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# Job Insecurity: Implications for work motivation and well-being

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*Jim Berry*

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# Definition of Job Insecurity

An employee´s...

- “...expectations about continuity in a job situation” (Davy et al., 1997)
- “...concern about the future permanence of the job” (van Vuuren & Klandermans, 1990)
- “...perception of a potential threat to continuity in his or her current job” (Heaney et al., 1994)
- “...subjectively perceived likelihood of involuntary job loss” (Sverke et al., 2002)



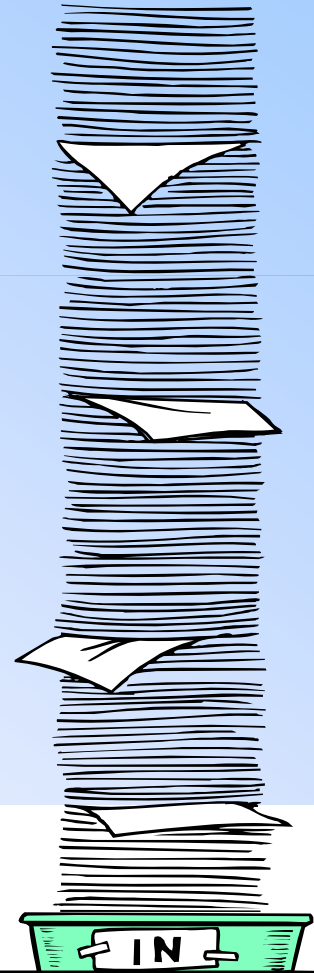
# Trends

- Downsizing / layoffs
- Mergers, acquisitions, privatization
- Outsourcing / focus on core activities
- "Flexible" employment; insourcing
- Restructuring; new production systems
- Reduced personnel costs



