Job Insecurity: Review of the Literature and a Summary of Recent Studies from Belgium

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This contribution offers a short overview of research on job insecurity, with an emphasis on recent findings from the research tradition on job insecurity of the Work, Organisational & Personnel Psychology (WOPP), a research group from Leuven, Belgium. Topics covered include the definition of job insecurity, prevalence and risk groups, consequences of job insecurity for health and well-being, for organisations, trade unions and political topics, new operationalisations of job insecurity and their correlates, moderators of the job insecurity – outcomes relationship, and explanations for the harmful impact of job insecurity.

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Introduction

Our economies are evolving and transforming at an ever accelerating pace. The 1980’s computerisation area was followed by an extensive wave of mergers and restructuring of organisations, along with phenomena such as downsizing and the privatisation of public enterprises. These changes are often associated with mass redundancies. Also the use of temporary employment contracts has increased. These evolutions have increased feelings of job insecurity among many workers. Some even suggest that job insecurity is at the core of the existing economic order.

Scientific interest in job insecurity started some 30 years ago with the publication of the renowned article, ‘Job Insecurity: Toward Conceptual Clarity’, by Greenhalgh and Rosenblatt (1984). These researchers inaugurated an extensive research tradition. Though slow at the start, job insecurity research has grown exponentially. By way of illustration, in a special issue on job insecurity in 1999, Klandermans and Van Vuuren expressed their surprise about the lack of research on the topic. In contrast, a search on the Web of Knowledge in December 2011 shows that in the course of the past 20 years no less than 256 articles featuring the term ‘job insecurity’ in the title have been published, and the theme was discussed in 952 scientific contributions. Most of these studies have appeared since 2000.

In Belgium, a research tradition regarding job insecurity was established at the Research Group Work, Organisational & Personnel Psychology (WOPP) of the KU Leuven after the millennium change. The aim of this article is twofold. First, we will summarise findings from the job insecurity literature in order to give an overview of the field. Second and most importantly, we will present some of the main conclusions of the research tradition at the WOPP, focussing especially on more recent findings.

What is ‘Job Insecurity’?

Job insecurity can be equated with the feeling of being threatened by unemployment (Mohr, 2000) and may be defined as a concern about the continued existence of a current job (van Vuuren, 1990). Job insecurity is a subjective perception. The same objective situation may be interpreted somewhat differently by various employees. Some employees fear dismissal, whereas there is no reason to fear from an ‘objective’ point of view. Others feel confident about their job, while there is a strong possibility that they will be dismissed. In general, however, the subjective perception of job insecurity corresponds well with the objective possibility of job loss (see further down). Job insecurity concerns insecurity about the future: one does not know whether one will retain or lose the current job. As such, insecure employees do not know whether they have to take action or not. This is in contrast with certainty about dismissal. The employee who is dismissed is certain that the job is lost and can prepare for the future (e.g., by applying for a job). Definitions of job insecurity also contain references to the unwanted nature of
job insecurity (Sverke & Hellgren, 2002). Job insecurity implies a discrepancy between what workers wish for (security about the future of their present employment) and what they 'get' (the perception that the present job is insecure).

Some authors distinguish between the (cognitive) possibility of job loss ('probability'; 'I think that I will become unemployed'), and the affective experience thereof ('I am afraid that I will become unemployed') (Borg, 1992). Research shows that both aspects correlate strongly, resulting in homogeneous scales with cognitive as well as affective items (De Witte, 2000a; Vander Elst, De Witte, & De Cuyper, 2010). Other scholars distinguish between quantitative and qualitative job insecurity (Hellgren, Sverke, & Isaksson, 1999). Quantitative job insecurity concerns keeping (or losing) the job as such: people are unsure whether they will be able to keep their job or instead will become unemployed. Qualitative job insecurity refers to insecurity about preserving valued job aspects. These employees are not afraid of losing their job. They do, however, feel insecure about the future quality of their job, regarding valued job characteristics such as their colleagues, supervisor, working hours, wage or location of employment.

