The Nature of Job Insecurity: Understanding Employment Uncertainty on the Brink of a New Millennium

Magnus Sverke* and Johnny Hellgren
University of Stockholm, Sweden

Cet article porte sur la nature de l'insécurité au travail et traite de données aussi bien conceptuelles que méthodologiques en rapport avec notre compréhension de ses conséquences. Une revue de littérature débouche sur le constat qu'il est nécessaire de faire appel à nombre de travaux théoriques et empiriques pour cerner la nature de l'insécurité au travail, développer des mesures psychométriquement valides de ses différents aspects et parvenir à des conclusions pertinentes sur les effets de l'insécurité. L'insécurité au travail est d'abord définit comme une source de stress multidimensionnelle relevant de l'expérience subjective. Ensuite, les nombreux aspects de l'insécurité au travail peuvent avoir des conséquences divergentes ou du moins être différentiellement reliés à des variables dépendantes potentielles telles que les attitudes relatives au travail, la performance professionnelle, la santé physique, le bien-être mental ou les symptômes de stress induits par le travail. Puis, étant donné que la plupart des recherches sur l'insécurité au travail ont été transversales, il reste à effectuer beaucoup d'investigations avant que nous sachions comment, ou si, l'insécurité contribue à modifier ces variables, Enfin, on peut imaginer nombre de facteurs susceptibles d'avoir un impact sur les relations entre l'insécurité au travail et ses retombées possibles. Pour améliorer la compréhension de ce qu'est l'insécurité au travail et de ce qu'elle peut impliquer pour l'individu, il est indispensable de prendre en compte ces données dans des recherches aussi bien théoriques qu'empiriques.

This paper focuses on the nature of job insecurity and addresses conceptual as well as methodological issues affecting our understanding of its consequences. A review of the literature suggests that a great deal of theoretical and empirical

---

work is needed to capture the nature of job insecurity, develop psychometric-ally sound measures of the different aspects, and arrive at valid conclusions regarding the effects of insecurity. First, job insecurity is defined as a subject-ively experienced stressor which may be divided into different dimensions. Second, the multiple aspects of job insecurity may have divergent consequences or at least be differentially related to potential outcomes such as work-related attitudes, job performance, physical health, mental well-being, and job-induced stress symptoms. Third, given that most studies on job insecurity have been cross-sectional, a lot of work remains before we know how, or if, insecurity contributes to changes in such outcomes. Fourth, there are a number of plaus-ible factors that may moderate the relationships between job insecurity and its potential outcomes. Addressing these issues in theoretical as well as empirical work is necessary, we argue, to improve the understanding of both what job insecurity is and what it may imply for the individual.

INTRODUCTION

Since the late 1970s, economic recessions, industrial restructuring, techno-logical change, and an intensified global competition have dramatically changed the nature of work (Howard, 1995). Organisations in most indus-trialised countries have been involved in restructuring, layoffs, and "right sizing" in their attempts to reduce labor costs and improve competitiveness. From the organisational perspective, this has provided many companies with the functional and numerical flexibility necessary to adapt to a changing environment. From the individual perspective, although some individuals may view flexibility positively, the negative consequences are apparent and have dominated the psychological literature. Millions of workers have been displaced while others have become involuntarily part-time unemployed, hired on temporary employment contracts, or experienced "a fundamental and involuntary change in their sets of beliefs about the employing organ-isation and their place in it" (Jacobson, 1991, p. 2). For many employees, the changes in working life we have witnessed over the past two decades have caused feelings of insecurity concerning the nature and future existence of their jobs (Hartley, Jacobson, Klandermans, & van Vuuren, 1991).

A growing body of literature suggests that perceptions of job insecurity may have detrimental consequences for employee attitudes (Ashford, Lee, & Bobko, 1989; Davy, Kinicki, & Scheck, 1997; Rosenblatt, Talmud, & Ruvio, 1999; Sverke & Hellgren, 2001) and well-being (Barling & Kelloway, 1996; De Witte, 1999; Kinnunen, Mauno, Nätti, & Happonen, 1999; Mohr, 2000) as well as for organisational viability (Greenhalgh & Rosenblatt, 1984; Kets de Vries & Balazs, 1997). However, because job insecurity still "has captured a fairly limited interest from scholars" (Hartley et al., 1991, p. 10), our under-standing of job insecurity and its consequences is confined and hampered by conceptual as well as empirical ambiguities. In contrast to constructs which have generated more research interest, a great deal of theoretical and

empirical work is needed, we argue, to capture the nature of job insecurity, refine the measures of the construct, and arrive at valid conclusions regarding its effects.

The overall objective of this paper is to address these theoretical and methodological issues and highlight areas where further research is warranted. As a background, we begin with a short review of how organisational reactions to changes in the business climate have gradually made the employment situation for workers more uncertain. The following section focuses on the nature and measurement of job insecurity. We argue for a multidimensional definition of the construct which also calls for measures specifically developed to assess the different aspects. Next, we turn to the potential outcomes of job insecurity. We emphasise that different aspects of insecurity may have divergent consequences and that more longitudinal research is needed before we know how, or if, insecurity contributes to changes in such outcomes. In the following section, we discuss how the negative effects of insecurity may be reduced. In the concluding section, we summarise the literature in an integrated model of job insecurity.

THE CHANGING NATURE OF WORK

As noted by several commentators (e.g. Gowing, Kraft, & Campbell Quick, 1998; Howard, 1995; Pfeffer, 1998; Rifkin, 1995), working life has been subject to dramatic change over past decades. In this context, job insecurity has emerged as an important construct. There are several reasons for this development: intensified global competition has forced organisations to cut production costs and become more flexible; periods of economic recession have led to widespread organisational closure with unemployment and growing insecurity in its wake; new technologies have paved the way for less labor intensive production and also restricted the employment alternatives of less skilled workers; the rapid industrial restructuring from manufacturing to service production has called into question employees' view of the stability of their employers; and a belief in the market-driven economy has changed government policies and in many countries resulted in relaxations of employment legislation (Davy et al., 1997; Greenhalgh & Rosenblatt, 1984; Hartley et al., 1991; Sparrow, 1998).

