

THE EFFECT OF JOB INSECURITY ON EMPLOYEE PERFORMANCE: THE MEDIATING ROLE OF JOB BURNOUT AT PT XYZ

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Abstract

This study aims to examine the mediating role of job burnout in the relationship between job insecurity and employee performance at PT XYZ. A quantitative research approach with an associative design was employed to investigate the causal relationships among the study variables. The study involved 37 operational employees of PT XYZ, selected using the saturated sampling technique, in which all members of the population were included as respondents. Data were collected through structured questionnaires and analyzed using Structural Equation Modeling (SEM) based on the Partial Least Squares (PLS) approach with SmartPLS 4.0 software. The findings indicate that job insecurity has a positive and statistically significant effect on job burnout, whereas its direct effect on employee performance is negative but statistically insignificant. Furthermore, job burnout has a negative and statistically significant effect on employee performance. However, the mediation analysis reveals that job burnout does not significantly mediate the relationship between job insecurity and employee performance. These findings suggest that although perceived job insecurity increases employees' emotional exhaustion, its adverse impact on performance occurs independently rather than indirectly through job burnout. The study contributes to the literature on occupational stress by providing empirical evidence regarding the relationships among job insecurity, job burnout, and employee performance within the packaged beverage distribution industry.

Keywords: Employee Performance; Job Burnout; Job Insecurity; Partial Least Squares (PLS); Structural Equation Modeling (SEM).

INTRODUCTION

The dynamics of the global business environment in the twenty-first century have given rise to the era of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA), in which human resources (HR) are no longer viewed merely as production factors but as strategic intellectual capital. Under increasingly competitive market conditions, employee performance has become the primary determinant of organizational sustainability, particularly for companies such as PT XYZ in maintaining its market share in the packaged beverage industry across Bali and Nusa Tenggara. Auzora and Wajdi (2024) emphasize that performance represents both the quantity and quality of work achieved by employees in accordance with their assigned responsibilities. Likewise, Boyas (2025) argues that employee performance reflects a combination of work outcomes (what must be accomplished) and competencies (how those outcomes are achieved).

Despite these expectations, PT XYZ currently faces significant challenges in achieving optimal employee performance due to the prevalence of job insecurity resulting from the implementation of one-year contractual employment arrangements for most operational employees. Sri Rizki (2025) defines job insecurity as a psychological condition characterized by employees' feelings of uncertainty arising from an unstable organizational environment. Similarly, Masyhuroh et al. (2025) describe job insecurity as employees' perceived inability to maintain continuity of employment under threatening workplace conditions. Furthermore, Husin (2021) identifies inadequate work facilities and excessive workloads beyond employees' capabilities as additional factors contributing to job insecurity. This imbalance between job insecurity and productivity creates a performance paradox in which some sales employees, in their efforts to secure contract renewal, engage in counterproductive behaviors and even deliberately violate financial procedures in order to achieve performance targets and avoid job loss.

Such prolonged psychological pressure subsequently triggers chronic mental exhaustion, commonly referred to as job burnout. From the perspective of the Conservation of Resources (COR) Theory, continuous efforts to preserve employment without adequate job security require substantial psychological resources, ultimately depleting employees' mental energy. Chandra (2024) argues that persistent burnout may result in cognitive impairment, emotional exhaustion, negative attitudes, and behavioral changes toward work. Similarly, Syahputra and Ikham (2024) conceptualize burnout as a behavioral response emerging from an imbalance between individual capabilities and job demands. Ketut Mustika et al. (2023) further identify this condition as job burnout experienced within the workplace. Ironically, in their attempts to meet organizational targets and secure contract extensions, several sales employees at PT XYZ have reportedly engaged in counterproductive work behaviors by intentionally violating established financial procedures.

Preliminary evidence supporting these issues was obtained through a pre-survey conducted by the researchers involving ten employees selected from a total population of thirty-seven employees at PT XYZ. The findings of the pre-survey revealed several critical issues, as presented in Table 1.

Table 1. Pre-Survey Results

No.	Statement	Yes	No
1	I feel anxious that my employment contract will not be renewed if the annual target is not achieved.	9	1
2	I experience emotional exhaustion on a daily basis due to extremely high sales-target pressures.	8	2
3	I feel that I have no control over or security regarding my future career in this company.	8	2
4	At times, I feel compelled to disregard standard procedures in order to achieve numerical targets and secure my position.	7	3
5	I feel that my work motivation has declined because, regardless of how hard I work, my position remains insecure.	7	3

No.	Statement	Yes	No
6	I often feel unable to deliver my best performance due to the mental exhaustion I experience.	6	4

Source: Processed data (2026)

As presented in Table 1, 90% of the respondents reported a high level of anxiety regarding the renewal of their employment contracts, confirming the presence of severe job insecurity. Furthermore, 80% of the respondents reported experiencing emotional exhaustion, which indicates symptoms of job burnout. Most critically, 70% of the respondents acknowledged feeling compelled to disregard established procedures in order to secure their employment positions.

