# The 6<sup>th</sup> International Conference on Family Business and Entrepreneurship

# PSYCHOLOGICAL CAPITAL, JOB INSECURITY, AND ORGANIZATIONAL COMMITMENT DURING THE COVID-19 PANDEMIC

# Eva Fachria<sup>1\*</sup>, Riani Rachmawati<sup>2</sup>

<sup>1\*</sup>University of Indonesia, eva.fachria01@ui.ac.id <sup>2</sup>University of Indonesia, riani.rachmawati@ui.ac.id

# ABSTRACT

The COVID-19 pandemic does affect not only human life but also has a massive effect on economics and business welfare. In Indonesia, food and beverage service are one of the most affected business sectors at the early stage of COVID-19 transmission. In this sector, employees experience severe shocks due to the unstable existing policies causing psychological anxiety. Moreover, most companies implemented new policies such as reduced working hours, salary deductions, and temporary layoffs. Employee organizational commitment is one of the most valuable aspects of maintaining a company's sustainability in the VUCA situation. In this study, we conducted a quantitative analysis of 292 respondents using the Structural Equation Model to know the effect of Psychological Capital and Job Insecurity on Organizational Commitment by using Work Engagement as a mediating variable. The results state that psychological capital affects employee organizational commitment positively. In contrast, job insecurity has a negative impact on organizational commitment. The indirect effect of work engagement has a significant role in mediating the relationship between psychological capital and organizational commitment, but not for job insecurity. This research is expected to provide new insight for the management or business owners, especially in the food and beverage service sector, about which aspects are essential to maintain workers during the shock of the COVID-19 pandemic so that both workers and organizations can survive in conditions full of uncertainty.

Keywords: Psychological Capital, Job Insecurity, Organizational Commitment, Covid-19, Food and Beverage Service.

# 1. Introduction

In Indonesia, it is undeniable that anxiety over the crisis caused by COVID-19 is unpreventable. The overall number of COVID-19 cases in Indonesia reached 4.5 million people by the end of 2021, with over 144,000 deaths cases (Worldometer, 2021). Restrictions on social movements and workspaces are the quickest way to lower the transmission rate of COVID-19 however, this poses a dilemma for many businesses (Ambarwati, Yuliastri & Sulistiyowati, 2022). With the adoption of limits on social and work activities, businesses in most industries face the possibility of a drop in supply and demand, which will result in a revenue decline (Vu, Vo-Thanh, Nguyen, Nguyen, & Chi, 2022). In 2020, 84.20 percent of micro-small firms and 82.29 percent of medium-large businesses in Indonesia experienced a decline in revenue, the result is in accordance with a survey conducted by Badan Pusat Statistik (BPS). The results of the BPS survey also revealed that the loss in business revenue is dominated by the food and beverage service industry, as evidenced by the significant impact of COVID-19, which occurred in 92.47 percent of enterprises (Ayuni et al., 2020). The food and beverage service industry is vital, given that eating is a habitual behavior that has become a lifestyle following the shifting patterns of people's habits (Souza et al., 2022). However, COVID-19 has altered people's consumption patterns. They are now more concerned

about the safety and hygiene of food providers and prefer to prepare and store their food (Byrd et al., 2021). Multiple security regulations and societal restrictions have also become hurdles, causing the majority of food and beverage services to cease normal operations (Ozbuk, Coskun, & Filimonau, 2021). Based on the findings of the BPS survey conducted in 2020, as many as 48.09 percent of enterprises in that industry ceased normal operations and resorted to lowering working hours, temporarily closing, or laying off employees (Ayuni et al., 2020). Changes in business operational activities naturally raise worry from both organizational and personnel perspectives.

Furthermore, to explain the phenomenon, and impact of COVID-19 on the organization, Salunkhe, Rajan, and Kumar (2021) observe that human resources have a substantial impact on business continuity during the pandemic. Although rapid and unpredictable changes in work procedures are the primary characteristics of the workforce during a pandemic, no firm can survive without employees' support and commitment (Padave, Kanekar, & Chande, 2021). In this regard, organizational commitment also plays an important role, given that commitment can push employees' belief in acceptance of organizational values and goals during times of crisis, thereby bolstering workers' endurance to any enacted policies, along with the readiness and positive aspirations of workers for the organization's sustainability, will ensure that employees remain strong and endure workplace instability amid the COVID-19 pandemic (Chanana, 2021).

However, it cannot be denied that workers are today confronted with a dilemma between continuing to work and running the danger of contracting the virus, or not working and taking on personal economic risk (Chen, Zou, & Chen, 2022). In this instance, psychological conditions play a significant role due to workers' efforts to combat the COVID-19 pandemic effect (Kim, Im & Shin, 2021). In the F&B service, business processes are highly dependent on workers since this is a service-oriented and human-centered industry (Wen & Lastres, 2021). Therefore, the Psychological capital aspect of workers must be considered, as with a strong psychological condition, workers can reassess the situation and reassemble their goals to meet the demands of changing work circumstances (Alat, Das, Arora, & Jha, 2021). Other than psychological capital, fear of losing jobs (Job Insecurity) may also be an employee response to working conditions during the COVID-19 pandemic, given that job insecurity is a significant stressor that can influence job attitudes and workers' psychological health (Jung, Jung, & Yoon, 2021). Employees are most prone to have job loss anxiety during the pandemic due to significant layoffs. This is supported by data from the International Labor Organization (ILO) for the year 2020, which projects that 1.25 billion workers worldwide stand a significant danger of losing their jobs and increasing the unemployment rate (Vu, Vo-Thanh, Nguyen, Nguyen & Chi 2022). In 2020-2021, not only will the unemployment rate likely increase, but future employment chances will decrease (Bazzoli & Probst, 2022). Therefore, workers who have not experienced layoffs are still concerned about their future employment prospects (Abbas, Malik & Sarwat, 2021).

