

Job Insecurity and Performance for different Employment Groups.

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Job Insecurity and Performance for different Employment Groups. Evidence from a representative sample from the Netherlands

Presentation for the 19th EAWOP Conference, Turin, May 30th.

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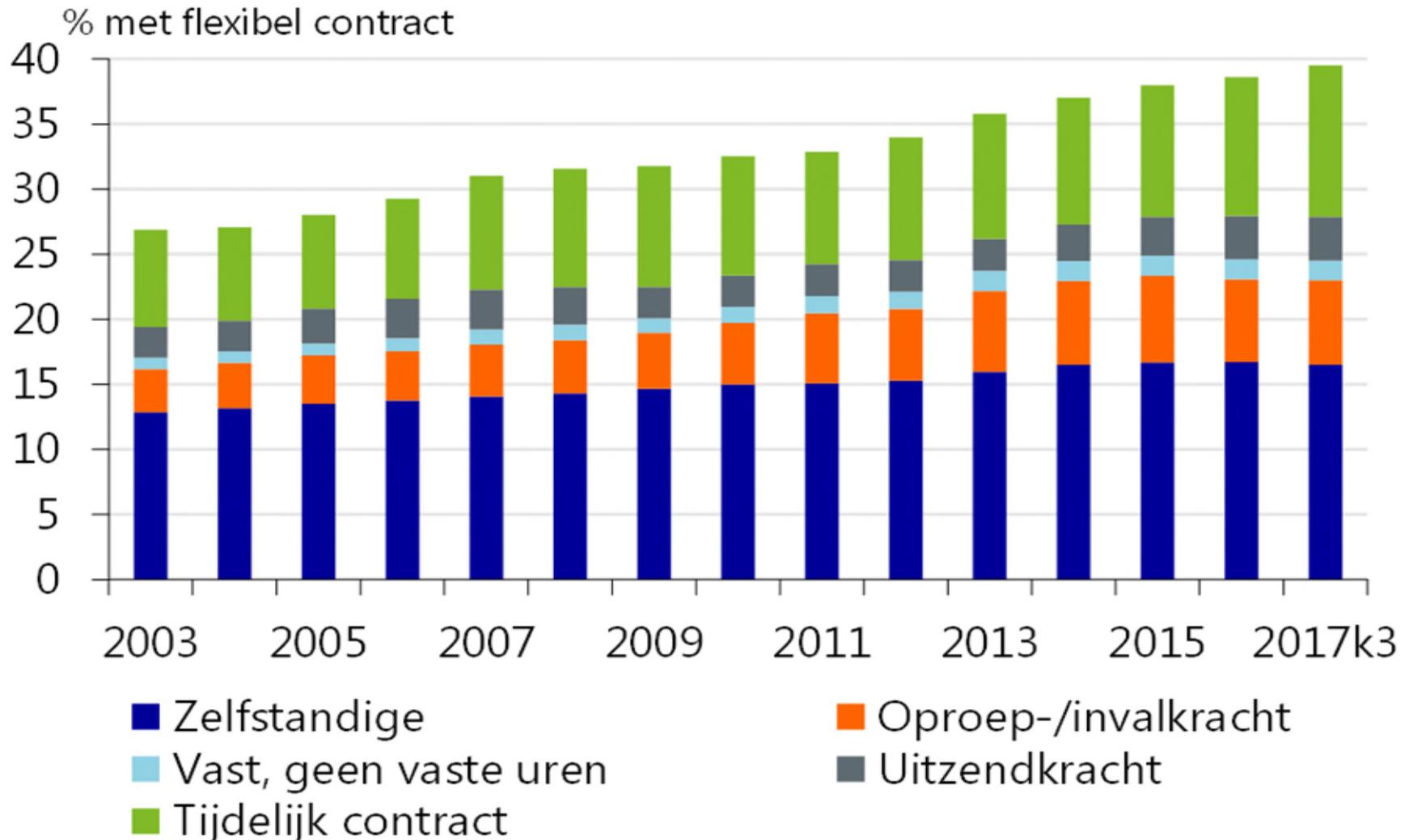


Background

- Job security is considered as one of the most important parts of the quality of jobs. Subjective job insecurity is defined as a personal concern about the future of the job (Hartley, Jacobson, Klandermans & Van Vuuren, 1991).
- Workers with a permanent employment contract have, from an legally, more objective point of view a more secure position compared to workers with a temporary employment contract including fixed-term workers, temporary agency workers, workers on-call, and compared to self-employed with and without employees.