Organisations have, as noted by among others Cascio (1998), two options to become more profitable: they can either increase their gains or decrease their costs, often by reducing the number of employees. Innumerable organisations have engaged in restructuring and large-scale workforce reductions in order to cut costs and improve organisational effectiveness and competitive ability (Burke & Nelson, 1998; Cameron, Freeman, & Mishra, 1991; Kozlowski, Chao, Smith, & Hedlund, 1993). Indeed, downsizing or "rightsizing" (Hitt, Keats, Harback, & Nixon, 1994) appears to be the standard

solution in organisational attempts at improving organisational effectiveness and reducing labor costs.

As a consequence, millions of jobs have been eliminated, and the negative consequences of unemployment are well documented (Jahoda, 1982). There is also substantial evidence to suggest that the nature of work has changed dramatically for those who remain employed. Employers in virtually every industrialised nation of the world are moving, in varying degrees, toward increased flexibility in how they staff their organisations (Klein Hesselink & van Vuuren, 1999; Sparrow, 1998). Organisational striving for functional and numerical flexibility has resulted in demands for new types of skills as well as in changes in employment contracts. Most notably, organisations have shown increased interest in employing workers on the basis of short or fixed term contracts rather than on the basis of implicit long-term contracts (McLean Parks, Kidder, & Gallagher, 1998; Sverke, Gallagher, & Hellgren, 2000). In addition, downsizing survivors have to do more with fewer resources, their work-load increases, and uncertainty regarding task performance is likely to be prevalent (Burke & Nelson, 1998; Hartley et al., 1991).

THE NATURE AND MEASUREMENT OF JOB INSECURITY

It can readily be assumed that employees will react to the gradually changing characteristics of employment conditions and jobs. However, an individual's reactions will depend on a number of factors, such as labor market characteristics, employability, individual characteristics, family responsibility, age, gender, etc. For instance, employees who feel that they could easily get other jobs may view the changing nature of work positively. On the other hand, those who have economic responsibility for their family or who feel that they would have difficulties finding new jobs may react negatively. Indeed, some writers go so far as to state that individuals who once experienced safe and long-term employment now, to an increasingly larger extent, face insecure employment conditions (Roskies & Louis-Guerin, 1990).

Job insecurity refers to employees' negative reactions to the changes concerning their jobs. Job insecurity has been defined as an individual's "expectations about continuity in a job situation" (Davy et al., 1997, p. 323), "overall concern about the future existence of the job" (Rosenblatt & Ruvio, 1996, p. 587), "perception of a potential threat to continuity in his or her current job" (Heaney, Israel, & House, 1994, p. 1431), and "powerlessness to maintain desired continuity in a threatened job situation" (Greenhalgh & Rosenblatt, 1984, p. 438), to give but a few examples.

One general theme underlying the various definitions is that job insecurity is a subjective phenomenon, i.e. that it is based on the individual's perceptions and interpretations of the immediate work environment (Greenhalgh & Rosenblatt, 1984; Hartley et al., 1991). In contrast to actual job loss, job

insecurity refers to the anticipation of this stressful event in such a way that the nature and continued existence of one's job are perceived to be at risk. This implies both that the feeling of job insecurity may differ between individuals even if they are exposed to the same objective situation, and that individuals may differ in their reactions to perceptions of jobs at risk.

There also appears to be agreement that job insecurity only occurs in the case of involuntary job loss (Greenhalgh & Rosenblatt, 1984). Hartley et al. (1991) argued that the construct, in its most general sense, reflects the discrepancy between the level of security a person experiences and the level he or she prefers. By definition, then, job insecurity reflects a fundamental and involuntary change concerning the continuity and security within the employing organisation. While insecurity is likely to be especially prevalent in the context of downsizing, that is, among employees in organisations about to undertake, or already undergoing, changes that may reduce the number of jobs available (Gowing et al., 1998; Heaney et al., 1994; Parker, Chmiel, & Wall, 1997), it also appears that job insecurity can be an important factor in seemingly unthreatened job situations (Rosenblatt & Ruvio, 1996).

It was not until the past two decades that systematic research on job insecurity, as a function of the labor market changes, began to emerge (Hartley et al., 1991). Earlier on, to the extent it was studied at all, job security was included in broad inventories of work climate used for the prediction of employee attitudes. It was often measured as a unidimensional phenomenon, reflecting a general concern over future employment. As noted by several authors (e.g. Ashford et al., 1989; Hartley et al., 1991), job insecurity has been measured in an ad hoc manner, often with single items, scales with unknown psychometric properties, or measures devoid of theoretical basis. This is hardly surprising given that conceptual work on the topic dates back only to the mid-1980s and the pioneering work of Greenhalgh and Rosenblatt (1984).

Table 1 lists illustrative measures of job insecurity used in the literature. A distinction can be drawn between global and multidimensional operationalisations. The global measures concern threats of imminent job loss. These unidimensional measures typically focus on either the perceived probability (e.g. Mohr, 2000; van Vuuren, 1990) or fear of job loss (e.g. Johnson, Messe, & Crano, 1984). Some studies rely on single-item measures while others use multiple indicators.

