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The Effects of Prolonged Job Insecurity on the Psychological Well-Being of Workers

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Job insecurity has been increasing since the 1980s. While researchers have found job insecurity to be negatively associated with multiple indicators of well-being for workers and their families in cross sectional studies, less is known about the long term effects of prolonged job insecurity. Specifically, there is a need to collect measures of both insecurity and its consequences at multiple time periods. The current study followed workers for 3 ½ years to assess the effects of chronic job insecurity on psychological distress. Results indicate that while workers reported increased feelings of security over time, there were longer term negative effects on workers' depression levels. The importance of government regulations to decrease insecurity is discussed.

Keywords: job insecurity, well-being, workers, psychological distress

As employment continues to shift in the U.S., more and more workers face uncertainty in their jobs. Almost four million U.S. workers who were previously in long tenured positions...
were displaced from their jobs between 1997 and 2000 (Helwig, 2004). One important reason for this shift is increasing global competition. The search for cheap labor and greater profits has resulted in the restructuring of the economy from manufacturing to service industries (Mishel, Bernstein & Allegretto, 2005). The service and retail industries accounted for 83.3% of all new jobs between 1989 and 1995. At the same time, the manufacturing industry, once considered the most stable employer in the U.S. for non-college educated workers, declined in the 1990s, losing over 2 million jobs between 1980 and 1995 (Mishel, Bernstein & Schmitt, 1997). Blue collar workers were hit hard between 2000 and 2003 as well, losing another 2.7 million jobs in just a three year period (Mishel, Bernstein & Allegretto, 2005).

Job insecurity is not reserved for those workers whose employment is immediately threatened, however. Job insecurity is defined as a subjective perception of feelings of insecurity about the future of one’s employment (Witt, 2005). Perceived job insecurity results when “workers come to doubt the continued existence of their jobs in the future” due to economic or organizational change (Reynolds, 2000, p.5). While job insecurity is especially relevant in the context of a corporation that is experiencing downsizing, perceived job insecurity is also experienced by workers in seemingly unthreatened job situations (Sverke & Hellgren, 2002). In a national survey in 1996, for example, 79% of respondents said that “every time” they heard about a company downsizing they worried about their own job, regardless of whether their own job was personally threatened (Andolsen, 1998). Therefore, the term “job insecurity” can be used to represent feelings associated with an actual threat to one’s job, such as a lay off notice, or a more general perception by workers of job risk. Such findings are consistent with the central idea behind stress research, that the anticipation of a stressful event represents an important source of psychological distress equal to an actual event experienced (Lazarus & Folkman, 1984).

Conceptual Framework

While there is a growing body of research addressing short
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term job insecurity and its negative effects on workers and their families, there are many theoretical gaps in our understanding of the potential longer term consequences for workers who experience prolonged job insecurity. The current study is an attempt to address these gaps. Three important conceptual issues will be addressed in this paper. First, 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" (Sverke & Hellgren, 2002, p.33).

The few longitudinal studies that have examined prolonged job insecurity have largely looked at only two points in time. Such a design does not allow for the assessment of potential non-linear effects of job insecurity over time. This becomes particularly salient considering that some social scientists speculate there may be a cumulative effect of stress for job insecure workers, resulting in greater negative psychological outcomes over time, while other research indicates that job insecurity dissipates quickly and the effects are not cumulative (Heaney, Israel & House, 1994; Armstrong-Stassen, 2002). Therefore, longitudinal analyses where both "insecurity and its postulated consequences are measured on multiple occasions is needed to . . . detect the strength and duration of the effects of job insecurity on its potential outcomes" (Sverke & Hellgren, 2002, p. 33).

Second, there are only a small number of studies on the long term effects of job insecurity that have been conducted in the United States. Most of the longitudinal studies on the effects of job insecurity have been conducted in Canada, Australia and Europe. There may be important variations in outcomes of insecurity from country to country. The literature needs to be examined carefully, since workers in other countries may be more or less protected from the severity of potential job loss depending on whether they have employment policies that serve to protect them (Givord & Maurin, 2003; Andolsen, 1998). If this is the case it could account for some of the conflicting results reported in the longitudinal research on job insecurity thus far.

