

# The Influences of Job Insecurity and Compensation towards the Employee Performance whom mediated by Job Satisfaction at PT Rajawali Nusindo

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**Abstract:-** The purpose of this research was to analyze the mediate influence of job satisfaction on job insecurity and compensation towards the employee performance. The object of this research was the employee at PT Rajawali Nusindo Central Jakarta office. The total of 144 respondents filled out the questionnaire, the sample was taken by the Slovin formula from total population of 224 employees. This research was conducted in September to November 2019 at the Jakarta Head Office. The sampling technique that have been used was proportional simple random sampling. The Data were analyzed using the SmartPLS path analysis application 3.2.8. The results of this research was indicated that the job insecurity directly has a negative and significant effect on employee performance. Direct compensation has a positive and significant effect on employee performance. Meanwhile, the job satisfaction becomes a mediation variable between the effect of job insecurity and compensation towards the employee performance at PT Rajawali Nusindo head office. The indirect effect of job insecurity on employee performance was greater than the direct effect. Conversely, the effect of compensation on employee performance is directly greater than the indirect effect.

**Keywords:-** Job Insecurity, Compensation, Job Satisfaction, Employee Performance.

## I. INTRODUCTION

The increasingly competitive business climate has forces the organizations and companies to urge all the components that they have both internal and external components. In an organization or company generally consists of various components that are interrelated and unity as one, these components consist of employees, publics, publics groups, communities or even individuals

who all have an interest in an organization or company. One of the components inside the organization or company, there has one of important component which is Human resource whereas human resource could be classified adjust to each competence to fill the right line in one of organization or company.

PT Rajawali Nusindo is a State-Owned Enterprise under PT Rajawali Nusantara Indonesia. PT Rajawali Nusindo's main business now includes distribution and trade. In the distribution business, the company distributes consumer products, pharmaceutical products, plantation products, and plantation tools and facilities. In the field of trade, the company provides medical equipment for hospitals and government health institutions. Having a vision of becoming a Reliable and Reliable Distribution and Trading Company in health, consumer and industrial products through the best service for customers and increasing stakeholder value.

At this present there are 227 employees per April 2019 who were on duty at the Jakarta head office. Through interviews with the Development Managers, it was obtained that fact that overall performance of PT Rajawali Nusindo's employees has been good, but it should still recognized that some things do not always meet the target. The intended target is sales and distribution for branches and assessment performance for employees at the head office, he said that there are so many factors that causing the incompatibility of work targets in the company, both internal and external factors. Through the employee performance appraisal data which is done annually, there has an increasing in employee performance, but there still has employees who have a CB which is quite good, where the overall target of employees is B (good). The Employee ratings on BS scores (very good) are still unsatisfactory, thou going down in 2017, which in 2015 - 2016 had previously been raised.

Score	2015		2016		2017	
Very well	10	Employees	20	Employees	9	Employees
Well	120	Employees	131	Employees	137	Employees
Pretty good	31	Employees	13	Employees	17	Employees
Less good	1	Employees	0	Employees	0	Employees

Table 1:- The Employee Performance Assessment Data for Headquarters on 2015-2017  
Source: HRD PT Rajawali Nusindo (2019)

PT Rajawali Nusindo also scoring that the employee job satisfaction which was done to measure employee job satisfaction. From the employee job satisfaction data it can be seen that there has an increase in disagreement and less agree answers to job satisfaction in the company. In 2017

the number of disagreements stood at 8% but in 2018 it increased around 4%, then the disagreement answers increased from 2017 which amounted to 11% increased to 13% in 2018.



Fig 1:- Diagram of The internal Job Satisfaction Survey  
Source: PT Rajawali Nusindo's HRD Data (2019)

Beside all the performance data and job satisfaction data, PT Rajawali Nusindo's employee attendance and late work shows that 3643 times of delays in the T1 category (delays less than 15 minutes) and 2952 delays for the T2 category (delays of more than 15 minutes). The highest absenteeism was due to illness which reached 747 times.

which are thought to affect the performance include the job satisfaction, job insecurity and compensation.

Based on the phenomenon of the background discussion result above, then the author was interested in taking the title of the research *"The influences of Job Insecurity and Compensation towards the Employee Performance which mediated by Job Satisfaction at PT Rajawali Nusindo"*.

Category	(Amount)
T1 (< 08.15)	3643
T2 (> 08.15)	2952
Absent	756
SPPD	6192
Paid Leave	2853
Sick	747
Permission	133

Table 2:- Employee Attendance Data for 2018  
Source: HRD PT Rajawali Nusindo (2019)

After getting the results of the interviews and secondary data then conducted the pre-research survey towards the performance variables which carried out to Strengthen the alleged phenomenon of the employee performance at the company. Beside to get to know the performance variables, to strengthen those allegations factors that affect performance, so need to conducted the pre-research to determined other variables that were thought to have an influence towards the employees performance of PT Rajawali Nusindo.