### Prevalence and Risk Groups

To what extent is job insecurity prevalent amongst employees? Because job insecurity does not necessarily lead to unemployment, the job insecure population may be much larger than the number of employees who actually lose their job. In a European study, approximately 9% of the employed indicated a 'strong' or 'rather strong' possibility of becoming unemployed in the near future, while approximately 75% estimated that possibility as 'rather small' or 'quite small' (De Weerdt, De Witte, Catellani, & Milesi, 2004). These percentages fluctuated between the participating countries, with 5% job insecurity in Belgium (Flanders) and 15% in Hungary. Note, however, that the exact percentage of employees who feel insecure about their job also depends on the way the question is formulated. In a Belgian study, 11 items about job insecurity were assessed (De Witte, 2000a). The percentage of job insecure employees varied between 5% and 20%. Only 5% of the respondents thought they would be 'dismissed in the near future'. When the time-line was not specified, the percentage of job insecure employees rose to approximately 20%. Insecurity about retaining one’s job in the long run thus seems greater than the fear of becoming unemployed in the short term.

Based on data provided by the annual, representative Social and Cultural Trends survey in Flanders (Belgium) collected between 1996 and 2007, a study was done on the (‘objective’) antecedents of job insecurity and the extent to which these are influenced by the economic climate (De Witte & Vets, 2009). Based on an accumulated dataset with all datasets collected between 1996 and 2007, 54% of the respondents ‘never’ feared job loss, 24% ‘rarely’, 17% ‘sometimes’ and 5% ‘often’. This means that job insecurity only concerns a minority of the Flemish workforce: just 5% are ‘often’ insecure, whereas 46% have experienced job insecurity at one time (sum of ‘rarely’, ‘sometimes’ and ‘often’). These figures are similar to those reported in the international research literature (Anderson & Pontusson, 2007; Erlinghagen, 2008).

Overall, the most important risk groups for job insecurity in Flanders (Belgium) were the middle-aged group (between 30 and 49), those working in the industrial sector, unskilled blue-collar workers, and to a lesser extent full-time employees, and women. With the exception of age (and full-time employees), risk factors suggest a weaker labour market position (Näswall & De Witte, 2003). Individuals who, from an objective point of view, run a greater risk of becoming unemployed, more often subjectively fear losing their job. The higher percentage of job insecurity amongst the middle-aged group is surprising, because the unemployment rate is the highest among young people. However, young people have better chances of finding a job, which possibly translates into lower levels of job insecurity (for a similar argument, see: De Cuyper, Bernhard-Oettel, Berntson, De Witte, & Alarco, 2008). Apart from background characteristics, economic climate also plays a role. Job insecurity is to a great extent linked to the evolution of unemployment: High unemployment rates are translated into higher perceptions of job insecurity. These findings suggest that the subjective fear of losing one’s job is a reflection of the objective reality in the labour market: The perception is determined by the actual unemployment rate and the chances to become unemployed for certain categories of employees.

Finally, we analysed to what extent the link between job insecurity and background characteristics varied as a function of the economic climate. Two contradictory hypotheses were tested; the hypothesis of ‘social generalisation’ (job insecurity increases for everyone when unemployment is on the rise) versus the hypothesis of ‘social intensification’ (weak job market groups become even more insecure when unemployment is on the rise). Both hypotheses were rejected. The results showed no clear effect of the economic climate: During periods of low as well as high unemployment, categories of employees with a higher chance of losing their job are still more insecure than categories that run less of a risk.

### Consequences of Job Insecurity: Meta-analytic Results

In the literature, job insecurity is considered as a stressor (Ashford, Lee, & Bobko, 1989; van Vuuren, 1990). Stressors are job characteristics with negative consequences for both the individual employee and his/her organisation.

The increase in the number of studies about the consequences of job insecurity made it possible to conduct two meta-analyses. In 2002, Sverke, Hellgren, and Näswall published a meta-analysis based on 72 studies. In 2008, their study was followed by the meta-analysis of Cheng and Chan involving 133 studies. Table 1 contains an overview of their results. The upper section of Table 1 contains the meta-correlations regarding individual well-being and health variables. Job insecurity is negatively associated with job satisfaction, psychological well-being and physical health. This underlines the stressful nature of job insecurity. Additionally, Table 1 shows a difference in gradation: Job insecurity shows the strongest associations with the indicator of ‘well-being at work’, i.e., job satisfaction. Looking at the first column (Sverke et al., 2002), the meta-
correlation for job satisfaction is almost twice the size of the meta-correlation for psychological well-being. In turn, the meta-correlation for physical health is weaker than that for psychological well-being. Job insecurity thus goes hand in hand with reduced well-being at work. The influence on aspects of well-being outside the work context is less strong, although still a reality. Note that all meta-correlations increase in magnitude in the study of Cheng and Chan (2008), where especially the increase of the association with physical health is striking (from -.16 to -.23). Yet the gradation in correlations discussed above remains the same in their study.