Multiple studies employ the work engagement variable as a mediator to explain the association between the commitment variable and other variables (Boonsiritomachai & Sud-On, 2021; Kang & Busser, 2018; Karatepe, Rezapouraghdam & Hassannia, 2020; Paek, Schuckert, Kim, & Lee, 2015). Work engagement during the COVID-19 pandemic is a factor that requires attention, as organizations' chances of survival will improve if employee engagement is maintained (Salunkhe, Rajan & Kumar, 2021). Based on the presented background, studies on the relationship between organizational commitment, psychological capital, job insecurity, and work engagement of workers in the food and beverage service industry are worthy of further investigation, particularly during the COVID-19 pandemic, given the ongoing uncertainty caused by the pandemic persists and has varying effects on various areas of the workforce throughout time (Hermundsdottir, Haneberg & Aspelund, 2022). Also, the majority of COVID-19 and previous human resource research was conducted at the peak conditions, when the level of vaccination was still deficient, making it difficult to predict the workforce phenomenon during a pandemic without avoiding bias (Arbulu, Razumova, Rey-Maquieira, & Sastre, 2021; Al Hariri et al., 2022; Aguiar-Quintana, Nguyen, Araujo-Cabrera & Diaz, 2021). Therefore, it is expected that this study would contribute mixed findings to research on human resources study, notably psychological aspects and organizational commitment during the COVID-19 pandemic.

#### 2. Literature Review

#### 2.1 Organizational Commitment (OC)

In the 1930s, Chester Barnard drew attention to organizational commitment in his book entitled The Function of Executive (Marques, Suarez-Gonzalez, Da-Cruz, & Ferreira, 2011). However, Becker, who

conceptualized organizational commitment as "Becker's Side-Bet Theory," drew serious attention to the topic in the 1960s (Wertheim, 2016). Becker's Side-Bet Theory explains that individuals are committed to the organization because they do not want to lose the side bet or the benefits that come from spending time and energy at work and other opportunities that are not obtained when leaving work. The greater the side bet an individual has, the greater his or her commitment to the organization (Powell & Meyer, 2004; Wertheim, 2016). Becker's introduction of the notion of commitment encourage further study, which resulted in two significant concepts of commitment: unidimensional and multidimensional (Moshoeu & Geldenhuys, 2015). In addition, Mowday, Steers, and Porter (1979) developed the unidimensional commitment model, which leverages the perspective of fondness or emotional attachment to the organization. Allen & Meyer (1990) developed the most influential multidimensional concept by combining the affective perspective, Becker's side bet, and Wiener's (1982) concept of obligation-based commitment, resulting in three components of commitment: Affective Attachment, Perceived Cost, and Obligations. These three components of commitment are the basis for forming the three dimensions of OC: Affective, Continuance, and Normative Commitment. In this study, researchers employed Allen and Meyer's (1990) notion of OC since it provides a more thorough explanation of OC and has been frequently used in Organizational Behaviour studies (Jaros, 2007). In essence, Allen and Meyer divide OC into three dimensions based on the premise that employee commitment to the organization can be caused by a desire to be bound in the organization (want to), a need to be bound in the organization (need to), or a sense of obligation to be bound in the organization (ought to) (Markovits, Boer & Dick, 2014).

# 2.2 Psychological Capital (PsyCap)

The term of PsyCap arose after a long journey of multiple perspectives, beginning with the problem of the war for talent (Luthans, Youssef, & Avolio, 2007), which requires both organizations and individuals to maintain a competitive advantage by conserving and acquiring specific resources, or Conservation of Resources (Pedro, Fernandes-Valera & Gracia Izquierdo, 2021). While it might be stimulating, this war for talent and Conservation of resources has a negative connotation since it causes psychological strain. Therefore, Luthans, Youssef, and Avolio (2007) argue that another approach with a positive connotation is required because achieving a competitive advantage does not necessitate eliminating the pressure caused by the war for talent. Rather, organizations can shift to other paradigms, such as enhancing Positive Psychology (Luthans, Youssef & Avolio, 2007). The PsyCap idea developed by Luthans is widely employed in numerous investigations in terms of theory and definition. Hope, self-efficacy, resilience, and optimism are the four orders that Luthans identifies as constituting PsyCap (Kang & Busser, 2018; Li et al., 2021; Mao, He, Morrison, & Stefaniak, 2020; Turliuc & Candel, 2021; Wen & Lastres, 2021). Employee PsyCap is crucial for firms to consider since it can increase employee outcomes such as job engagement, job satisfaction, and commitment (Wen & Lastres, 2021). Moreover, PsyCap can help individuals manage stressful conditions and decrease turnover rates (Li et al., 2021). According to the definition offered by Luthans, PsyCap is a multidimensional term composed of hope, self-efficacy, resilience, and optimism. Self-Efficacy is defined as the beliefs that individuals have when attempting to achieve success in doing challenging work. Optimism is interpreted as making a positive contribution to current and future success. Meanwhile, resilience is defined as surviving and getting back up when hit with problems and difficulties in achieving success (Wen & Lastres, 2021).

#### 2.3 Job Insecurity (JI)

As defined by De Witte in Jung (2021), job insecurity is the fear of losing one's job and becoming unemployed. According to Mohr and Quintana (2021), job insecurity is defined as individuals' perceptions of losing their employment during times of crisis. Numerous factors, including digitization, automation, the advancement of machine learning, and Artificial Intelligence, among others, might contribute to job insecurity. The above description of Job Insecurity applies to characterizing the condition faced by employees during the COVID-19 pandemic. Employees encounter a time of uncertainty that causes workers to fear losing their employment due to a catastrophe. According to Greenhalgh and Rosenblatt in Jung et al. (2021), employees with a high level of job insecurity tend to spend less time and effort on their work and lower their connection with the organization. In the same article Lo, Presti, and Nonnis claimed that a more remarkable impression of employment instability decreases organizational commitment.

