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The Impact of Internal Identity Asymmetry on Employee Behavior, Performance, and Job Satisfaction in Batam City: The Mediating Role of Psychological Distress

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Abstract

Internal identity asymmetry is a psychological condition that arises when an individual feels misunderstood or misidentified by colleagues in the workplace. This experience can lead to psychological distress and affect employee behavior, performance, and job satisfaction. This study aims to evaluate the impact of internal identity asymmetry on three key organizational outcomes —work behavior, performance, and job satisfaction —with psychological distress serving as a mediating variable. A quantitative approach was employed by distributing surveys to 98 employees via saturated sampling across three sectors in Batam City: property, manufacturing, and logistics. Data were analyzed using partial least squares structural equation modeling. The results showed that internal identity asymmetry had a significant direct effect on psychological distress and employee behavior, but no effect on employee performance or job satisfaction. Furthermore, the indirect effect through psychological distress as a mediator was significant. Interestingly, despite the presence of psychological distress, employees still exhibited positive work outcomes. This suggests that psychological experiences at work can be complex and do not always lead to negative impacts. The findings underscore the significance of understanding identity perceptions in the workplace to promote employee well-being and organizational effectiveness.

Keywords: Internal Identity Asymmetry, Psychological Distress, Work Behavior, Performance, Job Satisfaction, Batam

1. Introduction

Identity is a vital element of one's presence in the workplace. Identity reflects how a person views themselves and how they wish to be perceived by others (Meister, Jehn, & Thatcher, 2014). In an organizational context, individuals require recognition of their professional identity from colleagues. However, when there is a mismatch between self-perception and the perception of others, a condition called internal identity asymmetry arises (Batool, Zhou, Hafeez, & Batool, 2019). This phenomenon can lead to psychological distress and affect employee behavior, performance, and job satisfaction (Batool, Tian, Zhou, & Hasan, 2024; Lazarus & Folkman, 1984).

Internal identity asymmetry occurs when an employee feels that their identity is misunderstood or unrecognized by colleagues (Batool et al., 2019; Swann, Johnson, & Bosson, 2009). The psychological tension caused by this condition not only affects the individual's emotions but also impacts interpersonal relationships and work performance (Lazarus & Folkman, 1984). Employees experiencing identity asymmetry tend to show negative work behavior, lower commitment, and decreased job satisfaction (Batool et al., 2024). On the other hand, when the employee's identity aligns with organizational expectations, they are more likely to behave positively, be productive, and feel satisfied with their job (Ashforth & Schinoff, 2016).

Internal identity asymmetry also reveals how much someone feels that coworkers or the environment fail to accurately understand them (Swann et al., 2009). This concept extends the self-discrepancy theory of Higgins (1987), which highlights the psychological impact of mismatches between one's self-view and how others see them. When such mismatches happen repeatedly, employees may feel dissatisfied, withdraw from the work environment, or experience a decline in performance and commitment. In the long run, identity asymmetry can lead to psychological distress, which in turn affects employee well-being and productivity (Batool et al., 2024; Brown, 2022).

As a major industrial and business hub in Indonesia,

Batam City has a complex work environment with diverse cultures and organizational pressures. This makes internal identity asymmetry a relevant issue to explore. Factors such as heavy workloads, role ambiguity, and cross-cultural interactions make employees in Batam vulnerable to psychological distress caused by identity mismatches (Aziz, 2020; Batool et al., 2024). Under such conditions, employee performance and job satisfaction may be negatively affected, which in turn can reduce organizational efficiency.

Previous studies on internal identity asymmetry have mostly focused on Western cultural contexts and used exploratory or qualitative methods. There remains a lack of research examining the impact of identity asymmetry in Southeast Asia, particularly in Indonesia. Additionally, the role of psychological distress as a mediating variable between internal identity asymmetry and employee outcomes has rarely been studied (Batool et al., 2024). Since internal identity asymmetry is a relatively new concept, it has not been widely applied in organizational studies in Indonesia. Therefore, empirical research based on local data is needed to enrich the literature and provide contextual findings (Batool et al., 2019; Meister, Zhao, Gill, Jehn, & Sinclair, 2023).

Theoretically, this study contributes to the discourse in the literature on work identity and psychological distress in organizational settings by expanding the understanding of internal identity asymmetry as a determinant of employee behavior.

Practically, the findings can help HR departments in Batam-based companies identify and manage identity mismatches among employees. This can support the development of psychological interventions and more inclusive work environments that promote employee well-being.