The results of pre-research survey was conducted by researchers of 35 respondents by showing 34 out of 35 respondents still felt dissatisfaction in work done at the company, 19 out of 35 respondents felt anxious when the company was not conducive and 26 out of 35 respondents stated that the company didnt appreciated the employee performance. This would illustrates that the variables

## II. THEORITICAL REVIEW

### A. Performance

According to Hasibuan (2013:67) The performance is the result of work that achieved by someone in carrying out a task given based on their ability and experience in working. According to Moehariono (2012:95) performance is a picture of achievement Level of the implementation on program or activities or policies in realizing the goals, objectives, vision and mission of the organization as outlined through the strategic planning of an organization. Meanwhile according to Mangkunegara (2017: 67) states that the employee performance (work performance) is the work of quality and quantity which achieved by an employee in carrying out their duties according to responsibilities that been given.

### B. Job Insecurity

Sunarso (2018:14) stated that the job security is psychological condition where an employee has insecurity about the work that They had done. Greenhalgh and Rosenblatt (2010:9) in Saputra (2017) states that Job insecurity is the powerlessness to retained the desired of continuity in threatened work conditions. According to Smithson and Lewis (2000:681) in Wicaksono (2017) was interpreting job insecurity as a psychological condition of a person (employee) that shows a sense of confusion or feeling insecure due to changing environmental conditions

(perceived impermanence). According to Ashford et al (1989:807) in Aritonang (2018) said that job insecurity is reflection of the degree to employees who feel their work was threatened and feel powerless to do everything about it. This condition arises because of the large number of jobs with contract or outsourcing status which are quite widespread by companies.

### C. Compensation

According to Dessler (2015: 46) the employee compensation is all forms of payment or gifts given to employees from their work. Then Mondy (2010:5) explained that the compensation is the overall total rewards whom received by employees in order as rewards of the services that they are provided. Mangkunegara (2017:85) also argues that there are two forms of employee compensation, which namely the form of direct compensation which is wages and salaries, an indirect form of compensation which is services and benefits. According to Kadarisman (2012) in the research of Nawiyah et al. (2017:80) Compensation is a Human Resource Management (HRM) function that deals with each type of reward that individuals received in return of carrying out organizational tasks. The Employees exchange energy to get financial and non-financial rewards.

### D. Job Satisfaction

Hasibuan (2013:202) defines job satisfaction as an emotional attitude that is fun and loves the work it does. Kaswan (2012: 282) views job satisfaction as a feeling of satisfaction or dissatisfaction from the employees towards their work, and that feeling will be seen from the attitude of employees towards work and their work environment. According to Basar and Basim (2015:666) job satisfaction is a level of pride and joy that employees feel towards their work. If the employee is happy and proud of his work, it means that the job fills his needs and wants.

### E. Prior Research

Park et. al. (2017) states that job insecurity is very influential on employee job satisfaction. On the research of Devi and Sudibia (2015), Setiawan and Putra (2016) saputri et al. (2018) and Widayarsi et al. (2017) both in their research stated that job insecurity has a negative effect on employee job satisfaction which means that the higher the

sense of job insecurity in employees can reduce the level of job satisfaction, conversely the lower level of job insecurity, the higher the level of job satisfaction.

Gelard et al. (2016) states that the compensation and motivation have a positive effect on job satisfaction. Then in Mabaso and Dlamini (2017) and Rahayu (2019) states that the compensation has a significant and positive effect on job satisfaction. While Supriyanto (2018) the research results showed that the compensation has an affection towards job satisfaction and performance then job satisfaction has a significant effect on performance too.

Andrinirina et. al. (2015), Murni and Yurnalis (2018), and Darvishmotevali (2017), had stated that the job insecurity had a significant negative effect on employee performance. But it is different result from Qian et. al. (2019), in his research which stated that job insecurity does not always have a purely negative or positive effect on performance. Job insecurity can be a performance driven by motivating people to increase the efforts because of high performance.

Syahreza et. al. (2017) states that the compensation has a partial and significant positive effect on performance. Then Andry (2018) states that the compensation and work motivation have a significant effect on job satisfaction, the compensation and work motivation have a significant effect on employee performance. While Rashid et. al. (2017) also suggested that non-financial compensation has shown a stronger relationship with performance compared to financial compensation.

The job satisfaction variable also has independently significant influence on influencing the performance as suggested by Octaviannand et al. (2017), Inuwa (2017) and Shaju (2017). Job satisfaction has an effect on employee performance. when job satisfaction increases, the employee performance will increase also.

### F. Thinking Framework

Based on the previous result which related to these studies regarding the influences of job insecurity, compensation, job satisfaction and employee performance, those it can be described through the research model as in the following chart:

