Applied Quantitative Analysis, Vol. 5 No. 2 (2025) https://doi.org/10.31098/quant.4080

Research Paper

Defensive (Pseudo) Loyalty in Indonesian Textile Manufacturing: A PLS-SEM Study of Job Insecurity and Toxic Workplace Environment

Bella Fujitha*, Tasya Aspiranti, Sri Suwarsi
Bandung Islamic University, Indonesia

Received : August 13, 2025	Revised : November 17, 2025	Accepted : December 19, 2025	Online : December 31, 2025

Abstract

This study examines how job insecurity and a toxic workplace environment shape employee loyalty in Indonesia's textile manufacturing sector, where cost pressure and employment uncertainty are rising. A quantitative survey was administered to 189 permanent and contract employees using proportional stratified random sampling. Measures captured four dimensions of job insecurity, toxic workplace indicators (ostracism, bullying, and workplace harassment), and three loyalty facets (affective, continuance, and normative). Hypotheses were tested using PLS-SEM with bootstrapping. Job insecurity significantly and positively predicts employee loyalty ($\beta = 0.550$; $t = 4.416$; $p < 0.001$). A toxic workplace environment also shows a significant positive effect on loyalty ($\beta = 0.287$; $t = 2.169$; $p = 0.030$). Together, both predictors jointly explain a substantial portion of loyalty variation ($R^2 = 0.673$), with job insecurity emerging as the stronger driver. These findings suggest that loyalty in this context may reflect defensive or pseudo-loyalty; employees remain and comply not primarily due to emotional attachment, but as an adaptive response to uncertainty, financial dependence, and limited job alternatives. The study contributes by reframing loyalty under stress as a multidimensional outcome that can mask hidden disengagement. Practically, organizations should reduce insecurity signals through transparent workforce planning and credible development pathways, while strengthening psychosocial safety systems to mitigate workplace toxicity and convert "staying because I must" into sustainable commitment.

Keywords: *Job Insecurity, Toxic Workplace Environment, Defensive (Pseudo) Loyalty, Employee Loyalty, Textile Manufacturing, PLS-SEM*

INTRODUCTION

Employee loyalty is a strategic asset for labor-intensive manufacturing organizations because stable staffing supports productivity, quality control, and knowledge transfer across production lines. When loyalty erodes, organizations face not only direct replacement costs but also production disruptions, quality variation, and the loss of tacit know-how embedded in experienced workers. In practice, however, employee loyalty is increasingly challenged by two intertwined workplace realities: uncertainty about the continuity and quality of employment (job insecurity) and adverse psychosocial conditions in day-to-day work interactions (toxic workplace environments). Both conditions are consequential because they can reshape how employees evaluate the organization, how safe and valued they feel at work, and whether they intend to stay.

These dynamics are salient in Indonesia's textile and garment ecosystem. Recent policy and industry reporting highlights intensified pressure from imported textile and apparel products, including concerns about under-invoiced or illegal imports that may weaken domestic demand and compress margins (USDA FAS, 2025). Public-sector analysis similarly emphasizes structural challenges and the need to strengthen competitiveness and workforce resilience within the national textile and apparel sector (DPR RI, 2024). In such contexts, firms may respond with tighter performance controls, shifting employment arrangements, and intensified production targets,

Corresponding author's email: bfujitha@gmail.com

changes that can be perceived by employees as signals of instability and may increase perceived job insecurity.

Job insecurity refers to employees' perception that the continuity of their job and/or valued job features is threatened. A growing quantitative literature shows that job insecurity is not only an economic concern but also a psychosocial stressor that depletes employees' resources and strains the employment relationship. For example, a recent meta-analysis synthesizing 237 primary studies reported that job insecurity is positively associated with turnover intentions and job search behaviors, while being negatively associated with career satisfaction and other career-related outcomes (Låstad et al., 2025). Other empirical work similarly indicates that job insecurity is linked to diminished organizational commitment, especially when employees experience exhaustion or burnout (Anand et al., 2023). Additionally, studies suggest that insecurity can weaken motivational processes and the perceived reciprocity between employees and organizations, thereby reducing commitment and attachment (Hngoi et al., 2024). Taken together, prior evidence supports the expectation that perceived job insecurity can erode loyalty and increase employees' psychological withdrawal from the organization.

Alongside uncertainty about the future of one's job, employee loyalty is shaped by everyday interpersonal and organizational experiences. Toxic workplace environments are typically characterized by harmful social dynamics such as bullying, ostracism, harassment, discrimination, and abusive or unfair supervision. These experiences can undermine trust, belonging, and perceived organizational support, mechanisms that are central to employee attachment. Recent evidence indicates that toxic environments harm organizational outcomes through stress processes and reduced positive attachment. For instance, Reslan et al. (2025) found that toxic work environments reduce affective commitment via heightened workplace stress. Related work also demonstrates that bullying is associated with lower job satisfaction and weaker organizational commitment, and that job insecurity can act as a pathway linking harmful conditions to deteriorating attitudes (Malola et al., 2025). These findings collectively suggest that workplace toxicity may directly weaken employee loyalty and can also amplify the negative effects of insecure employment perceptions.

This study is situated in a large textile manufacturing organization in West Bandung, Indonesia. The case context indicates that retention challenges are not uniformly distributed across organizational functions. Internal HR records in 2025 documented 2,760 employees and 48 separations (overall separation rate: 1.74%), with notably higher separation rates in Sales & Marketing (4.47%), Product Development (3.39%), and Quality Assurance (2.50%) relative to several other divisions. Complementing these records, employee reviews posted on a major employment platform signal that "job security and advancement" are rated lower than other aspects such as "pay and benefits" and "culture," and open-ended comments frequently mention strict monitoring, limited breaks, perceived discrimination, and pressure to meet targets. In preliminary interviews, employees also described concerns related to job continuity, demanding work targets, and stressful interpersonal dynamics. Together, these signals indicate a practice-relevant problem: loyalty and retention may be shaped by both perceived insecurity and psychosocial climate, and these influences may be stronger in some functions than others.

Despite the growing evidence base on job insecurity and workplace toxicity, three gaps remain relevant for both scholarship and practice. First, many studies test job insecurity and toxic workplace conditions in isolation, even though employees may experience both simultaneously, particularly in labor-intensive industries facing market volatility and performance intensification. Second, loyalty is often operationalized as a single outcome, obscuring differences between affective loyalty (emotional attachment), continuance loyalty (staying because leaving is costly), and normative loyalty (staying due to felt obligation). This matters because in insecure or toxic

contexts, employees may remain not because they are loyal in an affective sense, but because they perceive limited alternatives, producing a form of constrained or defensive attachment. Third, empirical evidence from Indonesian textile manufacturing remains limited, especially research that quantitatively models how these two factors jointly relate to employee loyalty using a multidimensional conceptualization.

Accordingly, this study addresses a practice-driven gap by developing and testing a quantitative structural model linking job insecurity and toxic workplace environment to employee loyalty (affective, continuance, and normative dimensions) in an Indonesian textile manufacturing context. Using survey data from 189 employees selected through proportional stratified random sampling across divisions and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), the study evaluates the individual and combined effects of job insecurity and workplace toxicity on employee loyalty. The study is expected to contribute practical insight for improving retention and employee well-being through more targeted interventions in employment communication, performance management, and psychosocial safety.

Research objectives

1. To examine the effect of job insecurity on employee loyalty in the focal manufacturing context.
2. To examine the effect of a toxic workplace environment on employee loyalty.
3. To assess the simultaneous influence of job insecurity and toxic workplace environment on employee loyalty.
4. To identify which loyalty dimensions (affective, continuance, normative) are most salient under conditions of insecurity and workplace toxicity.

Research questions

RQ1: To what extent does perceived job insecurity predict employee loyalty?
RQ2: To what extent does a perceived toxic workplace environment predict employee loyalty?
RQ3: Do job insecurity and toxic workplace environment jointly improve the prediction of employee loyalty compared to either factor alone?
RQ4: Which loyalty dimensions are most strongly associated with job insecurity and workplace toxicity in this setting?

Theoretically, this research extends job insecurity and workplace toxicity scholarship to a comparatively understudied manufacturing sector in an emerging economy and clarifies why "loyalty" should be treated as multidimensional when employees face constrained labor conditions. Practically, the model provides an evidence-based diagnostic framework to help managers identify whether retention challenges stem primarily from insecurity signals, toxic interpersonal dynamics, or both, and to prioritize targeted interventions aligned with the strongest predictors of loyalty outcomes.

LITERATURE REVIEW

Theoretical Benchmark

This study is grounded in Conservation of Resources (COR) theory, which explains employee reactions to stressors as efforts to protect, retain, and rebuild valued resources (e.g., stable income, status, social support, psychological safety). Stress is expected when resources are threatened or lost, and individuals respond by either withdrawing to prevent further loss or investing effort to avoid loss and regain stability (Hobfoll, 1989; Hobfoll et al., 2018). To define employee loyalty, this study aligns with the three-component model of organizational commitment, affective, continuance, and normative commitment, because loyalty in contemporary organizations

often reflects both emotional attachment and practical calculation (Meyer & Allen, 1991). Recent quantitative work also treats loyalty as a strategic outcome shaped by fairness and workplace conditions, showing that supportive systems and perceived justice strengthen employees' willingness to remain and contribute (Wareewanich et al., 2024).