2. Literature Review and Hypothesis Development

Internal Identity Asymmetry (IIA) and Employee Behavior (EB)

IIA occurs when there is a mismatch between how individuals see themselves and how they are expected to be by their work environment. This mismatch can make employees feel like they don't belong or are not accepted at work. According to Social Identity Theory (Tajfel & Turner, 1986), people attempt to identify with specific social groups, including their workplace. However, if employees feel that their personal identity does not align with the organization's values or expectations, they may feel disconnected, which can impact their work behavior.

A study by Batool et al. (2019) found that employees with high levels of identity asymmetry tend to show negative workplace behaviors, such as being undisciplined, frequently absent, or even engaging in counterproductive actions. This happens because of low emotional attachment and dissatisfaction with an environment that does not align with their identity. Based on the theory and previous findings, the proposed hypothesis is:

H1: Internal identity asymmetry has a significant negative effect on employee behavior.

Internal Identity Asymmetry (IIA) and Employee Performance (EP)

IIA can impact EP through various psychological mechanisms. When an employee perceives that their personal identity does not align with the expectations or work culture of the organization, they tend to feel unappreciated and less motivated to achieve work goals (Batool et al., 2024; Meister et al., 2023)

According to Expectancy Theory, as proposed by Vroom (1964), a person's motivation to work arises from the belief that their efforts will result in good performance (expectancy), that performance will lead to desired results (instrumentality), and that these results are perceived as valuable to the individual (valence). However, when identity asymmetry occurs, these beliefs can weaken. Employees will feel their efforts are wasted, doubt that their work will be recognized, and ultimately lose motivation. This low motivation can have a direct impact on performance (Meister et al., 2023). Based on this description, the following hypothesis is proposed:

H2: Internal identity asymmetry has a significant negative effect on employee performance.

Internal Identity Asymmetry (IIA) and Job Satisfaction (JS)

IIA may also influence JS. Employees who feel that their identity does not align with the values or expectations of the organization tend to feel uncomfortable, unappreciated, and lacking control over their work. These conditions can lead to reduced satisfaction with one's job, colleagues, and the company as a whole (Meister et al., 2014).

According to the Person-Environment Fit Theory (Kristof, 1996), JS is higher when there is a fit between personal characteristics (values, needs, and self-identity) and work environment characteristics (organizational culture and job demands). When there is a mismatch, employees are more likely to experience stress and dissatisfaction because they do not feel compatible with their work setting. Based on this explanation, the proposed hypothesis is:

H3: Internal identity asymmetry has a significant negative effect on employee job satisfaction.

Psychological Distress (PD) as a Mediating Variable

The Self-Discrepancy Theory, as proposed by Higgins (1987), explains that individuals have three main domains of self-representation: the actual self (who they are), the ideal self (who they wish to be), and the ought self (who they think they ought to be). A discrepancy between the actual self and the ideal or ought self may lead to PD, such as anxiety, guilt, or dissatisfaction.

Research by Batool et al. (2024) found that PD significantly mediates the relationship between IIA and outcomes, including performance, behavior, and employee well-being. This means that identity asymmetry causes employees to experience distress, which then negatively affects their work outcomes. Meister et al. (2023) also emphasized that PD is a key pathway that explains how identity mismatch can impact JS and behavior. Based on these theories and findings, the following hypotheses are proposed:

H4: Psychological distress mediates the relationship between internal identity asymmetry and employee behavior.

H5: Psychological distress mediates the relationship between internal identity asymmetry and employee performance.

H6: Psychological distress mediates the relationship between internal identity asymmetry and job satisfaction.

Based on the theories and hypotheses above, the research model can be developed as shown in Figure 1.