#### 2.4 Work Engagement (WE)

Khan (1990) initially described WE as employee participation physically, cognitively, and emotionally in

executing work duties (Knight, Patterson, & Dawson, 2019). In the end, though, Schaufeli's WE notion came to predominate. Schaufeli's primary theory of work engagement is interpreted as a pleasant and contented state of mind associated with work that is characterized by vigor, commitment, and absorption (Wen & Lastres, 2021). Absorption is the state of individuals who are entirely focused on their work-related tasks and are enthusiastically absorbed in their work. In it, time passes quickly, and they can rarely escape labor. In numerous research, the idea of work engagement (WE) is constantly related to the JD-R theory (Knight, Patterson, & Dawson, 2019). According to the JD-R theory, WE is triggered by high job resources, such as psychological circumstances, supervisor support, and the work environment. However, WE can also be triggered by job demand, which can lower WE in the form of work pressure and burnout. This WE can yield work consequences depending on the link between the trigger and WE.

## 2.5 The Relationship between Psychological Capital and Organizational Commitment

PsyCap is essential to be raised in the study about employees' phenomena during the COVID-19 outbreak, particularly in the food and beverage service industry. Positive psychological conditions have a significant role in fostering a sense of security, confidence, and the ability to endure turbulence and adversity (Aumeboonsuke, 2021). Positive psychological conditions positively affect employee organizational commitment despite the occurrence of uncertainty. PsyCap has a good effect on OC, as demonstrated by the findings of several additional research (Nguyen & Ngo, 2020; Sahoo & Sia, 2015; Snell, 2021; Tang, Shao & Chen, 2019; Yalcin, 2016; Zhou et al., 2018). The rationale for the association between PsyCap and OC is that OC is essentially an attitude that results from a psychological state, such that with this psychological state, individuals can respond to strong and weak organizational attachments. Those with a high PsyCap will have a solid attachment to the organization. In contrast, those with a low PsyCap will have a weak affiliation to the organization. Moreover, following the conservation of resources (COR) theory, individuals with high PsyCap levels will have more psychological resources to attain their objectives (Nguyen & Ngo, 2020). Thus, the researcher advanced the following initial hypothesis: *H1: Psychological Capital has a positive impact on the Organizational Commitment of employees in the food and beycapa*.

food and beverage service industry

## 2.6 The Relationship between Job Insecurity and Organizational Commitment

Other than PsyCap, it is also vital to study Job Insecurity (JI). Since it is undeniable that during the COVID-19 pandemic, employees are challenged with negative stresses in the form of job loss anxiety. The greater the fear of losing a job, the lower the employee's commitment to the business in attaining its objectives (Frone 2018). JI also influences negative changes in employee work behavior. If employees feel more insecure about their jobs, it increases the perception that the firm does not treat them well. Employees may respond with a more negative attitude (Adebayo, 2006). The rationale for the influence of JI on OC is further supported by the social exchange theory (Adebayo, 2006), from which it can be deduced that employees will provide their allegiance to the organization in the form of commitment (give) if the firm can provide job security as a return (take). In addition, JI can be a reason for employees to have the intention of quitting the organization and seeking new organizational alternatives since they believe they will not be able to work in an environment of job insecurity (Lumingkewas, Nimran, Raharjo, & Utami, 2019). Thus, the researcher advanced the following second hypothesis:

H2: Job Insecurity has a negative impact on the Organizational Commitment of employees in the food and beverage service industry

# 2.7 The Relationship between Psychological Capital, Work Engagement, and Organizational Commitment

In addition to explaining the direct relationship between PsyCap and OC variables indicated in hypothesis 1, another model suggests that Work Engagement (WE) can mediate the relationship between PsyCap and OC (Paek, Schuckert, Kim, & Lee, 2015; Wen & Lastres, 2021). The rationale underlying the relationship between PsyCap and WE is that psychological capital influences self-perception and directs employee behavior in a favorable direction. As a result, employees will be more confident in their skills to determine the most effective approach to complete work. Additionally, they will be more driven to work (Wen & Lastres, 2021). The WE mediation is further supported by the theory from the JD-R framework, according to which Psychological Resource drives employee participation in the form of excitement, dedication, and a sense of being immersed in work, resulting in organizational commitment as an outcome (Hakanen, Schaufeli & Ahola, 2008). In addition, WE is necessary to mediate the link between PsyCap and OC since,

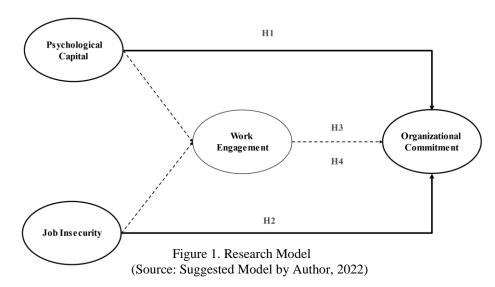
fundamentally, WE is a component of the motivating process that encourages employee dedication to the firm (Hakanen, Schaufeli & Ahola, 2008). Thus, the researcher presents the following third hypothesis: *H3: Work Engagement mediates the positive impact between Psychological Capital and Organizational Commitment of employees in the food and beverage industry* 

## 2.8 The Relationship between Job Insecurity, Work Engagement, and Organizational Commitment

As with the mediation of WE between the effects of PsyCap and OC, the researcher found that WE also mediate the effects of JI on OC. The hypothesis was derived from two separate studies, Jung, Jung, and Yoon's (2021) analysis of the effect of JI on WE and Hakanen, Schaufeli, and Ahola's (2008) explanation of the effect of WE on OC. JI negatively influences WE because employees who feel they cannot keep their jobs tend to reduce work involvement, make less effort to achieve organizational goals, and spend less time and energy on work (Jung, Jung, and Yoon, 2007). As Hakanen, Schaufeli & Ahola, 2008 said, if employees feel uneasy about their jobs, their involvement in their work will decline, as will their impact on organizational commitment. In contrast, if employees feel comfortable in their jobs, they will be more engaged in their work, which will boost organizational commitment. Thus, the researcher presents the following fourth hypothesis:

H4: Work Engagement mediates the negative impact between Job Insecurity and Organizational Commitment of employees in the Food and Beverage Service Industry

The proposed research model is as depicted in Figure 1, which is derived from the appropriate theory-based hypothesis.



