
X1.3	0.882	-0.184	-0.460	-0.460
X1.4	0.911	-0.212	-0.478	-0.437
X1.5	0.848	-0.094	-0.388	-0.399
X1.6	0.908	-0.185	-0.455	-0.468
X2.1	-0.128	0.814	0.478	0.342
X2.2	-0.080	0.786	0.484	0.379
X2.3	-0.028	0.813	0.397	0.274
X2.4	-0.079	0.800	0.402	0.355
X2.5	-0.140	0.818	0.497	0.414
X2.6	-0.162	0.816	0.515	0.480
X2.7	0.029	0.788	0.424	0.424
X2.8	-0.144	0.834	0.479	0.441
X2.9	-0.191	0.865	0.486	0.456
X2.10	-0.188	0.799	0.484	0.426
Y.1	-0.329	0.568	0.761	0.526
Y.2	-0.329	0.544	0.800	0.561
Y.3	-0.378	0.463	0.817	0.507
Y.4	-0.450	0.386	0.830	0.622
Y.5	-0.476	0.390	0.810	0.633
Y.6	-0.446	0.431	0.813	0.618
Y.7	-0.322	0.410	0.788	0.516
Y.8	-0.434	0.490	0.787	0.567
Y.9	-0.396	0.428	0.819	0.516
Y.10	-0.470	0.441	0.812	0.641
Y.11	-0.388	0.498	0.779	0.563
Y.12	-0.343	0.444	0.786	0.544
Y.13	-0.347	0.517	0.815	0.530
Y.14	-0.427	0.448	0.815	0.572
Z.1	-0.349	0.421	0.578	0.744
Z.2	-0.283	0.458	0.510	0.773
Z.3	-0.325	0.399	0.548	0.772
Z.4	-0.354	0.450	0.604	0.800
Z.5	-0.345	0.437	0.526	0.793
Z.6	-0.381	0.313	0.542	0.736
Z.7	-0.309	0.353	0.458	0.747
Z.8	-0.308	0.401	0.503	0.798
Z.9	-0.378	0.392	0.538	0.750
Z.10	-0.303	0.335	0.514	0.732
Z.11	-0.357	0.386	0.494	0.812
Z.12	-0.429	0.530	0.613	0.791
Z.13	-0.494	0.332	0.599	0.822
Z.14	-0.430	0.373	0.586	0.727

	Job Insecurity (X1)	Work Environment (X2)	Performance (Y)	Job Satisfaction (Z)
Z.15	-0.433	0.391	0.574	0.768
Z.16	-0.321	0.380	0.537	0.751
Z.17	-0.284	0.460	0.627	0.768
Z.18	-0.391	0.360	0.503	0.807
Z.19	-0.439	0.263	0.533	0.808
Z.20	-0.500	0.318	0.548	0.777
Z.21	-0.451	0.279	0.499	0.780

As seen in the cross-loading table, the loading value for each indicator construct itself is greater than the loading value for the other constructs. Based on the results of the cross-loading study, it can be determined that the constructed that is best assessed is best represented by each indicator. Therefore, the validity of the discriminator has been fulfilled. In addition, the Fornell-Larcker criteria are used to verify the validity of the discriminator. This includes comparing the square root of the Average Variance Extracted (AVE) of each construct with the correlation between the model's components. According to Hair et al. (2022), a concept is considered to have proper discriminant validity if its square root value of AVE is higher than its correlation value with other constructs.

Table 5.

	Job Insecurity (X1)	Work Environment (X2)	Performance (Y)	Job Satisfaction (Z)
Job Insecurity (X1)	0.891			
Work Environment (X2)	-0.142	0.814		
Performance (Y)	-0.495	0.575	0.803	
Job Satisfaction (Z)	-0.486	0.497	0.707	0.775

The results of the analysis showed that the square root value of AVE for each construct was greater than the correlation value between other constructs. This proves that there is something special about each construct in this study. The Heterotrait-Monotrait Ratio of Correlations (HTMT) method was also used in the study to support these findings. HTMT is the average of all correlations between indicators that include more than one construct. The highest possible HTMT correlation value is 0.9, as stated by Hair et al., (2022) The lack of discriminant validity is indicated by HTMT correlation values greater than 0.9.