The significance of this study is also supported by a research gap identified in previous studies. Earlier research has produced inconsistent findings regarding the effect of job insecurity on employee performance.

According to Boyas (2025), published in the *Greenomika Journal*, job insecurity has a positive and significant effect on employee performance because employees perceive that they must work harder to secure contract renewal. This finding is supported by Nur et al. (2024), who reported that job insecurity does not significantly affect employee performance, implying that employees possess sufficient resilience to adapt to employment uncertainty. In contrast, Kurni et al. (2023) found that job insecurity negatively and significantly affects employee performance. Similarly, Atthoillah (2025), in the *Unes Business Quarterly*, emphasized that job insecurity significantly reduces employee performance by diminishing job attachment and increasing turnover intention. Furthermore, Fatimah and Elista (2024) reported that job burnout has a negative effect on job satisfaction, although their findings differ from those of Kadyirov et al. (2024), who concluded that job burnout does not significantly influence, and may even be positively associated with, employee performance. The existence of a research gap among previous studies reporting both positive (employees become more motivated) and negative (employees experience stress and declining performance) effects of job insecurity on employee performance encourages further investigation at PT XYZ. Employees are required to achieve annual sales targets while simultaneously facing uncertainty regarding contract renewal (job insecurity), creating the possibility that these conditions trigger counterproductive work behavior before ultimately leading to performance decline. Therefore, this study fills the existing research gap by positioning job burnout as the mediating variable. Based on this background, the present study aims to further examine the topic entitled: **"The Effect of Job Insecurity on Employee Performance: The Mediating Role of Job Burnout at PT XYZ."**

METHOD

This study employed a quantitative research approach using an associative causal design. The research aims to identify, explain, and predict the causal relationships among the variables under investigation. The research was conducted at a packaged beverage distribution company located in Denpasar City, with a marketing coverage area encompassing Bali and Nusa Tenggara (KPW). The object of this study is the influence of job insecurity

(independent variable, X) on employee performance (dependent variable, Y), with job burnout positioned as the mediating (intervening) variable (Z).

The operational definitions of the three research variables were formulated to establish valid and reliable measurement indicators. Job insecurity was operationalized as employees' psychological perceptions regarding uncertainty concerning the continuity of their employment due to the implementation of fixed-term employment contracts. This variable was measured through five indicators: uncertainty about the future of one's job, perceived threats to job continuity, feelings of powerlessness, concerns regarding the loss of important job-related features, and perceived threats to career continuity. Employee performance was defined as the level of work achievement demonstrated by employees in carrying out their responsibilities. This construct was measured using four primary indicators: quality of work (quality), quantity of work (quantity), effectiveness (effective implementation), and timeliness (on-time execution). Meanwhile, job burnout was defined as a psychological condition characterized by emotional exhaustion, depersonalization, and diminished personal accomplishment resulting from prolonged occupational stress. This variable was assessed using three dimensions: emotional exhaustion, depersonalization, and reduced personal accomplishment.

The population of this study comprised all operational employees of PT XYZ, totaling 37 individuals. Considering the relatively small population size and to ensure that every employee had an equal opportunity to participate, this study employed a saturated sampling (census) technique, in which the entire population was included as research respondents. The data collected consisted of quantitative data obtained through direct questionnaire distribution. Primary data were collected through questionnaires and supported by interviews, whereas secondary data were obtained from company documentation and other relevant records. The research instrument consisted of structured questionnaires and interview guidelines. Each questionnaire item was measured using a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Table 2. Likert Scale Scoring

Response Option		Code	Negative Statement Score (-)	Positive Statement Score (+)
Strongly Agree	SA	5		1
Agree	A	4		2
Neutral	N	3		3
Disagree	D	2		4
Strongly Disagree	SD	1		5

Prior to hypothesis testing, the research instrument was evaluated through validity and reliability testing to ensure its measurement accuracy and consistency. The validity test was conducted by examining the correlation coefficient of each questionnaire item, whereby an item was considered valid if its calculated correlation coefficient ($r_{\text{calculated}}$) exceeded 0.30 or was greater than the critical value (r_{table}), whereas items with coefficients below this threshold were considered invalid and excluded from further analysis (Gugur). After establishing the validity of the instrument, reliability testing was performed using Cronbach's Alpha to assess the internal consistency of the questionnaire. The reliability