Proportion workers with a flexible contract (TNO/Statistics Netherlands, 2018)



Introduction

- High job insecurity goes together with diminishing outcomes ranging from well-being to job attitudes and job performance.
- Most studies show a negative relationship between subjective job insecurity and job performance, although some found no significant effect, or even found a *positive* relationship.
- Many moderators and mediators of the job-insecurity-employee outcomes-relationship are identified (Shoss, 2017). However, the role of employment contract, is still poorly understood, mainly due to the diversity in employment contracts.
- The psychological consequences of job insecurity, seem to differ across employment groups. Research by De Cuyper and Witte and their colleagues shows that job insecurity only had detrimental effects for the life-satisfaction, job satisfaction, and organizational commitment among permanent workers but not among temporary workers.
- It remains unclear, however, how job insecurity associates with job performance across different types of employment groups.



Research questions:

- How does subjective job insecurity associate with self-rated job performance?
- How is the association between subjective job insecurity and self-rated job performance moderated by type of employment group?



Theoretical background

- Shoss (2017) distinguishes between two mechanisms through which subjective job insecurity can negatively impact outcomes including job performance.
 1. Job insecurity can be considered a stressor, threatening key resources such as income and identity, as well as basic psychological needs such as autonomy and relatedness. As a stressor, subjective job insecurity negatively impacts employee outcomes including job performance.
 2. Job insecurity can be considered a breach of the psychological contract, which is subsequently reciprocated by lower job performance. Employees may consider providing job security as an important obligation on the side of the employer. Feeling insecure about one's job can be considered a breach of this obligation (De Cuyper & De Witte, 2006, 2007). To reciprocate perceptions of psychological contract breach, workers are likely to lower outcomes such as job performance. Based on these arguments, we propose that:
 - *H1: There is a negative relationship between subjective job insecurity and self-rated job performance*



Theoretical background: moderating role of employment group

- We distinguish between two groups in developing our hypotheses because these two groups are regulated differently by law (De Cuyper et al., 2008), and have a different level of dependency with respect to their relationship with an employer (OECD, 2002).
 - a) Temporary workers, including fixed-term work, TAW, and on-call work
 - b) Self-employed workers with and without employees
- Permanent and temporary workers have an employment contract with one single employer, while self-employed workers do not have an employment contract but work based on assignment contracts for one or more customers.



Theoretical background: moderating role of employment group temporary workers

- Temporary workers are likely to be less psychologically vulnerable than permanent workers. They invest less into their positions (e.g., in terms of tenure, sacrifices made for the job), they expect less security and they will see job insecurity less as unjust or as a breach of expectations (Shoss, 2017). The less psychologically vulnerable workers feel, the less subjective job insecurity will be considered a stressor, negatively impacting their job performance (Shoss, 2017).
- *H2: The negative relationship between subjective job insecurity and self-rated job performance is weaker for temporary workers compared to permanent workers*



Theoretical background: moderating role of employment group self-employed workers

- Self-employed workers are likely to be more psychological and financial vulnerable than permanent workers. Self-employed are more likely to base a large part of their self-esteem on their performance which lead to heightened stress reactions and more negative reactions to job insecurity (Blom, Richter, Hallsten & Svedberg, 2018). As a consequence, the impact of subjective job insecurity is likely to be greater among self-employed workers compared to permanent workers (Mazzola, Schonfeld, & Spector, 2011), resulting in more negative job attitudes and lower job performance compared to permanent workers.
- *H3: The negative relationship between subjective job insecurity and self-rated job performance is stronger for self-employed workers compared to permanent workers*



Method

- We use a dataset owned by TNO en Statistics Netherlands of more than 89.000 Dutch workers and self-employed that is representative for the Dutch workforce.
- We included data from 2014 and 2016 assessing subjective job insecurity in terms of 'a concern about the future of one's job/business' and self-rated job performance.
- In total, 89.690 people participated in the surveys in 2014 or 2016 (41.732 respondents in 2014 and 47.958 respondents in 2016).
- 67.2% of the respondents are permanent workers, 14.6% is employed on a fixed-term contract, 2.9% is TAW, 4.3% is employed on an on-call contract, 2.5% of the sample are self-employed workers with employees and 8.5% is self-employed without employees.
- Control variables are included