Job Insecurity

Job insecurity refers to employees' perceived threat of losing job continuity and valued job features, particularly in unstable labor markets and amid organizational change (Lee et al., 2018). A growing synthesis of research emphasizes that job insecurity is not merely an individual feeling but a multi-level organizational phenomenon shaped by uncertainty, restructuring, digitalization, and competitiveness (Medina et al., 2023)

Contemporary literature commonly distinguishes job insecurity into quantitative insecurity (the threat of losing the job) and qualitative insecurity (the threat of losing valued aspects of the job, such as career prospects, income growth, or meaningful tasks). This distinction helps explain why insecurity sometimes predicts withdrawal and sometimes predicts "job-preservation" behavior. For example, in service contexts, job insecurity has been linked to weaker job embeddedness and poorer outcomes, supporting the view that insecurity erodes stability and attachment (Safavi & Karatepe, 2019).

However, COR theory also predicts that when alternatives are limited, employees may respond to insecurity by investing more effort to protect their employment, a mechanism often described as a job-preservation response. Recent evidence shows insecurity can motivate protective behaviors (e.g., compliance, impression management, intensified effort) depending on contextual threats and perceived control (Shoss et al., 2023; Ma et al., 2024)

Thus, job insecurity may reduce affective attachment, but simultaneously strengthen continuance-based loyalty (staying because leaving is costly), making the net effect on "loyalty" potentially context-dependent (Lee et al., 2018).

Toxic Workplace Environment

A toxic workplace environment refers to persistent negative conditions, such as harassment, bullying, and ostracism, that produce psychological distress, reduce employee well-being, and damage interpersonal safety at work (Rasool et al., 2021). Toxicity is increasingly treated as a measurable organizational risk factor because it accelerates burnout, weakens engagement, and increases turnover intention (Rasool et al., 2021). Recent research also expands the conversation beyond consequences by focusing on identification and prevention. For instance, a 2024 study used logistic/regression modeling to identify organizational characteristics associated with pathological/toxic workplaces (e.g., leadership type, corporate culture patterns), emphasizing that prevention is often underdeveloped compared with consequence-focused research (Michulek et al., 2024). From a COR lens, toxicity functions as a chronic resource drain: employees lose emotional energy, social resources, and a sense of control. Over time, this depletion reduces willingness to emotionally invest in the organization and encourages defensive coping (e.g., silence, minimal performance, withdrawal). Therefore, toxic environments are expected to undermine loyalty, especially affective and normative loyalty, because employees perceive the workplace as unsafe and unfair (Rasool et al., 2021).

Employee Loyalty

Employee loyalty is commonly conceptualized as an employee's sustained intention to remain with, contribute to, and align with organizational goals. The three-component model provides a strong benchmark for operationalizing loyalty in quantitative research:

1. Affective loyalty (emotional attachment),
2. Continuance loyalty (staying due to costs of leaving), and
3. Normative loyalty (staying due to obligation) (Meyer & Allen, 1991).

More recent studies emphasize that loyalty is not only psychological but also shaped by workplace systems. For example, research using mediation models shows that workplace conditions (e.g., fairness mechanisms, "hygiene factors," and motivators) can strengthen loyalty by improving perceived support and work quality (Wareewanich et al., 2024). This supports treating loyalty as a strategic organizational outcome that can rise or fall depending on whether employees perceive stability, dignity, and safety at work.

Job Insecurity and Employee Loyalty

Most studies argue that job insecurity reduces positive employee attitudes because uncertainty threatens resources and weakens perceptions of the psychological contract (Lee et al., 2018; Medina et al., 2023). However, more recent research highlights that insecurity can also activate job-preservation motivation (e.g., protective effort, compliance, impression management) that may resemble "loyalty behaviors," especially in contexts where employees perceive limited mobility (Shoss et al., 2023; Ma et al., 2024).

H1: Job insecurity has a significant effect on employee loyalty.

Toxic Workplace Environment and Employee Loyalty

Toxic environments systematically erode well-being and engagement and create psychological unsafety, thereby undermining employees' willingness to remain attached to and committed to the organization (Rasool et al., 2021). Because toxicity is a persistent stressor that drains resources and damages trust, it should reduce loyalty, particularly affective and normative loyalty. Evidence also indicates that identifying toxic workplace predictors (culture/leadership) is crucial because toxic conditions are structurally produced, not merely individual-level experiences (Michulek et al., 2024).

H2: A toxic workplace environment has a significant negative effect on employee loyalty.

Job Insecurity, Toxic Workplace Environment, and Employee Loyalty

In practice, job insecurity and toxicity often co-occur and may compound resource loss. Under COR theory, combined stressors can intensify defensive coping, meaning employees may either withdraw or remain "trapped" via continuance loyalty while losing affective attachment (Hobfoll et al., 2018; Lee et al., 2018). Therefore, examining both predictors together provides a more realistic explanation of employee loyalty as an outcome under unstable and harmful work conditions.

H3: Job insecurity and a toxic workplace environment simultaneously have a significant effect on employee loyalty.

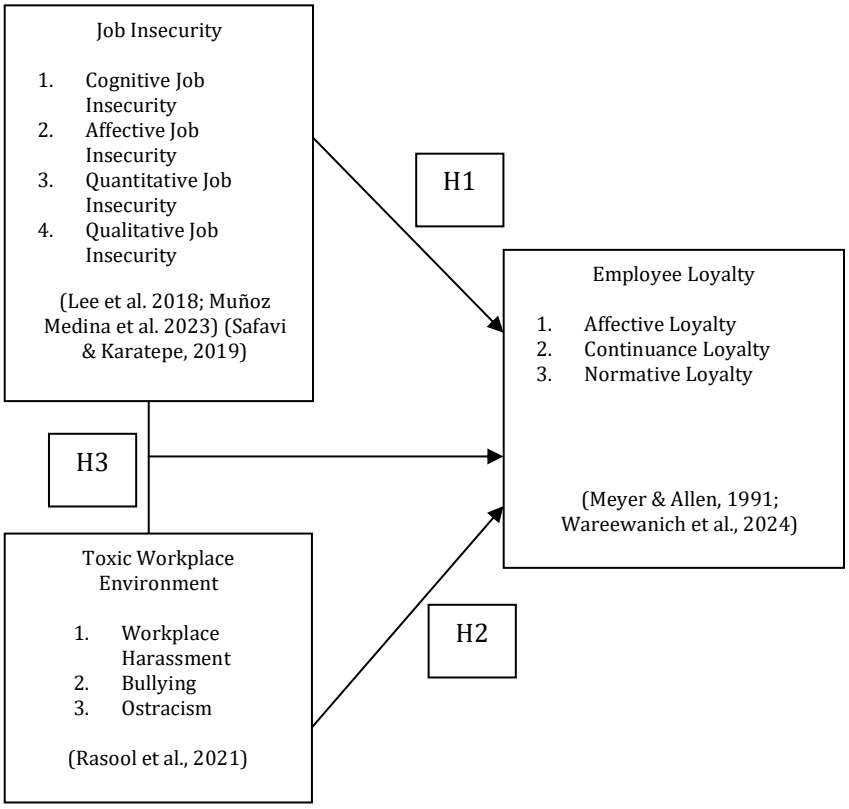

Figure 1. Conceptual Framework of the Study

METHODOLOGY

Research Design and Study Type

This study employed a quantitative method using a descriptive–verificative (descriptive–explanatory) approach. The descriptive component was used to profile the characteristics/levels of the research variables, while the verificative component was used to test the proposed hypotheses and examine causal relationships among variables. The study was conducted through a survey by distributing questionnaires to eligible respondents. To ensure a clear and replicable research process, the study followed a structured sequence: (1) preliminary field and literature study, (2) problem identification and formulation, (3) development of the conceptual framework and hypotheses, (4) instrument development and testing, (5) data collection, (6) statistical analysis, and (7) drawing conclusions and recommendations.

Population

According to Handayani (2020), a population is the totality of all elements to be studied that share common characteristics, which may consist of individuals within a group, events, or other entities under investigation. Based on this definition, a population can be understood as a collection of objects or subjects within a specific area that meet certain criteria relevant to the research.

In this study, the population consisted of all employees of a textile manufacturing company located in West Bandung Regency, totaling 2,760 employees based on internal HR records for the 2024/2025 period. The population comprised various divisions and job positions, including Human Resources & Administration, Finance & Accounting, Legal & Compliance, Operations, Sales & Marketing, and Information Technology.

Sampling Strategy

According to Arikunto (2020), a sample is a subset or a representative of the population under study. Sugiyono (2018) defines a sample as a representative portion of the population that shares the same characteristics and accurately reflects the population, while Neuman (2020) describes a sample as a selected part of the population chosen for measurement or observation. Sampling techniques are methods used to select samples and are generally classified as probability or non-probability sampling (Sugiyono, 2018). In this study, proportional stratified random sampling was employed, whereby samples were randomly selected in proportion to specific strata, namely job division/position, to ensure that all subgroups were adequately represented and that the findings could be more accurately generalized.