coefficient was calculated using the Cronbach's Alpha formula, where r_{11} represents the instrument reliability coefficient, k denotes the number of valid questionnaire items, $\sum \sigma_i^2$ indicates the sum of item variances, and σ_t^2 refers to the total variance. Following Sugiyono (2023), an instrument was considered reliable when the Cronbach's Alpha coefficient exceeded 0.60, with values ranging from 0.80 to 1.00 indicating high reliability, values between 0.60 and 0.79 indicating acceptable reliability, and values below 0.60 indicating low reliability or insufficient internal consistency. Furthermore, this study employed both descriptive and inferential statistical analyses. Descriptive statistics were used to summarize respondents' characteristics and describe the distribution of responses for each research variable, while inferential statistics were applied to test the proposed hypotheses. The interpretation of the mean score for each variable was based on interval classification following Sugiyono (2023). Since the questionnaire employed a five-point Likert scale ranging from Strongly Disagree to Strongly Agree, the class interval was calculated using the formula $(\text{Highest Score} - \text{Lowest Score}) / \text{Number of Categories}$, resulting in an interval value of 0.80 $(5 - 1) / 5 = 0.80$. This interval value was subsequently used as the basis for interpreting the average score of each research variable.

Mean Score Range	Interpretation Category	Contextual Interpretation
1.00–1.80	Very Low / Very Poor	Respondents perceived the measured construct at a very low level. For Job Insecurity and Job Burnout, this indicates a favorable condition characterized by minimal job insecurity and burnout. For Employee Performance, this reflects very poor performance.
1.81–2.60	Low / Poor	Respondents perceived the measured construct at a low level.
2.61–3.40	Moderate / Fair / Neutral	Respondents perceived the measured construct at a moderate level, indicating uncertainty or conditions that remain within a standard range.
3.41–4.20	High / Good	Respondents perceived the measured construct at a high level. For Employee Performance, this indicates good performance achievement. For Job Insecurity, it reflects a high level of perceived job insecurity.
4.21–5.00	Very High / Excellent	Respondents perceived the measured construct at the highest level, indicating a very strong intensity of perception.

Inferential statistical analysis and hypothesis testing were conducted using Structural Equation Modeling (SEM) based on the Partial Least Squares (PLS) approach with SmartPLS 4.0 software. Data analysis followed several sequential stages. The first stage involved evaluating the measurement model (outer model) to assess indicator reliability through outer loading values (≥ 0.70), convergent validity based on the Average Variance Extracted (AVE) ($\geq$

0.50), discriminant validity using cross-loading and the Heterotrait–Monotrait Ratio (HTMT), and construct reliability using Composite Reliability (CR > 0.70) and Cronbach's Alpha (> 0.60). The second stage focused on evaluating the structural model (inner model) by examining the coefficient of determination (R^2) and predictive relevance (Q^2) using the blindfolding procedure. Direct hypotheses were tested through the bootstrapping procedure to obtain path coefficients at a significance level determined by t-statistics (> 1.96) or p-values (< 0.05). In addition, mediation analysis was conducted to examine the role of job burnout in mediating the relationship between job insecurity and employee performance. The mediation effect was subsequently classified as full mediation, partial mediation, or no mediation, depending on the significance of both the direct and indirect effects.

RESULTS AND DISCUSSION

This study involved 37 operational employees working at the Regional Representative Office (KPW) of a packaged beverage distribution company operating in the Bali and Nusa Tenggara regions.

Table 4. Demographic Characteristics of Employees at PT XYZ

No.	Characteristic	Category	Frequency (n)	Percentage (%)
1	Gender	Male	25	67.6
		Female	12	32.4
		Total	37	100.0
2	Age	< 25 years	2	5.4
		25–34 years	12	32.4
		35–44 years	10	27.0
		≥ 45 years	13	35.1
		Total	37	100.0
3	Highest Educational Attainment	Senior High School/Vocational High School	7	18.9
		Diploma	7	18.9
		Bachelor's Degree (S1)	23	62.2
		Master's Degree (S2)	0	0.0
		Total	37	100.0
4	Length of Service	< 5 years	12	32.4
		5–10 years	3	8.1
		> 10 years	22	59.5
		Total	37	100.0
5	Employment Status	Permanent Employee	32	86.5
		Fixed-Term Contract Employee (PKWT)	3	8.1

No. Characteristic	Category	Frequency (n)	Percentage (%)
	Outsourced Employee	2	5.4
	Total	37	100.0

Source: Processed data (2026)

Based on the collected data, the workforce composition at PT XYZ was predominantly male, accounting for 25 employees (67.6%), while female employees numbered 12 (32.4%). Regarding age distribution, the largest proportion of respondents was aged 45 years and above, comprising 13 employees (35.1%), followed by those aged 25–34 years with 12 employees (32.4%), those aged 35–44 years with 10 employees (27.0%), and respondents aged below 25 years with 2 employees (5.4%). In terms of educational background, most respondents held a Bachelor's degree (S1), representing 23 employees (62.2%), while 7 employees (18.9%) had completed senior high school or vocational high school and another 7 employees (18.9%) held a diploma qualification. The length-of-service profile was dominated by employees with more than 10 years of service, totaling 22 employees (59.5%), followed by those with less than five years of service (12 employees; 32.4%) and 5–10 years of service (3 employees; 8.1%). Finally, the employment status of respondents was largely dominated by permanent employees, comprising 32 employees (86.5%), while fixed-term contract employees (PKWT) accounted for 3 employees (8.1%) and outsourced employees accounted for 2 employees (5.4%).

