Article

The Effect of Job Insecurity and Work Motivation on Work Engagement of Employees with Certain Time Work Agreement System

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Abstract: This study aims to determine the effect of job insecurity and motivation on work engagement of employees in state-owned enterprise with the certain time work agreement system partially and simultaneously. The subjects of this research are 185 employees of state-owned enterprise with a certain time work agreement system who work in Jakarta with an age range of 18-35 years old. This study uses a quantitative approach with an accidental sampling technique. The measuring instruments used in this study are the Utrecht Work Engagement, job insecurity scale, and Two-Factor Herzberg theory. The results of this study indicate that there is a significant negative effect between job insecurity on work engagement of employees in state-owned enterprise with the certain time work agreement system. There is a significant positive effect between work motivation on work engagement of employees in state-owned enterprises with the certain time work agreement system. There is an influence between job insecurity and work motivation simultaneously on work engagement of employees in state-owned enterprise with the certain time work agreement system.

Keywords: Work Engagement, Job Insecurity, Work Motivation, Certain Time Work Agreement System

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1. Introduction

The changing times that are increasingly fast resulting in various aspects are constantly changing, one of which is the need of diminishing employment opportunities. The lack of job opportunities in Indonesia is caused by many companies trying to minimize the use of human resources for the effectiveness and efficiency of operational costs. However, currently the Government of Indonesia has created regulations that discuss employment. One of them is by issuing a regulation regarding the existence of a certain time work agreement system (CTWA), which is contained in the Manpower Law no.13 of 2003.
The work agreement between the employee and the company has a term of about two years and can only be extended for one time within a period of one year. However, recently the Government revised the Manpower Law no. 13 of 2003 through Government Regulation (PP) No. 35 of 2021, where the working period of employees with a certain time work agreement CTWA system can be carried out for a maximum of five years. So that the new work system that has been regulated, makes individuals who have just entered the workforce cannot be directly appointed as permanent employees, and it is possible that employees with a certain time work agreement system CTWA can be promoted to permanent employees or permanent employees will require sufficient time too long.

Not only private companies that apply a certain time work agreement CTWA system for their employees, but state-owned companies also apply it. In fact, one of the other state-owned companies that has cut or terminated as many as 800 contract employees is PT. Garuda Indonesia. This had to be done for the sake of the company's operational sustainability (in cnbcindonesia.com, 2020).

According to [1], the work system also provides other benefits for the company. The advantage in question is because the current era increasingly requires companies to compete in providing the best service, but with the hope that the costs incurred are as minimal as possible. This is in line with the system of certain time work agreements CTWA, in which employees are given lower wages and other supporting facilities or compensation than permanent employees, even though the workload given to them is the same or may even exceed that of permanent employees.

However, there are differences in terms of providing facilities and providing compensation between private companies and state-owned companies. Employees with a certain time work agreement CTWA status who work in BUMN currently have received quite good facilities, even the facilities provided are almost the same as permanent employees.

Although the opportunity for compensation provided by state-owned companies to all employees is the same. However, there are still concerns felt by CTWA employees. Because the nature of the status of a certain time work agreement CTWA is that no one can guarantee how long the working period will last [2]. In contrast to some private companies, where employees with CTWA status can be appointed as permanent employees by considering certain aspects, CTWA employees who work in BUMN agencies who want to become permanent employees must pass through high competition because the selection process is known to be quite tight [3].

With this, the uncertainty of working status for CTWA employees is becoming more and more unavoidable. In addition, there are changes to policies regarding the CTWA system that can occur at any time, both from existing laws and policies of state-owned companies. Thus, it creates a feeling of insecurity at work. This condition of work insecurity is known as job insecurity.

When employees with the CTWA system who work in BUMN have concerns (insecure) about all aspects of their work, the factors that form work engagement for employees in the form of salience of job resources will be disrupted. The salience of job resource factor refers to all demands in the job. If the employee experiences low performance, then all aspects of the job demands will not be able to be carried out by the employee [4].

