Special issue

Impact of Job Insecurity on Job Performance

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Introduction

Organizations today are in a constant state of flux. Change is important for any organization: Without change, organizations may lose their competitive edge and fail to meet performance benchmarks. At the employee level, however, changes oftentimes evoke feelings of job insecurity. Felt job insecurity concerns "the subjectively experienced anticipation of a fundamental and involuntary event related to job loss" (Sverke, Hellgren, & Näswall, 2002, p. 243). The downsides associated with felt job insecurity have been documented widely (De Witte, Pienaar, & De Cuyper, 2016; De Witte, Vander Elst, & De Cuyper, 2015; Jiang & Lavaysse, 2018; Lee, Huang, & Ashford, 2018; Shoss, 2017): Felt job insecurity deteriorates job attitudes, such as job satisfaction and commitment, and impedes employee well-being and health.

The evidence for job performance is weaker yet pointing in the same direction. In particular, recent meta-analyses show weak to moderate negative relationships between felt job insecurity and different indicators of job performance (Jiang & Lavaysse, 2018; Sverke, Låstad, Hellgren, Richter, & Näswall, 2019). Similarly, longitudinal evidence with varying time lags and measures shows that felt job insecurity impairs performance, including for example both self-rated (Fishmann, De Witte, Sulea, & Iliescu, 2018; Huang, Niu, Lee, & Ashford, 2012; Schreurs, van Emmerik, Günter, & Germeys, 2012) and other-rated (Wang, Lu, & Siu, 2014) task performance and creativity (Probst, Stewart, Gruys, & Tierney, 2007).

Despite accumulating evidence, the idea that felt job insecurity may boost performance is quite persistent. This idea is perhaps more comforting for employers in times

of ongoing change. As organizational productivity is the aggregate of individual performance, a negative relationship may undermine any gain from organization change, while a positive relationship could facilitate change. Also from the workers' side, the belief that hard work would protect from being dismissed might represent a belief in a just world – where people get what they deserve. The strength of opinion is however not matched with similarly strong evidence. Results from the first meta-analysis on this topic (Sverke et al., 2002) show a non-significant relationship between felt job insecurity and job performance: This meta-analysis has been quite impactful in terms of number of citations and may have fed the idea that felt job insecurity is not causing poorer job performance. However, this meta-analysis includes relatively few studies. In a more recent meta-analysis with more studies, Sverke and colleagues (2019) establish a negative relationship between felt job insecurity and job performance, but this study still has not yet the same impact as the 2002 study. Similarly, studies that established a positive relationship are few (Probst, 2002; Probst et al., 2007) but have attracted comparatively much attention. A further illustration comes from the many references to the study by Staufenbiel and König (2010): This study is often used to support the idea of a positive relationship between felt job insecurity and job performance, while results in fact show a dominant negative path and a weaker positive path.

Against this background, this special issue has three interrelated aims. First, our understanding of whether felt job insecurity impairs job performance, for whom and why is still far from complete. Accordingly, the first aim is to strengthen and deepen the current base of evidence. Second, studies showing a positive relationship between felt job insecurity and job performance are rare but have much appeal. Rather than regarding those studies only as interesting exceptions, they could serve as a starting point to think about potential boundary conditions. Examples can be found in the meta-analysis by Sverke et al. (2019) and in the studies by Fishmann et al. (2018) and Wang et al. (2015) which all highlight the critical role

of moderators. Accordingly, the second aim is to identify and probe potential moderators in the relationship between felt job insecurity and job performance. Third, while building (aim 1) and extending (aim 2) the existing evidence base is a critical endeavor, it is equally important to define new routes that are innovative in the field. Accordingly, our third aim is to advance ideas that could inspire research lines.

Achieving those aims could help to involve employers as critical stakeholders: successful organizational change is conditional upon job performance from employees, and felt job insecurity could be a cause for concern. Identifying when job insecurity affects performance and when it doesn't may provide hints as to what employers can do to support their employees. In the following, we will come back to these aims and implications in connection to the papers in this special issue.