Sample Size

The sample size was determined using the Slovin formula:

$$n = \frac{N}{1 + N\,(e^2)}$$

n = Sample size
N = Total population
e = Critical value or margin of error (tolerance level)

In determining the sample size, the author applied a margin of error of 7.02%, considering that no research can achieve 100% accuracy; a higher margin of error results in a smaller sample size. The total population for this study was 2,760 individuals, and, based on the above calculation, the sample size was determined accordingly.

$$n = \frac{2760}{1 + 2760\ (0{,}0702)^2}$$

$$n = \frac{2760}{1 + 2760\ (0{,}4927)}$$

$$n = \frac{2760}{1 + 13{,}603}$$

$$n = \frac{2760}{14{,}603}$$

$$n = 189$$

From a total population of 2,760 employees, the sample size was determined using Slovin's formula with a margin of error of 7.02%. The calculation resulted in a sample size of 189.002 respondents, which was rounded down to 189 respondents to ensure representativeness. Subsequently, the allocation of samples for each stratum was determined using a proportional formula:

$$ni = \frac{Ni}{N}\ x\ n$$

ni = Number of samples from the i-th stratum
Ni = Population size of the i-th stratum
N = Total population (2,760 individuals)

n = Total sample size (189 individuals)

Using proportionate stratified random sampling, the sample was drawn proportionally from predefined population strata, specifically organizational divisions, to ensure adequate and balanced representation of each subgroup. This approach enhances the validity of the research findings and minimizes potential bias. In this study, a population of 2,760 employees from a textile manufacturing company was categorized into six main divisions: Human Resources & Administration, Operations, Finance & Accounting, Sales & Marketing, Legal & Compliance, and Information Technology. Based on the Slovin formula with a 7.02% margin of error, a total sample of 189 respondents was obtained. The sample was then allocated proportionally according to the number of employees in each division.

1. Human Resources & Administration (260 employees)

$$n1 = \frac{260}{2760}\ x\ 189 = 18 \text{ employee}$$

2. Operations (1,600 employees)

$$n1 = \frac{1600}{2760}\ x\ 189 = 110 \text{ employee}$$

3. Finance & Accounting (210 employees)

$$n1 = \frac{210}{2760}\ x\ 189 = 14 \text{ employee}$$

4. Sales & Marketing (380 employees)

$$n1 = \frac{380}{2760}\ x\ 189 = 26 \text{ employee}$$

5. Legal & Compliance (160 employees)

$$n1 = \frac{160}{2760}\ x\ 189 = 11 \text{ employee}$$

6. Information Technology (150 employees)

$$n1 = \frac{150}{2760}\ x\ 189 = 10 \text{ employee}$$

Here is the population and sample framework table presenting the distribution of the number of employees and the sample size across each division.

Table 1. Population and Sample Framework

Division	Population (Ni)	Sample (ni)
Human Resources & Administration	260	18
Operations	1600	110
Finance & Accounting	210	14
Sales & Marketing	380	26
Legal & Compliance	160	11
Information Technology	150	10
Total	**2760**	**189**

Processed by the researcher (2025)

Data Types

The study used quantitative data (numeric responses) suitable for statistical procedures.

Data sources

1. Primary data were collected directly from respondents through a structured questionnaire measuring perceptions of Job Insecurity, Toxic Workplace Environment, and Employee Loyalty.
2. Secondary data were obtained from relevant literature and organizational documents to complement primary survey data.

Data collection methods

1. Survey/Questionnaire. The main instrument was a questionnaire using a 4-point Likert scale to avoid neutral responses, which supports clearer attitudinal differentiation among respondents. The indicators were measured on an ordinal scale.
2. Documentation (Document/Content Analysis). Documentation was used as supporting evidence, including internal company records (e.g., employee counts and turnover) and external online employee reviews (Indeed) to strengthen the empirical context of workplace conditions.

Operationalization of Variables

All constructs were operationalized into measurable dimensions and indicators and administered through the questionnaire. The measurement items were adapted from established references:

1. Job Insecurity indicators were adapted from prior work, such as Lee et al. (2018) (as cited in Medina et al., 2023) and Safavi and Karatepe (2019)
2. Toxic Workplace Environment indicators were adapted from Rasool et al. (2021).
3. Employee Loyalty indicators were adapted from Meyer and Allen (1991) (as used in recent studies such as Wareewanich et al., 2024)

Instrument Validity and Reliability Procedures

Instrument evaluation used the PLS-SEM measurement model approach in SmartPLS (4.0)

Validity Test

1. Convergent validity was assessed using outer loadings, with the acceptance threshold ≥ 0.70.
2. Discriminant validity was assessed using cross-loadings and the Fornell–Larcker criterion (comparing √AVE with inter-construct correlations).
3. AVE was referenced as an additional convergent validity indicator with a guideline of AVE ≥ 0.50.

Reliability Test

Reliability was assessed using Cronbach's Alpha and Composite Reliability, with typical thresholds ≥ 0.70 for confirmatory research. Reliability estimates for the constructs (e.g., Job Insecurity) indicate high internal consistency (e.g., Cronbach's Alpha and Composite Reliability).

Data Analysis Techniques and Rationale

The study used two complementary analyses:

Descriptive Analysis

Descriptive statistics were used to summarize respondent perceptions using Likert scoring (4-point). The analysis involved computing total scores and mean scores, then interpreting them

using predetermined categories (Very Low–Very High).

Table 2. Likert Scale

Response Options		Score
Strongly Agree	(SA)	4
Agree	(A)	3
Disagree	(D)	2
Strongly Disagree	(SD)	1

Source: Sugiyono (2019)

1. Calculating the Total Score (V × F)

Each response option was weighted according to the Likert scale:

- Strongly Agree (SA) = 4
- Agree (A) = 3
- Disagree (D) = 2
- Strongly Disagree (SD) = 1

The total score was calculated by multiplying the score weight (V) by the response frequency (F) for each category and summing the results using the following formula:

$$Score = \sum(V\ x\ F)$$

∑ = Total score
V = Score weight of each Likert category
F = Frequency of respondents

2. Calculating the score range

The score range is calculated using the following formula:

$$Score\ Range = \frac{(Highest\ Score - Lowest\ Score)}{Number\ of\ Score\ Categories}$$

$$Score\ Range = \frac{(4-1)}{4} = 0{,}75$$

Based on these results, the scale categories are determined as follows:

Table 3. Scale Categories

No	Scale Range	Category
1	1,00 – 1,75	Very Low
2	1,76 - 2,5	Low
3	2,51 – 3,25	High
4	3,26 – 4,00	Very High

Source: Sugiyono (2019)

The interpretation of the mean scores can be identified using a continuum line. According to Sugiyono (2019), the continuum line groups mean scores into specific categories by dividing the score range into equal intervals, resulting in classifications such as very low, low, high, and very high. This method helps determine the position of respondents' mean scores for a research variable and facilitates clear interpretation. Academically, scores at the cut-off point are assigned to the

higher category; for example, a score of 2.50 is classified as low, whereas 2.51 is classified as high. The continuum line is illustrated in Figure 2.

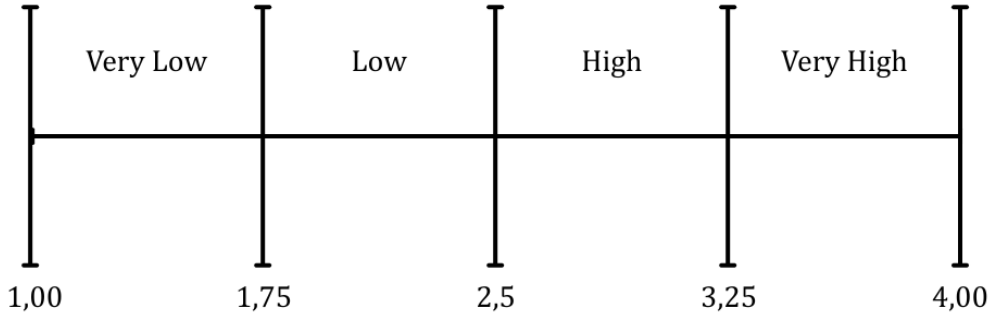

Figure 2. Continuum Line

Verificative (Hypothesis Testing) Analysis using PLS-SEM.

The study applied Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the hypothesized effects of Job Insecurity and Toxic Workplace Environment on Employee Loyalty. PLS-SEM was chosen due to its suitability for complex models, flexibility with data distribution assumptions, and appropriateness for relatively small samples and ordinal scales

Model evaluation followed standard PLS-SEM stages:

1. Outer model evaluation (validity and reliability).
2. Inner model evaluation using R^2, Q^2 (predictive relevance), f^2 (effect size), path coefficients, and significance values.

Hypothesis testing used bootstrapping outputs (t-statistics and p-values) with conventional cutoffs (e.g., $t \geq 1.96$ at $\alpha = 0.05$; $p < 0.05$ indicates significance).

Hypothesis Testing Design

After the model validity and reliability were confirmed through the outer model, and the structural relationships among variables were assessed via the inner model, the next stage involved hypothesis testing. This process aimed to examine whether the relationships among constructs in the research model were statistically significant. Hypothesis testing was conducted using the bootstrapping procedure in SmartPLS, producing outputs including F-square (effect size), path coefficients, and significance tests (t-statistics and p-values) for each structural relationship.