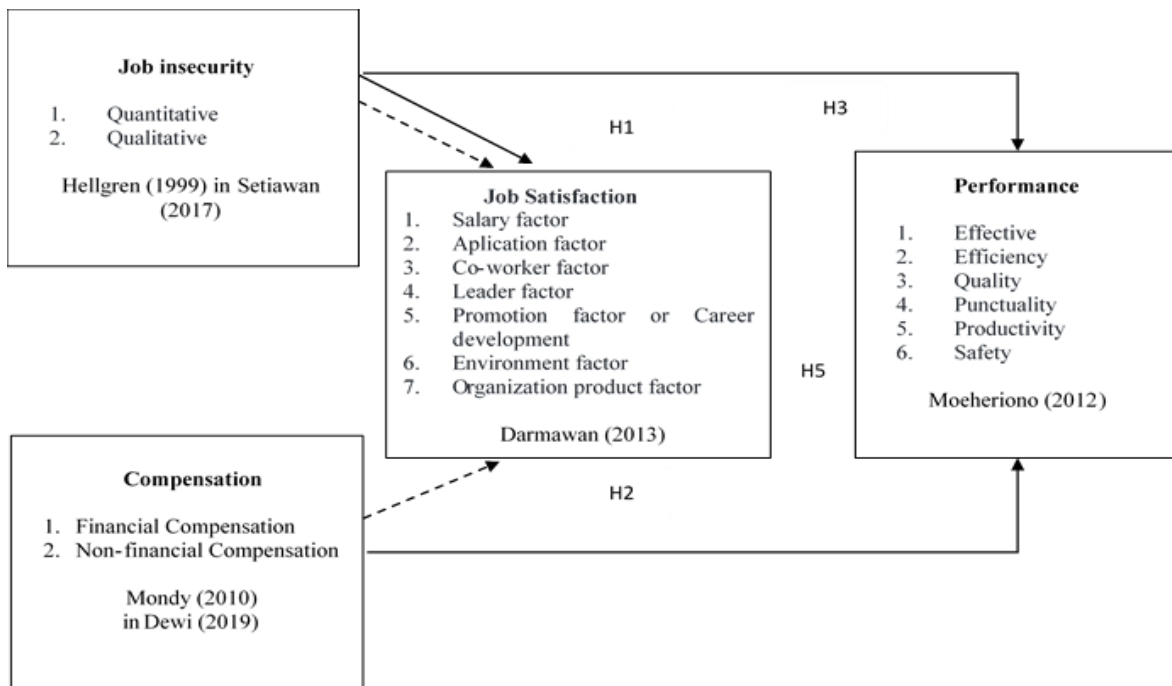


Fig 2:- Thinking Framework  
Source: Theory Study

**G. Hypothesis**

Based on these framework above, the authors could compiled the research of hypothesis as follows:

- H1: There has a significant effect of job insecurity on employee satisfaction at PT Rajawali Nusindo
- H2: There has a significant effect of compensation on employee satisfaction at PT Rajawali Nusindo
- H3: There has a significant effect of job insecurity on the performance of employees at PT Rajawali Nusindo
- H4: There has a significant effect of compensation on employee satisfaction and employee performance at PT Rajawali Nusindo
- H5: There has a significant effect of job insecurity and work compensation on employee performance at PT Rajawali Nusindo which mediated by job satisfaction.

**III. RESEARCH METHODS**

This research has been used the causality analysis to analyze the causality relations between those research variables in accordance with the hypothesis that arranged. The research method used quantitative method to provide an overview of each variable by analyzing the influences of independent variables towards the dependent variable. The independent variable on this research consisted of job insecurity, compensation, mediation variables such as job satisfaction and the dependent variable namely employee performance. The population in this research were all employees of the head office PT. Rajawali Nusindo with

total 224 employees. The Sampling in this research provide by probability sampling techniques. The determination the number of samples by using the Slovin formula with an error rate of 5% therefore the sample that could be used amounted to 144 respondents. The type of data used in this research was primary data from the results of questionnaires distributed and the results of interviews with leaders and managers who are in the headquarters of PT Rajawali Nusindo. This research uses data analysis techniques using Smart PLS software version 3. The Measurement models been used to test the validity and reliability, while the structural model is used to test causality (hypothesis testing with predictive models).

**IV. RESULTS AND DISCUSSION**

The examination on this research used the outer model test and the inner model test.

**A. Outer Model Test**

The Evaluation of convergent validity based on checking individual item reliability could be seen from the value of standardized loading factor. The standardized loading factor has illustrates the magnitude of the correlation between each measurement item (indicator) and its construct. The loading factor value that been used in this research is > 0.7 therefore if the loading factor value is <0.7, then the indicators in this research would be excluded from the model.

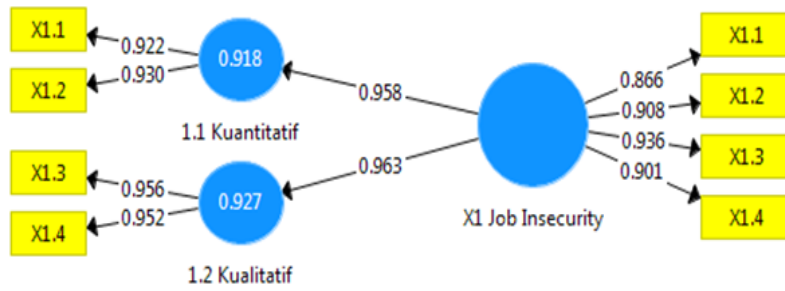


Fig 3:- The Calculation Result of the Measurement Model (Outer Model) of Job Insecurity Variable  
Source: Smart PLS version 3.2.8