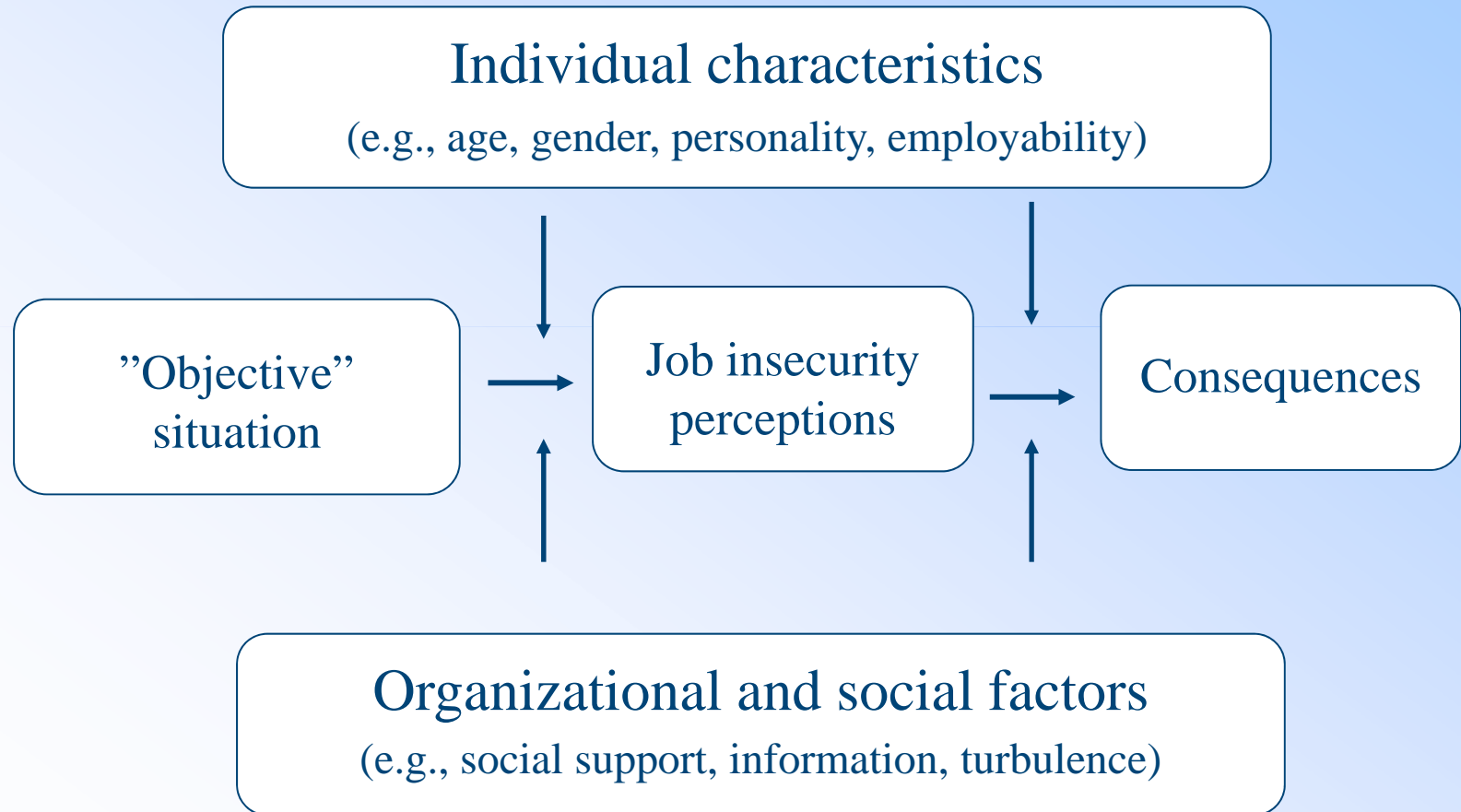
# Consequences for the Individual

- Decrease in alternatives on the labor market
- Workload increases:
  - “Do more with less”
  - Work intensity
- Reduced predictability
- Uncertainty about the future



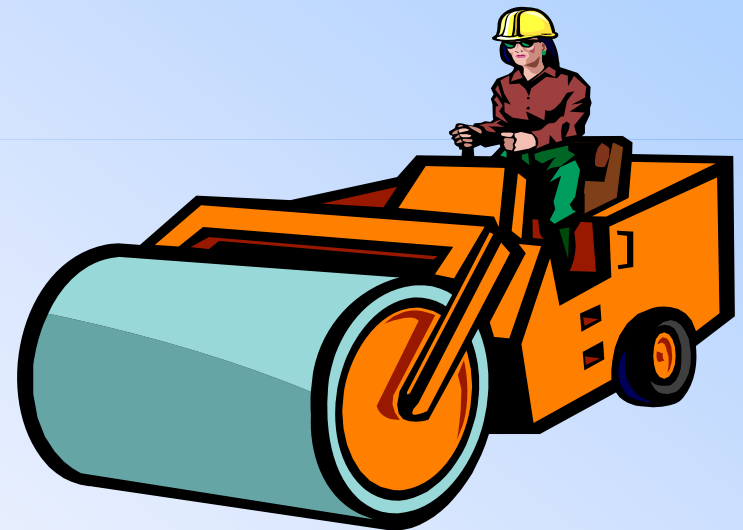


# A Model



# "Objective" Definitions of Job Insecurity

- Degree of unemployment in society
- Economic recession in a given sector
- Average organizational tenure
- Organizational change
- Downsizing/layoffs
- Temporary employment



# Subjective Definition of Job Insecurity

- Subjective: perceptual phenomenon
  - *Different* perception of same 'objective' situation
- Uncertainty about the future
  - *Not* 'certainty of dismissal'
- Involuntary
  - *Discrepancy* between experience and preferences



# Why is Job Insecurity a Problem?

## 1. Anticipation of deprivation

(latent deprivation model' of Jahoda, 1982)

### Risk to lose valued aspects of life

- Time structure
- Social contacts
- Income
- Meaningfulness
- Personal development
- Status and Identity
- Activation
- ...

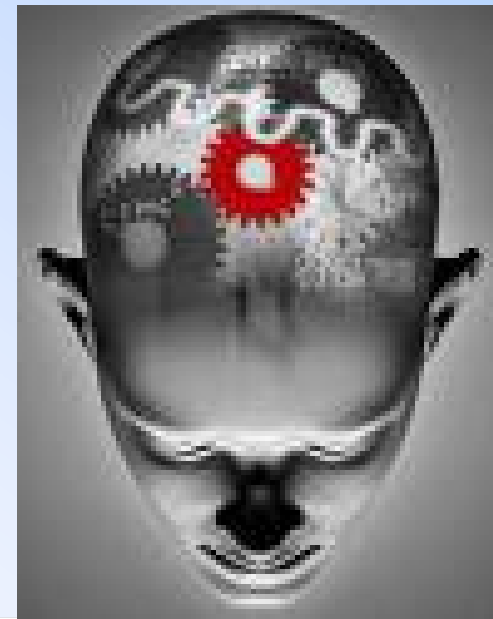


# Why is Job Insecurity a Problem?

## 2. Uncertainty and unpredictability are stressful

(Lazarus & Folkman, 1984)