Descriptive statistical analysis was subsequently performed to describe respondents' response patterns for each research variable using the interpretation criteria based on the mean score.

Job Insecurity (X)

In this study, Job Insecurity was treated as the exogenous variable and denoted by X. This construct was measured using five indicators, namely perceived threats to job continuity, uncertainty regarding future employment, negative events affecting employment status, employees' perceived level of job insecurity, and perceived inability to anticipate future employment conditions, represented by a total of 10 questionnaire items. The descriptive statistics of respondents' perceptions regarding Job Insecurity are presented in Table 5.

Table 5. Descriptive Statistics of Respondents' Responses to Job Insecurity

No.	Statement	1	2	3	4	5	Total Score	Mean	Criterion
Dimension: The Meaning of Work for the Individual									
X1	I believe that my current job is very important for my future life and career.	0	0	4	12	21	165	4.46	High
X2	Losing my job will have a significant negative impact on my personal life.	1	3	13	16	4	157	4.24	High
Mean Score of the Dimension: The Meaning of Work for the Individual								4.35	Very High

No.	Statement	1	2	3	4	5	Total Score	Mean	Criterion
Dimension: Perceived Threat to Job Continuity									
X3	I am concerned about losing promotion opportunities because of my current employment status.	1	3	13	16	4	130	3.51	Moderate
X4	I believe that my fixed-term employment contract (PKWT) will not be renewed in the future.	4	4	15	8	6	119	3.22	Moderate
Mean Score of the Dimension: Perceived Threat to Job Continuity								3.37	Moderate
Dimension: The Emergence of Negative Employment Events									
X5	I believe that the company may terminate my employment if my performance declines.	3	3	7	15	9	135	3.65	High
X6	I observe signs indicating increasing uncertainty regarding my employment.	6	4	16	8	3	109	2.95	Moderate
Mean Score of the Dimension: The Emergence of Negative Employment Events								3.30	Moderate
Dimension: Importance of the Potential Impact of Employment-Related Events									
X7	My future career in this company feels uncertain because I have not yet become a permanent employee.	3	8	11	12	3	115	3.11	Moderate
X8	I am highly concerned about organizational restructuring or layoffs that may occur in the future.	5	0	9	18	5	129	3.49	High
Mean Score of the Dimension: Importance of the Potential Impact of Employment-Related Events								3.30	Moderate
Dimension: Powerlessness									
X9	I feel that I have little control over decisions regarding my employment contract.	3	3	11	14	6	129	3.46	High
X10	I feel powerless to maintain my current position despite my best efforts.	3	10	13	7	4	110	2.97	Moderate
Mean Score of the Dimension: Powerlessness								3.22	Moderate
Overall Mean Score of Job Insecurity								3.51	High

Source: Processed data (2026)

The descriptive analysis indicates that the Job Insecurity variable obtained an overall mean score of 3.51, which falls within the high category. This finding suggests that employees perceive a relatively high level of job insecurity. The dimension with the highest mean score was The Meaning of Work for the Individual, with a mean of 4.35 (Very High), particularly for

the statement, "I believe that my current job is very important for my future life and career" (4.46). This result demonstrates that employees place considerable importance on their jobs. Conversely, the dimension with the lowest mean score was Powerlessness, with a mean of 3.22 (Moderate). These findings indicate that although employees perceive their jobs as highly important for maintaining personal stability, they also experience a moderate level of perceived control over employment-related uncertainty while remaining vigilant toward potential threats to their job security.

Job Burnout (Z)

In this study, Job Burnout was treated as the mediating variable and denoted by Z. The construct was measured using four indicators adapted from Schaufeli et al. (2020), namely emotional exhaustion, mental distance from work, cognitive impairment, and emotional impairment, represented by a total of 10 questionnaire items. The descriptive statistics of respondents' perceptions regarding each statement of the Job Burnout variable are presented in Table 6.

Table 6. Descriptive Statistics of Respondents' Responses to Job Burnout

No.	Statement	1	2	3	4	5	Total Score	Mean	Criterion
Dimension: Exhaustion									
Z ₁	I feel that my energy has truly been drained after completing daily work.	3	7	13	9	5	117	3.16	Moderate
Z ₂	I feel physically and mentally exhausted before starting work each day.	9	15	6	4	3	88	2.38	Low
Z ₃	I feel that I have experienced chronic fatigue that is difficult to recover from by simply taking a rest.	8	13	9	4	3	92	2.49	Low
Mean Score of the Dimension: Exhaustion								2.68	Moderate
Dimension: Mental Distance									
Z ₄	I feel less enthusiastic and tend to become cynical toward the tasks assigned to me at work.	13	13	6	2	3	80	2.16	Low
Z ₅	I feel reluctant and emotionally burdened to continue my work activities in this company.	12	17	5	0	3	76	2.05	Low
Z ₆	I tend to withdraw psychologically or feel emotionally detached from my work environment.	13	13	7	2	2	78	2.11	Low
Mean Score of the Dimension: Mental Distance								2.11	Low
Dimension: Cognitive Impairment									
Z ₇	I often find it difficult to concentrate or remain focused while completing operational tasks.	12	17	4	1	3	77	2.08	Low
Z ₈	I frequently make mistakes or become confused while performing work because my mind feels exhausted.	6	18	6	4	3	91	2.46	Low