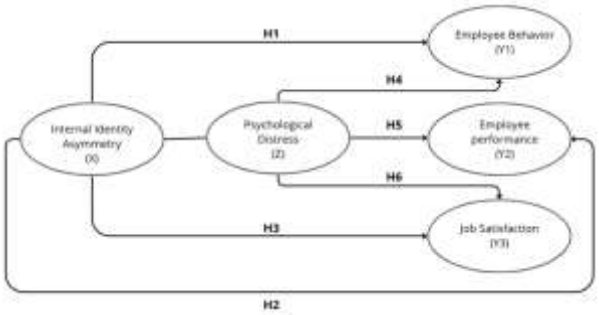

Figure 1: Conceptual Framework

3. Research Methodology

This research employed a quantitative approach using the census or saturated sampling technique because the total population was relatively small, consisting of 98 employees from three different types of companies located in Batam City. The entire population was used as the research sample. This sample size exceeds the minimum sample of multivariate analysis of at least five times this study's 15 observed variables totaling 75 (Kartikasari, 2026). The data collection instrument was a closed-ended questionnaire using a five-point Likert scale (1 = strongly disagree, 5 = strongly agree), which was adapted from previous studies that had been tested for validity and reliability. The IIA variable was measured using indicators such as mismatch between self-perception and others' perceptions, goal divergence, and role confusion in the organization (Garini, 2020; Meister, Jehn, & Thatcher, 2012; Tambak, 2018). EB was measured using indicators related to social relationships, initiative, and work habits (Hakim, 2018). EP was measured through work quantity/responsibility performance, task execution/task execution, and responsibility (Hakim, 2018). JS was measured through authority satisfaction, coworker relations, and salary satisfaction (Salsabila Syani, Tentama, & Diponegoro, 2021). Lastly, PD was measured through emotional exhaustion, depersonalization, and the psychological burden experienced by the employees (Sriyono, 2022). Data were analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method with the help of SmartPLS software.

The research was conducted in Batam City, and the participants came from three different industrial sectors: manufacturing: PT. Supra Teknologi Plastik with 54 employees, property: PT. Batam Jaya Propertindo with 26 employees, and logistics: PT. XYZ has 18 employees. They have given consent and initiatives to ensure a census across the board, with credit or anonymity. The total population was 98 employees. The Primary data were collected using an online questionnaire (Google Form). The questionnaire was divided into two parts. The first part collected demographic information, including age, gender, employment status, and company name. The second part contained the research variable items measured using the five-point Likert scale. The questionnaire was distributed online with assistance from internship supervisors and company managers who helped share the link with their employees. Data collection took place from May to June 2025, after receiving formal permission from the companies and ethical approval from the university, supported by an official research permit letter. The questionnaire was written in Bahasa Indonesia to ensure clarity for all respondents. During the research process, participant confidentiality was strictly maintained. In total, 98 responses were collected from employees with diverse demographic characteristics, including different ages, genders, work statuses, and company backgrounds. Table 1 below presents a breakdown of the respondents' demographic characteristics:

TABLE I

DEMOGRAPHIC ANALYSIS

Demographic	Category	#	%
Gender	Male	60	61,2%
	Famale	38	38,8%
Age (Year)	Under 20	9	9,2%

Demographic	Category	#	%
	21-25	20	20,4%
	26-30	13	13,3%
	31-35	14	14,3%
	>35	42	42,9%
Employee Status	Contract Employee	89	90,8%
	Intern	9	9,2%
Company origin	PT. Supra Teknologi Plastik	54	55,1%
	PT. Batam Jaya Propertindo	26	26,5%
	PT. XYZ	18	18,4%

Source: Processed Primary Data, 2025

Table 1 presents the demographic characteristics of the respondents involved in this study. Based on gender, the majority of respondents were male, with a total of 60 people (61.2%), while the remaining 38 respondents (38.8%) were female. In terms of age group, most respondents were over 35 years old (42.9%), followed by those aged 21–25 years (20.4%), with the rest distributed among other age categories. Regarding employment status, the majority were contract employees, totaling 89 individuals (90.8%), while internship workers accounted for only 9 respondents (9.2%). The respondents came from three companies selected as research locations: PT. Supra Teknologi Plastik had the highest number of respondents, with 54 people (55.1%), followed by PT. Batam Jaya Propertindo with 26 people (26.5%), and PT. XYZ with 18 people (18.4%). These data reflect a diverse background of respondents, which is considered representative and supports the analysis in this study.

4. Results and Discussions

Convergent Validity Test

The validity test is used to determine how well the questionnaire instrument measures what it is intended to measure. Data are considered valid when there is alignment between the information reported by the researcher and the actual condition of the research object. In this study, an indicator is considered valid if it has an outer loading value greater than 0.70. This value indicates that the indicator strongly reflects the construct it is intended to measure (Hair et al., 2021; Latan & Ghozali, 2015). The data processing results produced the following outer loading values:

TABLE II

CONVERGENT VALIDITY

Item	Indicator - Statement	Loading
IIA1	Self discrepancy - The way I see myself is not the same as the way others see me.	0.769
IIA3	Goal divergence - I do not understand what my supervisor expects regarding the task I am performing.	0.828
JS1	Authority satisfaction - I hold and assume responsibility in accordance with the authority granted.	0.820
JS2	Coworker relationship - The way my colleagues interact with each otheris effective for getting the job done.	0.851
EP1	Responsibility performance - I take responsibility for the work the company assigns to me.	0.878
EP2	Extra-miles duties - I have no objection to working beyond the hours stipulated by the company.	0.797
EB1	Social Relationships - Social relationships among employees are well-maintained.	0.822
EB2	Initiative - I am willing to perform tasks without needing to be ordered or asked by a supervisor first.	0.855
PD1	Emotional Exhaustion - I feel angry about an unconducive environment.	0.828
PD2	Depersonalization - I feel angry about an unreasonable workload.	0.833

Note. IIA – Internal Identity Asymmetry, JS – Job Satisfaction, EB – Employee Behavior, EP – Employee Performance, PD – Psychological Distress. Source: Processed Primary Data, 2025

In Table 2, several items were eliminated from the model because their outer loading values were below 0.70. These items were IIA2, JS3, EP3, EB3, and PD3. The removal of these items was done to improve the overall quality of measurement and construct reliability. Based on the validity test table, all remaining indicators used in this study have outer loading values greater than 0.70, which means they meet the criteria for convergent validity.