Third, while there has been much conceptual discussion
in the literature on the demographic characteristics of workers who are most vulnerable to the potential negative effects of chronic job insecurity, there are few studies that have empirically examined these relationships (Bargal, Back, & Ariav, 1992; Andolsen, 1998). Therefore, demographic and financial characteristics of U.S. workers are included in this analysis to examine variations in vulnerability to job insecurity.

This paper presents the results of a longitudinal study that followed a sample of U.S. manufacturing workers over 3½ years with multiple data collection periods in an attempt to resolve some of the disagreements surrounding the strength and duration of the effects of prolonged job insecurity on the psychological well-being of workers. The inconsistencies of results from previous longitudinal research on job insecurity are reviewed taking into account the country of origin. Finally, implications for policy that may mediate the impact of job insecurity are discussed.

The Changing Nature of Job Security

For decades after World War II, workers in the U.S., particularly in the manufacturing sector, expected that good employees would be offered long term job security. But, as Andolsen (1998) points out, the terms of the social contract between employees and employers have changed, with employers no longer promising long term employment with the company in “highly competitive conditions in an increasingly deregulated global economy” (p. 25). This changing social contract between employers and employees has been coined by Andolsen as the new “employability contract”, whereby employees are expected to enhance their skill levels to compete in the labor market with no guarantees of long term security from employers.

Beginning in the 1980s many corporations began downsizing, firing long time employees, and shifting from full-time workers to contingent workforces: part-time, temporary, and contract workers. Part of the intensity of the pain of job insecurity, according to Wallulis (1998), comes from a sense of betrayal by employers. Being a good employee and having a sense of loyalty to the company was no longer enough to maintain security in their jobs. The new “employability” model is
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based on the highest short term profits for corporations, while workers must plan for a future in a highly uncertain and competitive economic environment.

Cross-Sectional Research on Job Insecurity

There was a sharp increase in job insecurity during the recessionary period of the 1980s (OECD, 1997), and the effects of workers’ perceived job insecurity were well documented during that time (Ashford, Lee & Bobko, 1989; Greenhalgh & Rosenblatt, 1984; Kuhnert, Sims & Lahey, 1989; Vance & Kuhnert, 1988). Cross-sectional research conducted during this period consistently found stress, anxiety, financial concerns and fear associated with job insecurity.

There were fewer studies that examined the negative effects of job insecurity on U.S. workers during the era of sustained economic recovery of the late 1990s and early 2000s, even though in 2000, 40.4% of laborers and 30.2% of blue-collar workers reported feeling insecure in their jobs (Reynolds, 2000).

In a cross-sectional study at a large university undergoing cutbacks and lay-offs in the U.S., Larson, Wilson and Beley (1994) found that job insecurity was negatively associated with marital satisfaction and overall family functioning for both husbands and wives. In this study, job insecurity occurred as the result of a threat to the respondent’s job situation. In a second cross-sectional study, Finnish researchers examined perceived job insecurity in a general sample of dual earner couples (Mauno & Kinnunen, 2002). Economic stress and low self-esteem were significantly related to job insecurity. Women were more insecure than men, and employees in the private sector were more insecure than workers in the public sector.

Finally, researchers in Australia sampled 1188 professionals in a cross-sectional general population survey to assess the association between job insecurity and depression, anxiety, a physical health summary scale and self-rated health (D’Souza, Strazdins, Lim, Broom, & Rodgers, 2005). Job insecurity was found significantly associated with all four outcome measures, although the effects were most marked for depression and self-rated health.

The cross-sectional studies above largely demonstrate that workers’ feelings of job insecurity correlate negatively with
multiple indicators of well-being for both workers and their families, whether the perceived insecurity was the result of current restructuring, or if it were a more generalized feeling of job insecurity. Since these studies describe cross-sectional research, it remains unknown whether insecurity or its consequences can be expected to subside after a short period of time. The experience of prolonged job insecurity may prove to be much more problematic for workers and their families in the long run.