In addition to job insecurity, which can affect employee work engagement with the CTWA system, work motivation is also one aspect that can measure whether a person's work engagement is high or not. The existence of this work motivation is one of the factors that form work engagement related to personal resources. If BUMN employees with a certain time work agreement CTWA system are able to provide a positive assessment of
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all aspects of their work, then the employee will succeed in giving a positive influence on himself and his work environment [4].

This research suggests that work motivation also affects one's work engagement. Work motivation can be a scourge in the world of work, considering that currently employees whose status is a certain time work agreement CTWA have thoughts and feelings about uncertainty about their work so that they can reduce the level of motivation or demotivation at work. In fact, it is this work motivation that can increase the enthusiasm and sense of enthusiasm of the employees to create work engagement.

Research on job insecurity, work motivation and work engagement on employees with a certain time work agreement system has been widely carried out in Indonesia. However, there is still no research that discusses whether job insecurity and work motivation have an influence on work engagement in BUMN employees with a certain time work agreement CTWA system. With these problems, researchers are interested in conducting further research on job insecurity, work motivation and work engagement with the research title: "The Influence of Job Insecurity and Work Motivation on Work Engagement in BUMN Employees with a Specific Time Work Agreement CTWA System in DKI Jakarta".

2. Previous Research

Research conducted by [5] with the title "The Relationship Between Job Insecurity and Work Engagement of Honorary Teachers at Public High Schools in Surabaya". In this study, the results obtained from the assumption test and the correlation test showed that there was a negative relationship between the 2 (two) variables. This means that the higher the job insecurity experienced by workers, the lower the work engagement of workers. Later in this study, it was found that intrinsic and extrinsic motivation also have a role in one's work engagement. In addition, changes that occur, such as changes in organizational policies also affect job insecurity.

In other studies, it also shows that job insecurity has a negative effect on work engagement with the resulting coefficient of -0.140. Job insecurity according to [6] can have an impact on contract employees, especially when they are afraid of the range of work and career paths they will get. If someone experiences insecurity at work, their performance will also decrease, and this will affect engagement at work.

Then other research also states that work engagement indicates that employees are more involved in their work, in this case job resources such as performance feedback, social support, rewards, job security, control over work, participation in decision making, as well as support from supervisors [7]. Although there are many studies on work engagement in identifying a positive relationship with employee performance, it turns out that there are motivational antecedents that support work engagement.

Research conducted by [8] shows that work motivation, both intrinsic and extrinsic, has a significant influence on the three dimensions of work engagement, namely vigor, absorption, and dedication. The higher a person's work motivation, the employees will be more engaged in their work. This is also influenced by the status of the workers. In line with research conducted by [9], that the status of workers has an influence on intrinsic and extrinsic motivation and has an effect on work engagement.
3. Methods