#### 3. Research Method

#### 3.1 Measurement

In this study, data were gathered from two sources, including primary sources and secondary sources. The primary source was derived from a survey using a closed questionnaire with some question items based on the PsyCap, JI, WE, and OC variable indicators. The PsyCap and WE variable indicators were cited from the study of Wen & Lastres (2021), the JI variable indicator was cited from the research of Jung, Jung & Yoon (2021), and the OC variable indicator was cited from the research of Allen & Meyers (1990). The researcher employed a 6-point Likert scale to avoid the central tendency, or the tendency of respondents to answer on the middle scale because they were not sure about the answer alternatives (Hair, Black, Babin & Anderson, 2019). Responders' responses were collected through an electronic questionnaire, Microsoft Form, with a barcode sent to potential respondents to facilitate access to the questionnaire form. In addition, the secondary data for this study were gathered from relevant scholarly articles and journals.

#### **3.2 Population and Sample**

Following the objective of this study, which was to assess the effect of PsyCap, JI, and WE on the OC of food and beverage service industry employees during the COVID-19 pandemic, the population of this study consisted of food and beverage service industry employees. However, due to the enormous number of potential populations, the researchers collected samples from that portion of the population devoted to the DKI Jakarta area, where the food and beverage service industry has the most significant number of workers (Sutarsih & Candraningtyas, 2019). In addition, to decide the size or number of samples to be used, the researchers followed the criteria of a multivariate study employing a structural equation modeling approach and considered the model's complexity (Hair, Black, Babin & Anderson, 2019; Sekaran & Bougie, 2016; Wijanto, 2020). Thus, the sample size for this study consists of 292 research samples. In addition, the sampling technique employed is purposive-judgmental sampling, which allows researchers to take samples based on specific criteria and in locations that are deemed optimal for giving the required information (Sekaran & Bougie, 2016). In this instance, the researcher visited the best location for obtaining information, such as restaurants, cafes, and coffee shops engaged in the food and beverage service industry. The sample criteria have to meet the following conditions: (1) Working in the DKI Jakarta area and not being a business owner; (2) Working in the food and beverage service industry, which includes restaurants, cafes, bars, drinking cafes, and coffee shops; and (3) Working in that industry for over two years.

#### 3.3 Data Analysis Method

The multivariate research used the Structural Equation Modeling (SEM) method, which provided accurate and efficient estimates for assessing models with complicated structures by estimating a sequence of different model equations (Hair, Black, Babin & Anderson, 2019). SEM also allows the processing of data by altering complex simultaneous equations with the outcome in the form of a path, making it easier for researchers to draw inferences from existing data (Wijanto, 2020). The research used Lisrel 8.80 Full Version to process SEM data. The study employed CFA, a multivariate methodology for confirming the association between variables according to the theory and model, as the SEM method. The SLF and error values indicated if a confirmed indicator could accurately represent the existing variables. An indicator is considered valid if its SLF value  $\geq 0.5$ . In comparison, it is considered reliable if its Construct Reliability (CR) value  $\geq 0.7$  and its Variance Extracted (VE) value  $\geq 0.5$ . Furthermore, from the results of SEM and CFA, it can also be determined the significance of the relationship between variables is seen based on the t-value above +-1.96 (Hair, Black, Babin & Anderson, 2019; Wijanto, 2020).

#### 4. Results and Discussion

#### 4.1 Result

As shown in Table 1, it is known that most of the indicators are valid because they have a value of SLF  $\geq$ 0.5. Meanwhile, the NC dimension of the OC variables on the indicators NC1, NC6, and NC8 are declared invalid as their SLF value is  $\leq$  0.5. It is in line with Wijanto (2020) that the SLF value should be greater  $\geq$  than 0.5 to be declared valid. Therefore, invalid indicators are eliminated and not used for data processing. From table 1, we can also find out the reliability value of each variable by looking at the CR and VE values. A variable is claimed to be reliable if its CR value is  $\geq$  0.7 and its VE value is  $\geq$  0.5. However, according to Fornel & Lacker (1981), the VE value below 0.5 still meets the reliability requirements if the CR value meets above 0.7. Thus, it can be concluded that all variables used in the construct are reliable.

Furthermore, the average results of respondents' answers on each indicator are listed in Table 1. It can be seen that, for the OC variable, the average respondent's answers are greater than 4.8, indicating that the majority of respondents answered on a Likert scale of 5-6 or other respondents agree that they are committed to the organization for which they work. Similarly, the average responses for the PsyCap and WE variables are above 5, indicating that respondents agree and even strongly agree that they have strong PsyCap and WE. In contrast, the average response to the JI variable is below 2.43. This suggests that most respondents answered questions on a scale of 3 to 1, which, because JI is a negative variable, indicates that respondents disagree that they are fearful of losing their jobs if the rating was lower.

