



(REVIEW ARTICLE)



Critical review: The relationship between the implementation of a contract work system and employee job insecurity

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Abstract

The emergence of the implementation of the contract work system, makes employees feel insecure about the certainty of their long-term employment. This contract work system is implemented by companies to increase efficiency and responsiveness to market changes. However, this can cause job insecurity. The purpose of this study is to review previous research conducted on the topic of contract or flexible work system practices and job insecurity and another purpose is to analyze the relationship between contract or flexible work system practices and job insecurity. This study is descriptive and empirical data investigations linking contract or flexible work system practices and job insecurity have been conducted to understand the relationship between the two. The implementation of a contract or flexible work system makes employees experience higher levels of stress followed by prolonged anxiety related to their future careers. The implementation of the work system makes these employees have no job security in the long term. There are two suggestions in this research. First, the company must review the work system, taking into account the various impacts experienced by employees. Second, the government must implement a policy or law that can protect the rights of workers whose work system is contractual, such as establishing a work system and providing more appropriate compensation.

Keywords: Contract Work System Practicies; Flexible Work System Practices; Work System; Job Insecurity; Workplace Mental Health and Stress

1. Introduction

One of the things that can be the key to the success of an organization or company is to manage its competent employees more efficiently. As Osterker (1999) has shown, efficient employees will bring the organization to the peak of success in achieving its organizational goals. All organizations across industries compete fiercely to retain their key employees. This requires a large amount of funds to maintain or retain competent and experienced employees. Maintaining competent and experienced employees is not an easy thing, it requires steps that are accompanied by more costs.

However, this has changed since the implementation of a non-permanent or flexible work system has been increasingly implemented by companies to increase efficiency and responsiveness to market changes. This work system is usually called a contract or flexible work system. This contract work system refers to a type of work that does not have a long-term work contract and often fluctuates in terms of working hours and responsibilities. According to Purwanto (2020), the main characteristic of this work system is uncertainty in job stability which can disrupt the mental and financial well-being of workers. The implementation of this work system can also have an impact on job insecurity for employees whose work system is a contract work system. This gives rise to various uncertainties, such as uncertainty in the

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contract period, reduction in working hours, and ambiguity in employee rights, which are things that need to be considered.

Setiawan, (2021) stated that workers who are in a contract or flexible work system experience higher levels of stress followed by prolonged anxiety related to their career future. What is feared is that this psychological impact can have an impact on employee productivity and can disrupt employee mental health. Although a contract or flexible work system can also provide several advantages, such as improving work-life balance, it also poses new challenges such as difficulty in separating work hours and personal time for employees (Santoso, 2022). Employees who are trapped in a contract or flexible work system report higher levels of stress and feel less control over their careers (Wijaya, 2022). This can lead to feelings of anxiety and depression, which can later reduce performance in the workplace.

1.1. Job Insecurity

According to De Witte (2005), Job Insecurity is a threat of job loss felt by an employee. Meanwhile, according to Greenhalgh & Rosenblatt (2010: 10) in Sulistyawati (2012), Job Insecurity is a condition of someone's powerlessness to maintain the desired work continuity. The dimensions of job insecurity consist of threats to aspects of the job, threats to the whole job, the level of importance of threats to the whole job, the level of importance of threats to aspects of the job, and powerlessness (Ashford, Lee and Bobko, 1989).

1.2. Impact of Job Insecurity

Job insecurity makes an employee feel uncertain about the future of his/her job, which can have an impact on various aspects of life. Sverke et al. (2002) stated that job insecurity can give rise to a sense of helplessness and reduce a person's level of job satisfaction which leads to mental health problems. In addition, job insecurity can also have an impact on the physical health of employees. Workers who experience anxiety related to work can have their physical health disturbed such as headaches, sleep disorders, and digestive problems. Job insecurity is associated with increased physical complaints, which lead to employee physical health (De Witte, 1999).

Job insecurity also makes employees feel demotivated to work well. Kinnunen et al. (2010) stated that workers who feel insecure tend to show lower commitment to the organization, which results in decreased productivity. Therefore, this job insecurity is not only detrimental to workers individually, but can also be detrimental to the company where they work. In addition, job insecurity can make employees feel alienated from their coworkers, which can reduce the communication and cooperation needed in a team (Kinnunen & Mauno, 1998). So employees tend to be more withdrawn and reluctant to establish deeper relationships with their coworkers.