Common Method Bias Test, Discriminant Validity, and Construct Reliability

Analysis of the measurement model (outer model) was conducted by testing discriminant validity, construct reliability, and the potential for common method bias (CMB). Discriminant validity was tested using the Fornell-Larcker criterion, which compares the square root of the Average Variance Extracted (AVE) with the correlations between constructs. Construct reliability was evaluated based on the values of Composite Reliability (CR) and AVE, where a construct is considered reliable if the CR value is greater than 0.70 and the AVE value is greater than 0.50 (Fornell & Larcker, 1981; Hair et al., 2021). In addition, to identify the possibility of common method bias, a collinearity test was conducted by examining the Variance Inflation Factor (VIF) values. A VIF value below 5.00 indicates that there is no indication of high multicollinearity between constructs (Hair et al., 2021).

The tables below present the results of the CMB test, Fornell-Larcker discriminant validity, and construct reliability, analyzed using SmartPLS software:

TABLE III

COLLINEARITY, DISCRIMINANT VALIDITY, AND CONSTRUCT RELIABILITY

Var	VIF	CR	AVE	IIA	JS	EP	EB	PD
IIA	1.09	0.78	0.64	0.80				
JS	1.19	0.82	0.70	0.27	0.84			
EP	1.20	0.83	0.70	0.29	0.58	0.84		
EB	1.20	0.83	0.70	0.40	0.54	0.49	0.84	
PD	1.17	0.69	0.70	0.39	0.61	0.49	0.52	0.83

Note. Var = Variable/construct, VIF - Variance Inflation Factor, CR - Composite Reliability, AVE - Average Variance Extracted, IIA – Internal Identity Asymmetry, EB – Employee Behavior, EP – Employee Performance, JS – Job Satisfaction, PD – Psychological Distress. Source: Processed Primary Data, 2025

Based on Table 3, it can be seen that the square root values of the Average Variance Extracted (AVE) for each variable are located on the diagonal (highlighted in bold), and all of them are greater than the correlations between constructs in the corresponding rows and columns. These results indicate that each construct in this research model exhibits good discriminant validity, meaning that each variable measures a distinct concept from the others. Next, construct reliability was assessed by referring to the values of Composite Reliability (CR) and AVE. A construct is considered reliable if the CR value exceeds 0.70 and the AVE value is greater than 0.50 (Hair et al., 2021). According to Table 3, all constructs meet the required thresholds, with CR values ranging from 0.690 to 0.826, and AVE values ranging from 0.639 to 0.704. The highest reliability was found in the EB construct (CR = 0.826; AVE = 0.704), indicating strong internal consistency among its indicators.

The results of the Variance Inflation Factor (VIF) test, also shown in Table 3, indicate that all constructs in this study have VIF values below 5.00. This demonstrates that there are no signs of high multicollinearity among constructs in the outer model. Therefore, it can be concluded that this research model is free from serious common method bias (CMB) issues (Hair et al., 2021).

Results: R^2 and Q^2 Values

The coefficient of determination (R-Square or R^2) is used to measure how much variance in the dependent variables can be explained by the independent variables in the model. According to Chin (1998), the interpretation of R^2 values is as follows: 0.19 indicates a weak effect, 0.33 indicates a moderate effect, and 0.66 indicates a strong effect. Meanwhile, the Q^2 predictive relevance value is used to assess the model's ability to predict new or out-of-sample data.

TABLE IV

R2 AND Q2 VALUES

R2 Values			Q2 Values		
Variable	R-square	R-square Adjusted	Q2 Predict	RMSE	MAE
JS	0.367	0.353	0.037	1.004	0.804
EP	0.249	0.233	0.039	0.999	0.784
EB	0.316	0.302	0.126	0.953	0.769
PD	0.150	0.141	0.121	0.963	0.775

Note. JS – Job Satisfaction, EB – Employee Behavior, EP – Employee Performance, PD – Psychological Distress. Source: Processed Primary Data, 2025

Based on Table 4, the highest R^2 value was found in the JS variable, with a value of 0.367. This indicates that 36.7% of the variation in JS can be explained by the predictor variables in the model. Next, the EB variable had an R^2 value of 0.316, EP had an R^2 value of 0.249, and the lowest R^2 value was found in the PD variable, at 0.150. These results suggest that the model's ability to explain the variance in these variables falls within the weak to moderate category, but is still acceptable in the context of social research.