Table 1. Measurement Item of The Construct

Indicator	Mean	SLF	CR	VE	Conclusion	Indicator	Mean	SLF	CR	VE	Conclusion
Organizatio		iitment	0.9	0.4	Reliable	PsyCap			0.88	0.4	Reliable
Affective C	'ommitme	ent				Self-Efficad	cy				
AC1	4.92	0.71			Valid	PCS1	5.05	0.64			Valid
AC2	5.33	0.53			Valid	PCS2	5.19	0.61			Valid
AC3	5.21	0.57			Valid	PCS3	5.46	0.55			Valid
AC4	4.87	0.75			Valid	Hope					
AC5	5.09	0.59			Valid	PCH1	4.99	0.75			Valid
AC6	5.07	0.59			Valid	PCH2	5.28	0.68			Valid
AC7	5.16	0.55			Valid	PCH3	5.34	0.60			Valid
AC8	4.80	0.50			Valid	Optimism					
Continuan	ce Comm	itment				PCO1	5.10	0.50			Valid
CC1	5.01	0.75			Valid	PCO2	5.33	0.66			Valid
CC2	5.07	0.63			Valid	Resilience					
CC3	5.18	0.63			Valid	PCR1	5.12	0.70			Valid
CC4	4.86	0.63			Valid	PCR2	5.32	0.51			Valid
CC5	5.29	0.57			Valid	PCR3	5.24	0.58			Valid
CC6	5.00	0.58			Valid	JI			0.86	0.43	Reliable
CC7	5.15	0.62			Valid	JI1	1.89	0.54			Valid
CC8	5.09	0.69			Valid	JI2	1.62	0.61			Valid
Normative	Commitn	nent				JI3	1.86	0.65			Valid
NC1	2.94	0.45			Not Valid	JI4	1.92	0.67			Valid
NC2	5.24	0.75			Valid	JI5	2.43	0.68			Valid
NC3	5.09	0.65			Valid	JI6	2.33	0.69			Valid
NC4	5.06	0.53			Valid	JI7	2.22	0.69			Valid
NC5	5.18	0.70			Valid	JI8	2.17	0.72			Valid
NC6	5.35	0.37			Not Valid	WE			0.86	0.41	Reliable
NC7	5.01	0.58			Valid	Vigor					
NC8	4.88	0.35			Not Valid	WEV1	5.17	0.65			Valid
						WEV2	5.29	0.53			Valid
						WEV3	5.33	0.64			Valid
						Dedication					
						WED1	5.13	0.63			Valid
						WED2	5.37	0.73			Valid
						WED3	5.28	0.62			Valid
						Absorption					
						WEA1	5.09	0.62			Valid
						WEA2	5.25	0.61			Valid
						WEA3	5.21	0.65			Valid
			C	0118001	Data Process		CDEI 0	<u>00</u>			

Source: Data Processing with LISREL 8.80

Based on Figure 2. It can be concluded that the direct effect of PsyCap on OC has a significant positive value of 2.31 t-value  $\geq$  +-1.96, as well as the effect of JI on OC, has a significant negative value of -3.38. It should be noted that the results of the path diagram above have passed the goodness of fit test, as required in the SEM analysis, including RMSEA and SRMR  $\leq$  0.05 and NFI, NNFI, CFI, IFI, RFI, GFI  $\geq$  0.9 (Hair, Black, Babin & Anderson, 2019). In addition, to determine the effect of WE mediation, it is necessary to carry out further calculations using the Sobel test, as shown in table 2.

From table 2, it is known that the overall path of PsyCap-WE-OC has a significant t-value  $\geq$  +-1.96. However, to ascertain the significance of the mediation effect, it is necessary to ascertain whether the results of the Sobel test are also significant. Sobel test results are significant if they reach  $\alpha \leq 0.05$  (Preacher & Leonardelli, 2020). In this study, the Sobel test result for PsyCap-WE-OC is = 0.0008, so it can be ascertained that the WE had a mediating effect on the causal relationship between PsyCap and OC. Moreover, the relationship path between JI-WE-OC has an insignificant Sobel test result reaching  $\alpha = 0.1246$ . The effect of JI on WE is not significant, so the mediation path between JI-WE-OC is not significant. Therefore, it can be concluded that WE did not mediate a causal relationship between JI and OC.

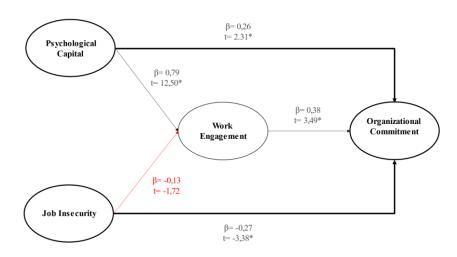


Figure 2. Path Diagram \*Significant (t-value≥+-1.96) RMSEA=0.000, SRMR=0.02, NFI=1.00, NNFI=1.01, CFI=1.01, IFI=1.00, RFI=1.00, GFI=1.00 (Source: Data Processing from Lisrel 8.80)

Relationship Between Variables	Relationship-Based on Hypothesis	*t-value	Significant Sobel (a)	Conclusion
Direct	PCOC	*2,31	-	Positively Significant
	JIOC	*-3,38	-	Negatively Significant
Indirect	PCWEOC Ta=PC-WE Tb=WE-OC	-	(Ta=*12,50, Tb=*3,49) **α = 0.0008	Positively Significant
	JIWEOC <mark>Ta=JI-WE</mark> Tb=WE-OC	-	(Ta=-1,72, Tb=*3,49) $\alpha = 0.1246$	Insignificant

\*Absolute (t-value) > 1.96 \*Significancy Direct Effect, \*\* Mediation significance was calculated for the SOBEL Test \*\* $\alpha$ < 0.05

(Source: Data Processing from Lisrel 8.80 and quantpsy.org)

#### 4.2 Discussion

In this section, we will discuss the relationship between the findings of data processing and the presented hypothesis. To facilitate understanding, Table 3 summarizes the study and hypothesis testing results. Table 3 shows that the outcomes of data processing support hypotheses H1, H2, and H3. For H4, the data processing results do not support the hypothesis. In H1, it is stated that PsyCap has a positive impact on OC. These results are consistent with the findings of Zhou et al. (2018), who argue that the OC is a response that arises from the individual's psychological state, such that with this psychological state, the individual can respond to strong and weak attachments to the organization. Moreover, following the conservation of resources (COR) hypothesis, individuals with high PsyCap levels will have more resources available to meet their objectives (Nguyen & Ngo, 2020). In this instance, based on the average value of the responses, the PsyCap of employees in the food and beverage service industry is sufficiently high to respond with organizational commitment.