No.	Statement	1	2	3	4	5	Total Score	Mean	Criterion
	Mean Score of the Dimension: Cognitive Impairment							2.27	Low
	Dimension: Emotional Impairment								
Z9	I find it difficult to control my emotions (such as anger or irritability) when facing work-related pressure.	8	15	9	2	3	88	2.38	Low
Z10	I often feel frustrated and experience intense emotional distress when facing work targets.	8	14	10	2	3	89	2.41	Low
	Mean Score of the Dimension: Emotional Impairment							2.40	Low
	Overall Mean Score of Job Burnout							2.37	Low

The Job Burnout variable obtained an overall mean score of 2.37, which falls within the low category. This finding indicates that employees generally experience relatively low levels of job burnout. Among the four dimensions, Exhaustion recorded the highest mean score (2.68, Moderate), suggesting that employees still experience physical and mental fatigue after completing their daily work activities. Specifically, the statement "I feel that my energy has truly been drained after completing daily work" received the highest mean score (3.16). Conversely, the Mental Distance dimension recorded the lowest mean score (2.11, Low). These findings suggest that although employees frequently experience physical fatigue, they have not yet developed severe psychological withdrawal, emotional detachment, or cognitive impairment. Nevertheless, consistently fluctuating sales targets continue to impose considerable physical and emotional demands, gradually depleting employees' energy at the end of the workday.

Employee Performance (Y)

In this study, Employee Performance was treated as the endogenous variable and denoted by Y. The construct was measured using five indicators adapted from Mangkunegara (A.A., 2002, as cited in Anggraini et al., 2023), namely work quality, output quantity, timeliness, cooperation, and responsibility, represented by a total of 10 questionnaire items. The descriptive statistics of respondents' responses to each statement regarding Employee Performance are presented in Table 7.

No.	Statement	1	2	3	4	5	Total Score	Mean	Criterion
	Dimension: Work Quality								
Y1	I am able to complete my work tasks with a high level of accuracy.	0	2	9	16	10	145	3.92	High

No.	Statement	1	2	3	4	5	Total Score	Mean	Criterion
Y2	I complete my work with minimal errors or mistakes.	0	2	4	19	12	152	4.11	High
	Mean Score of the Dimension: Work Quality							4.02	High
	Dimension: Output Quantity								
Y3	I am able to complete my assigned workload according to the expected targets.	0	2	9	18	8	143	3.86	High
Y4	My work is completed effectively, although the workload is demanding.	0	5	11	13	8	135	3.65	High
	Mean Score of the Dimension: Output Quantity							3.76	High
	Dimension: Timeliness								
Y5	I always complete my work according to the predetermined schedule or deadline.	0	2	9	13	13	148	4.00	High
Y6	By managing my time effectively, I rarely postpone work tasks.	0	3	6	10	18	154	4.16	High
	Mean Score of the Dimension: Timeliness							4.08	High
	Dimension: Cooperation								
Y7	I actively cooperate and communicate effectively with my colleagues to accomplish team objectives.	0	3	0	14	20	162	4.38	Very High
Y8	I am willing to help colleagues in carrying out operational tasks in the field.	1	1	2	19	14	155	4.19	High
	Mean Score of the Dimension: Cooperation							4.29	Very High
	Dimension: Responsibility								
Y9	I have a strong commitment to completing my work responsibilities on time.	0	2	3	17	15	156	4.22	Very High
Y10	I consistently comply with company procedures and regulations in carrying out my work.	0	2	1	12	22	165	4.46	Very High
	Mean Score of the Dimension: Responsibility							4.34	Very High
	Overall Mean Score of Employee Performance							4.10	High

Source: Processed data (2026)

The Employee Performance variable obtained an overall mean score of 4.10, which falls within the high category. This finding indicates that employees generally perceive their performance positively and consistently demonstrate high levels of work effectiveness. The highest mean score was recorded for the Responsibility dimension, with a mean score of 4.34 (Very High), particularly for the statement, "I consistently comply with company procedures and regulations in carrying out my work," which achieved a mean score of 4.46. In contrast,

the lowest mean score was observed for the Output Quantity dimension, with a mean score of 3.76 (High). These findings suggest that employees' discipline and compliance with the company's Standard Operating Procedures (SOPs) constitute key strengths in maintaining a high level of performance.