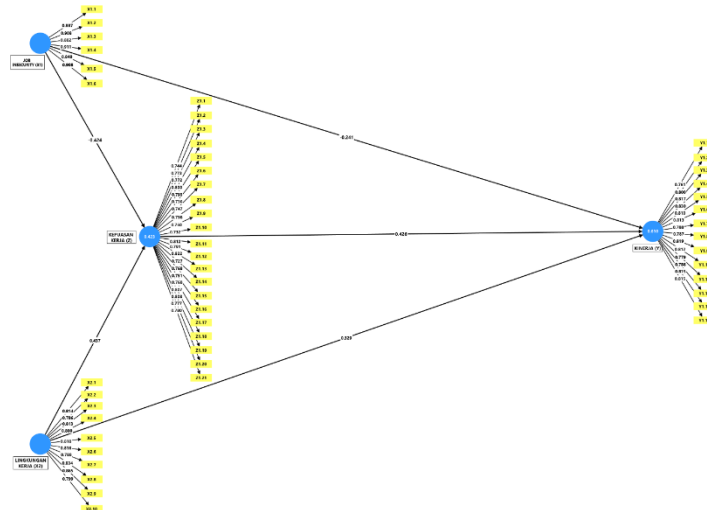
Table 6.

	Job Insecurity (X1)	Work Environment (X2)	Performance (Y)	Job Satisfaction (Z)
Job Insecurity (X1)				
Work Environment (X2)	0.155			
Performance (Y)	0.514	0.601		
Job Satisfaction (Z)	0.504	0.51	0.729	

HTMT analysis reveals that all values between constructs are less than 0.90. According to Hair et al., (2022) HTMT values below 0.90 indicate strong discriminant validity, therefore this is in line with their criteria. Thus, the discriminative validity of each concept in this study is satisfactory.

Inner Model

This test serves to see the relationship between the construct, significant value and R square of the research model. The following are the results of the inner model test in this study:



The structural model in PLS is evaluated using the R² test on the dependent construct. One of the applications of the R² value is to determine the degree of correlation between independent and dependent variables. The results of the R Squared exam are as follows:

Table 7. R-square

	R-square	R-square adjusted
PERFORMANCE (Y)	0.610	0.602
JOB SATISFACTION (Z)	0.423	0.415

The results showed that independent variables in the model, including Job Satisfaction (Z), accounted for 61.0% of the variance in the Performance variable. This is supported by the R-square value of 0.610 in the Performance construct (Y). Foreign variables account for the remaining 39.0%. After taking into account the total number of predictors, the adjusted R-squared value of the Performance model becomes 0.602. With an R-squared value of 0.423 for the Job Satisfaction construct (Z), the study's independent variables accounted for 42.3% of the variance in Job Satisfaction, while other factors accounted for the remaining 57.7%. With all the adjustments made, the R-square adjusted value for Job Satisfaction is 0.415.

Table 8. Path Coefisien

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Job Insecurity (X1) - > Job Satisfaction (Z)	-0,424	-0,428	0,061	6,926	0,000

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Job Insecurity (X1) - Performance > (Y)	-0,241	-0,237	0,084	2,860	0,004
Work Environment (X2) -> Job Satisfaction (Z)	0,437	0,441	0,080	5,459	0,000
Working Environment (X2) - Performance > (Y)	0,329	0,336	0,078	4,212	0,000
Job Satisfaction (Z) - > Performance (Y)	0,426	0,426	0,111	3,825	0,000