Partial Hypothesis Testing

Partial hypothesis testing was performed to determine whether each independent variable had a significant effect on the dependent variable. In the SEM-PLS approach, significance was assessed through bootstrapping to obtain the t-statistic and p-value for each path. The decision criteria were as follows:

T-statistic criteria:

- $t \geq 1.65 \rightarrow$ significant at $\alpha = 0.10$
- $t \geq 1.96 \rightarrow$ significant at $\alpha = 0.05$
- $t \geq 2.58 \rightarrow$ significant at $\alpha = 0.01$

P-value criteria:

- $p < 0.05 \rightarrow$ significant effect
- $p > 0.05 \rightarrow$ non-significant effect

If the t-statistic exceeded the threshold or the p-value was below 0.05, the relationship between constructs was considered significant, and the hypothesis was accepted. The results are presented in tables showing path coefficients, t-statistics, and p-values. Simultaneous Hypothesis Testing To examine the simultaneous effect of independent variables on the dependent variable, an F-test was applied. This test assessed whether all predictor variables jointly had a significant effect on the endogenous variable. According to Hair et al. (2019), in SEM-PLS, simultaneous testing can be conducted by examining the R^2 value and calculating the F-statistic using the following formula:

$$F = \frac{\frac{R^2}{k}}{\frac{(1-R^2)}{(n-k-1)}}$$

R^2 = coefficient of determination
k = number of predictors (independent variables)
n = sample size

If the calculated F-value exceeded the critical F-table value or the p-value < 0.05, the null hypothesis was considered significant. In addition, the Adjusted R^2 was used to assess the proportion of variance in the dependent variable explained by all independent variables, taking into account the number of predictors and sample size.

FINDINGS AND DISCUSSION

Respondent Profile

This study analyzes 189 valid responses from employees of a manufacturing firm in West Java, Indonesia. As shown in Table 4, the respondent distribution across organizational divisions is strongly concentrated in Operations (58%), reflecting the labor-intensive nature of the manufacturing sector. This is followed by Sales/Marketing (14%) and Finance/Accounting (9%), while Human Resources (7%), Legal/Compliance (6%), and Information Technology (6%) constitute smaller but proportionally represented groups.

The dominance of operational staff in the sample enhances the relevance of the findings, as employees in this division are more directly exposed to production pressures, employment uncertainty, and day-to-day workplace dynamics. At the same time, the inclusion of support and managerial divisions ensures that the analysis captures a cross-functional perspective on job insecurity, toxic workplace environment, and employee loyalty, thereby strengthening the internal validity of the study.

Table 4. Demographic summary (percent)

Characteristic	Category	Share
Division	Operations	58%
	Sales/Marketing	14%
	Finance/Accounting	9%
	HR	7%

Characteristic	Category	Share
	Legal/Compliance	6%
	IT	6%

Descriptive Results

Using a four-point Likert scale, respondents reported high levels of job insecurity (mean = 2.8), and a toxic workplace environment (mean = 2.7). Employee loyalty was also rated high (mean = 2.9).

Table 5. Descriptive statistics (construct-level)

Construct	Mean Score	Criterion
Job Insecurity	2.8	High
Toxic Workplace Environment	2.7	High
Employee Loyalty	2.9	High

Based on the continuum line criteria, the mean scores in Table 5 are categorized as high because each value falls within the "high" range on the continuum. Table 5 indicates an interesting and paradoxical pattern among the respondents. Despite reporting high levels of job insecurity and a high perception of a toxic workplace environment, employees simultaneously reported high employee loyalty. This finding suggests that employee loyalty in this context may not be driven by positive work conditions. Instead, high loyalty may be shaped by contextual factors such as limited alternative employment opportunities, economic uncertainty, job dependency, and the perceived cost of job loss. Employees may remain loyal not because they feel secure or supported, but because keeping their current job is viewed as the most viable option. Moreover, the loyalty observed may reflect continuance and normative loyalty rather than affective loyalty, meaning employees stay due to necessity and obligation rather than emotional attachment or job satisfaction. Overall, these descriptive results highlight a complex workplace dynamic in which high loyalty coexists with insecurity and workplace toxicity, supporting the need for further structural analysis (PLS-SEM) to examine the underlying relationships among the variables.

Verificative Result

Construct Validity and Reliability Testing (Outer Model)

Validity and reliability testing aim to assess the extent to which the indicators consistently and accurately represent the latent constructs. Validity ensures that the indicators measure the intended concepts, while reliability reflects the consistency of the measurement.

Convergent Validity Test Results

Convergent validity refers to the extent to which indicators designed to measure the same construct are strongly correlated with one another. This criterion is met when correlations among indicators within a construct are higher than their correlations with indicators from other constructs (Indrawati, 2015). According to Abdillah and Jogiyanto (2015), convergent validity is achieved when two or more instruments measuring the same construct show high correlations. In reflective PLS models, convergent validity is assessed using outer loadings (≥ 0.70), communality (> 0.50), and Average Variance Extracted (AVE > 0.50). In this study, convergent validity was tested for Job Insecurity, Toxic Workplace Environment, and Employee Loyalty.

Table 6. Validity Test Results

Construct	Dimensions	Indicator Code	Loading Factor	AVE	Result
Job Insecurity	Affective Job Insecurity	Afek1	0.896	0.781	Valid
		Afek2	0.905		Valid
		Afek3	0.916		Valid
		Afek4	0.913		Valid
	Cognitif Job Insecurity	Kogni1	0.908		Valid
		Kogni2	0.882		Valid
		Kogni3	0.916		Valid
		Kogni4	0.862		Valid
		Kogni5	0.885		Valid
	Qualitative Job Insecurity	Kual1	0.907		Valid
		Kual2	0.873		Valid
		Kual3	0.874		Valid
		Kual4	0.816		Valid
		Kual5	0.848		Valid
	Quantitative Job Insecurity	Kuan1	0.893		Valid
		Kuan2	0.876		Valid
		Kuan3	0.896		Valid
		Kuan4	0.939		Valid
Toxic Workplace Environment	Bullying	Bully1	0.949	0.834	Valid
		Bully2	0.927		Valid
	Ostracism	Ostrac1	0.941		Valid
		Ostrac2	0.943		Valid
		Ostract3	0.810		Valid
	Workplace Harassment	Workp1	0.897		Valid
		Workp2	0.920		Valid
		Affect1	0.904		Valid

Construct	Dimensions	Indicator Code	Loading Factor	AVE	Result
Employee Loyalty	Affective Loyalty	Affect2	0.911	0.821	Valid
		Affect3	0.916		Valid
	Continuance Loyalty	Cont1	0.916		Valid
		Cont2	0.926		Valid
		Cont3	0.911		Valid
	Normative Loyalty	Norm1	0.916		Valid
		Norm2	0.882		Valid
		Norm3	0.870		Valid

Source: Results of SmartPLS Data Analysis, 2025

Based on Table 6, all indicators have outer loading values greater than 0.70, indicating satisfactory convergent validity (Hair et al., 2017). The AVE values for Job Insecurity, Toxic Workplace Environment, and Employee Loyalty also exceed 0.50, confirming that convergent validity is achieved. Reliability testing shows that Cronbach's Alpha values are above 0.60 and Composite Reliability values exceed 0.70, indicating good internal consistency. Therefore, the measurement model is considered valid, reliable, and suitable for further analysis. Table 7 presents a summary of the AVE values.

Table 7. AVE (Average Variance Extracted)

AVE	Average variance extracted (AVE)
Employee Loyalty	0.821
Job Insecurity	0.781
Toxic Workplace Environment	0.834

Source: Results of SmartPLS Data Analysis, 2025

Based on Table 7, it can be concluded that the variables Job Insecurity, Toxic Workplace Environment, and Employee Loyalty have AVE values greater than 0.50; therefore, all variables are considered valid.

Discriminant Validity Test Results

According to Indrawati (2015), discriminant validity is achieved when variables that are theoretically expected to be unrelated do not show high correlations in the measurement results. Similarly, Abdillah and Jogiyanto (2015) state that discriminant validity requires indicators of different constructs to have low correlations. Discriminant validity is considered satisfactory when each indicator has a cross-loading value greater than 0.70 on its corresponding construct compared to other constructs, indicating that the indicators appropriately distinguish between different constructs.

Table 8. Cross-Loading Values for Each Variable

	Employee Loyalty	Job Insecurity	Toxic Workplace Environment
Afek1	0.673	**0.896**	0.858
Afek2	0.676	**0.905**	0.860
Afek3	0.682	**0.916**	0.836
Afek4	0.726	**0.913**	0.842
Affectl1	**0.904**	0.778	0.793
Affectl2	**0.911**	0.704	0.732
Affectl3	**0.916**	0.736	0.709
Bully1	0.677	0.856	**0.949**
Bully2	0.681	0.843	**0.927**
Contl1	**0.916**	0.732	0.691
Contl2	**0.926**	0.737	0.716
Contl3	**0.911**	0.759	0.734
Kogni1	0.715	**0.908**	0.819
Kogni2	0.748	**0.882**	0.805
Kogni3	0.689	**0.916**	0.872
Kogni4	0.762	**0.862**	0.741
Kogni5	0.747	**0.885**	0.753
Kual1	0.752	**0.907**	0.816
Kual2	0.670	**0.873**	0.808
Kual3	0.741	**0.874**	0.781
Kual4	0.748	**0.816**	0.723
Kual5	0.680	**0.848**	0.812
Kuan1	0.691	**0.893**	0.823
Kuan2	0.748	**0.876**	0.781
Kuan3	0.677	**0.896**	0.841
Kuan4	0.748	**0.839**	0.725
NormCon1	**0.918**	0.760	0.733
NormCon2	**0.882**	0.697	0.640
NormCon3	**0.870**	0.708	0.668
Ostrac1	0.689	0.848	**0.941**
Ostrac2	0.697	0.853	**0.943**
Ostrac3	0.862	0.735	**0.810**
workp1	0.706	0.855	**0.897**
workp2	0.661	0.822	**0.920**

Source: Results of SmartPLS Data Analysis, 2025

Based on the data presented in Table 8, all indicators for each construct in this study are considered valid. This is evidenced by cross-loading values exceeding 0.70 on their respective constructs and being higher than those on other constructs. Furthermore, Table 9 presents the results of the discriminant validity test using the Fornell–Larcker Criterion.