Six different employment types

- A permanent worker: ongoing employment without a fixed termination date of the contract
- Temporary workers
 - Fixed-term contracts: a limited duration and often includes a fixed termination date
 - Temporary agency workers (TAW, employment mediated by a temporary work agency) are characterized by a limited duration
 - On-call workers are employed in contracts without fixed working hours. The contract can be ongoing or of limited duration, but the number of hours is dependent on the hours of work the employer has to offer
- Self-employed workers
 - Self-employed with employees
 - Self-employed without employees are not employed by a company but self-employed with contracts being provided by one or more customers for a specific assignment



Wide range of Control Variables were included

- Three demographic control variables in our regressions
 - Gender (1-2, male-female)
 - Age (in years between 18 and 65)
 - Level of education (1 = no education followed / completed, primary education, 2 = preparatory vocational education, secondary vocational education, 3 = higher vocational education and university education).
- Four job-related control variables.
 - *Varied work* (Cronbach's alpha = .77) is the average of three questions: Is your work varied?, Does your job require you to learn new things? and Does your job require creativity? (1-4, never-sometimes-often-always).
 - *Work load* (.87) is also the average of three questions: Do you have to work very quickly? Do you have to do a lot of work? and Do you have to work extra hard? (1-4, never-sometimes-often-always).
 - *Autonomy* (.79) was determined by averaging five questions. Examples of these questions are: Can you decide for yourself how to do your work? and Do you decide the order of your activities yourself? (1-3, not-sometimes-regularly).
 - *Physically demanding work* (.77) is based on the average of five questions about resp. applying force, repetitive movements, uncomfortable working posture, vibrations, noise. Two examples of these questions are Do you work in an uncomfortable attitude? and Do you do work where you have to make repetitive movements? (1-3, not-sometimes-regularly).



Results Multiple Regression Analysis

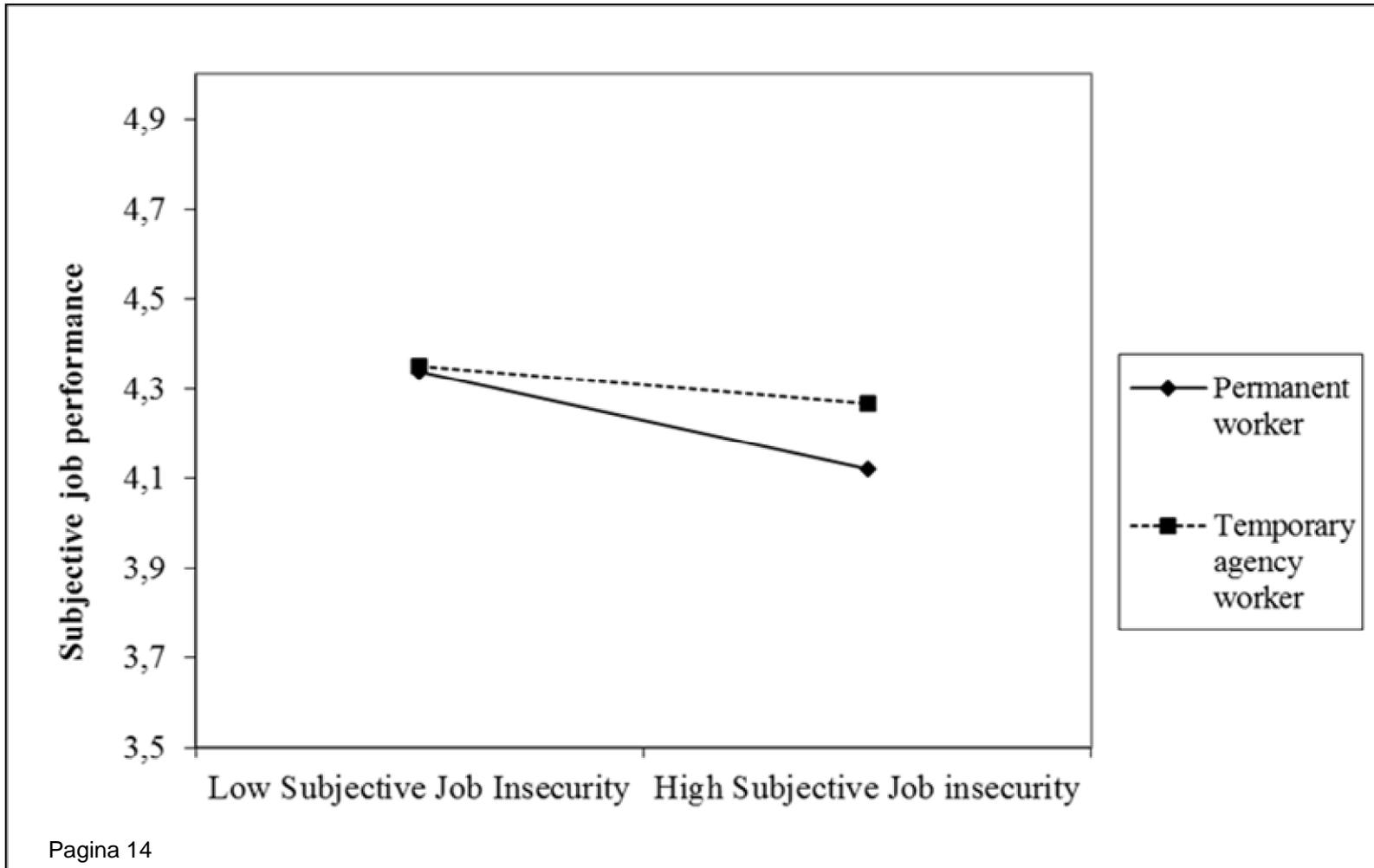
Self-rated Job Performance (3 items, 1-5) (N=80.470; R²=4,1%; Adjusted R²=4,1%)