While most definitions of the construct also share the view that job insecurity is a subjectively experienced stressor, it appears that the definition of the construct is broad enough to encompass different aspects of such uncertainty perceptions. Also other aspects than threats of imminent job loss— such as loss of valued job features, demotion, and career insecurity—may be central aspects of employees' uncertainty perceptions. Greenhalgh and Rosenblatt (1984), who were the first to introduce a multidimensional

TABLE 1
Examples of Global and Multidimensional Measures of Job Insecurity

Source	Focus/Dimension	No. of items	Sample item
	Global measures		
Caplan et al. (1975)	Certainty of job and career security	4	"How certain are you about what your future career picture looks like?"
Johnson et al. (1984)	Fear of job loss	7	"The thought of getting fired really scares me"
Mohr (2000)	Probability of job loss	1	"How do you assess the probability of losing your job in the near future?" (1 = highly improbable; 5 = highly probable)
Van Vuuren (1990)	Likelihood	4	"Do you expect to be in your current position five years from now?"
	Multidimensional measures		
Ashford et al. (1989)	a. Importance of job features	17	"In your work life, how important is the freedom to schedule your own work to you personally?"
	b. Perceived threats to job features	17	"Looking to the future, what is the probability that changes could occur—changes you don't want or might disagree with—that would negatively affect your freedom to schedule your own work?"
	c. Importance of total job	10	"Assume for a moment that each of the following events could happen to you; how important to you personally is the possibility that you may be laid off permanently?"

d. Perceived threats to total job	10	"Again, thinking about the future, how likely is it that you may be laid off permanently?"
e. Powerlessness	3	"I have enough power in this organisation to control events that might affect my job"
Multiplicative job insecurity scale		$= [(\Sigma a \times b) + (\Sigma c \times d)] \times e$
Borg & Elizur (1992) Cognitive job insecurity	6	"I believe that my job is secure" (reverse coded)
Affective job insecurity	3	"I am concerned about the possibility of being dismissed"
Hellgren et al. (1999) Quantitative job insecurity	3	"I am worried about having to leave my job before I would like to"
Qualitative job insecurity	4	"My future career opportunities in this organisation are favorable" (reverse coded)
Kinnunen et al. (1999) Global job insecurity	4	"I am worried about being fired"
Importance scale	9	The importance of 9 possible (negative) changes (e.g. transfer to another job, layoff, wage cut)
Probability scale	9	The probability of the same 9 changes
Powerlessness	3	(see Ashford et al., 1989)
Roskies & Louis-Guerin (1990) Termination	1	Likelihood of experiencing termination in the next year or so
Retirement	1	Likelihood of experiencing forced early retirement in the same period
Demotion	1	Likelihood of experiencing demotion in the same period
Condition	1	Likelihood of experiencing forced deterioration of working conditions in the same period
Long term	1	Inability to keep the present job, even should the respondent wish to, until normal retirement

definition, noted: "Loss of valued job features is an important but often overlooked aspect of job insecurity" (p. 441). Thus, a significant distinction in this line of inquiry is that between "insecurity about the continuity of one's job or aspects of one's job" (Hartley et al., 1991, p. 32).

Indeed, a number of commentators (e.g. Ashford et al., 1989; Greenhalgh & Rosenblatt, 1984; Hartley & Klandermans, 1986; Roskies & Louis-Guerin, 1990) have argued that definition and measurement of job insecurity would benefit from encompassing concerns about deteriorated employment conditions and career opportunities in addition to threats of imminent job loss. Greenhalgh and Rosenblatt (1984) maintained that insecurity can best be described in terms of threats to the job itself, importance of total job, threats to valued job features, importance of valued job features, and a feeling of powerlessness to counteract these threats. Ashford et al. (1989) departed from this definition and developed measures of the different aspects, and also combined the dimensions into a multiplicative job insecurity scale (see Table 1). Other researchers (e.g. Kinnunen et al., 1999) have used a similar approach, although not distinguishing between threats to the job itself and threats to job features.

Borg and Elizur (1992) differentiated between cognitive job insecurity (likelihood of job loss) and affective job insecurity (fear of job loss). Roskies and Louis-Guerin (1990) developed single-item measures of five different aspects of job insecurity: the likelihood of termination, early retirement, demotion, impaired working conditions, and long-term job insecurity. Hellgren, Sverke, and Isaksson (1999) made a distinction between quantitative job insecurity (worries about losing the job itself) and qualitative job insecurity (worries about losing important job features).

Following Hellgren et al. (1999), we argue that it would be meaningful to make a distinction between at least two different aspects of job insecurity: quantitative and qualitative insecurity. Quantitative job insecurity is similar to the global conceptualisations of the construct. Qualitative job insecurity pertains to perceptions of potential loss of quality in the employment relationship, such as deterioration of working conditions, demotion, lack of career opportunities, decreasing salary development, and concerns about person–organisation fit in the future. It is likely that the latter aspect may also be divided into separate dimensions, but this is a question for future theoretical and empirical research. Even if measures of different aspects are available (e.g. Ashford et al., 1989; Hellgren et al., 1999; Roskies & Louis-Guerin, 1990), the measurement properties of the scales are far from clear. Assessment of measurement properties in a variety of settings and potential refinements of the instruments with the aid of confirmatory factor analysis are important issues for the research agenda. It is also obvious that such empirical work cannot be done without simultaneous conceptual advancements on what may be the most important and relevant aspects of job insecurity.

CONSEQUENCES OF JOB INSECURITY

Intuitively, one would expect feelings of job insecurity to have a strong psychological impact on those affected. A long-term, ominous job insecurity is likely to have severe consequences for an employee's overall life situation in that economic and other highly valued aspects of life will be perceived as threatened (Ashford et al., 1989; Hartley et al., 1991). Indeed, studies have suggested that perceived threats concerning the nature and continued existence of a job may have as detrimental consequences as job loss itself (Dekker & Schaufeli, 1995; Latack & Dozier, 1986). This is consistent with the central proposition of stress research, that anticipation of a stressful event represents an equally important, or perhaps even greater, source of anxiety than the actual event (Lazarus & Folkman, 1984).

It appears that job insecurity is associated with impaired well-being (Barling & Kelloway, 1996; Hartley et al., 1991; Jick, 1985). Physical health complaints, mental distress, and work-to-leisure carry-over increase proportionately with the level of job insecurity (e.g. Ashford et al., 1989; Isaksson, Hellgren, & Pettersson, 1998; Lim, 1996; Mattiasson, Lindgarde, Nilsson, & Theorell, 1990; Noer, 1993; for an overview, see Hartley et al., 1991).