Longitudinal Studies of Job Insecurity

Little definitive evidence exists regarding the effects of prolonged job insecurity on emotional well-being. The studies that have examined this area have found mixed results. Heaney, Israel and House (1994) investigated the effects of extended periods of job insecurity in a sample of U.S. car manufacturers. Data were collected in two waves over a two year time period. The study provides evidence of the negative effects of chronic levels of job insecurity on job satisfaction and physical health. Heaney and colleagues found that extended periods of job insecurity, due to industry cutbacks and restructuring, contributed to increased physical symptomatology over and above the effect of job insecurity at any one point in time. The researchers concluded that job insecurity may be a cumulative stressor, increasing its effect over time. However, they recommended more longitudinal research that collected data at multiple points in time to better understand the process by which stress accumulates.

Researchers in Sweden conducted an analysis of a large retail chain undergoing major organizational restructuring (Hellgren, Sverke & Isaksson, 1999). They collected data at two points in time, the first in 1995 and the second a year later. Results were similar to those found in the previous study. By adding mental health status at time one to their multivariate model, job insecurity plus their covariate increased the amount of variance in mental health explained by the model from 30% to 39%. This supports Heaney, Israel and House’s (1994) hypothesis of a cumulative effect of job insecurity on mental health. However, they too collected only two data points at two year intervals.
In an attempt to resolve the distinction between short term and more chronic insecurity, Ferrie, Shipley, Stansfeld and Marmot (2002) examined data from the “Whitehall II study” a general population survey which targets all London based staff working in 20 civil service departments. They examined phase four (1995/6) and phase five (1997/99) of the study to assess changes between two groups of respondents: those who moved from secure to insecure employment from phase four to phase five; and those who they determined were chronically insecure during the same time period. Male respondents who moved from secure to insecure employment situations between the two data collection periods reported poorer self-rated health, scored lower on the general health questionnaire (GHQ), and reported higher levels of depression. Women reported lower self-rated health scores and higher blood pressure. Of those respondents who experienced chronic job insecurity, both men and women reported poorer self-rated health, lower GHQ, and higher depression levels.

Between 1990 and 1991, researchers in Australia collected questionnaires twice within a two month period to assess prolonged job insecurity in a sample of state public transportation employees whose department was undergoing restructuring (Dekker & Schaufeli, 1995). There were no significant differences in time one and time two levels of psychological distress, indicating that prolonged job insecurity was associated with continuously high levels of psychological distress, but these effects were not cumulative.

In contrast, results from a Canadian study by Armstrong-Stassen (2002) suggest that downsizing in a large government program did not have long term effects on the survivors’ job security. Rather, as soon as employees knew they had survived the period of downsizing, feelings of job security were higher than at any point during the downsizing period. This study was the only study that looked at multiple points in time, collecting four waves of data from 1996-1999. Using repeated paired sample T-tests, Armstrong-Stassen reported that after the initial downsizing, feelings of security increased at each data collection period. Given that this study uses repeated measures, it is important to note that it is also the only study that found that insecurity significantly decreased quickly after the
initial job threat dissipated. However, Armstrong-Stassen did not include a measure of psychological or physical well-being, but focused instead on feelings of morale and organizational trust. Results indicate that while workers felt more secure over time, feelings of morale and trust remained low throughout. This may indicate that although job security increased over time, there were longer term negative effects on both morale and organizational trust.

**Vulnerable Workers and Job Insecurity**

It is important to understand which workers appear to be most at risk for negative outcomes of job insecurity. Several conceptual articles on job insecurity emphasize the importance of not only examining how job insecurity affects mental health, but also postulates who may be most affected. Bargal, Back and Ariav (1992), for example, theorize that older workers are at great risk and should receive heightened attention during periods of prolonged job insecurity. Likewise, Andolsen (1998) suggests the "new employability" model creates a situation for workers that place women, older workers and minorities at greater financial and psychological risk if they are displaced.

Few studies measure variations in the effects of job insecurity by different demographic and financial characteristics, however. Manski & Straub (2000) found that older, less educated workers who experienced job insecurity experienced fewer expectations of finding a good job if a job search became necessary. They also found that job insecurity was much higher for blacks than for whites. Other studies have simply measured who is at greater risk for job insecurity, but have not linked risk with outcomes. For example, Ferrie and associates (2005) found marital status significant in predicting feelings of job insecurity, with single persons twice as likely as married persons to report insecurity. D'Souza and associates (2003) found divorced, separated, and widowed persons most likely to experience job insecurity. Mauno & Kinnunen (2002) found women and economic stressors predicted greater job insecurity. No studies were found that specifically linked demographic variations in workers with mental or physical health effects of job insecurity.