- Perceived threat to employment
- Not known what is required to reduce the threat
- What resources and strategies to use?
- Imbalance: Demands > Resources
- Worry about job loss may be as stressful as actual job loss  
(Dekker & Schaufeli, 1995)



# Why is Job Insecurity a Problem?

## 3. Violation of the psychological contract (Rousseau, 1989)

Traditional employee-employer relationship:

- Employer offers *security* and *continuity*
- Employee offers *loyalty* and *devotion* in exchange

Job insecurity as a violation of the contract

- Try to restore the balance
- Reduce the psychological impact of an potential loss by withdrawing from the organisation (passive coping strategy)
- Reducing the psychological impact of an potential loss by withdrawing from the organisation (passive coping strategy)



# Consequences of job insecurity

- Type of consequence?
  - Psychological, Somatic, Behavioral  
(e.g., Jex & Beehr, 1991; Spector, 2000)
- For whom?
  - Individual, Organization, Union, Family  
(e.g., Matteson & Ivancevich, 1987; Sverke et al., 2004; Westman et al., 2001)
- When does it occur?
  - Short-term vs. Long-term  
(e.g., Spector, 2000; Katz & Kahn, 1978; Zapf, Dormann & Frese, 1996)



# A (Limited) Typology

Sverke, Hellgren & Näswall, 2002

Focus of reaction

	Individual	Organizational
Immediate	Job satisfaction Job involvement	Org. commitment Trust
Long-term	Physical health Mental health	Performance Turnover



# Meta-analysis

- Accumulate results from independent studies
- Aim: arrive at reliable (average) estimates of relationships in the population
- Highlight similarities and inconsistencies that are more difficult to find in narrative reviews
- Correction for
  - Measurement reliability
  - Sampling error



# Meta-analysis results

	<i>Sverke et al, 2002</i>	<i>Cheng &amp; Chan, 2008</i>
Job satisfaction	-.40	-.43
Job involvement	-.38	-.20
Org commitment	-.36	-.35
Trust	-.51	-.49
Performance	(-.17)	-.21
Turnover intention	.30	.32
Physical health	-.16	-.23
Mental health	-.24	-.28



# a. Consequences for individual health and well-being

- Mental and physical health (De Witte, 1999)
- Anxiety & depression (Orpen, 1993)
- Burnout (Dekker & Schaufeli, 1995)
- Life dissatisfaction (Lim, 1996)
- High blood pressure (Burchell, 1994)
- Use of medical services (Roskies & Louis-Guerin, 1990)
- Occurrence of ischaemic heart disease (Siegrist et al., 1990)



## b. Consequences for organisations

- Job satisfaction (Ashford et al., 1989)
- Job involvement (Kuhnert & Palmer, 1991)
- Organizational commitment (Armstrong-Stassen, 1993)
- Trust in management (Borg & Elizur, 1992)
- Turnover intention (Hellgren et al., 1999)
- Performance (Rosenblatt et al., 1999)
- Safety behavior (Probst & Brubaker, 2001)
- Absenteeism, tardiness (Probst, 1999)



# c. Consequences for unions

## Negative

- Reduced union loyalty and increased willingness to resign from union membership (Sverke & Goslinga, 2003)
- Reduction in perceived union support (De Witte et al, 2008)
- Tendency to blame the union (Mellor, 1992)
- Low perceptions of possibilities to influence the situation via the union (Petersson & Isaksson, 2002)

## Positive

- Increase in intention to become a member among non-members (De Witte, 2000)
- Increase in union membership (Bender & Sloane, 1999)
- Higher willingness to participate in actions – but only when related to the goal of ‘reducing insecurity’ (van Vuuren, 1990)



## d. Consequences for life outside work

- **Work–family conflict** (Kinnunen & Mauno, 1998; Voydanoff, 2004)
- **Crossover to partner** (Westman et al., 2001)
- **Marital dysfunctioning** (Barling & McEwen, 1992)
- **Effects on children’s work beliefs and attitudes** (Barling et al., 1998) and **school performance** (Barling & Mendelson, 1999)