▲: p<0,05, ▲▲: p<0,01, ▲▲▲: p<0,001 (& ▼): Significant & |Cohen's d| ≥ 0,20; Δ (& ∇): Significant & |Cohen's d| < 0,20. r: Correlation coefficient; β: standardized regression coefficient; Cohen's d=2·σ_{y,gevoegen}/σ_{x,gevoegen}·β/√(1-β²).

	Cohen's d _{Univariaat}	Cohen's d _{Multivariaat}	r _{Univariaat}	β _{Multivariaat}
Subjective Job Insecurity (JI) (2 items, 1-4)	-0,32	-0,33	-0,13▼▼▼	-0,13▼▼▼
Temporary employment	-0,017	+0,056	-0,006	+0,020▲▲▲
Temporary Agency Worker (TAW)	+0,006	+0,11	+0,0009	+0,018▲▲▲
On-call Worker	+0,027	+0,091	+0,005	+0,018▲▲▲
Self-employed with personnel	+0,14	+0,23	+0,021▲▲▲	+0,037▲▲▲
Self-employed without personnel	+0,24	+0,33	+0,069▲▲▲	+0,095▲▲▲
Temporary Employment* JI	-0,006	+0,034	-0,001	+0,008Δ
Temporary Agency Worker * JI	+0,076	+0,15	+0,009Δ	+0,018▲▲▲
On-call Worker * JI	+0,100	+0,13	+0,012▲▲	+0,015▲▲▲
Self-Employed with personnel* JI	-0,097	-0,15	-0,009∇∇	-0,014∇∇∇
Self-Employed without personnel* JI	-0,066	-0,15	-0,012∇∇∇	-0,029∇∇∇