Table 9. Fornell-Larcker Criterion

	Job Insecurity	Employee Loyalty	Toxic Workplace Environment
Employee Loyalty	0.906		
Job Insecurity	0.812	0.884	
Toxic Workplace Environment	0.788	0.910	0.913

Source: Results of SmartPLS Data Analysis, 2025

Based on Table 9, the Fornell–Larcker criterion indicates a high correlation between employee loyalty and toxic workplace environment, suggesting potential overlap between the constructs. Therefore, discriminant validity was further assessed using the HTMT ratio (Ghozali & Latan, 2015).

Table 10. Heterotrait-monotrait ratio (HTMT)

	Employee Loyalty	Job Insecurity	Toxic Workplace Environment
Employee Loyalty			
Job Insecurity	0.827		
Toxic Workplace Environment	0.801	0.935	

Source: Results of SmartPLS Data Analysis, 2025

Based on Table 10, discriminant validity was assessed using HTMT. The HTMT values for job insecurity–employee loyalty (0.827) and toxic workplace environment–employee loyalty (0.801) are below 0.90, indicating adequate discriminant validity. However, the HTMT value for job insecurity–toxic workplace environment (0.935) slightly exceeds 0.90, suggesting these constructs are highly related. Despite this, the value is close to the threshold and may be considered acceptable in this context, so the constructs are treated as distinguishable.

Reliability Results

According to Abdillah and Jogiyanto (2015), reliability testing is used to assess the consistency of a measurement instrument. Reliability reflects the accuracy and consistency of an instrument in measuring a construct. In PLS analysis, reliability is evaluated using Cronbach's Alpha and Composite Reliability. Cronbach's Alpha represents the minimum reliability threshold, while Composite Reliability indicates the actual reliability of the construct. As a general rule, values above 0.70 for both measures indicate that the construct is reliable.

Table 11. Composite Reliability and Cronbach's Alpha Test Results

	Cronbach's alpha	Composite reliability (rho_c)
Employee Loyalty	0.973	0.976
Job Insecurity	0.983	0.985
Toxic Workplace Environment	0.967	0.972

Source: Results of SmartPLS Data Analysis, 2025

Based on Table 11, all constructs in the model show Cronbach's Alpha and Composite Reliability values exceeding the minimum threshold of 0.70. This indicates strong internal

consistency among the indicators of each construct. Therefore, all constructs are considered reliable and suitable for further structural model analysis.

Structural Model Evaluation (Inner Model)

The structural (inner) model assessment is conducted to evaluate the predictive power and relationships among latent variables. This evaluation includes the coefficient of determination (R^2) to measure the explanatory power of independent variables on the dependent variable, predictive relevance (Q^2) to assess the model's predictive capability, and effect size (f^2) to determine each latent variable's contribution. In addition, path coefficients, t-statistics, and p-values are analyzed to test the significance and direction of the relationships, providing a comprehensive assessment of the model's quality and suitability.

R-square and Q-square Results

According to Abdillah and Jogiyanto (2015), inner model evaluation in PLS focuses on the R^2 values of the dependent construct, as well as path coefficients and t-values to test relationship significance. The R^2 value indicates the proportion of variance in the dependent variable explained by the independent variables; higher values indicate stronger predictive ability. Based on Ghozali and Latan (2015), R^2 values of 0.75 indicate a strong model, 0.50 a moderate model, and 0.25 a weak model. The R^2 results showing the contribution of independent variables to the dependent variable are presented in Table 12.

Table 12. Structural Model Testing (Inner Model)

	R-square	R-square adjusted
Employee Loyalty	0.673	0.669

Source: Results of SmartPLS Data Analysis, 2025

Based on Table 12, the R-square (R^2) value of 0.673 for Employee Loyalty indicates that 67.3% of the variance in employee loyalty is jointly explained by the independent variables, namely job insecurity and toxic workplace environment. The remaining 32.7% of the variance is influenced by other factors outside this research model. In addition, the adjusted R-square value of 0.669 suggests that after adjusting for the number of predictors, the model still explains approximately 66.9% of the variance in employee loyalty. Overall, these values indicate that the structural model has moderately strong to strong predictive capability.

Furthermore, the model's predictive relevance is assessed using the Q^2 value. A model is considered to have predictive relevance if $Q^2 > 0$, whereas $Q^2 < 0$ indicates a lack of predictive relevance. To evaluate the model's ability to predict indicators of the endogenous construct, the Q^2 test results are presented in Table 13.

Table 13. Q-Square Result

	Q^2	Predictive Relevance	Summary
Employee Loyalty	0.994	Yes	Good

Source: Results of SmartPLS Data Analysis, 2025

Based on the results in Table 13, Employee Loyalty has a Q^2 value of 0.994, indicating strong predictive capability. This suggests that the model adequately explains and predicts variance in the employee loyalty construct with relatively low prediction error. Therefore, the construct demonstrates predictive relevance, as it meets the criterion of $Q^2 > 0$. Furthermore, the model's adequacy is assessed using the F-square (f^2) values to determine the magnitude of each variable's

effect on others within the model. These results indicate the strength of the influence of each predictor on the target variable and are presented as follows.

F-square (f^2) Results

In addition to assessing how well the independent variables explain the dependent variable through R^2, the F-square (f^2) test is conducted to examine the individual effect size of each independent variable on the dependent variable. The results of the F-square (effect size) analysis are presented in Table 14.

Table 14. F-Square Result

Construct	Result
Job Insecurity → Employee Loyalty	0.159
Toxic Workplace Environment → Employee Loyalty	0.043

Source: Results of SmartPLS Data Analysis, 2025

Based on Table 14, job insecurity has an f-square (f^2) value of 0.159, which indicates a medium effect size. This means that job insecurity makes a meaningful contribution to explaining changes in employee loyalty in the model. Meanwhile, the toxic workplace environment has an f-square (f^2) value of 0.043, which indicates a small effect size. This suggests that the toxic workplace environment contributes to employee loyalty, but its impact is relatively limited compared to job insecurity. Overall, the f-square results show that job insecurity is the stronger predictor of employee loyalty (medium effect), while the toxic workplace environment has a weaker influence (small effect) (Hair et al., 2019). The next step is to review the path coefficients and their significance to confirm the direction and strength of these relationships in the structural model.

Path Coefficient

The next step is to examine the path coefficients to determine the direction and magnitude of the relationships among latent variables in the model. These coefficients indicate the strength of the causal relationships between exogenous and endogenous constructs; higher values reflect stronger effects. The results of the path coefficient analysis are presented in Table 15.

Table 15. Path Coefficient Testing Result

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Job Insecurity → Employee Loyalty	0.550	0.546	0.125	4.416	0.000
Toxic Workplace Environment → Employee Loyalty	0.287	0.292	0.132	2.169	0.030

Source: Results of SmartPLS Data Analysis, 2025

Based on Table 15, the structural model shows that job insecurity has a positive and significant effect on employee loyalty. The path coefficient from job insecurity to employee loyalty is 0.550, with a T-statistic of 4.416 (> 1.96) and a p-value of 0.000 (< 0.05). This indicates a statistically significant relationship, meaning that increases in perceived job insecurity are associated with higher levels of employee loyalty. This finding suggests that when employees feel insecure about their jobs, they may respond by strengthening their loyalty as a way to maintain

their position within the organization, a behavior often referred to as job preservation (Shoss et al., 2023; Hair et al., 2019).

In contrast, the path from toxic workplace environment to employee loyalty also shows a positive and significant effect, with a path coefficient of 0.287, a T-statistic of 2.169 (> 1.96), and a p-value of 0.030 (< 0.05). This result indicates that the toxic workplace environment significantly influences employee loyalty, although the effect size is weaker compared to job insecurity. The positive direction may indicate that employees remain loyal despite unfavorable working conditions, possibly due to limited job alternatives or organizational dependence (Hobfoll et al., 2018; Hair et al., 2019).

Overall, the path coefficient results confirm that both job insecurity and toxic workplace environment significantly affect employee loyalty, with job insecurity emerging as the stronger predictor in the structural model.

Hypothesis Testing

Hypothesis testing in this study aims to determine whether the relationships among constructs in the model are statistically significant. This process is conducted by examining the t-statistics and p-values obtained from the bootstrapping results. The decision criteria use a 5% significance level (p-value ≤ 0.05) and a t-value threshold of 1.96. The hypothesis testing results are illustrated in Figure 3.