If linked more deeply, having a high PsyCap will have a positive impact on overcoming

circumstances and obstacles in achieving set work objectives. It can also be a reason why employees can survive in stressful situations, so that when employees are given any job that is relevant to the achievement of organizational goals, they will be prepared, always find it easy, and have a greater willingness to work, which will ultimately lead to a desire to remain in the organization (Nguyen & Ngo, 2020). In addition, PsyCap encourages its employees to be resilient and optimistic in all circumstances, especially when the company is facing external shocks (Nguyen & Ngo, 2020). This relates to Zhou et al. (2018), who stated that individuals with high PsyCap are more likely to approach challenges with a positive outlook and recover from stressful situations more quickly than others. In other words, a strong psychological state, a positive attitude, and the capacity to manage workloads retain people devoted to the organization.

In H2, JI has a negative impact on OC; hence, the hypothesis is accepted and is consistent with the previous study by Frone (2018) and Adebayo (2006). According to Adebayo (2006), the relationship between JI and OC is founded on the social exchange theory, which holds that a people's behavior results from an exchange or give-and-take process. In other words, a person will react to something based on how others treat them. This is also supported by Frone (2018), who contended that job insecurity is very likely to be the cause of the decline in employees' attachment to the company since the emergence of a sense of job insecurity indicates that the company fails to maintain reciprocal relationships, which are the reasons why employees commit. In other words, if a business wishes to encourage a high degree of employee commitment, the employer must provide assurances of job security. It is also known from the result that, when business returns and strengthens following the second wave of the COVID-19 pandemic, employees in the food and beverage service industry anticipate that their employer will recover and maintain a sense of job security, resulting in employee loyalty (Shown from JI Indicator Average answer).

The following studies support the hypothesis (H3) that the WE mediates the positive impact of PsyCap on OC. These findings align with Wen & Lastres (2021) and Paek, Schuckert, Kim, & Lee (2015), which state that having high psychological capital will affect self-perception and direct employee behavior in a positive direction. As a result, employees will feel more confident in finding the best way to do the best work. They will also be more enthusiastic about being involved in the work. The result also aligns with JD-R theory which states that job resources such as personal psychological resources can encourage employees to have high work participation and eventually favorably influence work outcomes such as organizational commitment (Paek, Schuckert, Kim, and Lee, 2015).

. . . . .

**—** 11 **—** 17

Hypothesis		Conclusion	
H1	Psychological Capital has a positive impact on the	Hypothesis accepted	
	Organizational Commitment of employees in the food and		
	beverage service industry		
H2	Job Insecurity has a negative impact on the Organizational	Hypothesis accepted	
	Commitment of employees in the food and beverage service		
	industry		
H3	Work Engagement mediates the positive impact between	Hypothesis accepted	
	Psychological Capital and Organizational Commitment of		
	employees in the food and beverage service industry		
H4	Work Engagement mediates the negative impact between	Hypothesis rejected	
	Job Insecurity and Organizational Commitment of		
	employees in the Food and Beverage service industry		

(Source: Data Processing Result)

## 5. Conclusion and Implications

#### 5.1 Implication and Limitation

#### **Theoretical Implication**

This research is aimed to provide a new understanding of the field of management, particularly in regards to Organizational Commitment, Psychological Capital, Job Insecurity, and Work Engagement during the COVID-19 pandemic, where this condition is still continuing and has different possible effects on each term of research time. With this research, it is hoped to stimulate future research, as there are still many

inconsistencies in the literature. It is anticipated that supported theories such as Conservation of resources, social exchange theory, and JD-R theory would provide a more pertinent explanation of the variable relationships.

#### Managerial Implications

Through this research, it is expected that organizations would have a valuable insight for formulating human resource policies during the COVID-19 pandemic. It is anticipated that this research will provide management or business owners of food and beverage services with insight into which aspects of workers are crucial to maintaining during the COVID-19 pandemic, considering the importance of human resources in organizations. Furthermore, both workers and organizations can survive in uncertain conditions.

#### Limitation

This research is inseparable from its limitations. Some of the limitations encountered by researchers can serve as input for future studies. The limitation of this research is that it is only conducted in the food and beverage service industry as the industry with the highest level of impactability of COVID-19 in 2020. Therefore, the research results cannot be generalized to all industries. It would be beneficial to conduct research with a broader industry to see the actual comparison. In this study, we use self-rated variables and focus solely on the employee side without examining the managerial side in both directions. Qualitative research is also beneficial for determining the depth of workers' perceptions and avoiding self-rating bias.

#### 5.2 Conclusion

The objective of this study was to examine the effect of Psychological Capital, Job Insecurity, and Work Engagement on the Organizational Commitment of food and beverage service employees during the COVID-19 pandemic, as well as the mediating effect of Work Engagement between the two variables. Utilizing SEM analysis and the CFA approach, questionnaires were sent to 292 respondents who meet the research criteria. According to the study's findings, employees' psychological capital affects their sense of commitment to the organization. Furthermore, employees' psychological capital is relatively high, allowing them to maintain their commitment despite the pressures and uncertainties they face. Similarly, as the business began to recover due to new policies, the employees' anxiety about losing their jobs began to subside. Decreasing the fear of losing a job positively affects the psychological current condition of employees, so that, it can promote a sense of commitment to the business, as employees believe that the company will be able to survive and retain job security. Consistent with JD-R theory, Work Engagement mediates the relationship between Psychological Capital and Organizational Commitment, but not the relationship between Job Insecurity and Organizational Commitment.