However, the radical change from a traditionally secure working environment to a rapidly changing and insecure one could be expected to have an impact not only on the well-being of individuals, but also on their work attitudes and behavior, and, in the long run, on the vitality of the organisation. As Greenhalgh and Rosenblatt (1984) phrased it, "workers react to job insecurity, and their reactions have consequences for organisational effectiveness" (p. 438). Indeed, the success or failure of any downsizing strategy is essentially determined by the reactions of the survivors in the organisation (Kozlowski et al., 1993).

Job insecurity has consistently been found to associate with reduced levels of work attitudes such as job satisfaction. Ashford et al. (1989) showed that employees who felt insecure about their future employment were more dissatisfied with their jobs compared to those who perceived their future job situation as more secure. Similar results have been obtained in a number of studies (e.g. Davy et al., 1997; Hartley et al., 1991; Heaney et al., 1994; Rosenblatt & Ruvio, 1996). In a similar vein, perceived insecurity concerning one's future role in the organisation may also make the employee less inclined to remain with the organisation. Job insecurity, like any stressor, could lead to a withdrawal response as manifested in, for example, higher levels of turnover intention (Arnold & Feldman, 1982; Brockner, 1988; Burke & Nelson, 1998; Davy et al., 1997; Dekker & Schaufeli, 1995; Hartley et al., 1991). This is especially important also for managers given that qualified workers will more easily find a new job and thus are more likely to in fact

quit if they experience job insecurity (Greenhalgh & Rosenblatt, 1984; Hartley et al., 1991).

However, the relationships between job insecurity and employee reactions may not be as clear-cut as implied by this brief review. First of all, not all studies have found that job insecurity in fact is related to impaired work attitudes and well-being. Moreover, even where the findings are congruent the magnitudes of relationships differ substantially between studies. There is now a sufficient number of studies, conducted in a variety of settings, to motivate the use of meta-analysis in order to reveal trends in relationships while also investigating the role of different contexts.

Second, it may be that different aspects of job insecurity relate differently to these types of outcomes. Because a perceived loss of continuity in a job situation can span the range from threats of imminent job loss to loss of important job features (Davy et al., 1997; Greenhalgh & Rosenblatt, 1984), these different aspects may evoke dissimilar reactions (Roskies & Louis-Guerin, 1990). Unfortunately, only a few studies report relationships of different job insecurity dimensions and outcomes. Ashford et al. (1989) studied the specific effects of different facets of insecurity in addition to the multiplicative measure, and reported approximately similar correlations of both likelihood of job features continuation and likelihood of total job continuation with various work attitudes, but non-significant relationships with somatic complaints. Roskies and Louis-Guerin (1990) examined the relative importance of various aspects of job insecurity on mental health and work commitment, and found that insecurity about future working conditions was more strongly related to the outcomes than insecurity about demotion and termination. Hellgren et al. (1999) found that qualitative job insecurity was more strongly related to work attitudes while quantitative insecurity evidenced stronger relationships with different aspects of health complaints. However, Greenhalgh and Rosenblatt (1984), who were the first to introduce the distinction between what we denote as quantitative and qualitative insecurity, noted that the aspect reflecting concerns about continued employment might be the most important of them. Although a loss of valued job features certainly represents an aspect of job insecurity "inasmuch as it involves losing the job as the affected employee currently knows it", it is likely that this threat is "less severe because organisational membership—and all that such membership means to the individual—is not lost" (p. 441). Clearly, further research is needed to understand the potentially differential effects of various dimensions of job insecurity.

A third problem concerning the relationship between job insecurity and its postulated outcomes is that the relative impact of insecurity on the effects of mood dispositions is far from clear. A great body of literature suggests that self-reports of job stress, well-being, and health are under the

influence of personality traits like positive and negative affectivity, and that such personality dispositions hence should be controlled for (Brief, Burke, George, Robinson, & Webster, 1988; Costa & McCrae, 1980; Roskies, Louis-Guerin, & Fournier, 1993; Schaubroeck, Ganster, & Fox, 1992; Watson & Pennebaker, 1989). It has been argued (e.g. Brief et al., 1988; Schaubroeck et al., 1992) that perceptions of job stress (such as job insecurity) and impaired well-being are manifestations of the same neurotic personality, i.e. a tendency to accentuate the negative aspects of life. Individuals high in negative affectivity are prone to evaluate themselves, others, and the world in general in a more negative way, while those high in positive affectivity are characterised by high energy, excitement, enthusiasm, and pleasurable engagement (Watson & Clark, 1984; Watson, Clark, & Tellegen, 1988; Watson & Pennebaker, 1989).

Fourth, most studies that have examined the consequences of job insecurity have been cross-sectional, relating job insecurity to its potential outcomes within a single data collection wave. This means that very little is known about the long-term effects of job insecurity. We know even less, however, when it comes to the relative effects of job insecurity on employee attitudes and well-being after prior levels of such outcomes have been taken into account. A review of the research on stress reactions (Depue & Monroe, 1986) indicates that prior levels of distress almost exclusively have been found to far better predict subsequent disorders than the life event stressors under study. Naturally, in order to effectively study if, or how, job insecurity contributes to impairments in attitudes and well-being, the pretest to assess initial levels of the outcome variables that are in focus should preferably take place before rumors about the organisational change start to circulate, even if this is almost impossible in field settings.

A related issue concerns causality. Although uncertainties about the future of one's job have been found to relate to lowered work attitudes and well-being, the direction of these relationship is merely assumed. Hartley et al. (1991) raised the important questions: "Does job insecurity cause lower job satisfaction and well-being? Or do employees with lower job satisfaction experience more job insecurity?" (p. 201). Clearly, longitudinal research designs—in which the same employees are followed over time, and both insecurity and its postulated consequences are measured on multiple occasions—is needed to answer these question and to detect the strength and duration of the effects of job insecurity on its potential outcomes (Ashford et al., 1989; Hartley et al., 1991). It seems especially warranted to examine the cross-lagged effects of job insecurity on subsequent outcomes as well as of initial attitudes/well-being on subsequent insecurity to investigate the credibility of the causal inferences that are so often drawn from cross-sectional studies.