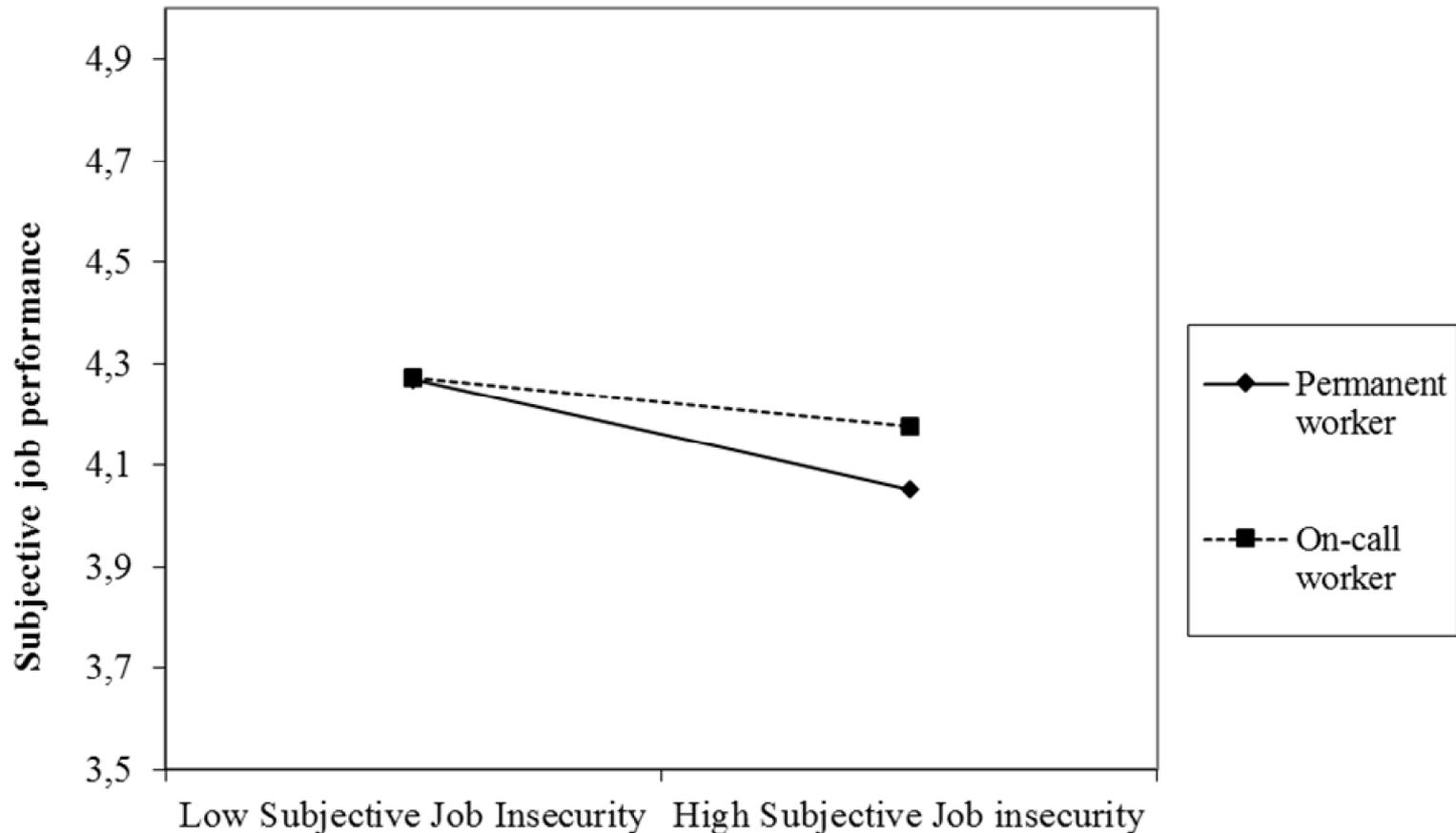
Results : plots of interaction effects

Association between subjective job insecurity and subjective job performance for permanent and temporary agency workers



Results : plots of interaction effects

Association between subjective job insecurity and subjective job performance for permanent and on-call workers



Conclusions

- The relationship between JI and Job Performance for all workers is small, but relevant. JI goes together with somewhat lesser job performance.
- The relationship between JI and Job Performance for temporary workers is significantly smaller than for permanent workers.
- The relationship between JI and Job Performance for self-employed workers is significantly stronger than for permanent workers.
- However, all interaction effects of employment groups are very small in effect-size.



Limitations

- Cross-sectional data: causality can flow the other way around: less performance can lead to JI
- Two-items measurement of JI. However the relationships in other research associate with other variables as expected



Recommendations for practitioners

The finding that subjective job insecurity goes together with less work performance shows that job insecurity has no upside for the productivity of companies.

Do not expect that workers will perform better if they experience job insecurity . They only are likely to spend more time talking to get grip on their situation:

Not working harder, but probably talking harder!



Questions?