## References

- Abbas, M., Malik, M., & Sarwat, N. (2021). Consequences of job insecurity for hospitality workers amid COVID-19 pandemic: does social support help. *Journal of Hospitality Marketing & Management*, 30(8), 957-981.
- Adebayo, D. O. (2006). The moderating effect of self-efficacy on job insecurity and organisational commitment among Nigerian public servants. *Journal of Psychology in Africa*, 16(1), 35-43.
- Aguiar-Quintana, T., Nguyen, T. H. H., Araujo-Cabrera, Y., & Sanabria-Díaz, J. M. (2021). Do job insecurity, anxiety and depression cause by the COVID-19 pandemic influence hotel employees' self-rated task performance? The moderating role of employee resilience. *International Journal of Hospitality Management*, 94, 102868.
- Al Hariri, M., Hamade, B., Bizri, M., Salman, O., Tamim, H., & Al Jalbout, N. (2022). Psychological impact of COVID-19 on emergency department healthcare workers in a tertiary care center during a national economic crisis. *The American journal of emergency medicine*, 51, 342-347.
- Alat, P., Das, S. S., Arora, A., & Jha, A. K. (2021). Mental health during COVID-19 lockdown in India: Role of psychological capital and internal locus of control. *Current psychology*, 1-13.
- Allen, N. J., & Meyer, J. P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of occupational psychology*, 63(1), 1-18.
- Ambarwati, R., Yuliastri, D., & Sulistiyowati, W. (2022). Human resource risk control through COVID-19 risk assessment in Indonesian manufacturing. *Journal of Loss Prevention in the Process Industries*, 74, 104665.

© 2022. The 6<sup>th</sup> International Conference on Family Business and Entrepreneurship.

- Arbulú, I., Razumova, M., Rey-Maquieira, J., & Sastre, F. (2021). Measuring risks and vulnerability of tourism to the COVID-19 crisis in the context of extreme uncertainty: The case of the Balearic Islands. *Tourism Management Perspectives*, 39, 100857.
- Aumeboonsuke, V. (2021). The role of perceived policy responses during the covid-19 pandemic on citizen psychological capital. *Journal of Management Information and Decision Sciences*, 24, 1-9.
- Ayuni, S., et al. (2020). Hasil survei dampak Covid-19 pada pelaku usaha. Diakses dari https://www.bps.go.id/publication/2020/09/15/9efe2fbda7d674c09ffd0978/analisis-hasil-surveidampak-covid-19-terhadap-pelaku-usaha.html
- Bazzoli, A., & Probst, T. M. (2022). COVID-19 Moral Disengagement and Prevention Behaviors: The Impact of Perceived Workplace COVID-19 Safety Climate and Employee Job Insecurity. Safety science, 105703.
- Boonsiritomachai, W., & Sud-On, P. (2021). The moderation effect of work engagement on entrepreneurial attitude and organizational commitment: evidence from Thailand's entry-level employees during the COVID-19 pandemic. *Asia-Pacific Journal of Business Administration*.
- Byrd, K., Her, E., Fan, A., Almanza, B., Liu, Y., & Leitch, S. (2021). Restaurants and COVID-19: What are consumers' risk perceptions about restaurant food and its packaging during the pandemic. *International Journal of Hospitality Management*, *94*, 102821.
- Chanana, N. (2021). The impact of COVID-19 pandemic on employee organizational commitment and job satisfaction in reference to gender differences. *Journal of Public Affairs*, 21(4), e2695.
- Chen, C. C., Zou, S. S., & Chen, M. H. (2022). The fear of being infected and fired: Examining the dual job stressors of hospitality employees during COVID-19. *International Journal of Hospitality Management*, 102, 103131.
- Frone, M. R. (2018). What happened to the employed during the Great Recession? A US population study of net change in employee insecurity, health, and organizational commitment. *Journal of Vocational Behavior*, 107, 246-260.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). Multivariate data analysis (Eighth Edi). *Cengage, Andover*.
- Hakanen, J. J., Schaufeli, W. B., & Ahola, K. (2008). The Job Demands-Resources model: A three-year cross-lagged study of burnout, depression, commitment, and work engagement. *Work & stress*, 22(3), 224-241.
- Hermundsdottir, F., Haneberg, D. H., & Aspelund, A. (2022). Analyzing the impact of COVID-19 on environmental innovations in manufacturing firms. *Technology in Society*, 101918.
- Jaros, S. (2007). Meyer and Allen model of organizational commitment: Measurement issues. *The Icfai Journal of Organizational Behavior*, 6(4), 7-25.
- Jung, H. S., Jung, Y. S., & Yoon, H. H. (2021). COVID-19: The effects of job insecurity on the job engagement and turnover intent of deluxe hotel employees and the moderating role of generational characteristics. *International Journal of Hospitality Management*, *92*, 102703.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of management journal*, 33(4), 692-724.
- Kang, H. J. A., & Busser, J. A. (2018). Impact of service climate and psychological capital on employee engagement: The role of organizational hierarchy. *International Journal of Hospitality Management*, 75, 1-9.
- Karatepe, O. M., Rezapouraghdam, H., & Hassannia, R. (2020). Job insecurity, work engagement and their effects on hotel employees' non-green and nonattendance behaviors. *International Journal of Hospitality Management*, 87, 102472.
- Kim, H., Im, J., & Shin, Y. H. (2021). The impact of transformational leadership and commitment to change on restaurant employees' quality of work life during a crisis. *Journal of Hospitality and Tourism Management*, 48, 322-330.
- Knight, C., Patterson, M., & Dawson, J. (2019). Work engagement interventions can be effective: a systematic review. *European Journal of Work and Organizational Psychology*, 28(3), 348-372.
- Li, Z., Yu, Z., Huang, S. S., Zhou, J., Yu, M., & Gu, R. (2021). The effects of psychological capital, social capital, and human capital on hotel employees' occupational stress and turnover intention. *International Journal of Hospitality Management*, 98, 103046.
- Lumingkewas, C. S., Nimran, U., Raharjo, K., & Utami, H. N. (2019). Effect of Job Insecurity to Organizational Commitment and Intention to Leave. *Wacana Journal of Social and Humanity Studies*, 22(4).