The evaluation of the measurement model (outer model) in the PLS-SEM analysis was conducted through construct validity and reliability testing to ensure that the measurement instrument was both valid and reliable. Convergent validity was assessed using the outer loading values. An indicator was considered valid if its outer loading value exceeded 0.70 (Joe F. Hair et al., 2022). The results of the convergent validity assessment based on the outer loading values for each research variable are presented in Table 8.

Table 8. Results of the Convergent Validity Assessment Based on Outer Loadings

Variable	Item Outer Loading Remarks		
Job Insecurity (X)	X1	0.843	Valid
	X2	0.855	Valid
	X3	0.722	Valid
	X4	0.842	Valid
	X5	0.819	Valid
	X6	0.828	Valid
	X7	0.834	Valid
	X8	0.834	Valid
	X9	0.778	Valid
	X10	0.890	Valid
Job Burnout (Z)	Z1	0.760	Valid
	Z2	0.758	Valid
	Z3	0.757	Valid
	Z4	0.881	Valid
	Z5	0.882	Valid
	Z6	0.869	Valid
	Z7	0.910	Valid
	Z8	0.881	Valid
	Z9	0.869	Valid
	Z10	0.864	Valid
Employee Performance (Y)	Y1	0.870	Valid
	Y2	0.782	Valid
	Y3	0.877	Valid
	Y4	0.837	Valid
	Y5	0.847	Valid

Variable	Item	Outer Loading	Remarks
	Y6	0.855	Valid
	Y7	0.774	Valid
	Y8	0.805	Valid
	Y9	0.835	Valid
	Y10	0.722	Valid

Source: Processed data (2026)

The results of the convergent validity assessment indicate that all measurement items across the three research variables achieved outer loading values exceeding the recommended threshold of 0.70. These findings demonstrate that all indicators are valid and appropriate for measuring their respective latent constructs, thereby satisfying the criteria for convergent validity.

Furthermore, Average Variance Extracted (AVE) was employed to evaluate convergent validity within the confirmatory factor analysis and structural equation modeling framework. An AVE value greater than 0.50 indicates that a construct explains more than half of the variance in its indicators. The results of the AVE assessment are presented in **Table 9**.

Table 9. Results of the Convergent Validity Assessment Based on Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)	Remarks
Job Insecurity (X)	0.682	Valid
Job Burnout (Z)	0.714	Valid
Employee Performance (Y)	0.675	Valid

Source: Processed data (2026)

As presented in Table 9, the Average Variance Extracted (AVE) values for Job Insecurity (0.682), Job Burnout (0.714), and Employee Performance (0.675) all exceed the recommended threshold of 0.50. These results confirm that each construct demonstrates adequate convergent validity, indicating that the indicators are capable of explaining more than 50% of the variance in their respective latent variables.

Discriminant validity was subsequently assessed using the cross-loadings approach, which compares the correlation between each indicator and its associated latent construct against its correlations with other latent constructs. An indicator is considered to possess satisfactory discriminant validity when its loading on the intended construct is substantially higher than its loadings on all other constructs.

Table 10. Results of the Discriminant Validity Assessment Based on Cross-Loadings

Item	Job Insecurity (X)	Job Burnout (Z)	Employee Performance (Y)
X1	0.843	0.362	-0.124
X2	0.855	0.378	-0.213
X3	0.722	0.201	-0.005

Item	Job Insecurity (X)	Job Burnout (Z)	Employee Performance (Y)
X4	0.842	0.344	-0.310
X5	0.819	0.351	-0.276
X6	0.828	0.183	-0.217
X7	0.834	0.411	-0.281
X8	0.834	0.194	-0.151
X9	0.778	0.385	-0.208
X10	0.890	0.386	-0.163
Z1	0.246	0.760	-0.437
Z2	0.492	0.758	-0.265
Z3	0.471	0.757	-0.205
Z4	0.228	0.881	-0.519
Z5	0.251	0.882	-0.453
Z6	0.487	0.869	-0.499
Z7	0.362	0.910	-0.535
Z8	0.184	0.881	-0.531
Z9	0.338	0.869	-0.460
Z10	0.385	0.864	-0.454
Y1	-0.224	-0.478	0.870
Y2	-0.233	-0.343	0.782
Y3	-0.245	-0.622	0.877
Y4	-0.245	-0.622	0.837
Y5	-0.146	-0.319	0.847
Y6	-0.321	-0.460	0.855
Y7	-0.146	-0.172	0.774
Y8	-0.056	-0.258	0.805
Y9	-0.103	-0.219	0.835
Y10	-0.212	-0.127	0.722

Source: Processed data (2026).

The results presented in Table 10 indicate that all measurement items exhibit cross-loading values that are higher on their respective latent constructs than on the other latent constructs. These findings confirm that each indicator demonstrates satisfactory discriminant validity, as every item is more strongly associated with its intended construct than with the remaining constructs in the research model.