To summarize, few of the studies reviewed here were
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conducted in the U.S. Further, evidence of a cumulative effect of prolonged job insecurity on mental health is hampered by design issues. However, what evidence does exist is compelling and demonstrates that chronic job insecurity can, at the least, have a prolonged negative impact on workers. Further, there is some evidence that personal characteristics may make some individuals more susceptible than others to the negative effects associated with job insecurity. The present study examines the psychological effects of job insecurity at multiple points in time as well as examines individual characteristics of workers who may be more at-risk for these effects.

Research Questions

The research questions for this study will attempt to clarify and add to the knowledge base by examining workers' experiences of prolonged job insecurity in a manufacturing plant in the southeastern United States. The research questions are as follows:

1. Are job insecurity, financial difficulty and demographic characteristics of age, race, marital status, gender and number of children significant in predicting depression and anxiety?
2. Is there evidence of cumulative psychological distress associated with prolonged job insecurity?

Sample and Methods

This paper reports on a stratified systematic sample of 112 workers from a garment manufacturing plant. The workers were originally subject to perceived job insecurity in 1998 as a result of their close proximity to a similar manufacturing plant that had closed just fifteen miles away. Initially, the workers in this sample were assured that their plant was not slated for closure. Seventy nine percent of the job insecure sample continued to be followed over a three and a half-year period, until they received notice that they, too, would be displaced.

Interviews were conducted every six months for a total of eight data collection periods. The project had six interviewers who received interviewer training. Each interview took
approximately 45 minutes to 1-½ hours to conduct. The interviews asked about workers' financial status, emotional well-being, their feelings of job security, and collected demographic information.

Measurement

The dependent variables were measured using the depression and anxiety scales from the Symptoms Check List (SCL90-R, Derogatis, 1994). The clinical cutoff for both depression and anxiety was a standardized score greater than 62. The scales have been studied extensively for use in both psychiatric patients and adult non-patient groups. The current study uses adult non-patient norms. There are also separate T-score transformations for males and females. Reliability coefficients in these groups were .90 for depression and .85 for anxiety. The instruments also have shown good convergent-discriminant validity. The SCL-90-R effectively discriminates between disorder categories of the structured Clinical Interview for the DSM III-R and the Hamilton Rating Scale for depression.

Independent and control variables for the job insecure workers included job insecurity, measured using a four point Likert-type scale; demographic variables, including age, race, number of children, gender and marital status; and a financial difficulty scale, measured using a 5-point Likert type scale developed by Conger and Elder (1994), ranging from "none" to "a great deal of difficulty" paying bills each month.

Analysis

Multiple regression analysis at baseline examined differential effects of perceived job insecurity on depression and anxiety, simultaneously controlling for demographics and financial difficulty. Longitudinal analyses are depicted graphically to show the trends in the measures of depression and anxiety at six-month intervals over a three and a half-year period of time, and to assess for the possibility of cumulative distress related to chronic job insecurity. Depression and anxiety were compared with the levels of job insecurity and financial difficulty over the same time period. Financial difficulty is included in the analysis to control for rival hypotheses that trends in depression and anxiety levels over time may actually result from
financial difficulty rather than perceived job insecurity. Paired sample T-tests are used to examine the data for significant differences between each of the data collection points over the three and a half year study.

Results

Tables 1 and 2 present the demographic characteristics of workers in our sample and the scores on depression, anxiety, financial difficulty and job insecurity at baseline. In this sample, the workers were, on average, middle-aged (38.8 years old), with approximately one child in the home. Almost 70% of the sample were married or had a partner living in the home, and the average education was just under a high school diploma. Ninety percent of the sample were white females. Approximately half of all respondents reported some to a great deal of financial difficulty and almost 2/3 of the sample experienced perceived job insecurity.