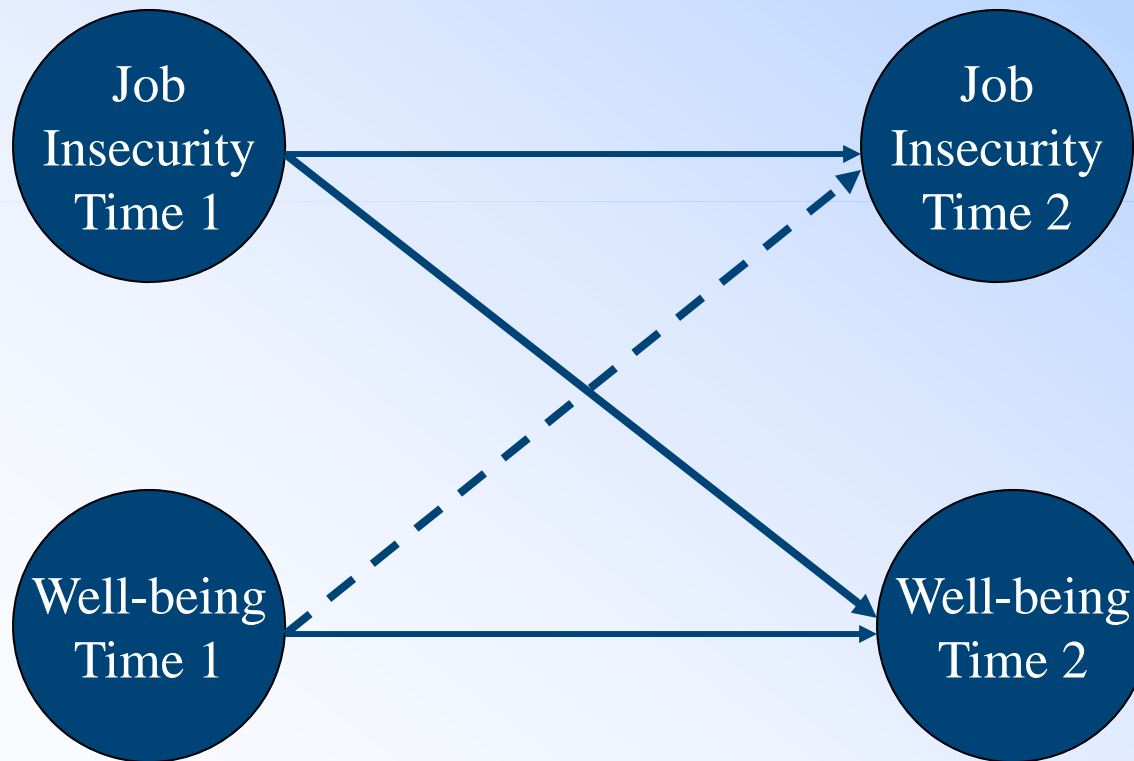
# Problems of inferring causality

- Cross-sectional designs
  - No temporal difference
  - No control for prior levels
- Mono-method bias
  - Inflated correlations?
- Third variable problem
  - Spurious effects?



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# The Causality Problem

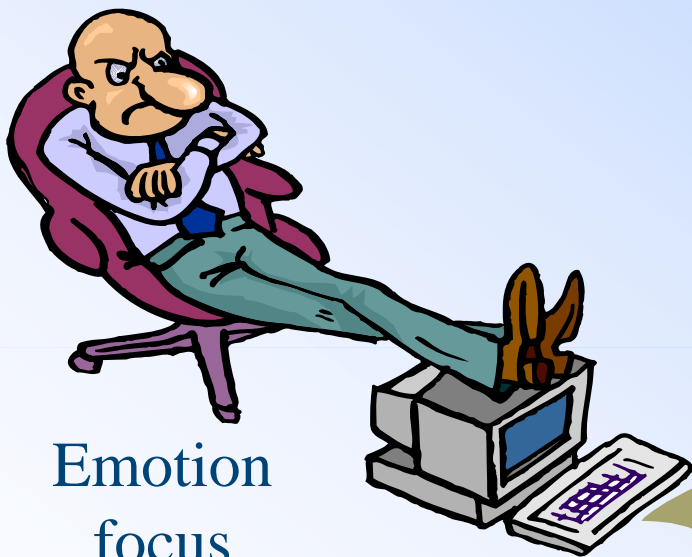


# Causal mechanisms: Some evidence

- Job insecurity related to strain and dissatisfaction even after other work stressors were controlled for (De Witte, 1999)
- Job insecurity affects well-being negatively over time – chronic stressor (Garst, Frese, & Molenaar, 2000; Hellgren, Sverke, & Isaksson, 1999)
- Cross-lagged analyses show that job insecurity affects subsequent mental health complaints rather than vice versa – support for the direction of causality (Hellgren & Sverke, 2003)