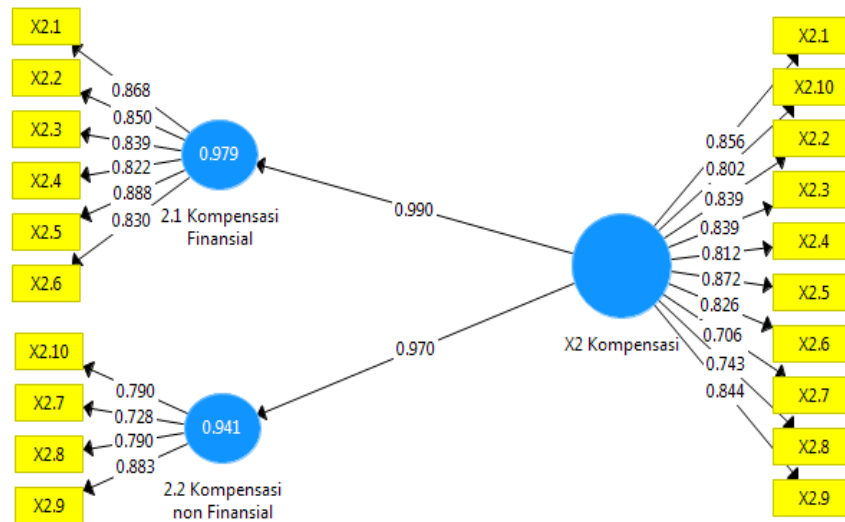


Fig 4:- The Calculation Result of Measurement Model (Outer Model) of Compensation Variable  
Source: Smart PLS version 3.2.8

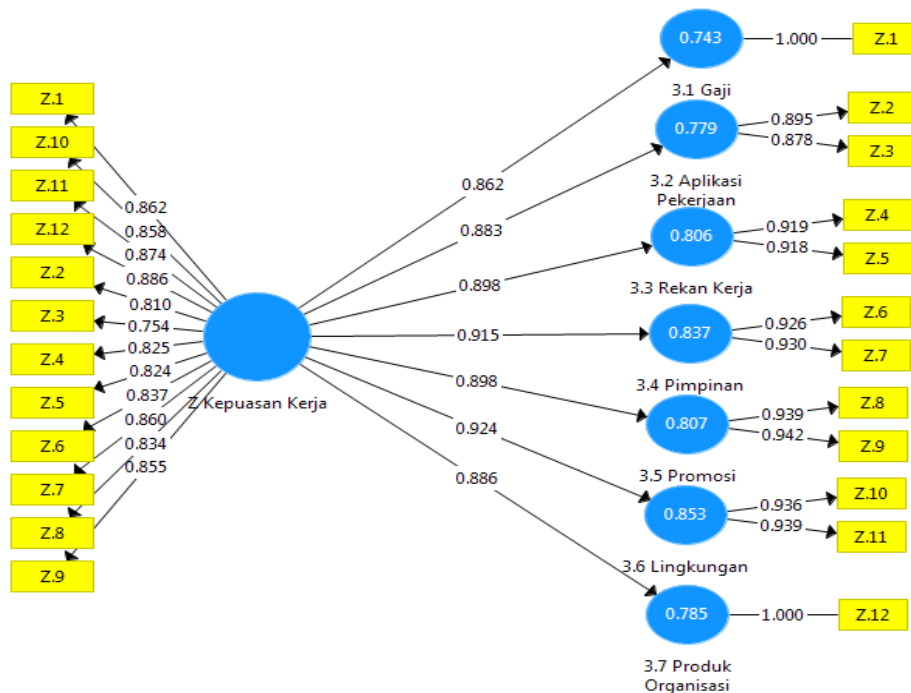


Fig 5:- The Calculation Result of Measurement Model (Outer Model) of Job Satisfaction Variable  
Source: Smart PLS version 3.2.8



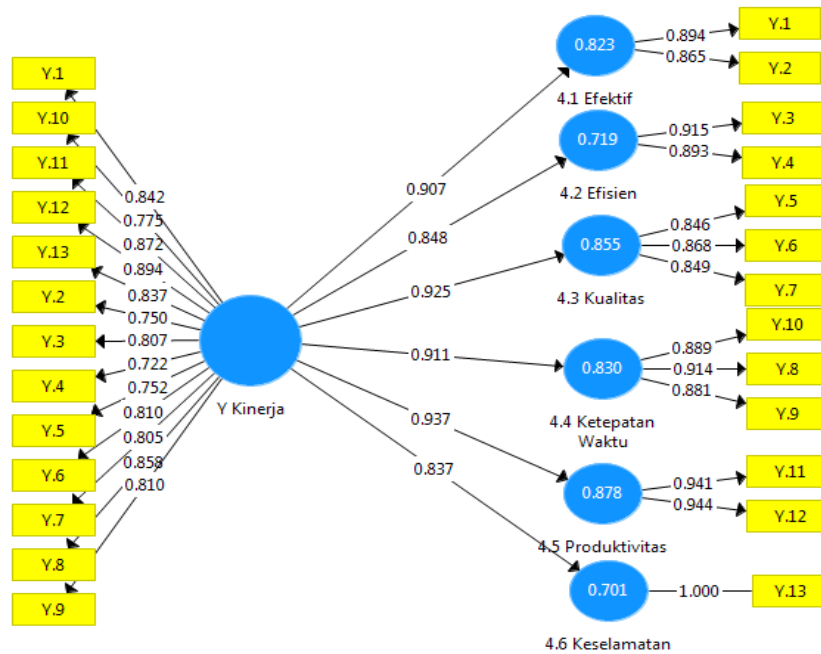


Fig 6:- The Calculation Result of Measurement Model (Outer Model) of Performance Variable  
Source: Smart PLS version 3.2.8