Table 1. Overview of The Results of Two Meta-Analyses Regarding Job Insecurity (Meta-Correlations)

<table>
<thead>
<tr>
<th>Job insecurity outcomes</th>
<th>Sverke et al., 2002</th>
<th>Cheng &amp; Chan, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well-being</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>-.41</td>
<td>-.43</td>
</tr>
<tr>
<td>Psychological well-being</td>
<td>-.24</td>
<td>-.28</td>
</tr>
<tr>
<td>Physical health</td>
<td>-.16</td>
<td>-.23</td>
</tr>
<tr>
<td>Organisational variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job involvement</td>
<td>-.37</td>
<td>-.20</td>
</tr>
<tr>
<td>Organisational commitment</td>
<td>-.36</td>
<td>-.35</td>
</tr>
<tr>
<td>Trust</td>
<td>-.50</td>
<td>-.49</td>
</tr>
<tr>
<td>Intention to quit</td>
<td>.28</td>
<td>.32</td>
</tr>
<tr>
<td>Performance</td>
<td>(.20)</td>
<td>-.21</td>
</tr>
</tbody>
</table>

As a stressor, job insecurity also has negative consequences for the organisation. This is illustrated by the meta-correlations in the bottom section of Table 1. Both meta-analyses show that job insecurity is associated with a decrease in trust in management and organisational commitment, and an increase in the intention to leave the company. The strong negative meta-correlation for job involvement in the study of Sverke et al. (2002) is reduced in the study of Cheng and Chan (2008). Nevertheless, also in this last study, involvement was lower among job insecure employees. Finally, the non-significant meta-correlation between job insecurity and performance in the study of Sverke et al. (2002) becomes significant in the study of Cheng and Chan (2008), which is based on a larger number of studies. This meta-correlation is negative: Job insecurity is associated with reduced performance at work.

Associations with New Outcome Variables

Over the years, studies additionally demonstrated that job insecurity is associated with an extensive pallet of outcome variables (for overviews, see e.g., De Witte, 1999, 2005a; Ferrie, 2001; Probst, 2008; Sverke & Hellgren, 2002). Associations with aspects of health and well-being, burnout, work engagement, psychosomatic complaints and absenteeism have been reported. This range of correlates of job insecurity has gradually been extended with newer, understudied topics.

One category of the more recent correlates concerns aspects ‘outside’ the job. Job insecurity is negatively related to life satisfaction and feelings of happiness, after statistically controlling for job satisfaction (De Witte, 2003). This suggests that job satisfaction acts as a partial mediator between job insecurity and broader aspects of well-being (the ‘spill over’ hypothesis). The link between job insecurity and aspects of non-work-related well-being thus cannot be (exclusively) attributed to the association between job insecurity and job satisfaction. A more extensive test of Handaja and De Witte (2007) with quantitative as well as a differentiated set of qualitative job insecurity scales produced the same conclusion. In this study, both types of job insecurity remained (negatively) associated with psychological well-being, after controlling for job satisfaction. The conclusion of these studies is that job insecurity is not only problematic for well-being at work (e.g., job satisfaction), but crosses job borders by also having a negative impact on well-being outside of work.

Furthermore, job insecurity is associated with bullying at work. In a cross-sectional study of Notelaers, De Witte, and Eeckelaert (2010), the associations between a large set of job characteristics and victimisation at work were examined. Job insecurity was found to be one of the antecedents of workplace bullying. Another study showed that job insecurity was associated with both being a victim of bullying and being a perpetrator (De Cuyper, Baillien, & De Witte, 2009). One last study showed that job insecurity mediates the link between organisational changes and becoming a victim of bullying (Baillien & De Witte, 2009). Organisational changes resulted in feelings of job insecurity, which in turn strengthened the probability to become a victim of bullying. In turbulent economic times, job insecurity might thus also affect problematic social behaviour at the workplace. The latter can add to the already existing turbulence, and might create yet additional problems.