This Special Issue

Aim 1: Strengthening and Deepening Existing Evidence

A common feature in the five empirical papers in this special issue is that they all hypothesize and, with very few exceptions, demonstrate that felt job insecurity has a negative impact on job performance. This negative relationship appears quite robust: it is found across measures of job insecurity and across indicators and sources of job performance. Job insecurity measures come from Hellgren, Sverke, and Isaksson (1999) in three papers in this special issue, from Probst (2003) in one paper, and are adapted from Hartley et al. (1990) and Van Vuuren (1990) in one other paper. Indicators of job performance concern in-role performance in three papers and creativity, adaptive and contextual performance in one paper each. Finally, performance-ratings come from either the employee or the supervisor (for an exception, see Probst, Chizh, Hu, Jiang, & Austin, this special issue, in which other-ratings are used). Despite this evidence, three issues remain.

First, the evidence in most papers in this special issue, like in felt job insecurity research in general, is based on small-scale convenience sampling or organization-based samples, all fairly homogeneous. This limits the generalizability of the findings, as it is unknown whether similar relationships would be found in other organizations, employment groups or industry sectors. Furthermore, it is difficult to gauge the size of the effects on a population level: Effects found in small, specific samples might be overshadowed by other factors that were not included and become non-significant on a population level.

In response, the first paper of this special issue by *Van Vuuren, De Jong and Smolders* (paper 1) entitled "The association between subjective job insecurity and job performance across different employment groups" presents evidence from a representative sample of the Dutch working population, accounting for the large heterogeneity in the labor market in terms of contract types. Felt job insecurity in this study associates negatively with performance. Although small of size, it is in line with earlier meta-analytical results (Sverke et al., 2002; 2019). Furthermore, finding a relationship between job insecurity and performance at all on a population level is impressive. On this scale, even small effects will make a noticeable difference, for some people more so than others. Indeed, this was the case here: The negative relationship between felt job insecurity and job performance is stronger among the self-employed than among permanent and fixed term contract workers, and the relationship is virtually non-significant among temporary agency and on call workers. Though tentative, this could be interpreted as meaning that felt job insecurity is more problematic among those who have more to lose, their business among the self-employed, job continuity among permanent workers or the prospect of job continuity among fixed term contract workers. Temporary and on-call workers might recognize insecurity as an expected component of their job situation (see De Cuyper & De Witte, 2008 for a similar reasoning). The findings of Van Vuuren and colleagues become even more relevant when we acknowledge that individual self-reported

performance relates to objectively measured job performance (Edgar, Geare, Halhjem, Reese, & Thorensen, 2015) which is connected to team and eventually organizational performance. Even if only a small bit of organizational performance can be explained by job insecurity, the fact that this effect is present on a national level, will come with noticeable economic consequences for some organizations. This might interest policy makers as it highlights the potential devastating economic effect that an increase in perceived job insecurity on a population level (and particularly among the self-employed) can have.

Second, most job insecurity studies come from within Europe or the US, and the collection of papers in this special issue follows this trend, with contributions from The Netherlands and the US. This obviously leads to the question regarding generalization across cultures. The study by *Probst, Chizh, Hu, Jiang and Austin* (paper 2) entitled "Explaining the relationship between job insecurity and creativity: A two-country test of cognitive and affective mediators" shows that the negative relationship between felt job insecurity and job performance is consistent across cultural settings, US and China in particular. That is, Chinese and American workers showed similar performance decrements in response to felt job insecurity. Consistent with previous studies (e.g., Lee, Bobko, Ashford, Chen, & Ren, 2008), this finding suggests that felt job insecurity is a pervasive stressor and exerts negative effects, irrespective of country or culture. Nevertheless, there could be variations in the strength of relationships: this has been demonstrated, though not yet extensively, in the wider area of occupational health and well-being (e.g., Debus, Probst, König, & Kleinmann, 2012; Probst & Lawler, 2006) and definitely needs follow up for performance outcomes.