From the convergent validity results by using the SmartPLS version 3.2.8 like it shown in Figure 3 to Figure 6, so it can be seen that the indicators on the job insecurity, compensation, job satisfaction and performance variables

have a loading factor > 0.7, so that all indicators were declared valid and permanent to used as a model or not removed from the model.

Variable	Composite Reliability	Terms	Cronbach's Alpha	Terms	Information
Job Insecurity (X <sub>1</sub> )	0.946	> 0,7	0.924	> 0,6	Reliable
Compensation (X <sub>2</sub> )	0.952	> 0,7	0.943	> 0,6	Reliable
Job Satisfaction (Z)	0.966	> 0,7	0.962	> 0,6	Reliable
Performance (Y)	0.962	> 0,7	0.957	> 0,6	Reliable

Table 3:- Cronbach's Coefficient Alpha and Composite Reliability (CR) Value  
Source: Smart PLS version 3.2.8

From table 3 its known that the Cronbach's Coefficient Alpha value for the job insecurity, compensation, job satisfaction and performance variables is more than 0.6 or even close to 1 and the Composite reliability (CR) value is more than 0.7, so that all the variables in the research were declared reliable.

**B. Inner Model Test**

To evaluate the value of the path coefficient, based on the results of calculations using calculate SmartPLS version 3.2.8 bootstrapping the path coefficient results was obtained which illustrates the strength of the relationship between the constructs/variables as shown in Table 4 and Figure 7 below.

Relations Between Constructions	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values	Influence
<b>Direct Influence</b>						
- Job Insecurity> Job Satisfaction	-0.606	-0.606	0.065	9.379	0.000	Significant negative
- Compensation > Job Satisfaction	0.305	0.305	0.064	4.748	0.000	Significant Positive
- Job Insecurity> Performance	-0.273	-0.269	0.061	4.482	0.000	Significant negative

- Compensation > Performance	0.176	0.181	0.060	2.945	0.003	Significant Positive
- Job Satisfaction > Performance	0.523	0.524	0.063	8.264	0.000	Significant Positive
<b>Indirect Influence</b>						
- Job Insecurity > Job Satisfaction > Performance	-0.317	-0.318	0.051	6.230	0.000	Significant negative
- Compensation > Job Satisfaction > Performance	0.159	0.160	0.038	4.147	0.000	Significant Positive

Table 4:- Path Coefficient Test Results Direct and Indirect Effects  
Source: Smart PLS version 3.2.8

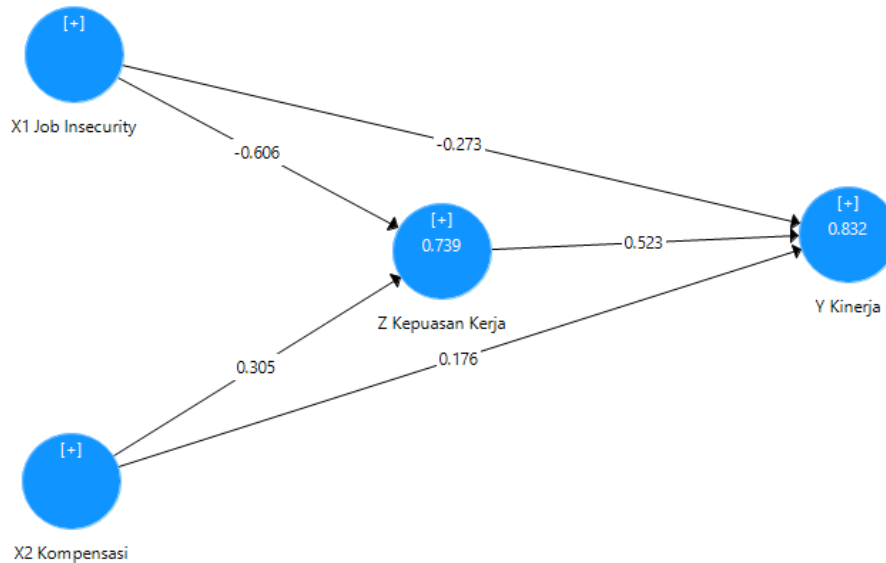


Fig 7:- Calculation results for the bootstrapping Model (Inner Model)  
Source: Smart PLS version 3.2.8

Based on Table 4 and Figure 7 it can be concluded that:

- 1) Job Insecurity has an effect of -0.606 on Job Satisfaction with a T-Statistic value of 9,379 and P-Values of 0,000.
- 2) Compensation has an effect of 0.305 on Job Satisfaction with a T-Statistic value of 4,748 and P-Values of 0,000.
- 3) Job Insecurity has an effect of -0,273 on Performance with a T-Statistic value of 4,482 and P-Values of 0,000.
- 4) Compensation has an effect of 0.176 on Performance with a T-Statistic value of 2.945 and P-Values of 0.003.
- 5) Job Satisfaction has an effect of 0.523 on Performance with a T-Statistic value of 8,264 and P-Values of 0,000.

