

# THE EFFECTS OF JOB INSECURITY AND ORGANIZATIONAL JUSTICE ON PLANTATION EMPLOYEES' WORK ENGAGEMENT

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## ABSTRACT

*This research aimed to investigate the role of job insecurity and perceived organizational justice toward work engagement among plantation employee. Quantitative method are used to achieve research objectives by using Likert scale for collecting data. There were 178 plantation employees involved in this study. Data were analyzed by using multiple regression. The result of data analysis showed that job insecurity and organizational justice have significant effect on employees' work engagement. Moreover, job insecurity have negative correlation on work engagement. On the other hand, organizational justice contributed positively to employees' work engagement. The result of this study is expected to be an input for policy makers regarding better management of human resources.*

**Field of Research:** *Work engagement, job insecurity, organizational justice, plantation employees, human resource.*

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## 1. Introduction

One of the most important ways to deal with competition and challenges in this era of globalization is with the development of resources (Gibson, 1997), especially human resources. This is because the determinants of success and achievement of organizational goals are always related to human resources (Dalal, Brummel, Baysinger, & LeBreton, 2012). Employees who are engage to the company will be able to contribute to the success of the organization in the face of competition and challenges in the globalization era (Luthans, 2009). Research conducted by Delloite Global Human Capital Trends in 2014 shows that 78% of business leaders consider that engagement is important for the organizations, including plantation companies as one of the pillars of economic power in Indonesia.

Many factors believed to have contribution to employees' level of work engagement, some of which are job insecurity and organizational justice. Job insecurity results in negative consequences to work attitudes, attitudes toward the organization, worker's health, and damage the workers' relationships with organizations (Sverke, Hellgre & Naswal 2003; Yunanti & Prabowo, 2014). On the contrary, when employees feels that the organization treated them fairly, resulted in increased productivity and loyalty to the company (Maslach, Schaufeli & Leiter, 2001).

## 2. Work Engagement

Work engagement is a motivation and a positive state of mind that is characterized by vigor, dedication and absorption (Schaufeli, Salanova, Gonzales-Roma & Bakker, 2002). Vigor is indicated by high energy levels and resilience at work. Dedication demonstrates a high sense of involvement in a job and experiences a sense of meaningfulness and enthusiasm. Absorption is characterized by full concentration and feeling happy when working. This definition focuses on employee's experience in work activities (Bakker & Leiter, 2010).

## 3. Job Insecurity

Ashford, Lee & Bobko (1989) states that job insecurity is a level where workers feel that their work is threatened and experience powerlessness to do anything about the situation. Job insecurity perceived not only due to the threat of losing one's job, consequently to loss the dimensions of the job, namely job features, total job and powerlessness. Job features comprise the feeling of threat of losing parts of the job. Total job is the feeling of jeopardized because of the concern of losing all or part of the job. Powerlessness refers to a feeling of helplessness about one's inability to control events in their work environment.

## 3. Organizational Justice

According to Colquitt (2001), organizational justice is an employee's perception of justice within an organization that includes distributive justice (perceived allocation of inputs and outcomes), procedural justice (perceived process and decision making regulation), interpersonal justice (sensitivity and rewards that is given to employees) and informational justice (perceptions about information sharing in organization).

## 4. Effects on Work Engagement

Continuing concerns about the possibility of job loss will result in a decrease in morale, loyalty, trust, productivity, creativity and higher levels of work accidents (Armstrong & Stassen, 2003; Yunanti & Prabowo, 2014). De Witte (2005) Furthermore, these concerns will also affect employee's dedication to work as well as achieving the organization goals. On the other hand, organizational justice is one of the significant predictors of employee engagement (Saks, 2006). When employees feel that the organization treats them fairly, they will have a feeling of being obligated to be fair by increasing their work engagement (Cropanzano & Mitchell, 2005).

## 5. Theoretical Framework

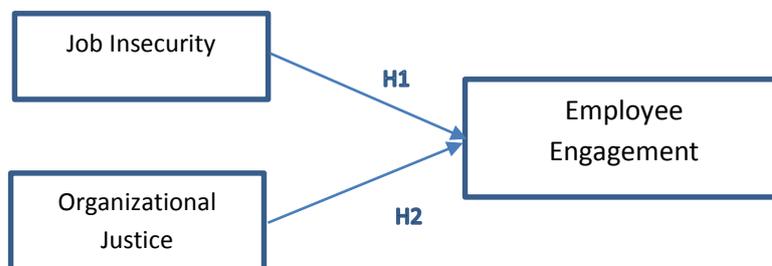


Figure 1: Theoretical framework

Based on the objective of this study that is to investigate the role of job insecurity and perceived organizational justice toward work engagement among plantation employees, the above theoretical framework was developed (Figure 1). The instrument used was adopted from Schaufeli & Bakker (2003), Ashford, Lee dan Bobko (1989) and Colquitt (2001) studies.

## 6. Methodology

### 6.1 Sample and data collection method

A total of 178 workers of Plantation X from several Divisions across Sumatera Utara, Indonesia were involved in the study. Data were collected by distributing 5 points Likert scale consists of favorable and unfavorable items. The workers were asked to respond to the statement in accordance with the actual situation.

### 6.2 Instrumentation

The following Table 1 indicates the measures of the study variables used in the study. The instrument items were adopted from previous studies by Schaufeli & Bakker (2003), Ashford, Lee dan Bobko (1989) and Greenberg (1990), Colquitt (2001)

Table 1: Instrumentation of the study variables

Study Variables	No. of Items	Source of Scale	Type of Scale
Job insecurity	17	Ashford, Lee and Bobko (1989)	5-points Likert scale
Organizational Justice	33	Greenberg (1990), Colquitt (2001)	5-points Likert scale
Work Engagement	12	Schaufeli & Bakker (2003)	5-points Likert scale

## 7. Finding & Discussion

### 7.1 Reliability analysis

The Cronbach's alpha coefficient value for all variables in the study shown a range of coefficient value from .796 to .915 accordingly. The variable of organizational justice scale had a high reliability coefficient of .915 as compared to the other variables in the study. The variable of job insecurity had coefficient values of .833 and the dependent variable of employee engagement had coefficient values of .796 respectively.

### 7.2 Descriptive statistics & analysis

The following Table 2 specifies the profile of subject involved in the study.

Table 2: Profile of subject

No	Variable	Total	Percentage
<b>1.</b>	<b>Age</b>		
	17-20 years old	8	4.5%
	21-40 years old	72	40.45%
	41-60 years old	98	55.05%
<b>2.</b>	<b>Education Level</b>		
	SD	24	13.49%
	SLTP	45	25.28%
	SLTA	105	58.99%
	D-1	1	0.56%
	D-3	2	1.12%
	S-1	1	0.56%

## 8. Conclusion and Future Recommendation

The result of data analysis showed that job insecurity and organizational justice have significant effect on employees' work engagement. Moreover, job insecurity have negative correlation on work engagement. On the other hand, organizational justice contributed positively to employees' work engagement. Although the findings showed significant influences of job insecurity and organizational justice on employees' work engagement more detail investigation is recommended to seek and better clarify other variables similar to this study. The findings provide an input for policy makers regarding better management of human resources in plantation company.

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