Furthermore, the Q^2 (predictive relevance) values were used to assess how well the model can predict out-of-sample data. According to Hair et al. (2021), a positive Q^2 value indicates that the model has predictive relevance, while a value of zero or below indicates no predictive capability. Based on Table 4, the Q^2 Predict results show that all dependent variables had positive Q^2 values: EB (0.126), PD (0.121), EP (0.039), and JS (0.037). Since all Q^2 values are greater than zero ($Q^2 > 0$), it can be concluded that the model has adequate predictive relevance.

Direct Effect Hypothesis Testing and f-square

The direct effect test is used to determine the extent to which an independent variable directly influences a dependent variable without involving a mediating variable. The coefficient value, t-statistic, and p-value serve as the basis for determining whether a hypothesis is accepted or rejected. Additionally, to assess the strength of each relationship between variables, the effect size (f^2) analysis is used. The f^2 value indicates the extent to which a predictor variable contributes to explaining the variance in the endogenous variable.

According to Hair et al. (2021), an f^2 value of 0.02 indicates a small effect, 0.15 a medium effect, and 0.35 a large effect. The results of the direct effect test and the corresponding F-squared values are presented below.

TABLE V

DIRECT EFFECT AND F-SQUARE

Link	B	t	P-Value	F-square	Significant?
IIA-> EB	0.234	2.358	0.009	0.002	H1 – Yes/No
IIA -> EP	0.114	0.941	0.173	0.015	H2 - No
IIA-> JS	0.036	0.341	0.367	0.068	H3 - No
IIA -> PD	0.387	4.114	0.000	0.176	Yes
PD -> JS	0.591	6.713	0.000	0.468	Yes
PD -> EP	0.443	4.092	0.000	0.222	Yes
PD -> EB	0.429	3.941	0.000	0.229	Yes

Note. IIA – Internal Identity Asymmetry, JS – Job Satisfaction, EB – Employee Behavior, EP – Employee Performance, PD – Psychological Distress. Source: Processed Primary Data, 2025

Based on Table 5, IIA has a significant negative effect on EB, but direction not in line with hypothesis. The analysis yields an original sample value (B) of 0.234, a t-statistic of 2.358, and a p-value of 0.009. These results indicate a significant relationship, as $t > 1.96$ and $p < 0.05$. However, the effect is positive, not negative, as initially hypothesized. Therefore, H1 is not supported due to the effect being in the opposite direction of that hypothesized. This suggests that the higher the level of internal identity asymmetry, the more employees tend to display increased behavior, which may be interpreted as a form of compensation or behavioral adjustment due to identity tension. The f^2 value of 0.002 indicates a very small effect size (Hair et al., 2021).

H2 is rejected, meaning that IIA does not have a significant negative effect on EP. The results show an original sample value of 0.114, a t-statistic of 0.941, and a p-value of 0.173. These values indicate that the relationship is not significant, as it does not meet the required threshold ($t < 1.96$ and $p > 0.05$) (Hair et al., 2021). The f^2 value is 0.015, which also falls into the category of very small effects. Therefore, H2 is not supported, meaning that IIA does not have a significant direct effect on EP.

H3 is rejected meaning that IIA does not have a significant positive effect on JS. The original sample value is 0.036, with a t-statistic of 0.341 and a p-value of 0.367. These results indicate that the relationship is not significant ($t < 1.96$ and $p > 0.05$). The f^2 value of 0.068 is considered a small effect size. Hence, H3 is also not supported, suggesting that IIA does not have a direct and meaningful influence on employee JS.

Indirect Effect Hypothesis Testing

The indirect effect analysis aims to test hypotheses regarding how one variable indirectly influences another through a mediating variable. According to Hair et al. (2021), an indirect effect is considered significant if the p-value is less than 0.05, indicating that the mediating variable plays a meaningful role in linking the exogenous and endogenous variables. The following are the results of the indirect effect testing conducted in this study:

TABLE VI

INDIRECT EFFECT

Indirect paths	Hypothesis	B	T Statistics	P-Value
IIA -> PD -> EB	H4	0.166	2.883	0.002
IIA -> PD -> EP	H5	0.172	2.800	0.003
IIA -> PD ->JS	H6	0.229	3.549	0.000

Note. IIA – Internal Identity Asymmetry, JS – Job Satisfaction, EB – Employee Behavior, EP – Employee Performance, PD – Psychological Distress. Source: Processed Primary Data, 2025

Based on Table 6, H4 is accepted, meaning that PD mediates the relationship between IIA and EB. The indirect effect coefficient is 0.166, with a t-statistic of 2.883 and a p-value of 0.002. Since the t-value is greater than 1.96 and the p-value is less than 0.05, H4 is accepted. This indicates that PD significantly mediates the relationship between IIA and EB.