CAN THE NEGATIVE CONSEQUENCES OF INSECURITY BE REDUCED?

If we, in spite of loosely founded causal inferences, still assume that job insecurity, as suggested by theory, has detrimental consequences for employee attitudes and well-being, then the question of how to reduce these negative consequences is a high priority. Organisations can take measures to prevent the most negative impact of job insecurity from occurring by, for instance, providing accurate information, enhancing communication, supplying re-training for alternative employment, and training their employees in how to cope with the stress created by job insecurity (Hartley et al., 1991; Heaney et al., 1994; Kets de Vries & Balazs, 1997). In fact, a number of studies have investigated the buffering, or moderating, effects of a variety of factors ranging from personality dispositions to social support. With the aid of some simplification, these factors can be classified into the individual differences perspective, the fairness perspective, and the support perspective.

In their model of job insecurity, its antecedents and consequences, Greenhalgh and Rosenblatt (1984) postulated that individual differences could be expected to moderate the relationship between the experience of job insecurity and the employee's reactions to it. Although to date personality dispositions have been used primarily to investigate individual variations in perceptions of job insecurity (see, for instance, Hartley et al., 1991), it is conceivable that some dispositions may bolster the negative effects of insecurity on outcomes.

One of the few studies that specifically investigated the relationship between personality traits, job insecurity, and employee well-being was made by Roskies et al. (1993). They observed that individuals expressing high levels of negative affectivity do not inevitably perceive the outcomes of job insecurity as more severe than those low in this attribute, but they may report lower well-being because of their elevated initial values. Similarly, they suggested that positive affectivity would have an opposite but equally strong influence on perceived stress and attitudes. Interestingly, Roskies and her associates found that personality was the most important predictor of distress, even more important than the perception of job insecurity. In addition, dispositions other than affectivity (e.g. locus of control, need for security, centrality of work) may moderate the effects of job insecurity on outcomes (Ashford et al., 1989; Greenhalgh & Rosenblatt, 1984).

A growing body of research has also examined if and how the negative effects of downsizing can be reduced through fair treatment of the employees. Perceptions of fair treatment in the context of layoffs and downsizing refer to an individual's appraisal of the procedures used to enact organisational change (Thibaut & Walker, 1975). Although this perspective has primarily been applied to downsizing in general, it may prove useful also to the more

specific field of job insecurity. Concepts such as participation in the change process (Lind & Tyler, 1988; Parker et al., 1997), global process control (Davy, Kinicki, & Scheck, 1991), and organisational justice (Brockner, 1990; Novelli, Kirkman, & Shapiro, 1995) have emerged as important factors influencing survivors' work attitudes, performance, and well-being. The basic idea underlying these concepts is that employee perceptions of fair treatment during the change process and participation in decision-making will have beneficial consequences for their work attitudes and well-being, and may even moderate the negative effects of downsizing-induced stress on such outcomes.

There is empirical evidence to support the positive role of the various fairness factors. For example, previous research has shown that individuals report higher job satisfaction when they have an opportunity to provide input into how decisions are made (Konovsky & Folger, 1987; Lind & Tyler, 1988). Parker et al. (1997) found that participation (i.e. being kept informed and involved over the course of downsizing) was associated with improved job satisfaction and well-being. Participation has also been shown to moderate the effects of role stress among hospital employees (Pozner & Randolph, 1980). It is likely that employees feel a sense of control over the situation when they have an opportunity to influence the decisions being made. Barling and Kelloway (1996) found that control perceptions had positive direct effects on various health indicators and work attitudes, and in addition, moderated the effects of job insecurity on physical health. Tetrick and LaRocco (1987) reported that control predicted perceived stress and job satisfaction, and moderated the relationship between these variables. Major research contributions on the importance of justice in the downsizing process have been made by Brockner and associates (e.g. Brockner, 1990; Brockner & Grover, 1988; Brockner, Tyler, & Cooper-Schneider, 1992).

Research has also examined the moderating effects of social support on the job insecurity–employee reactions relationships. This stream of research focuses on various types of support an employee can draw upon. The underlying logic, derived from stress research, is that these sources of support can mitigate the resulting negative reactions. For instance, Lim (1996) found that nonwork-based support (i.e. support provided by family and friends) moderated the negative effects of job insecurity on life dissatisfaction, while work-based social support buffered individuals against the negative effects of job dissatisfaction, proactive job search, and noncompliant job behaviors.

Unfortunately, even though job insecurity is an increasingly important factor in unionised as well as non-unionised workplaces, very little research has examined if and how union membership relates to job insecurity and its outcomes. Without the collective support derived from union membership, it may be argued, the more difficulty an employee will have in coping with

job insecurity (Dekker & Schaufeli, 1995); on the other hand, those who stay outside the unions may trust their own capacity to redress insecurity.

Only a few years ago, Mellor (1992) observed that "one surprising aspect of prior studies on layoff reactions is that none have been conducted in unionized work settings, despite the fact that most layoffs have occurred in these settings, as opposed to nonunionized settings" (p. 581). Since then, our understanding of the role of unionisation has improved somewhat. For instance, a study that included the mere presence of union membership as an external coping resource (Shaw, Fields, Thacker, & Fisher, 1993) found positive relationships between union membership and both organisational commitment and positive attitudes towards organisational change, but no interaction effects of job insecurity and union membership on these reactions. Similar results are reported by Sverke and Hellgren (2001). Dekker and Schaufeli (1995) reported that social support derived from union membership, co-workers, and colleagues did not buffer the moderate effects of job insecurity on employee well-being.

The area of factors that may moderate the negative effects of job insecurity certainly represents a fruitful direction for further research. Even if individual differences, fair treatment of employees in layoffs, and social support do nothing about the stressor itself, that is, they do not change the insecure employment situation into a more favorable one, they all may have beneficial effects for the individual if they prevent the most negative reactions from occurring. Given that employees' reactions to uncertainties in a given organisational context are of fundamental importance from both the occupational health and managerial perspectives (Matteson & Ivancevich, 1987), moderators of job insecurity take on double importance. From the occupational health perspective, it becomes crucial to understand how the negative consequences of job insecurity for employee well-being and work attitudes can be buffered by various moderating variables. From the managerial perspective, it is obvious that a workforce plagued with stress reactions and impaired well-being cannot reverse decline and make the organisation more effective (Hartley et al., 1991). This clearly illustrates that the moderation of the effects of job insecurity deserves additional attention in the future.