C. R<sup>2</sup> Evaluation and F Statistic Test

To evaluate the value of R<sup>2</sup> based on the calculation results using the calculate SmartPLS version 3.2.8 algorithm and the results of the R<sup>2</sup> value are 0.832 for Job Satisfaction variable and 0.739 for Performance variable. The value of R<sup>2</sup> indicates the level of determination of exogenous variables (Job Insecurity and Compensation) towards the endogenous was quite high.

The simultaneously effect of job insecurity and compensation variables towards job satisfaction could be done by calculating the F count / F statistic. The calculation of results above could be seen that the calculated of F value of 1 in this research is 199.26 > F

table (2.67), so its proven that the job insecurity and compensation variables together has an influence towards job satisfaction. While the calculated of F value of 2 in this research was 232.46 > F table (2.67), so the variable job insecurity, compensation and job satisfaction together had an influence towards the performance.

D. Indirect Effect

The Estimate of indirect effect simultaneously by adding mediation variables between the independent variable and the dependent variable. In this research, the researchers has estimated indirect effects, namely the role of job satisfaction variables in mediating the effect of job insecurity and compensation variables towards performance variables. The results showed that:

- 1) The indirect effect of job insecurity on performance is the coefficient value of the direct effect of job insecurity towards job satisfaction that multiplied by the coefficient value of the direct effect of satisfaction on performance ((-0.606 x 0.523) = -0.317.
- 2) The indirect effect of compensation on performance is the coefficient value of the direct effect towards compensation on job satisfaction that multiplied by the value of the coefficient of direct effect on job satisfaction over the performance ((0.305 x 0.523) = 0.159.

*E. Correlation Matrix Between Dimensions*

Correlation analysis between dimensions has purposed to measure the level of relationship between the dimensions

of variables. The following results are correlations between the dimensions in this research.

Variable	Dimension	Correlation					
		Job Satisfaction (Z)					
		3.1 Salary	3.2 Job Application	3.3 Colleagues	3.4 Leaders	3.5 Promotion	3.6 Environment
Job Insecurity (X1)	1.1 Quantitative	-0,741	<b>-0,763</b>	-0,725	-0,761	-0,708	<b>-0,805</b>
	1.2 Qualitative	-0,663	-0,659	-0,644	-0,706	-0,667	-0,728
Compensation (X2)	2.1 Financial Compensation	0,697	0,657	0,630	0,651	0,661	<b>0,746</b>
	2.2 Non-financial Compensation	0,682	0,641	0,630	0,649	0,632	<b>0,705</b>

Table 6:- Correlation Between Dimensions of Job Insecurity and Compensation Variables with Job Satisfaction

Source: Smart PLS version 3.2.8

The greatest correlation value between the dimensions on the Job Insecurity (X1) variable against the Job Satisfaction variable (Z) is the Quantitative dimension with the Z.6 dimension of the Environment that is -0,805 and goes into category of very strong relationship level. This would explained that the reduction of the Quantitative dimension in the Job Insecurity variable is indispensable for any increase in Job Satisfaction (Z) especially in the Environmental dimension. On the second position, the quantitative dimension (X1.1) on the job insecurity variable with the job application (Z.3) on the Job Satisfaction variable with a correlation value of 0.763. Job Insecurity quantitatively has a strong relationship with two dimensions of the variable Job satisfaction which namely job applications and work environment.

The greatest correlation value between the dimensions Compensation variable (X2) and Job Satisfaction (Z) is between the Financial Compensation (X2.1) dimension and the environment dimension (Z.6) which is 0.746, and belongs to the category of strong relationship level. This explained that the dimension of Financial Compensation is needed for each increase in Job Satisfaction (Z) especially in the Z.1 dimension of the Environment. On the second position it was occur between the dimensions of Non-Financial Compensation (X2.2) with the dimension (Z.6) Environment, which is 0.746 and included in strong relationship level category. Both of the non-financial and financial dimensions of the Compensation variable have a strong relationship with work environment within the company.

Variable	Dimension	Correlation					
		Performance (Y)					
		4.1 Effective	4.2 Efficient	4.3 Quality	4.4 Timeliness	4.5 Productivity	4.6 Safety
Job Insecurity (X1)	1.1 Quantitative	-0,786	-0,701	<b>-0,793</b>	-0,735	<b>-0,831</b>	-0,725
	1.2 Qualitative	-0,744	-0,609	-0,699	-0,666	-0,744	-0,696
Compensation (X2)	2.1 Financial Compensation	0,705	0,699	0,673	0,649	<b>0,793</b>	0,708
	2.2 Non-financial Compensation	0,666	0,648	0,647	0,624	<b>0,766</b>	0,705

Table 7:- Correlation amongs the Dimensions of Job Insecurity Variables and Compensation with Performance

Source: Smart PLS version 3.2.8

The greatest correlation value between the dimensions in Job Insecurity (X1) variable against the Performance variable (Y) is the Quantitative dimension with the Y.5 Productivity dimension of -0.831 and falls into the category of very strong relationship level. This explained that the reduction of the Quantitative dimension in Job Insecurity variable is indispensable for any increase in Performance (Y) especially in the Y.5 Productivity dimension. On the second position, the quantitative dimension (X1.1) on the job insecurity variable has a strong relationship with the dimension of work quality (Y.3) on the Performance variable (Y) with a value of -0.793. This shows that every increase in job insecurity especially in the quantitative

dimension and it will reduce the employee work performance.