H5 is accepted, meaning that PD mediates the relationship between IIA and EP. The coefficient is 0.172, with a t-statistic of 2.800 and a p-value of 0.003. Because the t-value exceeds 1.96 and the p-value is below 0.05, H5 is accepted. This result suggests that PD plays a significant mediating role in the indirect effect of IIA on EP.

H6 is accepted, meaning that PD mediates the relationship between IIA and JS. The coefficient is 0.229, with a t-statistic of 3.549 and a p-value of 0.000. As both thresholds are met ($t > 1.96$ and $p < 0.05$), H6 is accepted, indicating that PD serves as a significant mediating factor in the relationship between IIA and JS.

Goodness of Fit Index (GoF)

To evaluate how well the developed model fits the empirical data, a Goodness of Fit Index (GoF) test was conducted. This test includes several key indicators such as SRMR (Standardized Root Mean Square Residual), NFI (Normed Fit Index), Chi-square, as well as d_ULS and d_G values, which reflect the deviation

between the structural model and the observed data. The test results are presented in the following table:

TABLE VII

GOODNESS OF FIT INDEX

Criteria	Saturated Sampling	Estimated Model
SRMR	0.111	0.136
d_ULS	0.675	1.018
d_G	0.339	0.402
Chi-Square	215.101	237.776
NFI	0.222	0.140

Based on the Goodness of Fit Index table, the SRMR value is 0.136, which exceeds the ideal threshold of < 0.08 (Henseler, Ringle, & Sarstedt, 2014), indicating that the model is not fully well-fitted. A good NFI (Normed Fit Index) value is ⩾ 0.90; however, in the PLS-SEM approach, values above 0.80 may still be considered acceptable, depending on the model complexity (Hair et al., 2021). In this study, the NFI value was 0.140, indicating that the model's normative fit remains relatively low.

Additionally, the values of d_ULS (Unweighted Least Squares Discrepancy) and Chi-square are used to measure the absolute deviation between the empirical covariance matrix and the proposed model. Although there is no fixed cut-off for d_ULS, lower values generally indicate better model fit (Dijkstra & Henseler, 2015). In this study, the d_ULS value was 1.018, and the Chi-square value was 237.776, showing a certain degree of discrepancy between the model and the observed data. Overall, the GoF values in this study indicate that although the model could be estimated and yielded significant results, the overall model fit has not yet reached the ideal standard of model-data alignment.

Discussions

Based on the data analysis, this study reveals that IIA has varying effects on EB, performance, and JS in Batam City, both directly and through its mediating role in PD. This finding suggests that not all relationships assumed to be significant in theory are proven in practice in organizational settings. Therefore, the following section provides a more detailed explanation based on the test results.

Internal Identity Asymmetry (IIA) has a Significant Negative Effect on Employee Behavior (EB)

The hypothesis testing results indicate that IIA has a significant effect on EB, with a positive coefficient value of 0.234, a t-statistic of 2.358, and a p-value of 0.009 (< 0.05). However, because the direction of the effect is positive, while the initial hypothesis stated a negative effect, hypothesis H1 is rejected. This finding suggests that the higher the level of IIA, the greater the increase in EB. This can be interpreted as a compensatory response or an attempt to behave more actively as employees address the incongruence between self-identity and work environment expectations (Lazarus & Folkman, 1984).

This result contradicts Social Identity Theory, as proposed by Tajfel & Turner (1986), which predicts that identity mismatch may lead to withdrawal or deviant behavior. On the other hand, it aligns more closely with the findings of Meister et al. (2023), who explain that in certain conditions, employees who feel inaccurately identified may actually demonstrate increased performance or behavior as a form of overcompensation, depending on their appraisal of the situation. This expands the understanding that the effects of identity asymmetry are not always directly negative, but depend on employees' psychological adjustment mechanisms.

Internal Identity Asymmetry (IIA) has a significant negative effect on Employee Performance (EP)

The results of the hypothesis test indicate that IIA does not have a significant effect on EP, as evidenced by the adjusted R-squared value of 0.233, coefficient value of 0.144, t-statistic of 0.941, and p-value of 0.173 (>0.05). Therefore, Hypothesis 2 (H2) is rejected. This result is inconsistent with Vroom's (1964) Expectancy Theory, which posits that an individual's perception of roles and expectations influences their work effort. This theory argues that identity incongruence should lower expectations and effort, thus negatively impacting performance.