© 2022. The 6<sup>th</sup> International Conference on Family Business and Entrepreneurship.

- Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital: Developing the human competitive edge* (Vol. 198). Oxford: Oxford university press.
- Mao, Y., He, J., Morrison, A. M., & Andres Coca-Stefaniak, J. (2021). Effects of tourism CSR on employee psychological capital in the COVID-19 crisis: from the perspective of conservation of resources theory. *Current Issues in Tourism*, 24(19), 2716-2734.
- Markovits, Y., Boer, D., & van Dick, R. (2014). Economic crisis and the employee: The effects of economic crisis on employee job satisfaction, commitment, and self-regulation. *European Management Journal*, 32(3), 413-422.
- Marques, T., Suárez-González, I., da Cruz, P. P., & Ferreira, M. P. (2011). The downsizing effects on survivors: a structural equation modeling analysis. *Management Research: Journal of the Iberoamerican Academy of Management*.
- Meseguer de Pedro, M., Fernández-Valera, M. M., García-Izquierdo, M., & Soler-Sánchez, M. I. (2021). Burnout, psychological capital and health during COVID-19 social isolation: A longitudinal analysis. *International Journal of Environmental Research and Public Health*, 18(3), 1064.
- Moshoeu, A. N., & Geldenhuys, D. J. (2015). Job insecurity, organisational commitment and work engagement among staff in an open distance learning institution. Southern African Business Review, 19(1), 22-43.
- Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The measurement of organizational commitment. *Journal of vocational behavior*, 14(2), 224-247.
- NGUYEN, H. M., & NGO, T. T. (2020). Psychological capital, organizational commitment and job performance: A case in Vietnam. *The Journal of Asian Finance, Economics and Business*, 7(5), 269-278.
- Özbük, R. M. Y., Coşkun, A., & Filimonau, V. (2021). The impact of COVID-19 on food management in households of an emerging economy. *Socio-Economic Planning Sciences*, 101094.
- Padave, P., Kanekar, R., & Chande, K. (2021). Emprical study on organizational commitment of employees in Indian Hotel Industry. *Materials Today: Proceedings*.
- Paek, S., Schuckert, M., Kim, T. T., & Lee, G. (2015). Why is hospitality employees' psychological capital important? The effects of psychological capital on work engagement and employee morale. *International journal of hospitality management*, 50, 9-26.
- Powell, D. M., & Meyer, J. P. (2004). Side-bet theory and the three-component model of organizational commitment. *Journal of vocational behavior*, 65(1), 157-177.
- Sahoo, B. C., & Sia, S. K. (2015). Psychological capital and organisational commitment: Nature, structure and relationship in an Indian sample. Asia-Pacific Journal of Management Research and Innovation, 11(3), 230-244.
- Salunkhe, U., Rajan, B., & Kumar, V. (2021). Understanding firm survival in a global crisis. *International Marketing Review*.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. john wiley & sons.
- Snell, S. (2021). The Relationship Between Cross-Cultural Psychological Capital and Organizational Commitment (Doctoral dissertation, Walden University).
- Souza, D. T. S. P., Miyahira, R. F., Matheus, J. R. V., de Brito Nogueira, T. B., Maragoni-Santos, C., Barros, F. F. C., ... & Fai, A. E. C. (2022). Food services in times of uncertainty: Remodeling operations, changing trends, and looking into perspectives after the COVID-19 pandemic. *Trends in Food Science & Technology*.
- Sutarsih, T., & Candraningtyas, P. (2019). Statistik penyedia makan minum. Diakses dari https://www.bps.go.id/publication/2021/08/18/6ec5e82a11ec09a289528554/statistik-penyediamakan-minum-2019.html
- Tang, Y., Shao, Y. F., & Chen, Y. J. (2019). Assessing the mediation mechanism of job satisfaction and organizational commitment on innovative behavior: the perspective of psychological capital. *Frontiers in psychology*, 2699.
- Turliuc, M. N., & Candel, O. S. (2021). The relationship between psychological capital and mental health during the Covid-19 pandemic: A longitudinal mediation model. *Journal of health psychology*, 13591053211012771.
- Vu, T. V., Vo-Thanh, T., Nguyen, N. P., Van Nguyen, D., & Chi, H. (2022). The COVID-19 pandemic: Workplace safety management practices, job insecurity, and employees' organizational citizenship

© 2022. The 6<sup>th</sup> International Conference on Family Business and Entrepreneurship.

behavior. Safety Science, 145, 105527.

- Wen, H., & Lastres, L. B. (2021). Examining the impact of psychological capital on workplace outcomes of ethnic minority foodservice employees. *International Journal of Hospitality Management*, 94, 102881.
- Wertheim, V. V. (2016). The Effect of Organizational Commitment, Organizational Based Self Esteem and Work Engagement on Nurses' Perception of Medication Errors.
- Wiener, Y. (1982). Commitment in organizations: A normative view. Academy of management review, 7(3), 418-428.
- Wijanto, H.W. (2020), Structural equation modeling dengan LISREL 8.80 (1th ed). Yogyakarta: Graha Ilmu
- Worldometer. (2021, December 30). *Covid-19 coronavirus cases*. Accessed From https://www.worldometers.info/coronavirus/
- Yalcin, S. (2016). Analyzing the Relationship between Positive Psychological Capital and Organizational Commitment of the Teachers. *International Education Studies*, 9(8), 75-83.
- Zhou, J., Yang, Y., Qiu, X., Yang, X., Pan, H., Ban, B., ... & Wang, W. (2018). Serial multiple mediation of organizational commitment and job burnout in the relationship between psychological capital and anxiety in Chinese female nurses: A cross-sectional questionnaire survey. *International journal of nursing studies*, 83, 75-82.