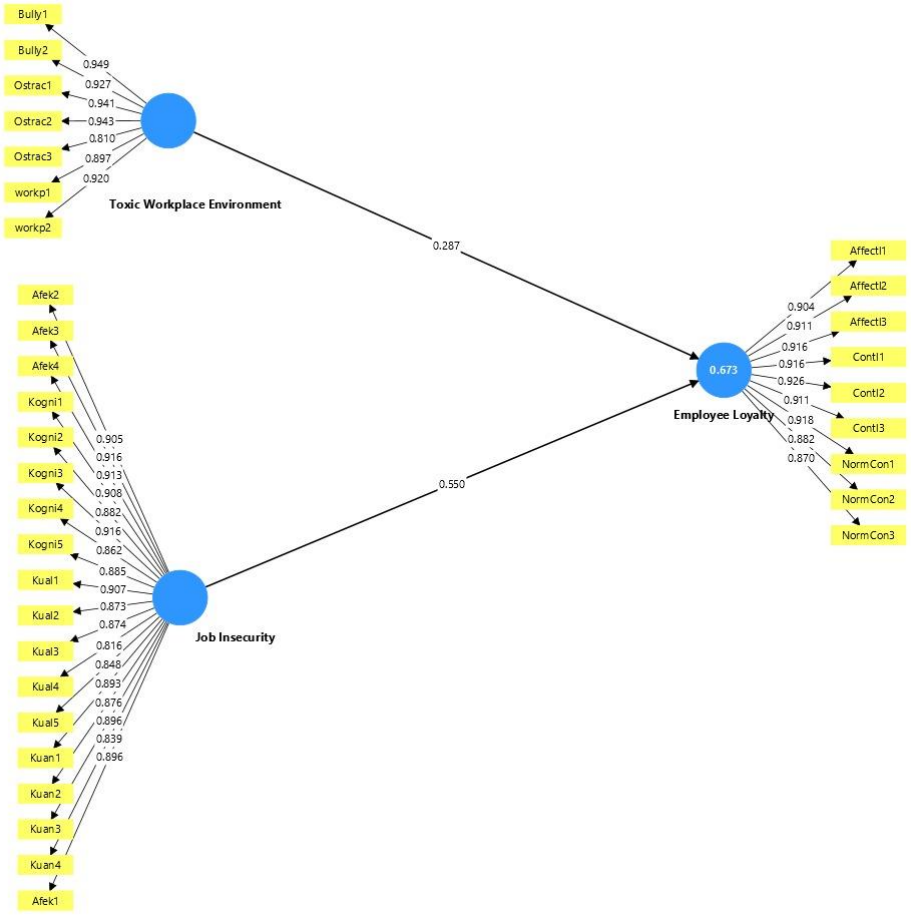

Figure 3. Final SEM-PLS Research Model
Source: SmartPLS Data Analysis Results, 2025

Based on Figure 3, the hypothesis testing results show the significance of the relationships among constructs, as indicated by the t-statistics and p-values. A closer inspection of the measurement model reveals that the strongest components of job insecurity are cognitive and qualitative insecurity, indicating that uncertainty about future career prospects and valued job features plays a more central role in shaping employee loyalty than immediate quantitative threats such as layoffs. In contrast, within the toxic workplace environment construct, ostracism emerges as the most salient dimension, suggesting that subtle social exclusion is more influential than overt harassment or bullying. Furthermore, employee loyalty in this study is primarily reflected in continuance and normative dimensions rather than affective loyalty, reinforcing the interpretation of loyalty as defensive or pseudo-loyalty driven by necessity and obligation rather than emotional attachment. These results are summarized in Table 16.

Table 16. Results of Significance Testing (t-statistics and p-values)

Path	β	T-Statistic	P-Value	Decision
Job Insecurity → Employee Loyalty	0.550	4.416	0.000	Significant ($p < 0.05$)
Toxic Workplace Environment → Employee Loyalty	0.287	2.169	0.030	Not significant ($p > 0.05$)

Source: SmartPLS Data Analysis Results, 2025

Based on Table 16, the significance of the structural paths was evaluated using t-statistics and p-values obtained from SmartPLS bootstrapping. The path from job insecurity to Employee Loyalty shows a coefficient of 0.550, a t-statistic of 4.416 (> 1.96), and a p-value of 0.000 (< 0.05), indicating a statistically significant relationship. Therefore, the hypothesis is accepted, confirming that job insecurity significantly affects employee loyalty.

In contrast, the path from toxic workplace environment to Employee Loyalty yields a coefficient of 0.287, a t-statistic of 2.169 (> 1.96), and a p-value of 0.030 (< 0.05), indicating a statistically significant relationship. Therefore, the hypothesis is accepted, suggesting that a toxic workplace environment significantly affects employee loyalty. Overall, both predictors, job insecurity and toxic workplace environment, have positive and significant effects on employee loyalty in this model.

The Effect of Job Insecurity on Employee Loyalty

This section discusses the effect of job insecurity on employee loyalty. The following table presents the results of the partial test, which examines the extent to which job insecurity contributes to variations in employee loyalty. The values reported in this table provide insight into the strength and statistical significance of the relationship between the two variables.

Table 17. Partial Test of Job Insecurity on Employee Loyalty

Endogenous Latent Variables		Exogenous Latent Variable	Path Coefficient	T-Statistic	P-Value	Decision
Employee Loyalty	←	Job Insecurity	0.550	4.416	0.000	Significant ($p < 0.05$)

Source: SmartPLS Data Analysis Results, 2025

Based on Table 17, the partial test results from the SmartPLS bootstrapping procedure show that job insecurity has a significant positive effect on employee loyalty. The path coefficient is 0.550, with a t-statistic of 4.416 (> 1.96) and a p-value of 0.000 (< 0.05), indicating that the relationship is statistically significant. Therefore, the hypothesis is accepted, meaning that higher job insecurity is associated with changes in employee loyalty within this model.

Previous research supports this finding. Azela and Suwarsi (2024) report that job insecurity can have a positive effect on work loyalty, suggesting that when employees perceive job uncertainty as a challenge, it may motivate them to demonstrate commitment and retain their positions. Similarly, Udayani and Putra (2024) find that although job insecurity negatively affects job satisfaction, job satisfaction acts as a mediating variable that can ultimately strengthen employee loyalty.

The Effect of Toxic Workplace Environment on Employee Loyalty

This section examines the effect of the toxic workplace environment on employee loyalty. The following table presents the results of the partial test, which assesses the extent to which a toxic workplace environment contributes to variations in employee loyalty. The values in the table illustrate the strength and statistical significance of the relationship between these two variables.

Table 18. Partial Test of Toxic Workplace Environment on Employee Loyalty

Endogenous Latent Variable		Exogenous Latent Variable	Path Coefficient	T-Statistic	P-Value	Decision
Employee Loyalty	←	Toxic Workplace Environment	0.287	2.169	0.030	Not significant (p > 0.05)

Source: SmartPLS Data Analysis Results, 2025

Based on Table 18, the partial test results show that a toxic workplace environment has a positive path coefficient of 0.287, with a t-statistic of 2.169 (> 1.96) and a p-value of 0.030 (< 0.05). This indicates that the toxic workplace environment has a statistically significant effect on employee loyalty in this research model. Therefore, the hypothesis is accepted, meaning that changes in the toxic workplace environment significantly influence employee loyalty. Previous studies provide relevant context. Seraya and Mujiati (2024) found that toxic work environments can reduce employee well-being, which may eventually affect loyalty through psychological strain caused by exclusion, discrimination, and lack of recognition.

The Effect of Job Insecurity and Toxic Workplace Environment on Employee Loyalty

In this study, the F-test is used to examine the simultaneous effect of job insecurity and toxic workplace environment on employee loyalty. This test assesses the extent to which the independent variables jointly explain the variability in the dependent variable. Therefore, the F-test results indicate whether the proposed model is statistically feasible and appropriate for hypothesis testing. F-test (simultaneous) formula in PLS/Regression:

$$= \frac{\frac{\boldsymbol{R^2}}{\boldsymbol{k}}}{\frac{(\boldsymbol{1}-\boldsymbol{R^2})}{(\boldsymbol{n}-\boldsymbol{k}-\boldsymbol{1})}}$$

R^2 = 0.673
k = number of predictors (job insecurity, toxic workplace environment → k = 2)
n = 189

Calculate the numerator:

$$\frac{R^2}{k} = \frac{0.673}{2} = 0.3365$$

Calculate the denominator:

$$\frac{(1 - R^2)}{(n - k - 1)} = 1 - \frac{0.673}{189 - 2 - 1} = \frac{0.327}{186} = 0.001758$$

Calculate F:

$$F = \frac{0.3365}{0.001758} = 191.44$$

Adjusted R^2:

$$1 - R^2 = 0.327$$

$$\frac{n - 1}{n - k - 1} = \frac{188}{186} = 1.01075$$

$$1 - R^2 = \frac{n - 1}{n - k - 1} = 0.327 \text{ x } 1.01075 = 0.3305$$

$$R^2 adj = 1 - 0.3305 = 0.6695$$

Table 19. Simultaneous Test of Job Insecurity and Toxic Workplace Environment on Employee Loyalty

Endogenous Latent Variable		Predictor	R^2	Adjusted R^2	df (num, den)	F	P-Value	Decision
Employee Loyalty	←	Job Insecurity, Toxic Workplace Environment	0.673	0.669	(2, 186)	191.44	< 0.001	Significant (p < 0.05)

Source: SmartPLS Data Analysis Results, 2025

Based on Table 19, which presents the results of the simultaneous test examining the effect of job insecurity and toxic workplace environment on employee loyalty, it can be concluded that both variables have a significant influence. Table 19 shows an F value of 191.44 with a p-value < 0.001, indicating that the relationship between these two variables and employee loyalty is highly significant. This model explains 67.3% of the variation in employee loyalty with R^2 = 0.673 and Adjusted R^2 = 0.669, demonstrating that the model has strong predictive power.