However, this study shows that even with high identity asymmetry, EP remains relatively good. This can be explained by Wang (2024), who found that identity asymmetry can still coexist with high performance if employees have sufficient coping resources and low negative affect. This supports the coping theory by Lazarus & Folkman (1984), which states that individuals can function optimally if they appraise the situation as a challenge and apply adaptive mechanisms. Social support and a positive work environment may also help maintain productivity under pressure (Bakker & Demerouti, 2007).

Internal Identity Asymmetry (IIA) has a significant negative impact on Employee Job Satisfaction (JS)

The results show that IIA does not significantly affect JS, with an adjusted R-squared of 0.353, a coefficient of 0.036, a t-statistic of 0.341, and a p-value of 0.367 (> 0.05). Thus, H3 is rejected. According to Self-Discrepancy Theory (Higgins, 1987), a mismatch between the actual self and the ideal self may cause distress and reduce JS. However, this finding supports

Meister et al. (2023), who found that under positive appraisal and adequate coping support, identity asymmetry does not always have a direct negative effect on JS or performance. This also aligns with appraisal theory, as proposed by Lazarus & Folkman (1984), which emphasizes that individuals' interpretations of a situation play a more decisive role than the situation itself. Therefore, identity incongruence is not a definitive factor in determining JS but depends on how the individual evaluates and emotionally responds to it.

Psychological Distress (PD) mediates the relationship between Internal Identity Asymmetry (IIA) and Employee Behavior (EB)

The analysis reveals that PD significantly mediates the relationship between IIA and EB, with an indirect effect coefficient of 0.166, a t-statistic of 2.883, and a p-value of 0.002. This indicates that although the direct effect between IIA and EB was not as expected, the indirect path through PD is significant. This supports Batool et al. (2024), who state that PD is a core mechanism through which identity asymmetry influences work behavior. When employees feel that their identities are not recognized or aligned with organizational expectations, it can lead to distress, which in turn affects their workplace behavior.

This finding is also consistent with appraisal-stress theory (Lazarus & Folkman, 1984), which explains that individual perceptions (appraisals) determine emotional and behavioral responses. Although PD was high, EB remained positive, which may be due to employees perceiving the stressor as a challenge rather than a threat, as suggested by Batool et al. (2019).

Psychological Distress (PD) Mediates the Relationship Between Internal Identity Asymmetry (IIA) and Employee Performance (EP)

Based on the indirect effect results, IIA has a significant impact on EP through PD, with a coefficient of 0.172, a t-statistic of 2.800, and a p-value of 0.003. Therefore, H5 is accepted. This suggests that PD mediates the relationship between identity asymmetry and work outcomes. This supports the findings of Wang (2024), who explain that the impact of IIA on performance largely depends on affective conditions and psychological resources. Employees with high asymmetry may still perform well if they use effective coping mechanisms and maintain emotional control.

In this study, employees in the three Batam companies may benefit from external support such as a positive work culture, team solidarity, and professionalism, which act as buffers against stress. This is also supported by the Job Demands–Resources Model (Bakker & Demerouti, 2007) and stress-coping theory (Lazarus & Folkman, 1984), which state that individuals with a good perceived control over stressors are more capable of managing pressure and maintaining stable performance.

Psychological Distress (PD) Mediates the Relationship Between Internal Identity Asymmetry (IIA) and Job Satisfaction (JS)

The results show that IIA significantly influences JS through PD, with an indirect effect coefficient of 0.229, t-statistic of 3.549, and p-value of 0.000. This means H6 is accepted. Although IIA does not directly affect JS, the indirect effect becomes significant through the mediating role of PD. This finding supports Self-Discrepancy Theory (Higgins, 1987), which argues that a mismatch between the actual self and the ideal or ought self can lead to PD, negative emotions, and reduced well-being. The result is also consistent with Batool et al. (2024) and Meister et al. (2023), who emphasize that PD serves as a key mediating path that explains the relationship between identity asymmetry and various work outcomes, including employee satisfaction.

Differences Between Direct and Indirect Effects and the Role of Psychological Distress as a Mediator

The results of this study indicate that IIA does not have a significant direct effect on employee work outcomes (behavior, performance, and JS). However, when PD is included as a mediating variable, the indirect effect of IIA on work outcomes becomes significant. This finding indicates a difference in the mechanisms of influence between direct and indirect effects.

According to Baron & Kenny (1986), mediation occurs when the intermediary variable explains how and why the independent variable influences the dependent variable. In this study, PD arises as an emotional and cognitive response resulting from a mismatch between an employee's personal identity and the identity expected by the organization (identity asymmetry).