Discriminant validity was further evaluated by comparing the square root of the Average Variance Extracted (VAVE) for each construct with the correlations among latent variables. A construct is considered to possess adequate discriminant validity when its VAVE value is

greater than its correlations with other latent constructs. The results of this assessment are presented in Table 11.

Table 11. Results of the Discriminant Validity Assessment Based on the Square Root of Average Variance Extracted (VAVE)

Variable	Job Insecurity (X)	Job Burnout (Z)	Employee Performance (Y)
Job Insecurity (X)	0.826		
Job Burnout (Z)	0.410	0.845	
Employee Performance (Y)	-0.256	-0.524	0.822

Source: Processed data (2026)

As shown in Table 11, the square root of the Average Variance Extracted (VAVE) for Job Insecurity (0.826), Job Burnout (0.845), and Employee Performance (0.822) is greater than the correlations between each construct and the other latent variables. These results confirm that all constructs satisfy the criterion for discriminant validity, indicating that each latent variable is empirically distinct and measures a unique conceptual domain.

Subsequently, construct reliability was evaluated using Composite Reliability (CR). A construct is considered reliable when its composite reliability value exceeds 0.70 (Joe F. Hair et al., 2022). The results of the composite reliability assessment are presented in Table 12.

Table 12. Results of the Composite Reliability Assessment

Variable	Cronbach's Alpha	Composite Reliability	Remarks
Job Insecurity (X)	0.948	0.955	Reliable
Job Burnout (Z)	0.955	0.961	Reliable
Employee Performance (Y)	0.950	0.954	Reliable

Source: Processed data (2026)

As presented in Table 12, both the Composite Reliability (CR) and Cronbach's Alpha values for all research constructs exceed the recommended threshold of 0.70. Specifically, Job Insecurity achieved a Cronbach's Alpha of 0.948 and a Composite Reliability of 0.955, Job Burnout obtained values of 0.955 and 0.961, respectively, while Employee Performance recorded a Cronbach's Alpha of 0.950 and a Composite Reliability of 0.954. These findings confirm that all constructs demonstrate a high level of internal consistency and reliability, indicating that the measurement instrument is suitable for further structural model analysis. After the measurement model satisfied the required validity and reliability criteria, the analysis proceeded to evaluate the structural model (inner model). This stage involved assessing the coefficient of determination (R^2) and predictive relevance (Q^2) to examine the model's explanatory and predictive capabilities. The coefficient of determination (R^2) indicates the proportion of variance in each endogenous construct explained by its corresponding exogenous variables within the PLS-SEM model. The R^2 values for the endogenous variables are presented in Table 13.

Table 13. Coefficient of Determination (R^2)

Variable	R ²
Job Burnout (Z)	0.168
Employee Performance (Y)	0.277

Source: Processed data (2026).

As shown in Table 13, the R² value for Job Burnout is 0.168, indicating that 16.8% of the variance in Job Burnout is explained by Job Insecurity, while the remaining 83.2% is attributable to factors outside the proposed research model. Meanwhile, the R² value for Employee Performance is 0.277, indicating that 27.7% of the variance in employee performance is jointly explained by Job Insecurity and Job Burnout, whereas the remaining 72.3% is influenced by other variables not included in the model.

The model's predictive relevance (Q²) was subsequently evaluated to determine the extent to which the observed values generated by the model correspond to the actual observed data. The Q² statistic was calculated using the following formula:

The predictive relevance (Q²) value was calculated using the following equation:

$$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2)$$

$$Q^2 = 1 - (1 - 0.168)(1 - 0.277)$$

$$Q^2 = 1 - (0.832)(0.723)$$

$$Q^2 = 1 - 0.602$$

$$Q^2 = 0.398$$

The calculated Q² value is 0.398, which is greater than zero, indicating that the structural model possesses satisfactory predictive relevance. This result suggests that 39.8% of the variance in Employee Performance can be predicted by Job Insecurity and Job Burnout, whereas the remaining 60.2% is explained by other variables not included in the proposed research model.

Hypothesis testing was subsequently conducted using the bootstrapping procedure to evaluate the significance of both the direct effects and indirect effects. A hypothesis was considered supported when the t-statistic exceeded 1.96 or the p-value was less than 0.05, corresponding to a significance level of 5%. The results of the structural model assessment for the direct relationships are presented in Table 14.

Table 14. Results of the Direct Effects Analysis

Direct Relationship	Path Coefficient	STDEV	t-statistic	p-value	Remarks
Job Insecurity → Job Burnout	0.410	0.174	2.357	0.018	Significant
Job Insecurity → Employee Performance	-0.050	0.230	0.216	0.829	Not Significant
Job Burnout → Employee Performance	-0.504	0.206	2.442	0.015	Significant

Source: Processed data (2026).