Third, most papers in this special issue do not explain why felt job insecurity impairs job performance. Stretching this to the broader research area, research is lagging behind in testing mechanisms underlying the relationship between felt job insecurity and job performance or, for that matter, other outcomes (De Witte, 2016). The studies that do, in this

special issue or elsewhere, often rely on one of four frameworks: appraisal theory (see e.g., Huang et al., 2012), conservation of resources theory (see e.g., Schreurs et al., 2012), self-determination theory (see e.g., Stynen, Forrier, Sels, & De Witte, 2015; Van den Broeck et al., 2014), and social exchange theory (De Cuyper & De Witte, 2006; Lam, Liang, Ashford, & Lee, 2015). A relatively new framework in the area of job insecurity research concerns threat rigidity theory (see e.g., Niesen, De Witte, & Battistelli, 2014; Van Hootegem, Niesen, & De Witte, 2019). *Probst et al*. use threat rigidity theory to introduce cognitive failure as a potential mediator, and successfully so, next to the more common mediator positive affect. Whereas prior research has mostly focused on its role as motivational lever, this study shows that felt job insecurity can significantly affect employees' ability to perform at work by influencing their cognitive capacities. The cognitive explanation brings a new impulse to our understanding of why felt job insecurity impedes job performance and provides a pathway for a more extensive understanding of the role of felt job insecurity in affecting people's behavior at work.

Aim 2: Boundary conditions

Two studies in this special issue seek to reconcile the dominant view that the felt job insecurity – job performance relationship is negative and the more provocative view that it is positive. This highlights the dilemma faced by job insecure employees (Shoss, 2017). On the one hand, job insecure employees may want to withdraw from their job. On the other hand, they may think that working hard is a route to job continuity and use this knowledge strategically. The reaction could be conditional upon moderators, be they bound to the situation or the person.

Lavigne (paper 3) in her study entitled "When do job insecure employees adapt to change?" along these lines argues and then demonstrates that job insecure employees invest resources strategically: they invest resources in those behaviors that are rewarded or valued by

the organization (for a similar argument, see Probst, 2007). She illustrates her point by showing that the relationship between felt job insecurity and adaptive performance is negative when there are few changes to the core tasks but not significant when there are many changes: employees take changes to core tasks as a signal that the organization values adaptive performance and act accordingly. However, even under such signals, the relationship between felt job insecurity and adaptive performance is *not* positive: signals from the organizations can buffer yet not boost performance.

Koen, Low and Van Vianen (paper 4) in their manuscript entitled "Job preservation efforts: When does job insecurity prompt performance?" hypothesize that felt job insecurity relates negatively to performance. Yet, the relationship can be positive under specific conditions, namely when employees perceive performance as instrumental towards restoring security. Such is supposed to be the case among employees who are not typically intrinsically motivated and in situations of high distributive justice, where people believe they will be justly rewarded for their efforts. Results aligns with the idea that felt job insecurity relates negatively to job performance and that intrinsic motivation may play a role. An intriguing observation and contrasting the authors' hypothesis is that felt job insecurity relates positively to job performance among those who perceive low (versus high) distributive justice. Injustice has been identified as a motivator of action before, especially in situations of harm (as during job insecurity) (Foster & Rusbult, 1999). Both job insecurity and distributive injustice have been found to be identity-undermining experiences. Working to a high standard in these situations might hence be read as an act of defiance, to reaffirm ones' own sense of being a valuable worker, as a reaction to and despite of not getting any reward or recognition for it from the organization. More research is needed to replicate these findings, and the effect of injustice and its potentially motivating role in times of job insecurity need yet to be fully understood.

Aim 3: New routes

Another two studies in this special issue bring in elements from the more provocative view that job insecurity prompts performance, yet with an interesting twist. This leads to challenging new routes.

First, a common idea in the provocative view is that felt job insecurity triggers impression management behavior, so that employees appear (but not necessarily are) hard-working citizens: impression management following feelings of job insecurity is a strategic investment. *Probst, Jiang and Lopez-Bohle* (paper 5) in their study "Job insecurity and impression management: Which is the horse and which is the cart when it comes to job performance?" reverse causality: they argue that employees can also strategically invest resources to reduce the very feeling of job insecurity. In particular, they find that supervisor-focused impression management fosters job security, and this relates positively to job performance. What this study shows is that employees proactively and strategically invest to prevent potential job loss and associated feelings of insecurity: proactivity has not typically been at the center of job insecurity research.