The greatest correlation value between the dimensions in the Compensation variable (X2) and Performance (Y) is between the Financial Compensation dimension (X2.1) and the Productivity dimension (Y.5) with a value of 0.793. On the second position is Non-Financial compensation (X2.1) with dimension (Y.5) Productivity which with value of 0.766. Both are included in the category of strong relationship level. This explained that the dimensions of Financial Compensation and Non-Financial Compensation are indispensable for any increase in Y.5 Productivity as Performance variable (Y).



Variable	Dimension	Correlations					
		Performance (Y)					
		4.1 Effective	4.2 Efficient	4.3 Quality	4.4 Timeliness	4.5 Productivity	4.6 Safety
Job Satisfaction (Z)	3.1 Salary	0,750	0,742	0,761	0,760	<b>0,790</b>	0,704
	3.2 Job Applications	0,752	0,656	0,733	0,778	0,762	0,657
	3.3 Colleagues	0,645	0,609	0,752	0,665	0,740	0,615
	3.4 Leaders	0,708	0,687	0,749	0,709	0,745	0,682
	3.5 Promotion	0,681	0,596	0,680	0,683	0,721	0,650
	3.6 Environment	0,773	0,700	0,785	0,728	<b>0,844</b>	0,723
	3.7 Organizational Products	0,720	0,626	0,711	0,674	0,758	0,635

Table 8:- Correlation Between Dimensions of Job Satisfaction Variables with Performance

Source: Smart PLS version 3.2.8

The greatest correlation value between the dimensions in the variable Job Satisfaction (Z) to the Performance variable (Y) is the Environmental dimension with the dimension (Y.5) Productivity which is 0.844, and falls into the category of a very strong relationship level. Then in the second position is the Salary dimension (Z1) on job satisfaction and the dimension (Y1) Productivity on the performance variable with a value of 0.790, and into the category of a very strong relationship level. This explains that Variable Job Satisfaction especially in the Environmental dimension is very necessary to improve Performance (Y) especially from the Y.1 Productivity dimension.

#### F. Discussion

The results of the research had shown that the higher job insecurity, the lower the job satisfaction because the employees feel uncomfortable working in the conditions of the work environment therefore the employees do not feel the satisfaction of the work. Feeling safe from the threat of losing work or dimensions in work will be a positive stimulus to maintaining the employee work attitudes for the long run. A good work attitude was expected to have a positive impact on the work or towards work climate where the employees were located. The results of this research was indicated that the Job Insecurity has a significant negative effect towards the job satisfaction. The results that mentioned above were also in accordance with the previous research result which conducted by Devi and Sudibia (2015) and Setiawan and Putra (2016) on their research quoting that job insecurity has a negative effect towards the job satisfaction on the employee.

Based on the results of these research as well as the results of previous one, the job insecurity needs to be lowered to increase the job satisfaction on employees especially in the comfort that comes from a sense of security at work. The reduction of work insecurity in terms of the future and work status needs to be well socialized through good and comprehensive employee relations program 2 way communication also capable to provide the security of the employees because the employees were able to speak up the complaints which are perceived as threats. Then the most important thing that the leadership of

company has advised to explained that the employment status and the future of the employees, thus it is expected that job satisfaction will increase.

Other results from this research was indicated that the Compensation has a significant effect towards job satisfaction. These results were in line with previous research which conducted from Mabaso et al.(2017) stated that the Compensation has a positive and significant effect on job satisfaction. Darma and Supriyanto's research (2017) stated that the compensation variable has directly influences towards the employee performance variables which further the job satisfaction was mediated the influences of compensation towards the employee performance Even though it is not the variable that has the highest influence on job satisfaction this variable has a significant influence on job satisfaction, which in turn results in an increase on employee performance at the company.

The results of this result was indicated that Job Insecurity has a significant negative effect on Employee Performance. The results above are in accordance with the results of previous research whom proposed by Andrinirina et al. (2015) and Murni and Yurnalis (2018) and Darvishmotevali (2017) which stated that the job insecurity had a negative and significant effect towards the employee performance. It means that the higher sense of job insecurity in employees could reduce the employee performance. The Job insecurity has a role as an influencing the employee performance, a sense of security in working conditions and the future career of the employees is an very important thing to support the employee performance. The Maximum performance was determined by many things, a sense of security towards work and the employees' future is one thing that needs to pay the attention. The assurance for employees need to be improved from day to day. The longer they work in the company, the older they gets and workers will feel the dependents on the company as a place to earn money for living and to fill the life needs. The Job Insecurity When doing the interviewed was obtained that some of employees and even potential employees were still trying to find work outside of the company. In this case the majority were looking for work as civil servants or to other SOEs because

they felt they had better levels of job security and career paths. This shows that the job security in other companies is still considered better. Based on the results of survey also showed that the percentage of the answers was indicated that the employees still showed considerable insecurity for both indicators of quantitative and qualitative dimensions.