The potential consequences of job insecurity are not limited to individual well-being or to attitudes and behaviours with relevance for the organisation. International research points to the link between job insecurity and various forms of union participation (De Witte, 2005b; De Witte, Van Hoof, & Vos, 2000; Sverke, Hellgren, Näswall, Chirumbolo, De Witte, & Goslinga, 2004). In Belgium we found that job insecure union members felt that they were getting too little support from their union, were less satisfied with their union and showed reduced union commitment (De Witte, 2000b; De Witte, Sverke, Van Ruysssevelt, Goslinga, Chirumbolo, Hellgren, & Näswall, 2008). This suggests that insecure union members perceive a violation of the psychological contract with their union. After all, many employees become members in the hope to become protected against dismissal and insecurity. We also found that negative union attitudes mediated the relationship between job insecurity and the intention to terminate their union membership. Job insecurity may thus weaken the basis of employee representation through the unions. Simultaneously, research however suggested that job insecurity also strengthened the wish of non-members to become a member (De Witte, 2000b). In Belgium, the net effect of the impact of job insecurity on both members and non-members even seemed to be a positive one: Overall, job insecurity appeared to lead to an increase rather than a decrease in union membership.

Finally, associations with social attitudes and voting intentions were explored. Job insecurity showed a weak link to distrust in institutions such as the judiciary, the parliament and the government (De Witte & Vets, 2009). Links to intolerant attitudes such as misanthropy and ethnocentrism were somewhat stronger (De Witte, Hooge, Vandoorne, & Glorieux, 2001). Additionally, research
Job Insecurity suggested that job insecurity correlates indirectly with a preference for an extreme-right wing party (De Witte et al., 2001; De Witte & Meuleman, 2007; Stynen & De Witte, 2011). Job insecurity was associated with feelings of dissatisfaction, social deprivation and fear about losing one’s current social position, which in turn translated into typical determinants for extreme-right wing voting behaviour, such as a negative attitude towards migrants. Thus, job insecurity also seems to play a role in the political climate and in the choice of political parties.

New Operationalisations of Job Insecurity and their Correlates

Job insecurity research mostly focuses on the quantitative variant of job insecurity, i.e., the fear of losing one’s job. Qualitative job insecurity on the other hand, which represents the fear of losing valued job features (Hellgren et al., 1999; see above), has been investigated much less frequently. The distinction between quantitative and qualitative job insecurity may evoke the question as to which job insecurity type is more problematic: insecurity over the loss of the job or of esteemed job features? Greenhalgh and Rosenblatt(1984) assumed qualitative job insecurity to be less harmful, because workers lose less. Their job may become less attractive on a qualitative level, but it does not disappear altogether.

The results thus far are however equivocal. In one study, Bohets and De Witte (2006) compared both operationalisations of job insecurity. Although both types were associated with psychological well-being, job satisfaction was more strongly related to qualitative than to quantitative job insecurity. Handaja and De Witte (2007) used a more differentiated measurement of qualitative job insecurity by means of four scales that designed to tap insecurity regarding the content of the job, employment conditions, working conditions and social relations. Together, and in line with the results of the study of Bohets and De Witte (2006), these four scales explained more variance in job satisfaction and psychological well-being than (the single scale to measure) quantitative job insecurity. The larger explanatory power of qualitative job insecurity in this study could be caused by the differentiated way in which this concept was operationalised. Finally, the most encompassing study analysed a wide range of outcome variables, such as job satisfaction, the three burnout dimensions, psychological well-being, psychosomatic complaints, absenteeism and visits to the doctor (De Witte, De Cuyper, Handaja, Sverke, Näswall, & Hellgren, 2010). The results did not produce clear differences: Both types of job insecurity – independent of one another – were associated to almost all outcome variables in the same way. This leads to the global conclusion that both types of job insecurity seem to be problematic for health and well-being, even though the relative importance of both types may depend on the operationalisation and the specific sample under scrutiny.