The first hypothesis test yielded a minor P-value of 0.000 (less than 0.05) and a large t-statistical value of 6.926 (more than 1.960). The value of -0.424 is the value of the first sample. There is a negative and substantial relationship between Job Insecurity and Job Satisfaction, as shown by H_0 rejection and H_1 acceptance. Greater levels of job insecurity were associated with lower levels of job satisfaction, according to the results. The second hypothesis test yielded a t-statistic of 2.860, which is higher than 1.960, and a P-value of 0.004, which is less than 0.05. An initial value of -0.241 was obtained from the sample. A negative and statistically significant relationship exists between job insecurity and performance, as H_0 is rejected and H_2 is accepted. This suggests that individual performance drops as the level of uncertainty of their job increases. In addition, the third hypothesis test yielded a P-value of 0.000, which is less than 0.05, and a t-statistic of 5.459, which is higher than 1.960, when compared to the initial sample value of 0.437. A positive and statistically significant relationship exists between the work environment and job satisfaction, as H_3 is accepted and H_0 is rejected. Therefore, respondents reported greater levels of job satisfaction in a better work environment. The results for the fourth hypothesis show that the t-statistic is more than 1.960 and the P-value is 0.000, which is less than 0.05. With an initial sample value of 0.329, we can rule out H_0 and accept H_4 , which shows a positive and statistically significant relationship between workplace and productivity. As a result, it is clear that a positive work atmosphere can increase productivity. With a t-statistic of 3.825 (higher than 1.960) and an initial sample value of 0.426, the fifth hypothesis test yielded a P-value of 0.000 (lower than 0.05). Given that H_5 is accepted and H_0 is rejected, we can conclude that Job Satisfaction has a positive and statistically significant effect on Performance. People who are satisfied with their work environment tend to excel at what they do. The following table shows the indirect coefficient path:

The path coefficient value for the indirect influence is then shown in the following table:

Table 9. Path Coefficient Value

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Job Insecurity (X1) -> Job Satisfaction (Z) - Performance > (Y)	-0,181	-0,185	0,063	2,855	0,004
Work Environment (X2) -> Job Satisfaction (Z) -> Performance (Y)	0,186	0,184	0,049	3,777	0,000

In addition, the following results are generated by indirect effects, which are used to ascertain the direct and indirect impacts of the study variables: The t-statistical value is 2.855, which is more than 1.960, and the P-value is 0.004, which is lower than 0.05, on the sixth hypothesis. This shows that Job Insecurity (X1) significantly affects performance (Y) through job satisfaction (Z), so H_0 is rejected and H_6 is approved. A t-statistic of 3.777, higher than 1.960, and a P-value of 0.000, less than 0.05, are the results for the seventh hypothesis. This shows that the Work Environment (X2) significantly affects Performance (Y) through Job Satisfaction (Z), as H_0 is rejected and H_7 is approved. This suggests that Job Satisfaction (Z) can mediate the relationship between Work Environment (X2) and Performance (Y) to a fairly high degree.

The Effect of Job Insecurity on Job Satisfaction

A negative and statistically significant relationship between job insecurity and job satisfaction was found in a hypothesis test using a path coefficient. These results are consistent with previous research showing that employees are less likely to be dissatisfied with their jobs when they are worried about their future jobs. Employees' satisfaction levels with their jobs can naturally drop when they experience job insecurity. Workers who fear about the future of their jobs are less likely to be dissatisfied with their current positions. Employees report more happiness in their work lives when they feel less risky at work. Enthusiasm and productivity in the workplace are indicators of this mentality. The results are consistent with the results of studies that found a negative correlation between job instability and satisfaction (Putrayasa & Astrama, 2021). Therefore, the correlation between job insecurity and employee satisfaction is negative. Another study that came to the same conclusion (Neysyah et al., 2023) found that job uncertainty significantly lowered job satisfaction.

The Influence of Job Insecurity and Performance

Job uncertainty makes employees feel threatened and discouraged at work, which disrupts productivity and leads to decreased performance. This is supported by the results of the hypothesis test conducted using the path coefficient job insecurity on performance. Overall, it can be said that concerns about job security are a major barrier to giving your best at work. Consistent with other studies, this study found that job instability significantly lowers performance (Martha Wibawa et al., 2024). The findings of the study (Saputri et al., 2020), (Antari, 2021) and

(Susy Supartina, 2023) corroborate this, which show that job insecurity has a significant and negative impact on performance.