Based on the stress and coping model theory of Lazarus & Folkman (1984), PD arises when an individual perceives a mismatch between environmental demands and their own capacities. In conditions of high IIA, employees experience a misalignment (asymmetry) between their internal identity and organizational values. This mismatch leads to PD, such as feelings of stress, anxiety, or burden. This psychological pressure then triggers changes in EB and work patterns, which, in this study, were positively associated with work outcomes (EB, performance, and JS). It can be assumed that this is likely due to employees striving to prove themselves, maintain a professional image, or meet company expectations despite being under pressure.

The results of this study suggest that psychological pressure can actually lead to improvements in behavior, performance, and JS. One possible explanation is the

concept of challenge stressors, as proposed by Lepine, Podsakoff, & Lepine (2005), which suggests that certain pressures can encourage individuals to adapt, increase effort, or demonstrate their abilities in order to maintain a professional image and meet company expectations. In other words, these pressures are responded to as challenges, not threats, thus encouraging positive work outcomes. This difference suggests that IIA alone is insufficient to influence work outcomes without first triggering a psychological response. In the direct pathway, employees may be able to tolerate identity incongruence without significant changes in their performance. However, in the indirect pathway, IIA triggers psychological pressure, which then becomes a driving factor for changes in work behavior, such as increased effort or behavioral adaptation, that will significantly impact work outcomes.

5. Implications

Theoretically, this research demonstrates that the influence of identity asymmetry is not always linear and negative. Therefore, approaches to Self-Discrepancy and Person-Environment Fit theory need to be understood more flexibly and contextually, taking into account internal evaluative factors within each individual.

Practically, the results of this research can serve as guidelines for HR management and organizational leaders in identifying and managing PD resulting from IIA. Organizations are advised to create a more inclusive, adaptive, and supportive work environment that fosters employee identity diversity, encouraging positive work behaviors, enhancing performance, and promoting JS.

6. Conclusions

Based on the results of data analysis using the PLS-SEM method and supported by relevant theories and literature, this study concludes that Internal Identity Asymmetry does not have a significant direct effect on EB, performance, and job satisfaction. This finding suggests that an identity mismatch between the individual and the work environment does not necessarily have a negative impact on job outcomes. PD was shown to act as a significant mediator in the relationship between Internal Identity Asymmetry and behavior, performance, and job satisfaction. The results of the mediation analysis do not support the Self-Discrepancy and Person-Environment Fit theories, which suggest that emotional distress resulting from an identity mismatch can impact job outcomes. However, high levels of psychological distress do not necessarily affect job outcomes. The Adjusted R-Square values for the endogenous variables fall within the moderate to acceptable category: EB (0.302), Employee Performance (0.233), Job Satisfaction (0.353), and Psychological Distress (0.141). These values indicate that the model explains 14% to 35% of the variance in work outcomes, reflecting a reasonably strong structural relationship.

7. Limitations and Future Research

This study contributes to the understanding of how IIA affects EB, performance, and job satisfaction, particularly by examining the mediating role of PD. However, several limitations should be acknowledged. First, this study investigates the impact of IIA on EB, performance, and JS in general. However, it does not distinguish between personal-based asymmetry (such as gender or physical appearance) and professional-based asymmetry (such as promotions and career opportunities). These two types of asymmetries may have different impacts on employee PD and work outcomes. Future research is recommended to examine these types of asymmetries separately to gain a deeper understanding of their impact.

Second, this study does not specifically identify which identity types are most susceptible to asymmetry (e.g., competency-based, social role-based, or demographic identities such as gender and ethnicity). The experience of asymmetry can vary depending on the identity in question. For example, women working in male-dominated workplaces may be more susceptible to identity asymmetry due to gender. This type of identity asymmetry based on discrimination will be more effectively addressed if organizations not only help affected individuals develop coping strategies but also educate coworkers to reduce any biases or negative prejudices they may harbor.

Third, data collection was conducted within a limited geographic context, specifically within Batam City and across three different company sectors. The findings of this study may not be universally applicable to other regions or sectors of work. Therefore, further research is recommended to collect data from various regions or types of organizations to ensure more generalizable results.

Future research is also encouraged to include potential moderating variables to the model such as coping strategies or social support. This would provide a more comprehensive understanding of how IIA affects employee outcomes and might improve the model robustness that this study lacks. In reality, not all individuals respond negatively to identity incongruence. Without considering moderation, the results could be ambiguous, as some individuals are able to adapt and still demonstrate strong performance or JS. The inclusion of moderating variables may enrich the analysis and help clarify causal relationships, especially within the context of organizational culture

and diverse industrial sectors.

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