Second, the divide between the more traditional versus provocative view is to a large extent based on how felt job insecurity is appraised: as hindrance or challenge. Hindrance stressors are undesirable work-related demands that interfere with work achievements, hence impaired performance following felt job insecurity. Challenge stressors are work-related demands that are potentially stressful but can be overcome and have a potential gain for the individual (Cavanaugh, Boswell, Roehling, & Boudreau, 2000), hence increased performance following felt job insecurity. *Debus, Unger, and König* (paper 6) in their conceptual paper "Job insecurity duration and performance" bridge the divide by advancing a person-centered approach that allows for distinct employee profiles. Most importantly they argue that appraisals can change over time, which can lead to a set of dynamic trajectories in three

strands. One strand follows hindrance appraisals. The common feature is that felt job insecurity impairs performance, but the shape of the trajectory could be quite different: for example, felt job insecurity may hit particularly hard in early stages or instead in later stages, or there could be a continuous impact. A second strand concerns challenge appraisals, when felt job insecurity motivates employees to perform. Such motivation may be present from the onset or instead delayed and it may be continuous or not. A third group concerns stability, when felt job insecurity does not seem to affect performance, for example because felt job insecurity is appraised as irrelevant or when hindrance and threat appraisals are equally strong. This pattern is often overlooked in the current debate. It is important though, as it highlights that there are potentially conflicting dynamics (Staufenbiel & König, 2010). The person-centered approach in combination with time is a promising route for future research and needs empirical follow-up. To adequately test the authors' propositions, a context is required that provides a clear and meaningful onset point or catalyst to initiate appraisals of felt job insecurity. One such onset point is the time of organizational entry; another is the announcement of an organizational restructuring. Data collection will be a challenge, either way.

Implications for Employers

This set of papers hold interesting implications related to the apparent paradox that change is needed, yet that change brings feelings of job insecurity which undermines successful change. This is a complementary to and perhaps a more contemporary interpretation of the vicious cycle described in the seminal paper by Greenhalgh and Rosenblatt (1984, see also Greenhalgh & Sutton, 1991): felt job insecurity may undermine organizational effectiveness, which then promotes feelings of job insecurity. The papers by *Van Vuuren et al.* (paper 1) and *Probst, Chisz et al.* (paper 2) shows that those employers' concerns should not be taken lightly: felt job insecurity associates negatively with job performance, and more strongly so

among employees who are at the core of the organization (paper 1) and across cultures (paper 2). In addition, felt job insecurity impairs creativity, while change processes often thrive on creative solutions (paper 2).

The papers in the special issue also hint at do and don'ts for employers. On the "do"-side, *Lavigne* (paper 3) brings situational cues to the fore as a way to help understand employees which behaviors are needed and valued. Employers could deliberately use these cues to shape employees' behaviors and to provide employees a sense of control over the situation. Such cues could relate to actual changes in core tasks, as in *Lavigne's* paper or clear and transparent communication (Smet, Vander Elst, Griep & De Witte, 2016). *Probst et al.* (paper 5) open a view on primary prevention, complementary to the fairly large stream of research that has focused upon potential ways to cope with felt job insecurity in an attempt to reduce the harmful impact of felt job insecurity. This stream is concerned with employees' reactions vis-à-vis felt job insecurity. *Probst et al.* show that employees are to some extent agents of their own career and this knowledge can be used as a tool for primary prevention.

On the "don't" side, the pattern of results in *Koen et al.*'s paper shows that performance increases following insecurity are highly self-serving. In addition, the conceptualization by *Debus et al.* (paper 6) suggests that the impact on performance can be dynamic and, depending on employee profiles, not readily visible. The implication is that changes in performance or lack of those in situations of high insecurity may not be the best criterion for decisions in HR-related matters. A better criterion could be to look at past performance over a longer period of time.

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