The sample in this study was employees of a certain time work agreement CTWA aged 18-35 years, then worked in a state-owned enterprise company in the DKI Jakarta area with a minimum service period of 1 (one) year as many as 185 people, of which 94 were male employees (50.8%) and 91 women (49.2%). In this study, a non-probability sampling method was used, namely accidental sampling.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Frequencies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-23</td>
<td>27</td>
<td>14,6%</td>
</tr>
<tr>
<td>24-29</td>
<td>98</td>
<td>53%</td>
</tr>
<tr>
<td>30-35</td>
<td>60</td>
<td>32,4%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior high school</td>
<td>17</td>
<td>9,2%</td>
</tr>
<tr>
<td>Diploma</td>
<td>49</td>
<td>26,5%</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>119</td>
<td>64,3%</td>
</tr>
<tr>
<td>State-owned enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telecommunication</td>
<td>31</td>
<td>16,8%</td>
</tr>
<tr>
<td>Energy, Oil, and Gas</td>
<td>28</td>
<td>15,1%</td>
</tr>
<tr>
<td>Finance</td>
<td>30</td>
<td>16,2%</td>
</tr>
<tr>
<td>Infrastructures</td>
<td>31</td>
<td>16,8%</td>
</tr>
<tr>
<td>Mineral &amp; Batu Bara</td>
<td>18</td>
<td>9,7%</td>
</tr>
<tr>
<td>Food and fertilizer</td>
<td>15</td>
<td>8,1%</td>
</tr>
<tr>
<td>Insurance and Pension Fund</td>
<td>17</td>
<td>9,2%</td>
</tr>
<tr>
<td>Logistics</td>
<td>15</td>
<td>8,1%</td>
</tr>
<tr>
<td>Tenure (years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-1.5</td>
<td>32</td>
<td>17,3%</td>
</tr>
<tr>
<td>1.6-2</td>
<td>46</td>
<td>24,9%</td>
</tr>
<tr>
<td>2,1-2.5</td>
<td>52</td>
<td>28,1%</td>
</tr>
<tr>
<td>2.6-3</td>
<td>39</td>
<td>21,1%</td>
</tr>
<tr>
<td>&gt;3</td>
<td>16</td>
<td>8,6%</td>
</tr>
</tbody>
</table>
Collecting data using a questionnaire method, as well as work engagement scale, job insecurity scale, and work motivation scale. The Utrecht Work Engagement Scale (UWES-17) was used to measure work engagement, which was developed by Schaufeli and Bakker (2006) based on the three dimensions of work engagement, namely vigor, dedication, and absorption. The UWES-17 measuring instrument has a reliability value of 0.846 (in Nugraha, 2020). UWES-17 was measured using a Likert scale, namely 1 (strongly disagree), 2 (disagree), 3 (agree), and 4 (strongly agree).

Then, the job insecurity measurement tool uses the Job Insecurity Scale (JIS) belonging to [10]. This measuring tool is a development of job insecurity components that have been grouped into 3 (three) sub-aspects, namely job features (importance and threats to various job features), total job (importance and threat of loss to the job itself), and powerlessness (powerlessness). The Job Insecurity Scale (JIS) has a reliability value of 0.919 [11]. Job Insecurity Scale (JIS) is measured using a Likert scale where this measuring instrument is divided into 5 (five) parts. Parts I and III use the format 1 (very unimportant), 2 (not important), 3 (neutral), 4 (important), 5 (very important). Parts II and IV use the format 1 (highly unlikely), 2 (impossible), 3 (neutral), 4 (probably), 5 (very likely). Then for part V using the format 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), 5 (strongly agree).

The measuring instrument used to measure work motivation in this study is to adapt Herzberg's Two-Factor Theory [12,13]. The instrument on Herzberg's Two-Factor Theory measuring instrument is valid and has a reliability value of 0.940 [14]. This measuring tool measures aspects such as motivational factors (advancement, work itself, possibility for growth, recognition, achievement) and hygiene factors (interpersonal relations, salary, company policies, work security, supervisors, and working conditions). This measuring instrument uses a Likert scale from 1 (one) to 4 (four), starting from a score of 1 strongly disagree (STS) to 4 strongly agree (SS).

The data analysis technique in this study used multiple regression analysis using SPSS 24.0 to examine the effect of job insecurity (X1) on work engagement (Y); work motivation (X2) on work engagement (Y); and job insecurity (X1) and work motivation (X2) on work engagement (Y). Before that, the validity and reliability of research instrument should be tested [15,16].

4. Results and Discussion

4.1. Effect of Job Insecurity on Work Engagement

The results of statistical calculations carried out by researchers using SPSS 24.0, it was found that the job insecurity variable (X1) has a coefficient value of -4.187 with a significance of 0.000 (P < 0.05), then the first hypothesis proposed by the researcher is job insecurity has an effect significant negative impact on work engagement is acceptable. This means that the higher the job insecurity felt by employees in a state-owned enterprise with a certain time work agreement CTWA system, the perceived job engagement will decrease.

Table 2. The results of t test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Job Insecurity</td>
<td>-4.187</td>
<td>.045</td>
<td>-296</td>
<td>-4.187</td>
</tr>
<tr>
<td>Work Motivation</td>
<td>.664</td>
<td>.031</td>
<td>.848</td>
<td>21.672</td>
</tr>
</tbody>
</table>
This is in line with the research conducted by [11] which states that job insecurity in contract employees has a negative effect on work engagement. Job insecurity is still a scourge for CTWA employees who work in a state-owned enterprise [17]. The results of the categorization calculation show that as many as 131 employees in state-owned enterprises with the CTWA system (70.8%) experience job insecurity in the medium category.