Other results from this research was indicated that the Compensation has significant effect on performance. These results are in line with previous research which conducted from Syahreza et al. (2017) stated that compensation has partially and significantly positive influences on performance. Then this is strengthen the research by Rashid et al. (2017), which also suggest that non-financial compensation shows strong relationship with job performance. Although compensation has only small variable whom effect on Employee Performance and Job Satisfaction both directly and indirectly and the total effect on employee performance, however the compensation has an influence towards the job satisfaction that increases the employee performance. Based on the research results the most influential hypothesis on Employee Performance is the Compensation variable on Employee Performance. The compensation variable has the most influential dimension which namely the correlation between the dimensions of financial compensation and productivity. The Compensation shows the smaller effect on Employee Performance compared to Job Insecurity and Job Satisfaction on Employee Performance at the Head Office PT Rajawali Nusindo Jakarta. On the results of interpersonal relations constructs in which Compensation includes the variables that affected the Employee Performance both directly and indirectly.

The effect of job insecurity on performance mediated by job satisfaction shows significant results. The influence of job insecurity on employee performance was mediated by job satisfaction even has a higher value compared to its direct influence. These results was indicate that the effect of job insecurity on performance is greater by mediating job satisfaction variable. The influence of compensation on performance was mediated by job satisfaction, the results obtained was indicated that the compensation has a significant effect on employee performance and has an influence on performance through job satisfaction mediation. Nevertheless the direct effect of compensation on performance is greater than the indirect effect through job satisfaction. Increasing the job satisfaction through improving the compensation dimension and decreasing job insecurity can be the right choice to improve performance.

The direct or indirect influences of job insecurity (X1) towards the performance variable (Y) is negative. This means that job insecurity (X1) has a negative effect on Employee Performance (Y) through both directly and indirectly through Job Satisfaction (Z). Based on data above it can also be concluded that the mediating effect of job satisfaction shows higher number than the direct effect of job insecurity on performance. Job satisfaction gives a

greater effect towards the performance than the job insecurity variable on performance variables. Therefore by strengthening the job satisfaction through job insecurity will have a greater impact on employee performance. In total of job insecurity influence in directly or by mediating job satisfaction is something that needs to be done.

The direct effect of the Compensation variable (X2) towards Performance Variables (Y) is greater than the indirect effect of the Compensation Variable (X2). The Influence of Performance Variation Compensation (Y) through mediating from job satisfaction variable Z, does have an influence, however the effect of compensation directly has a greater impact than the effect of mediation.

## V. CONCLUSION AND SUGGESTIONS

### A. Conclusion

Based on the results of these research and discussion related to the human resource issues at PT Rajawali Nusindo Jakarta head office therefore the following conclusions can be drawn as follows:

- There has negative and significant influences of Job Insecurity towards the Employee Job Satisfaction at the PT Rajawali Nusindo Head office jakarta.
- There has positive and significant influences of Compensation towards the Employee Job Satisfaction at PT Rajawali Nusindo Head office Jakarta.
- There has negative and significant influence of Job Insecurity towards the Employee Performance at PT Rajawali Nusindo Head office Jakarta.
- There has positive and significant influences of Compensation towards the Employee Performance at PT Rajawali Nusindo Jakarta Head Office.
- There has negative and significant influence on Employee Satisfaction which mediates the influence of Job Insecurity and there has a positive and significant effect towards the Employee Satisfaction which mediating the influence of Compensation towards the Employee Performance at PT Rajawali Nusindo Head Office Jakarta.

### B. Suggestion

From the results of research which conducted by the authors several suggest could be advice as follows:

- *For Organizations*
  - Company leaders are advised to explain the employment status and the future career of employees, thus it is expected that job satisfaction will increase.
  - The Transparency regarding the company conditions both in terms of work activities / business and policies related to workforce / employees, need to delivered through employees' internal visual communication media.
  - Create the KPIs for all employees where there are currently has no KPIs, the KPI assessment process should be carried out transparently and each assessment indicator need to communicated and understood by all employees according to their levels and position.

- Considering and adjusting the income with workloads as well as employee work performance based on existing KPIs, attendance and achievement levels.
- Company leaders should place their employees in accordance with the competencies and interests on their work.
- Give special rewards to the employees who have performed well in a certain period so the employees feel appreciated towards their performance, this can be in form of money, stuff such as gold or probly vacation packages.
- As well as providing bonuses / incentives therefore the employees would be more comfortable and enthusiastic in carrying out the work they do.

➤ *For Further Research*

- The author feels there are still many weaknesses in this research. For further research who interested in the same topic, so it is recommended to explore the influences of independent variables towards the employee performance and involve other variables such as: leadership style, work environment, competence and training to predict their effects on employee performance.
- For further research can be develop by developing more varied population and sample so that it can be useful advice submit for the company.

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