Mostly scholars study the associations of job insecurity on an individual level. Recently, however, research interest developed in measuring phenomena such as stress on a collective level by means of multi-level analysis. This raises the question whether there could also be a climate of (job) insecurity. This was confirmed by the study of Sora, Caballer, & Peiró (2009) in Flanders and Spain. In both countries, a climate of job insecurity was found for every organisation out of which the sample was constituted. In Spain, the individual perceptions of job insecurity as well as the job insecurity climate were negatively associated with employees’ job satisfaction and organisational commitment. Independent of one another, insecurity on both levels was thus linked to negative outcomes. A second study explored the antecedents of the climate of job insecurity (De Cuyper, Sora, De Witte, Caballer, & Peiró, 2009). For permanent employees, the job insecurity climate was linked to the percentage of temporary employees within the organisation: A higher percentage of temporary employees was related to a higher collective experience of insecurity. The recruitment of temporary employees may thus have unexpected effects on employees with permanent contracts; it may increase their feelings of job insecurity.

In Search of Moderators

For policy as well as for practice, it seems important to detect moderators which can weaken (or strengthen) the link between job insecurity and outcome variables. Research at the WOPP especially concentrated on two of these, i.e., temporary employment and employability.

Related to the European PSYCONES project (Psychological Contracting across Employment Situations; Guest, Isaksson, & De Witte, 2010), an extensive number of studies were carried out regarding the consequences of temporary contracts (for overviews, see De Cuyper, 2008; De Cuyper & De Witte, 2009). One of the points of departure was the surprising finding that job insecurity is not (or weakly) associated with job satisfaction and organisational commitment for employees on a temporary contract, whereas this correlation is strong among employees with a permanent contract (De Witte & Näswall, 2003). This finding was replicated several times in other data sets (De Cuyper & De Witte, 2006, 2007). The explanation was found in psychological contract theory (De Cuyper & De Witte, 2006, 2008). Job security is included in the relational psychological contract in which the employer offers job security in exchange for employees’ loyalty. This type of psychological contract is typical for employees with a permanent contract. For this category, job insecurity constitutes a breach of the psychological contract with their employer, resulting in negative consequences such as dissatisfaction and a decrease in commitment. Employees with a temporary contract do not (or to a lesser degree) expect job security to be part of their psychological contract. Hence, for them, job insecurity does not result in a breach of their psychological contract and consequently has less negative consequences.

A second research tradition concerns employability: The employee’s assessment of his/her chance of finding other employment. Employability and job insecurity are both subjective perceptions regarding the future. Job insecurity concerns the current employment; employability concerns future jobs with the present employer or other employers (De Cuyper & De Witte, 2011). Both concepts are linked in various ways. In one study, we found that job insecurity mediated the relation between employability and outcomes such as life satisfaction and work engagement (De Cuyper, Bernhard-Oettel, Bernston, De Witte, &
Alarco, 2008). Employees who perceive themselves as employable thus perceive less job insecurity, perhaps because employability also implies an element of control (e.g., over one’s own career). In addition, employability could buffer the negative consequences of job insecurity. Silla, De Cuyper, Gracia, Peiró, and De Witte (2009) found a negative relationship between job insecurity and life satisfaction. This link was weaker for employees who scored higher on employability, suggesting that job insecurity is less problematic when employees perceive alternative employment possibilities. Improving the availability of alternative employment options and employees’ employment skills may thus become important, as they may directly reduce job insecurity and/or can buffer its aversive consequences.

How to Explain the Consequences of Job Insecurity?

One last domain concerns the development and the investigation of theoretical explanations for the negative consequences of job insecurity. In the literature, explanations have been suggested such as the frustration of Jahoda’s latent functions of work (Jahoda, 1982; De Witte, 1999) and the breach of the psychological contract between employee and employer (De Cuyper & De Witte, 2008). Until now, however, many theoretical explanations have not been empirically tested. One explanation that has been investigated is (lack of) perceived control: Job insecurity is problematic because it involves powerlessness or a lack of control (De Witte, 2005a). Vander Elst, De Cuyper, and De Witte (2011) demonstrated empirically that a lack of control mediated the relation between job insecurity and job satisfaction, mental health and turnover intentions. The lack of control regarding the stressor job insecurity thus constitutes an explanation for its negative consequences. This conclusion offers a point of departure for the elaboration of interventions. Interventions aimed at increasing control, for example by increasing communication or participation in organisational decision making, may therefore be helpful in reducing job insecurity and could also buffer its negative consequences (Vander Elst, Baillien, De Cuyper, & De Witte, 2010).

References

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