Previous research, such as that by Wardani et al. (2025), also shows that job insecurity and work environment positively and significantly affect employee loyalty, with job satisfaction acting as a mediator. This study notes that although job insecurity can reduce loyalty, factors such as job satisfaction can strengthen this relationship. The work environment, as an important factor in the

Job Demands-Resources (JD-R) theory, also influences employee loyalty, with positive effects from a supportive work environment.

Overall, both job insecurity and a toxic workplace environment contribute significantly to employee loyalty. However, the effect of a toxic workplace environment may be smaller compared to job insecurity, which aligns with the findings of Seraya and Mujiati (2024), showing that an unsupportive (toxic) work environment can harm employee well-being and loyalty, although its effect is subtler than that of job insecurity.

Hypothesis Test Results

The purpose of this hypothesis test is to examine the effect of Job Insecurity and Toxic Workplace Environment on Employee Loyalty at a textile manufacturing organization in West Bandung, Indonesia.

Hypothesis 1: Job insecurity has a significant effect on employee loyalty

Coefficient	0.550
t-statistic	4.416 (>1.96)
p-value	0.000 (<0.050

Based on the results, job insecurity has a positive and statistically significant effect on employee loyalty. The t-statistic exceeds the critical value of 1.96 and the p-value is below 0.05, indicating a significant relationship. The positive coefficient suggests that changes in job insecurity are associated with changes in employee loyalty. Therefore, hypothesis H1 is accepted.

Hypothesis 2: A toxic workplace environment has a significant negative effect on employee loyalty

Coefficient	0.287
t-statistic	2.169 (>1.96)
p-value	0.030 (<0.05)

Based on the results, a toxic workplace environment has a statistically significant effect on employee loyalty. The t-statistic exceeds 1.96, and the p-value is below 0.05, indicating a significant relationship. However, the positive coefficient shows that the effect is positive rather than negative, which is not fully consistent with the original hypothesis direction. Therefore, hypothesis H2 is rejected.

Hypothesis 3: Job insecurity and a toxic workplace environment simultaneously influence employee loyalty

R^2	0.673
Adjusted R^2	0.669
F-value	191.44
P-value	0.001

Based on the simultaneous test results, job insecurity and toxic workplace environment jointly have a significant effect on employee loyalty. The F-value of 191.44 with a p-value below 0.001 indicates a highly significant simultaneous effect. The R^2 value of 0.673 shows that 67.3% of the variation in employee loyalty can be explained by these two variables, while the remaining 32.7% is influenced by other factors outside the model. Therefore, hypothesis H3 is accepted.

Discussion

The results of the hypothesis test in this study indicate that job insecurity has a significant positive effect on Employee Loyalty, whereas the toxic workplace environment does not show a significant effect. The following provides a more detailed explanation of the influence of these two variables on employee loyalty.

The Effect of Job Insecurity on Employee Loyalty

The test results show that job insecurity has a significant positive effect on employee loyalty (coefficient = 0.550, p = 0.000). Employees who perceive higher job insecurity tend to exhibit greater loyalty as a survival strategy, particularly in response to cognitive recognition of uncertainty (e.g., contract continuity, layoffs, unclear career progression) and quantitative threats (e.g., mass layoffs, contract terminations). This loyalty reflects adaptive, rational considerations to maintain job security and economic stability rather than genuine emotional attachment, making it fragile and vulnerable to change if better opportunities arise. These findings align with Wardani et al. (2025), who found that even under unstable employment conditions, employees maintain loyalty due to a sense of responsibility and economic needs.

The Effect of Toxic Workplace Environment on Employee Loyalty

The test results show that a toxic workplace environment has a significant positive effect on employee loyalty in this study (coefficient = 0.287, p = 0.030). However, because the hypothesis proposed a significant negative effect, this finding indicates that H2 is not supported. Although toxic conditions—such as ostracism, bullying, and workplace harassment—are generally expected to reduce employee well-being and loyalty, the results suggest that employee loyalty may still increase under toxic workplace conditions. This pattern implies that employees may remain loyal as an adaptive response, driven by rational considerations such as financial needs, limited external job opportunities, and the desire to maintain job stability and company benefits. In the context of a textile manufacturing organization in West Bandung, Indonesia, loyalty may reflect a compromise in which employees tolerate unfavorable conditions to sustain their livelihood, rather than loyalty based on positive attachment to the organization. These findings align with Rasool et al. (2021), and Seraya and Mujiati (2024), showing that toxic work environments may affect comfort or well-being but do not necessarily decrease loyalty directly, especially when mediating factors like organizational support and benefits are present.

The Effect of Job Insecurity and Toxic Workplace Environment on Employee Loyalty

The simultaneous test indicates that job insecurity and toxic workplace environment together influence employee loyalty, but the effect is primarily driven by job insecurity. The results show that job insecurity has a positive and significant effect on employee loyalty, while the toxic workplace environment does not have a statistically significant direct effect. This suggests that employee loyalty in this context is mainly shaped by employment uncertainty rather than by perceptions of workplace toxicity. Consequently, the loyalty observed is not necessarily genuine emotional loyalty but may reflect a form of defensive or pseudo-loyalty, where employees remain primarily due to rational considerations such as financial needs, limited job alternatives, and the perceived costs of leaving. In contrast, although a toxic workplace environment may negatively affect employee well-being, it does not independently reduce loyalty when job insecurity is taken into account. These findings align with previous research (Shkoler et al., 2024; Klehe et al., 2024; Bal et al., 2013; Harris & Ogbonna, 2013), showing that uncertain and high-pressure work conditions foster adaptive or compliance-based loyalty rather than true emotional commitment. In summary, employee loyalty at a textile manufacturing organization in West Bandung can be

understood as defensive pseudo-loyalty, arising as an adaptive response to job insecurity and toxic workplace conditions.

CONCLUSIONS

This study examined the effects of job insecurity and a toxic workplace environment on employee loyalty in an Indonesian textile manufacturing context. In response to RQ1, the findings show that perceived job insecurity is a strong predictor of employee loyalty. Employees tend to demonstrate higher levels of loyalty when they experience uncertainty about job continuity, indicating that loyalty functions as a defensive and adaptive response aimed at preserving employment rather than reflecting emotional attachment.

Addressing RQ2, the results indicate that a toxic workplace environment does not have a significant direct effect on employee loyalty. Although employees may experience unfavorable conditions such as ostracism and interpersonal conflict, these conditions do not independently predict loyalty when job insecurity is taken into account. This suggests that workplace toxicity may affect employee well-being without necessarily translating into reduced loyalty or turnover intentions.

With regard to RQ3, the joint assessment shows that job insecurity and toxic workplace environment together explain variations in employee loyalty, but the effect is primarily driven by job insecurity. This indicates that employment uncertainty plays a more central role than workplace toxicity in shaping loyalty within this context.

Finally, in answer to RQ4, the overall pattern of results suggests that employee loyalty in this setting is primarily associated with continuance and normative dimensions rather than affective loyalty. Employees remain with the organization mainly because leaving is costly or perceived as inappropriate, resulting in a form of defensive or “pseudo” loyalty driven by survival considerations rather than genuine emotional commitment.

Theoretical implications

The findings refine theoretical understanding of how workplace stressors relate to employee loyalty. The positive effect of job insecurity suggests that under constrained labor conditions, insecurity may trigger defensive loyalty behaviors, such as staying, compliance, and continued effort, rather than immediate withdrawal. This extends stress and resource-based perspectives by showing that loyalty can increase as an adaptive response to threat, even when emotional attachment remains weak. In contrast, the toxic workplace environment does not show a significant direct effect on loyalty in the final model, indicating that workplace toxicity may primarily undermine well-being without necessarily translating into reduced loyalty once job insecurity is taken into account.

Practical implications and actionable recommendations

As an applied study, the results provide clear directions for managers and practitioners. First, because job insecurity is the strongest predictor, organizations should prioritize reducing insecurity signals through transparent communication about employment continuity, clearer workforce planning, predictable scheduling, fair workload distribution, and credible career-path and skill-development opportunities. Second, although workplace toxicity does not show a significant direct effect on employee loyalty in the final model, it remains a critical organizational risk that can harm employee well-being and contribute to longer-term disengagement. Therefore, organizations should strengthen psychosocial safety systems by implementing anti-bullying and anti-ostracism policies, improving reporting and response mechanisms, and training supervisors in respectful performance management to prevent stress accumulation, burnout, and hidden

withdrawal. Third, organizations should monitor not only turnover rates but also the composition of loyalty, tracking affective versus continuance/normative indicators to detect "hidden instability," where employees remain but are psychologically disengaged and at risk of sudden exit when alternatives appear. In conclusion, this study shows that employee loyalty can remain high under insecurity and negative workplace conditions because it may operate as defensive loyalty rather than sustainable emotional commitment. The evidence supports managerial strategies that reduce job insecurity and strengthen psychosocial safety to transform "staying because I must" into "staying because I want to," thereby building a more resilient and genuinely committed workforce.