One of the concerns felt by CTWA employees who work in a state-owned enterprise is their status and opportunity to be promoted as permanent employees. Moreover, currently there has been a revision of the Manpower Law which includes changes in the working period for employees who are CTWA united. Changes in the rules regarding the length of service for CTWA employees, which were originally implemented for a maximum of 2-3 years, can now be made for a maximum of five years. So that with the new regulation, the gap between termination of employment and the absence of opportunities to be promoted as permanent employees will be wide open. This is evidenced by the results of the correlation matrix analysis between dimensions, which found that the total job dimension had the weakest relationship with the dedication dimension of -0.389.

The total job dimension refers to the possibility of negative work-related events, one of which is termination of employment. When CTWA employees who work in a state-owned enterprise are faced with these negative events, the feeling of enthusiasm and the feeling of being challenged within the individual to continue to deal with their work will be disturbed. Because there are concerns about this layoff, CTWA employees who work in a state-owned enterprise will consider their dedication to the company to be in vain, because they think that permanent employees will be retained by the state-owned enterprise [18].

According to [6], employees who have concerns about all aspects of their work will reduce their performance. If employee performance decreases, the work engagement experienced by employees with the CTWA system will also decrease. The results of research conducted by [19] also show that work engagement among temporary employees is lower than that of permanent employees. Employees who have good work engagement are employees who are able to implement themselves in their work, which is marked by job resources owned by employees [7]. Job resources include feedback on employee performance, social support, rewards, job security, control over work, participation in decision making, and support from supervisors.

However, in the analysis of the correlation matrix between dimensions, it was found that the feature job dimension had the weakest relationship to the vigor dimension of -0.387. One indicator of job features is the opportunity to be promoted. The low engagement felt by BUMN employees with the CTWA system is due to the opportunity to be promoted as permanent employees, these employees are faced with quite high competition with a fairly tight selection, thus making the mental resilience of employees lower [20].

In view of this, it is important for BUMN agencies to support and facilitate in order to increase employee engagement with the status of a certain time work agreement CTWA. One of them is by providing social support and providing status certainty for employees in a state-owned enterprise with the CTWA system. With social support and certainty regarding this status, it is hoped the employees can increase work engagement in daily life.

### 4.2. The Effect of Work Motivation on Work Engagement

Based on the results of statistical analysis conducted by the researcher, it was found that the work motivation variable (X2) has a coefficient value of 21.672 with a significance of 0.000 (P <0.05), then the second hypothesis proposed by the researcher is that work motivation has a significant positive effect on work engagement is acceptable. This means
that the higher the work motivation felt by employees in a state-owned enterprise with a certain time work agreement CTWA system, then the perceived work engagement will increase. This is in line with the research conducted by [8] which found that work motivation, both intrinsic and extrinsic work motivation has a very significant influence on the three dimensions of work engagement, namely vigor, dedication, & absorption. From the results of the categorization calculation, it shows that as many as 118 employees (63.8%) have a work motivation with a medium category.

The work motivation felt by the employees with the CTWA system is based on the motivation that comes from within (motivational factor) where there is a desire to grow and develop and the desire to get positive achievements makes the perceived engagement quite high which is marked by dedication or dedication. High enthusiasm and a feeling of being challenged in the face of work. This is in line with the results of the correlation matrix analysis between dimensions, where the motivational factor dimension has a strong relationship to the dedication dimension of 0.828.

Then, the results of the correlation matrix analysis between dimensions were also obtained where the hygiene factor had a strong relationship to the dedication dimension of 0.787. Although the status possessed by the employees with the CTWA system is not permanent employees, the rewards given by state-owned enterprise make them more motivated to give the best for their company. Therefore, it is important for a state-owned enterprise to continue to give high appreciation to each of their employees so that employees with the CTWA system can feel welfare while working. In line with the statement expressed by [21], work engagement is a positive attitude and is filled with work motivation related to welfare.