1.3. Implementation of Contract or Flexible Work System

The implementation of a contract or flexible work system raises various problems, especially in various aspects. The implementation of a contract or flexible work system is generally characterized by uncertainty regarding working hours and contract extensions. Employees who are bound by this work system do not have long-term job security. Research conducted by De Cuyper et al. (2008) on 477 permanent and non-permanent employees from various employment sectors in Belgium showed that the relationship between job insecurity and employment status (permanent and non-permanent employees) is limited to job satisfaction and organizational commitment, where permanent employees have higher expectations about job security when compared to non-permanent employees. Therefore, the implementation of a contract or flexible work system makes employees have low expectations about job security.

1.4. The Relationship between the Implementation of Contract or Flexible Work Systems and Job Insecurity

According to De Cuyper et al. (2008), contract employees are more likely to feel a higher level of job insecurity compared to permanent employees. This is because contract employees do not know whether their work contract will be extended or not. This uncertainty can cause prolonged stress and can affect the mental health of employees.

1.5. Research purposes

This research is based on a literature review on human resource management practices and job insecurity with the following research objectives:

- To review previous research on the topic of contract or flexible work practices and job insecurity.
- To conduct an analysis of the relationship between contract or flexible work system practices and job insecurity.

2. Methodology

This study attempts to conduct an analysis and evaluate the relationship between contract or flexible work system practices and job insecurity. The researcher assumes that contract or flexible work system practices are antecedents of job insecurity. This study is a descriptive study and attempts to present narrative data collected through various secondary data sources, obtained from previous research journal articles related to the topic of discussion.

3. Literature Review

The review of existing literature reveals that the understanding of the relationship between contract or flexible work system practices and job insecurity practices is still very limited to be found. Although there have been many previous researchers who have tried to provide evidence to justify the relationship between contract or flexible work system practices and job insecurity, it is still necessary to complete the literature on the relationship between contract or flexible work system practices and job insecurity. This study aims to contribute to providing an in-depth understanding of the available literature.

Yuhansyah et al., (2019), conducted a study entitled "Factors Affecting Job Insecurity *in* Nurses at Datu Sanggul Rantau Hospital and H. Badaruddin Tanjung Hospital. The purpose of the study was to determine the factors that influence job insecurity in nurses at Datu Sanggul Rantau Hospital and H. Badaruddin Tanjung Hospital. The research method is a quantitative research method with a cross-sectional research design. The number of samples in this study was 256 respondents consisting of 151 civil servants and 105 non-civil servants. The research instrument was a job insecurity scale questionnaire, statistical tests using multiple logistic regression. The results of the study showed that there were factors that influenced job insecurity, namely length of service and level of education. This is because nurses consider job protection, distribution of service rewards, quality of nursing supervision and competency development as important aspects of work.

De Witte (2005), conducted a study entitled "Job Insecurity: Review of The International Literature on Definitions, Prevalence, Antecedents and Consequences". This study reviews the literature on job insecurity. The focus of this review article is on studies from Europe which aim to introduce the field of job insecurity to researchers in South Africa. Job insecurity has a negative impact on individual well-being and on organizational attitudes and behaviors. Job insecurity is a result of radical economic changes and is a phenomenon that affects most of society, especially employees.

Rita Fontinha et al., (2017), conducted a study entitled "The Impact of HRM, Perceived Employability, and Job Insecurity on Self-Initiated Expatriates' Adjustment to The Host Country". The data used in this study were quantitative survey data from 234 Portuguese expatriates initiated in the UK analyzed through structural equation modeling. These results indicate that career-oriented human resource management practices are not necessarily relevant. This is because these practices increase job security.

4. Discussion

The implementation of a contract or flexible work system makes employees in a contract or flexible work system experience higher levels of stress followed by prolonged anxiety related to their future careers. The implementation of a contract or flexible work system is generally marked by uncertainty regarding working hours and contract extensions. Employees who are bound by this work system do not have long-term job security.

5. Conclusion

Based on the discussion of previous study and phenomena, the author draws the conclusion that the implementation of a contract work system or flexible work system makes employees face higher levels of stress and makes employees feel prolonged anxiety about their future careers. This is due to uncertainty regarding the extension of his work contract. Employees who are bound to this system do not have long-term job security. Therefore, this work system creates an environment that is vulnerable to worry and uncertainty, which ultimately has a negative impact on employee mental health. This research provides employees and companies with an understanding that the contract work system or flexible work system has a negative impact, namely creating job insecurity which causes employees to experience work stress and anxiety. Companies must review the work system, taking into account the various impacts experienced by employees. Companies must be willing to make efforts to establish an appropriate work system policy, so as not to harm their employees. Apart from company efforts, the government can also overcome this problem, by implementing laws that can protect workers' rights, such as providing more adequate compensation, health insurance, and work leave.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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