LIMITATIONS AND FURTHER RESEARCH

This study has several limitations. First, the sample size, although adequate for the analytical approach, limits broader generalization, particularly given the model's strong explanatory power. Second, the focus on a single organization within one industry restricts external validity, as job insecurity, workplace toxicity, and loyalty dynamics may differ across organizational and labor-market contexts. Third, the use of cross-sectional, self-reported data raises the possibility of common method bias and limits causal interpretation. Finally, while loyalty was measured multidimensionally, the study did not directly assess behavioral indicators that could further explain the presence of defensive or pseudo-loyalty.

Future research can extend these findings by using larger and more diverse samples across industries to improve generalizability. Longitudinal designs are recommended to examine how defensive loyalty evolves under changing job conditions. Further studies should also consider younger workforce groups, particularly Generation Z, and incorporate concepts such as quiet quitting to distinguish staying behavior from genuine engagement. Finally, integrating objective indicators (e.g., absenteeism, turnover) and advanced analytical approaches would provide a more comprehensive understanding of employee loyalty under workplace stress.

REFERENCES

Abdillah, W., & Hartono, J. (2015). *Partial least square (PLS)*. CV Andi Offset.

Anand, A., Dalmasso, A., Rezaee Vessal, S., Parameswar, N., Rajasekar, J., & Dhal, M. (2023). The effect of job security, insecurity, and burnout on employee organizational commitment. *Journal of Business Research, 162*, 113843. https://doi.org/10.1016/j.jbusres.2023.113843

Arikunto, S. (2020). *Prosedur penelitian: Suatu pendekatan praktik*. Rineka Cipta.

Azela, A. D., & Suwarsi, S. (2024). Pengaruh job insecurity terhadap loyalitas kerja karyawan (Studi pada CV Mato Aik Kota Tanjung). *Jurnal Manajemen dan Bisnis, 21*(1), 45–56.

Bal, P. M., De Lange, A. H., Jansen, P. G., & Van der Velde, M. E. (2013). Psychological contract breach and job attitudes: A meta-analysis of age as a moderator. *Journal of Vocational Behavior, 82*(2), 143–158. https://doi.org/10.1016/j.jvb.2012.09.005

Bou Reslan, K., Safi, A. E., & El Hajjar, S. T. (2025). Toxic work environment and affective commitment: Assessing the effect of workplace stress. *Cogent Business & Management, 12*(1), Article 2498068. https://doi.org/10.1080/23311975.2025.2498068

Dewan Perwakilan Rakyat Republik Indonesia. (2024). *Indonesia's textile and apparel industry: Current dynamics and policy issues* (Policy brief). DPR RI.

Ghozali, I., & Latan, H. (2015). *Partial least squares: Konsep, teknik, dan aplikasi dengan menggunakan SmartPLS 3.0 untuk penelitian empiris*. Badan Penerbit Universitas Diponegoro.

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)* (2nd ed.). SAGE Publications.

Handayani, R. (2020). *Metodologi penelitian sosial*. Russmedia Grafika.

Harris, L. C., & Ogbonna, E. (2013). The dysfunctional effects of dysfunctional leadership. *Journal of Business Ethics, 121*(1), 77–92. https://doi.org/10.1007/s10551-013-1684-0

Hngoi, C. L., Abdullah, N.-A., Wan Sulaiman, W. S., & Zaiedy Nor, N. I. (2024). Examining job involvement and perceived organizational support toward organizational commitment: Job insecurity as mediator. *Frontiers in Psychology, 15*, Article 1290122. https://doi.org/10.3389/fpsyg.2024.1290122

Hobfoll, S. E. (1989). Conservation of resources: A new attempt at conceptualizing stress. *American Psychologist, 44*(3), 513–524. https://doi.org/10.1037/0003-066X.44.3.513

Hobfoll, S. E., Halbesleben, J., Neveu, J.-P., & Westman, M. (2018). Conservation of resources in the organizational context: The reality of resources and their consequences. *Annual Review of Organizational Psychology and Organizational Behavior, 5*, 103–128. https://doi.org/10.1146/annurev-orgpsych-032117-104640

Indrawati. (2015). *Metode penelitian manajemen dan bisnis*. PT Refika Aditama.

Klehe, U. C., Zacher, H., & Van Vianen, A. E. M. (2024). Job insecurity and the changing workplace: Recent developments and future directions. *Journal of Vocational Behavior, 144*, 103899. https://doi.org/10.1016/j.jvb.2024.103899

Låstad, L., Pienaar, J., Näswall, K., Richter, A., Hellgren, J., & Sverke, M. (2025). Moving on up now? A meta-analysis of job insecurity and career outcomes. *Scandinavian Journal of Work and Organizational Psychology, 10*(1), Article 6. https://doi.org/10.16993/sjwop.256

Lee, C., Huang, G.-H., & Ashford, S. J. (2018). Job insecurity and the changing workplace: Recent developments and future trends in job insecurity research. *Annual Review of Organizational Psychology and Organizational Behavior, 5*(1), 335–359. https://doi.org/10.1146/annurev-orgpsych-032117-104651

Ma, B., Zhou, Y., Ma, G., Lassleben, H., & Zhang, G. (2024). Job insecurity and innovative behavior: The mediating role of impression management and the moderating role of job embeddedness. *Current Psychology, 43*, 29810–29822. https://doi.org/10.1007/s12144-024-06550-z

Malola, K., Nzewi, O. I., & Monametsi, G. (2025). Exploring workplace bullying and its association with job satisfaction and organisational commitment: The mediating role of job insecurity. *Journal of Psychology in Africa, 35*(1), 52–60. https://doi.org/10.1080/14330237.2025.2444495

Medina, F. M., Bohle, S. A. L., Van Beurden, J., Chambel, M. J., & Ugarte, S. M. (2023). The relationship between job insecurity and employee performance: A systematic literature review and research agenda. *Career Development International, 28*(6–7), 589–632.

Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review, 1*(1), 61–89. https://doi.org/10.1016/1053-4822(91)90011-Z

Michulek, J., Majerova, J., Gajanova, L., Nadanyiova, M., & Hajdu, Z. (2024). Don't you know that you're toxic? Regression model of a toxic workplace environment identification. *Journal of International Studies, 17*(3), 226–243. https://doi.org/10.14254/2071-8330.2024/17-3/12

Neuman, W. L. (2020). *Metodologi penelitian sosial: Pendekatan kualitatif dan kuantitatif*. Salemba Humanika.

Rasool, S. F., Wang, M., Tang, M., Saeed, A., & Iqbal, J. (2021). How toxic workplace environment affects employee engagement: The mediating role of organizational support and employee well-being. *International Journal of Environmental Research and Public Health, 18*(5), Article 2290. https://doi.org/10.3390/ijerph18052290

Safavi, H. P., & Karatepe, O. M. (2019). The effect of job insecurity on employees' job outcomes: The mediating role of job embeddedness. *Journal of Management Development, 38*(4), 288–297. https://doi.org/10.1108/JMD-01-2018-0004

Seraya, A. Y. I., & Mujiati, N. W. (2024). Peran dukungan organisasional memediasi pengaruh toxic workplace environment terhadap kesejahteraan karyawan Travel Agent U2B. *Jurnal Visi Manajemen, 13*(1), 1–12.

Shkoler, O., Tziner, A., & Rabenu, E. (2025). Organizational commitment profiles and employee well-being: Exploratory and confirmatory latent profile analyses. *Occupational Health Science*. https://doi.org/10.1007/s41542-025-00225-2

Shoss, M. K., Su, S., Schlotzhauer, A. E., & Carusone, N. (2023). Working hard or hardly working? An examination of job preservation responses to job insecurity. *Journal of Management, 49*(7), 2387–2414. https://doi.org/10.1177/01492063221107877

Sugiyono. (2018). *Metode penelitian bisnis: Pendekatan kuantitatif, kualitatif, kombinasi, dan R&D*. CV Alfabeta.

Sugiyono. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.

Udayani, I. G. A. P. C., & Putra, M. S. (2024). Pengaruh job insecurity terhadap loyalitas karyawan Warung Subak Antasura dengan kepuasan kerja sebagai variabel mediasi. *E-Jurnal Ekonomi dan Bisnis Universitas Udayana, 13*(1), 79–91.

USDA Foreign Agricultural Service. (2025). *Indonesia: Cotton and products update* (Report). U.S. Department of Agriculture.

Wardani, P. K., Widhiandono, H., Endratno, H., & Haryanto, T. (2025). The effect of job insecurity and work environment on employee loyalty with job satisfaction as an intervening variable at RSU Aghisna Medika Kroya. *Indonesian Journal of Economic & Management Sciences, 3*(1), 1–18.

Wareewanich, T., Luo, D., & Zhang, Y. (2024). The impact of organizational justice on employee loyalty: The mediating roles of hygiene and motivators. *Educational Administration: Theory and Practice, 30*(5), 14654–14667.