The results presented in Table 14 can be interpreted as follows:

1. Effect of Job Insecurity on Job Burnout

The analysis indicates that the effect of Job Insecurity on Job Burnout has a path coefficient of 0.410 and a p-value of 0.018, which is below the significance threshold of 0.05 ($p < 0.05$). These findings demonstrate that Job Insecurity has a positive and statistically significant effect on employees' Job Burnout. Accordingly, Hypothesis 1 (H1) is supported.

2. Effect of Job Insecurity on Employee Performance

The effect of Job Insecurity on Employee Performance produced a path coefficient of -0.050 and a p-value of 0.829, which exceeds the significance threshold of 0.05 ($p > 0.05$). These results indicate that Job Insecurity has a negative but statistically insignificant effect on Employee Performance. Therefore, Hypothesis 2 (H2) is not supported.

3. Effect of Job Burnout on Employee Performance

The analysis further shows that the effect of Job Burnout on Employee Performance yielded a path coefficient of -0.504 with a p-value of 0.015, which is below 0.05 ($p < 0.05$). This finding indicates that Job Burnout has a negative and statistically significant effect on Employee Performance. Consequently, Hypothesis 3 (H3) is supported.

Table 15. Results of the Indirect Effect Analysis

Indirect Relationship	Path Coefficient	STDEV	t-statistic	p-value	Remarks
Job Insecurity → Job Burnout → Employee Performance	-0.207	0.138	1.498	0.134	Not Significant

Source: Processed data (2026)

4. Indirect Effect of Job Burnout on the Relationship Between Job Insecurity and Employee Performance

The mediation analysis indicates that the indirect effect of Job Insecurity on Employee Performance through Job Burnout produced a path coefficient of -0.207 and a p-value of 0.134, which is greater than the significance threshold of 0.05 ($p > 0.05$). These findings indicate that Job Burnout does not significantly mediate the relationship between Job Insecurity and Employee Performance. Therefore, Hypothesis 4 (H4) is not supported, indicating that the indirect effect through Job Burnout is not statistically significant in the proposed research model.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the data analysis and discussion presented in the previous sections, several conclusions can be drawn regarding the causal relationships among the variables investigated in this study. First, Job Insecurity has a positive and statistically significant effect on Job Burnout among employees at the Regional Representative Office (KPW) of the packaged beverage distribution company operating in Bali and Nusa Tenggara. This finding indicates that higher levels of perceived job insecurity increase employees' psychological pressure, making them more susceptible to emotional exhaustion and mental fatigue in the workplace. Second, Job Insecurity has a negative but statistically insignificant effect on Employee Performance. This finding suggests that although employees perceive uncertainty regarding the continuity of their employment, such concerns have not yet significantly reduced their performance. This condition may be attributed to employees'

efforts to maintain high performance in order to secure contract renewal and avoid the risk of employment termination. Third, Job Burnout has a negative and statistically significant effect on Employee Performance. These findings confirm that accumulated emotional exhaustion and diminished energy directly reduce employees' cognitive capacity, thereby lowering work productivity and overall performance in the workplace. Fourth, Job Burnout does not significantly mediate the relationship between Job Insecurity and Employee Performance. This result indicates that pressure arising from contractual employment status does not automatically translate into performance deterioration through emotional exhaustion. Instead, the two variables operate as independent stressors that influence different aspects of employees' behavioral dynamics.

Based on these findings, several strategic recommendations can be proposed for both organizational management and future research. From a managerial perspective, the company is encouraged to re-evaluate its employment contract policies by providing greater transparency regarding contract renewal criteria in order to reduce employees' perceptions of Job Insecurity and minimize psychological anxiety in the workplace. In addition, to mitigate the detrimental effects of Job Burnout, management should implement comprehensive stress management programs, establish open communication channels between employees and supervisors, maintain a balanced workload, and provide adequate psychological support to promote employee well-being. For future research, it is recommended to incorporate additional variables such as organizational support, leadership style, work engagement, organizational commitment, and psychological well-being that may better explain employee performance. Furthermore, studies involving larger sample sizes and broader industrial sectors are expected to enhance the generalizability of the findings and provide a more comprehensive understanding of the relationships among Job Insecurity, Job Burnout, and Employee Performance. establish supportive two-way communication between supervisors and subordinates, and provide adequate non-financial recognition for employees who consistently demonstrate discipline and compliance with organizational procedures. Meanwhile, future researchers are encouraged to expand the scope of investigation by involving larger samples from various companies and industries to improve the generalizability of the findings. Considering that the coefficient of determination obtained in this study remains relatively low, future studies are also recommended to examine additional independent variables, such as perceived organizational support, leadership style, work engagement, organizational commitment, and psychological well-being, which may enhance the explanatory power of the proposed research model. Such efforts are expected to generate a more comprehensive understanding of employee behavior dynamics in the field of human resource management.

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