CONCLUSIONS

Downsizing and other forms of organisational change involving layoffs (e.g. mergers, acquisitions, outsourcing, organisational restructuring) will continue as production and overhead costs remain noncompetitive (Burke & Nelson, 1998) and thus render job insecurity a lasting characteristic of working life. Its negative reactions, combined with the facts that uncertain job situations tend to increase change resistance (Noer, 1993), that the
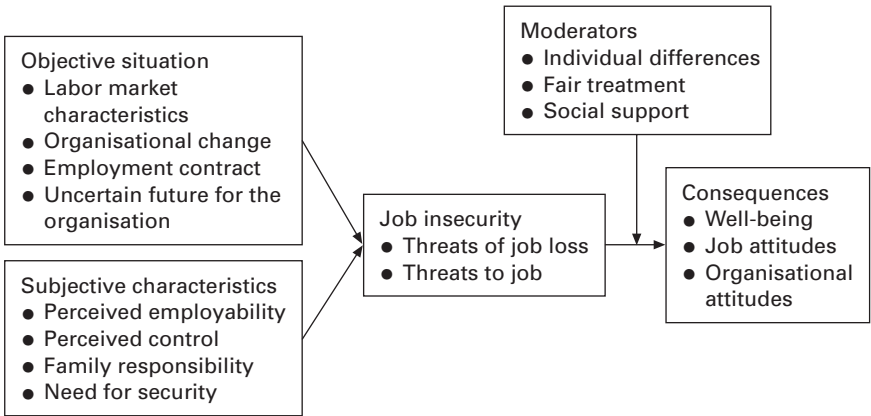
FIGURE 1.   Integrated model of job insecurity.

most valuable individuals are more inclined to seek other job alternatives (Greenhalgh & Rosenblatt, 1984), and that the survivors have to do more with fewer resources (Burke & Nelson, 1998), suggest that job insecurity is of vital concern for both employees and their organisations.

Our goal with the present review has been to contribute to the understanding of job insecurity by addressing theoretical as well as methodological issues and highlighting areas where further research is warranted. We summarise our conclusions from this literature review in an integrated model of job insecurity (see Fig. 1). The model describes job insecurity as a subjectively experienced, multidimensional phenomenon which may arise as a function of the interaction between the objective situation and subjective characteristics, a phenomenon which may have detrimental consequences for employee attitudes and well-being, where such consequences may be mitigated by a number of potential moderators.

Our review has focused on job insecurity as a consequence that may follow upon the changing nature of work. However, as we have briefly sketched, job insecurity may not be an inherent and inevitable consequence of downsizing, structural change, and organisational strivings for flexibility (Burke & Nelson, 1998; Klein Hesselink & van Vuuren, 1999). Rather, job insecurity can be described as a function of both the objective situation (e.g. labor market characteristics, organisational change) and the individual's subjective characteristics (e.g. family responsibility, employability). More research is warranted to unravel the characteristics of those individuals who react with job insecurity to specific objective situations.

In our view, more systematic research is needed also as to the consequences of job insecurity. We called for more longitudinal research to address

issues of causality, long-term effects of insecurity, and its relative effects after controlling for other important factors, such as initial levels of the outcomes under study. In order to address these issues in a proper way, additional theory development is necessary. Conceptual refinement appears justified to broaden the definition of job insecurity to encompass more than threats of job loss. Although work has been done in this direction, concerns about valued job features represent an area where several different aspects are plausible, for instance, threats of impaired job content, demotion, pay development, and relations with co-workers. Such theoretical work should be carried out in close cooperation with development, and validation, of measures to reflect these different dimensions.

We also believe that further research is needed to examine how the negative effects of job insecurity can be reduced. Three areas of moderators seem especially important—individual differences, fairness perceptions, and social support—but we have noted that surprisingly little research has examined the social support labor unions can provide employees in situations of retrenchment.

As the flexibility of the labor market is likely to increase even more rapidly in the new millennium, it is also of vital importance that research on job insecurity is sensitive to changes in working life and addresses more modern forms of employment relationships. While flexibility certainly meets the demands of many employers, it could well be that work on a project basis and temporary employment are also in line with the expectations and wishes of certain groups of individuals, presumably young workers, professionals, and employees in emerging industry sectors. If such a value shift is taking place, then the construct of job insecurity takes on still other connotations, such as threats to continuous on-the-job training, professional development, and future employability.

REFERENCES

Arnold, H.J., & Feldman, D.C. (1982). A multivariate analysis of the determinants of job turnover. *Journal of Applied Psychology*, *67*, 350–360.

Ashford, S.J., Lee, C., & Bobko, P. (1989). Content, causes, and consequences of job insecurity: A theory-based measure and substantive test. *Academy of Management Journal*, *4*, 803–829.

Barling, J., & Kelloway, K.E. (1996). Job insecurity and health: The moderating role of workplace control. *Stress Medicine*, *12*, 253–259.

Borg, I., & Elizur, D. (1992). Job insecurity: Correlates, moderators and measurement. *International Journal of Manpower*, *13*, 13–26.

Brief, A.P., Burke, M.J., George, J.M., Robinson, B.S., & Webster, J. (1988). Should negative affectivity remain an unmeasured variable in the study of job stress? *Journal of Applied Psychology*, *2*, 193–198.

Brockner, J. (1988). The effects of work layoffs on survivors: Research, theory, and practice. In B.M. Staw & L.L. Cummings (Eds.), *Research in organizational behavior*, Vol. 10. Greenwich, CT: JAI Press.

Brockner, J. (1990). Scope of justice in the workplace: How survivors react to co-worker layoffs. *Journal of Social Issues*, *46*, 95–106.