The Influence of the Work Environment on Job Satisfaction

A favorable and statistically significant relationship between work environment variables and job satisfaction was found in hypothesis tests using path coefficients. When it comes to how happy workers are with their jobs, the workplace is a major factor. According to research (Wiryawan et al., 2020), employees tend to be more motivated and satisfied with their jobs when they work in a supportive environment. A positive work environment can not only boost morale, but it can also foster a culture that encourages individuals to perform at their best. A person's job satisfaction level is greatly influenced by their work environment, which includes both good and bad aspects, as well as any accommodations made for individual needs. Organizations can improve employee happiness and performance by fostering a welcoming and supportive workplace (Setianingrum et al., 2023). Research has shown that the work environment significantly and positively affects job satisfaction (Saputra, 2021); (Nurcahyati, 2023); (Siahaan, 2023).

The Influence of the Work Environment on Performance

A positive and statistically significant relationship exists between work environment variables and performance variables, according to the findings of the hypothesis test using path coefficients. When workers are happy and satisfied with their jobs, they are better able to achieve their goals (Flannery et al., 2022). In various organizational contexts, performance improvement is largely driven by a physically supportive and non-physical work environment. The results of this study and other studies show that employees perform better when they are in a fun and supportive work environment. According to research conducted by (Estiana et al., 2023) and (Nurhandayani, 2022), the work environment has a significant and positive impact on performance.

The Effect of Job Satisfaction on Performance

A positive and statistically significant relationship exists between the work satisfaction variable and the performance variable, according to the hypothesis test findings obtained from the path coefficient. One of the most important factors in making the workplace fun and effective is ensuring employees are happy with their work. Workers' motivation and dependency increase when they love what they do for a living, which in turn improves the quality of their work. According to Ridwan et al., (2024), employees who are happy with their work tend to give their best effort, even in a professional environment. Job satisfaction has a positive and significant impact on performance, according to this study and other studies (Yola Putri Januarti Mangunsong, 2023); (Paparang, Natalia C. P. Areros, 2021); (Yanner et al., 2020).

The Effect of Job Insecurity on Performance Mediated by Job Satisfaction

The significant impact of job insecurity on performance is mediated by job satisfaction, according to the findings of the hypothesis test through indirect effect. One of the important mediators between job insecurity and performance is job satisfaction. Employees' overall performance takes a hit when they experience job insecurity, which in turn lowers their job happiness. A person's level of job satisfaction, or how they feel about their job as a whole, is an important factor in reducing the impact of job insecurity. Despite the level of uncertainty in their work, employees who are satisfied with their work environment are more likely to stay engaged and make meaningful contributions to the company (Ananda & Hadi, 2023). The findings of this study corroborate the findings (Hefni, 2022) and (Febriana et al., 2023), two studies that found that job satisfaction mediates the relationship between job insecurity and performance.

The Influence of the Work Environment on Performance Mediated by Job Satisfaction

A beneficial and statistically significant relationship between the work environment and performance, as measured by the impact of indirect effects, exists through job satisfaction as mediation. Both the direct influence on productivity and the indirect influence on job satisfaction are amplified by a pleasant and supportive work environment. This shows that workers tend to respond positively to a positive work environment by improving their performance when they feel happy. The quality of a good work environment affects performance in two ways: first, when workers feel happy and satisfied with their work, and second, when they feel comfortable and appreciated by their employers. Basically, companies should aim to improve employee job happiness while also building a supportive work environment if they want to maximize staff performance. According to research (Idris, Khofifatu Rohmah Adi, Budi Eko Soetjipto, 2020); (Rachman, 2021), there is a positive and substantial influence of the work environment on employee performance through job satisfaction as mediation.

CONCLUSION

This study found that *job insecurity* significantly decreases *job satisfaction* and negatively impacts *performance*, while the *work environment* positively influences *job satisfaction* and *performance*. Additionally, *job satisfaction* mediates the effects of both *job insecurity* and the *work environment* on *performance*. Based on these findings, companies should improve workplace factors that enhance employee happiness and productivity, such as more accommodating policies, relaxation opportunities, and a supportive work atmosphere. Effective communication between management and employees, as well as team-building activities, can foster engagement and strengthen relationships. Addressing *job insecurity* through transparent communication about company stability, advancement opportunities, and training programs can reduce employee fears and boost confidence. Regular employee surveys, personalized professional

development plans, and reward systems are recommended to enhance morale and motivation. Future research could explore the long-term effects of targeted interventions on employee performance and examine how cultural differences influence the relationship between *job insecurity*, *work environment*, and *job satisfaction*.

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