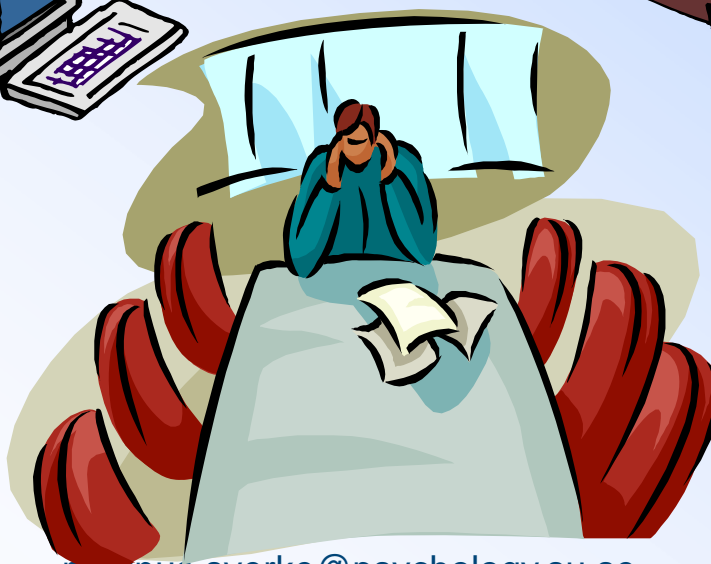
# What can the individual do?



Emotion  
focus



Problem  
focus

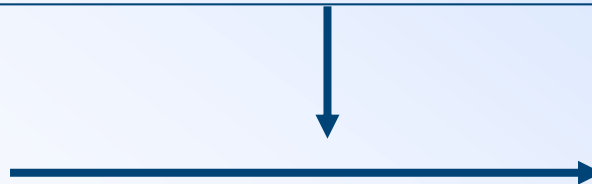


Social  
support

# Potential moderators

- Family situation
- Education / status
- Employability
- Dispositions & coping
- Social support
- Justice
- Participation
- Union membership

Job  
insecurity



Conse-  
quences



## a. Individual Differences Perspective

- Locus of control, attribution, need for security, affectivity, etc
- Negative affectivity, positive affectivity, and locus of control were tested as moderators of job insecurity – strain relation.
  - External locus of control was associated with higher level of mental health complaints
  - No buffering effect of affectivity  
(Näswall, Sverke, & Hellgren, 2005a)



## b. Demographic Perspective

- Employment contract, gender, family status, breadwinner, occupational status, education
- “Consequences” of job insecurity more negative for permanent than temporary workers  
(Bernhard-Oettel, Sverke & De Witte, 2005; De Witte & Näswall, 2003)
- More negative effects among blue-collar workers  
(Sverke et al., 2002)



## c. Resource Perspective

- **Employability, control, coping**
- Control mitigated the negative effects of job insecurity (Barling & Kelloway, 1996)
- Perceived employability may reduce the negative effects of job insecurity (Kalyal et al., 2009; Sverke & Hellgren, 2002)



## d. Fairness Perspective

- Justice
- Information
- Participation
- Commitment to change

Sverke et al., 2008



## e. Social Support Perspective

- Nonwork-based (family, friends)
  - Lower levels of family-based social support were associated with more negative reactions to job insecurity (mental and somatic health complaints) (Näswall et al., 2005b)
- Work-based (organization, coworkers, union)
  - Union support only occasionally buffered the negative effects of job insecurity on individual and organizational consequences (Sverke et al., 2004)



# Conclusions

- Job insecurity has a wide variety of potential consequences
- Some support for effects over time
- Personality not very important in explaining reactions to job insecurity
- Alleviating factors, such as social support and possibilities to increase employability, should be available to employees
- Job insecurity is a work environment problem
  - important implications for unions
  - an issue of managerial responsibility





Inspired by recent television events,  
 Millis Industries devised a new way to downsize.

# Read more?

- Näswall, K., Hellgren, J. & Sverke, M. (2003). *Anställningsotrygghet: Individen på den flexibla arbetsmarknaden*. Lund: Studentlitteratur.
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Thank you for your attention!

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