Brockner, J., & Grover, S.L. (1988). Predictors of survivors' job involvement following layoffs: A field study. *Journal of Applied Psychology*, *3*, 436–442.

Brockner, J., Tyler, T., & Cooper-Schneider, R. (1992). The influence of prior commitment to an institution on reactions to perceived unfairness: The higher they are, the harder the fall. *Administrative Science Quarterly*, *37*, 241–261.

Burke, R.J., & Nelson, D. (1998). Mergers and acquisitions, downsizing, and privatization: A North American perspective. In M.K. Gowing, J.D. Kraft, & J.C. Quick (Eds.), *The new organizational reality: Downsizing, restructuring, and revitalization* (pp. 21–54). Washington, DC: American Psychological Association.

Cameron, K., Freeman, S., & Mishra, A. (1991). Best practices in white-collar downsizing: Managing contradictions. *Academy of Management Executive*, *5*, 57–73.

Caplan, R.D., Cobb, S., French, J.R.P., Van Harrison, R., & Pinneau, S.R. (1975). *Job demands and worker health*. Washington, DC: National Institute for Occupational Safety and Health.

Cascio, W.F. (1998). Learning from outcomes: Financial experiences of 311 firms that have downsized. In M.K. Gowing, J.D. Kraft, & J.C. Quick (Eds.), *The new organizational reality: Downsizing, restructuring, and revitalization* (pp. 21–54). Washington, DC: American Psychological Association.

Costa, P.T., & McCrae, R.R. (1980). Influence of extraversion and neuroticism on subjective well-being: Happy and unhappy people. *Journal of Personality and Social Psychology*, *4*, 668–678.

Davy, J.A., Kinicki, A.J., & Scheck, C.L. (1991). Developing and testing a model of survivor responses to layoffs. *Journal of Vocational Behavior*, *38*, 302–317.

Davy, J.A., Kinicki, A.J., & Scheck, C.L. (1997). A test of job security's direct and mediated effects on withdrawal cognitions. *Journal of Organizational Behavior*, *18*, 323–349.

Dekker, S.W.A., & Schaufeli, W.B. (1995). The effects of job insecurity on psychological health and withdrawal: A longitudinal study. *Australian Psychologist*, *30*, 57–63.

Depue, R.A., & Monroe, S.M. (1986). Conceptualization and measurement of human disorder in life stress research. *Psychological Bulletin*, *99*, 36–51.

De Witte, H. (1999). Job insecurity and psychological well-being: Review of the literature and exploration of some unresolved issues. *European Journal of Work and Organizational Psychology*, *8*, 155–177.

Gowing, M.K., Kraft, J.D., & Campbell Quick, J. (Eds.) (1998). *The new organizational reality: Downsizing, restructuring, and revitalization*. Washington, DC: American Psychological Association.

Greenhalgh, L., & Rosenblatt, Z. (1984). Job insecurity: Toward conceptual clarity. *Academy of Management Review*, *3*, 438–448.

Hartley, J., Jacobson, D., Klandermans, B., & van Vuuren, T. (1991). *Job insecurity: Coping with jobs at risk*. London: Sage.

Hartley, J., & Klandermans, P.G. (1986). Individual and collective responses to job insecurity. In G. Debus & H.-W. Schroiff (Eds.), *The psychology of work and organization* (pp. 129–136). Amsterdam: Elsevier Science.

Heaney, C.A., Israel, B.A., & House, J.S. (1994). Chronic job insecurity among automobile workers: Effects on job satisfaction and health. *Social Science & Medicine*, *38*, 1431–1437.

Hellgren, J., Sverke, M., & Isaksson, K. (1999). A two-dimensional approach to job insecurity: Consequences for employee attitudes and well-being. *European Journal of Work and Organization Psychology*, *8*, 179–195.

Hitt, M.A., Keats, B.W., Harback, H.F., & Nixon, R.D. (1994). Rightsizing-building and maintaining strategic leadership: A long-term competitiveness. *Organizational Dynamics*, *23*, 18–32.

Howard, A. (1995). *The changing nature of work*. San Francisco, CA: Jossey-Bass.

Isaksson, K., Hellgren, J., & Pettersson, P. (1998). *Strukturomvandling inom svensk detaljhandel: Uppföljning av omorganization och personalminskning i KF/KDAB* (Structural transformation in Swedish retail trade: Follow-up of a reorganisation and layoff in KF/KDAB). Stockholm: Stockholm University (Reports from the Department of Psychology, No. 97/1998).

Jacobson, D. (1991). Toward a theoretical distinction between the stress components of the job insecurity and job loss experiences. In S.B. Bacharach (Ed.), *Research in the sociology of organizations*, Vol. 9 (pp. 1–19). Greenwich, CT: JAI Press.

Jahoda, M. (1982). *Employment and unemployment: A social psychological analysis*. New York: Cambridge University Press.

Jick, T.D. (1985). As the axe falls: Budget cuts and the experience of stress in organizations. In T.A. Beehr & R.S. Bhagat (Eds.), *Human stress and cognition in organizations: An integrated perspective* (pp. 83–114). New York: Wiley.

Johnson, C.D., Messe, L.A., & Crano, W.D. (1984). Predicting job performance of low income workers: The work opinion questionnaire. *Personnel Psychology*, *37*, 291–299.

Kets de Vries, M.F.R., & Balazs, K. (1997). The downside of downsizing. *Human Relations*, *50*, 11–50.

Kinnunen, U., Mauno, S., Nätti, J., & Happonen, M. (1999). Perceived job insecurity: A longitudinal study among Finish employees. *European Journal of Work and Organizational Psychology*, *8*, 243–260.

Klein Hesselink, D.J., & van Vuuren, T. (1999). Job flexibility and job insecurity: The Dutch case. *European Journal of Work and Organizational Psychology*, *8*, 273–293.

Konovsky, M., & Folger, R. (1987). Relative effects of procedural and distributive justice on employee attitudes. *Representative Research in Social Psychology*, *17*, 15–24.