4.3. The Influence of Job Insecurity and Work Motivation on Work Engagement

Based on the results of the analysis of the F test, the calculated F value was 236.162 > F table 3.05 with a significance of 0.000 (P < 0.05). These results indicate that the variable job insecurity and work motivation simultaneously have an influence on the work engagement variable. Then, in the coefficient of determination test (R2) it was found that job insecurity and work motivation have an effect of 72.2% on work engagement. Seeing this, it proves that work engagement cannot be separated from job insecurity and work motivation.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>10148,575</td>
<td>2</td>
<td>5074,288</td>
<td>236,162</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>3910,538</td>
<td>182</td>
<td>21,486</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14059,114</td>
<td>184</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In line with previous research conducted by [22] shows that work engagement has a significant relationship with job insecurity. Also, in the study it was also found that in overcoming job insecurity, assistance and work motivation were needed. If CTWA employees who work in a state-owned enterprise feel job insecurity, high work motivation will be able to reduce the level of anxiety felt by employees. Thus, the insecurity felt by CTWA employees will decrease, and employees will be engaged in all aspects of their work. The existence of work engagement for CTWA employees is very much needed by a state-owned enterprise. As with [23] who suggests that employees who have good work

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engagement are able to show they are "psychologically" present in their work roles. Therefore, the role of a state-owned enterprise is needed to increase employee engagement, both with permanent status and employees with certain time work agreements CTWA.

The level of work engagement of employees with CTWA status is inseparable from the aspects of job insecurity and work motivation. Based on research conducted by [24] where employees with contract status have feelings of greater job insecurity and low initiative behavior from employees because of the increased risk of losing their jobs since the end date of the work contract was determined. If this happens to employees, then aspects of work engagement such as vigor [25], dedication and absorption of everything related to work will be reduced [26].

5. Conclusion and Suggestion

Research on the effect of job insecurity and work motivation on work engagement for employees of state-owned enterprise with a certain time work agreement system in DKI Jakarta, based on the results of statistical calculations and discussions carried out, it can be concluded that:

1) There is a significant negative effect of the job insecurity variable to the work engagement variable employees of state-owned enterprise with a certain time work agreement system in DKI Jakarta which is indicated by the T test result of -4.187 with a significance of 0.000 (P < 0.05). This means that the higher the job insecurity felt by the employee, the lower the work engagement of the employee.

2) There is a significant positive effect the work motivation variable to the work engagement variable for employees of state-owned enterprise with a certain time work agreement system in DKI Jakarta which is indicated by the T test result of 21.672 with a significance of 0.000 (P < 0.05). This means that the more work motivation felt by employees, the higher work engagement owned by employees.

3) Job insecurity and work motivation variables simultaneously influence work engagement variables for employees of state-owned enterprise with a certain time work agreement system in DKI Jakarta which is marked by the F test results of 236.162 > F table 3.05 with a significance of 0.000 (P < 0.05). This means that the work engagement felt by employees is inseparable from the aspects of job insecurity and work motivation.

Based on the results of the research conducted, the suggestions put forward by researchers for future researchers are expected to explain more research related to work engagement other than job insecurity and work motivation. Then, further researchers are expected to be able to expand the number of samples studied and can be explained per agency in order to explain more about the situation experienced by employees with the CTWA system who work in every state-owned enterprise.

Then, for employees with a certain time work agreement system who work in state-owned enterprise should increase work engagement [27,28]. It can be done by reducing negative feelings and thoughts related to every aspect of work, by carrying out activities that can support the ability to work self. Also, increasing motivation to continue to grow and innovate so that employees are more engaged with their work [29].

Also, for state-owned enterprise, to be able to support increasing work engagement for employees with the CTWA system, it can be done by providing status certainty for their
employees. Also, they can continue to give more appreciation, in the form of rewards and the same facilities for each employee, both with permanent status and CTWA. Thus, employees who work can avoid feelings of insecurity and demotivation in order to increase their work engagement [30,31].

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Conflicts of Interest: “The authors declare no conflict of interest.”

References