Kozlowski, S., Chao, G., Smith, E., & Hedlund, J. (1993). Organizational downsizing: Strategies, interventions and research implications. In C.L. Cooper & I.T. Robertson (Eds.), *International review of industrial and organizational psychology*, Vol. 8 (pp. 263–332). New York: Wiley.

Latack, J.C., & Dozier, J.B. (1986). After the axe falls: Job loss on a career transition. *Academy of Management Review*, *11*, 375–392.

Lazarus, R.S., & Folkman, S. (1984). *Stress appraisal and coping*. New York: Springer.

Lim, V.K.G. (1996). Job insecurity and its outcomes: Moderating effects of work-based and nonwork-based social support. *Human Relations*, *2*, 171–194.

Lind, E., & Tyler, T. (1988). *The social psychology of procedural justice*. New York: Plenum.

McLean Parks, J., Kidder, D.L., & Gallagher, D.G. (1998). Fitting square pegs into round holes: Mapping the domain of contingent work arrangements onto the psychological contract. *Journal of Organizational Behavior*, *19*, 697–730.

Matteson, M.T., & Ivancevich, J.M. (1987). *Controlling work stress: Effective human resource and management strategies*. San Francisco: Jossey-Bass.

Mattiasson, I., Lindgarde, F., Nilsson, J.A., & Theorell, T. (1990). Threat of unemployment and cardiovascular risk factors: Longitudinal study of quality of sleep and serum cholesterol concentration in men threatened with redundancy. *British Journal of Medicine*, *301*, 461–466.

Mellor, S. (1992). The influence of layoff severity on post-layoff union commitment among survivors: The moderating effect of the perceived legitimacy of a layoff account. *Personnel Psychology*, *45*, 579–600.

Mohr, G.B. (2000). The changing significance of different stressors after the announcement of bankruptcy: A longitudinal investigation with special emphasis on job insecurity. *Journal of Organizational Behavior*, *21*, 337–359.

Noer, D. (1993). *Healing the wounds: Overcoming the trauma of layoffs and revitalizing downsized organizations*. San Francisco: Jossey-Bass.

Novelli, Jr., L., Kirkman, B.L., & Shapiro, D.L. (1995). Effective implementation of organizational change: An organizational justice perspective. In C.L. Cooper & D.M. Rousseau (Eds.), *Trends in organizational behavior*, Vol. 2 (pp. 15–36). Chichester, UK: Wiley.

Parker, S.K., Chmiel, N., & Wall, T.D. (1997). Work characteristics and employee well-being within a context of strategic downsizing. *Journal of Occupational Health Psychology*, *4*, 289–303.

Pfeffer, J. (1998). *The human equation: Building profits by putting people first*. Boston, MA: Harvard University Press.

Pozner, B.Z., & Randolph, W.A. (1980). Moderators of role stress among hospital personnel. *The Journal of Psychology*, *105*, 215–224.

Rifkin, J. (1995). *The end of work: The decline of the global labor force and the dawn of the post-market era*. New York: Putnam.

Rosenblatt, Z., & Ruvio, A. (1996). A test of a multidimensional model of job insecurity: The case of Israeli teachers. *Journal of Organizational Behavior*, *17*, 587–605.

Rosenblatt, Z., Talmud, I., & Ruvio, A. (1999). A gender-based framework of the experience of job insecurity and its effects on work attitudes. *European Journal of Work and Organizational Psychology*, *8*, 197–217.

Roskies, E., & Louis-Guerin, C. (1990). Job insecurity in managers: Antecedents and consequences. *Journal of Organizational Behavior*, *11*, 345–359.

Roskies, E., Louis-Guerin, C., & Fournier, C. (1993). Coping with job insecurity: How does personality make a difference? *Journal of Organizational Behavior*, *14*, 617–630.

Schaubroeck, J., Ganster, D.C., & Fox, M.L. (1992). Dispositional affect and work-related stress. *Journal of Applied Psychology*, *3*, 322–335.

Shaw, J.B., Fields, W.M., Thacker, J.W., & Fisher, C.D. (1993). The availability of personal and external coping resources: Their impact on job stress and employee attitudes during organizational restructuring. *Work & Stress*, *7*, 229–246.

Sparrow, P. (1998). The pursuit of multiple and parallel organizational flexibilities: Reconstituting jobs. *European Journal of Work and Organizational Psychology*, *7*, 79–95.

Sverke, M., Gallagher, D.G., & Hellgren, J. (2000). Alternative work arrangements: Job stress, well-being and pro-organizational attitudes among employees with different employment contracts. In K. Isaksson, C. Hogstedt, C. Eriksson, & T. Theorell (Eds.), *Health effects of the new labour market* (pp. 145–167). New York: Plenum.

Sverke, M., & Hellgren, J. (2001). Exit, voice, and loyalty reactions to job insecurity in Sweden: Do unionized and non-unionized employees differ? *British Journal of Industrial Relations*, *39*, 167–182.

Tetrick, L.E., & LaRocco, J.M. (1987). Understanding, prediction, and control as moderators of the relationships between perceived stress, satisfaction, and psychological well-being. *Journal of Applied Psychology*, *72*, 538–543.

Thibaut, J., & Walker, L. (1975). *Procedural justice: A psychological analysis*. Hillsdale, NJ: Erlbaum.

van Vuuren, T. (1990). *Met ontslag bedreigd: Werknemers in onzekerheid over hun arbeidsplaats bij veranderingen in de organisatie*. Amsterdam: VU Uitgeverij.

Watson, D., & Clark, L.A. (1984). Negative affectivity: The disposition to experience aversive emotional states. *Psychological Bulletin*, *3*, 465–490.

Watson, D., Clark, L.A., & Tellegen, A. (1988). Development and validation of brief measures of positive and negative affect: The PANAS scales. *Journal of Personality and Social Psychology*, *6*, 1063–1070.

Watson, D., & Pennebaker, J.W. (1989). Health complaints, stress and distress: Exploring the central role of negative affectivity. *Psychological Review*, *2*, 234–254.