Table 1. Demographic Characteristics of the Sample

<table>
<thead>
<tr>
<th>Variable</th>
<th>Job Insecure Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n=112</td>
</tr>
<tr>
<td>Gender: % Female</td>
<td>90.2%</td>
</tr>
<tr>
<td>% Male</td>
<td>9.8%</td>
</tr>
<tr>
<td>Race:</td>
<td>90.2%</td>
</tr>
<tr>
<td>% White</td>
<td>6.5%</td>
</tr>
<tr>
<td>% Black</td>
<td>1.7%</td>
</tr>
<tr>
<td>% Asian American</td>
<td>1.8%</td>
</tr>
<tr>
<td>% Other</td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td>69.6%</td>
</tr>
<tr>
<td>% Married or Cohabiting</td>
<td>30.4%</td>
</tr>
<tr>
<td>% Single, Divorced, Widowed</td>
<td>.99</td>
</tr>
<tr>
<td>Average Number Children</td>
<td>11.7 years</td>
</tr>
<tr>
<td>Average Age</td>
<td>38.8 years</td>
</tr>
</tbody>
</table>
Table 2. Depression, Anxiety, Financial difficulty and Job Insecurity at Baseline

<table>
<thead>
<tr>
<th>Percent or Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Depression Score</td>
</tr>
<tr>
<td>Average Anxiety Score</td>
</tr>
<tr>
<td>% Reporting Financial Difficulty</td>
</tr>
<tr>
<td>% Reporting Job Insecurity</td>
</tr>
</tbody>
</table>

> 62 consistent with clinical depression

The first research question examines whether job insecurity, financial difficulty, and demographic characteristics are significantly related to depression and anxiety levels of workers. Since over 60% of our sample experienced job insecurity at baseline, we begin the analysis with the point at which job insecurity is high. Bivariate correlations were run first to assess significant relationships between the independent and dependent variables (not shown). Those variables found significant were included in the multiple regression model, simultaneously controlling for the effects of the other independent variables in the model. Table 3 shows the significant variables in the model, with their unstandardized and standardized beta coefficients.

Table 3. Multiple Regression Models Predicting Anxiety and Depression for Insecure Workers at Baseline

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dependent Variable Anxiety</th>
<th>Dependent Variable Depression</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>beta</td>
<td>Standardized</td>
</tr>
<tr>
<td>Job Insecurity</td>
<td>4.382</td>
<td>.302</td>
</tr>
<tr>
<td>Number of Children</td>
<td>-2.339</td>
<td>-.182</td>
</tr>
<tr>
<td>Age</td>
<td>-.170</td>
<td>-.143</td>
</tr>
<tr>
<td>Financial Difficulty</td>
<td>5.818</td>
<td>.493</td>
</tr>
<tr>
<td>Adjusted R-Square</td>
<td>.332</td>
<td>F = 7.673 *</td>
</tr>
</tbody>
</table>

* p < .01; + p < .05
Job security and financial difficulty were significantly related to anxiety, explaining 33% of the variance in anxiety. Job security, financial difficulty, number of children and age were significantly related to depression, explaining 32% of the variance in depression. Interestingly, having fewer children and being younger were significantly correlated with higher levels of depression. Since the sample consists of relatively older workers, many of their children may have already left home. However, the relationship between levels of depression and age contradicts the theoretical assumptions in the literature regarding job insecurity for older workers (c.f. Manski & Straub, 2000).

The second research question asks if there is evidence of the cumulative stress hypothesis regarding prolonged exposure to chronic job insecurity. Figure 1 and 2 graphically represent the sample's prolonged insecurity and its impact on workers over time. Figure 1 indicates that there is evidence of prolonged emotional distress over time, but not necessarily cumulative stress. Depression never significantly declined between any 2 data periods over the three and a half year period. Anxiety, on the other hand, did decline significantly between baseline and six months, and again between 2 ½ and 3 years. Furthermore, in half the time periods, depression never went below the clinical cutoff for depression (> 62).

Figure 1. Anxiety and Depression Levels Over Time

![Figure 1: Anxiety and Depression Levels Over Time](image)

* p< .05 between waves for anxiety
Figure 2 graphs the perceived job insecurity and financial difficulty during the same time period. Financial difficulty is included to rule out rival hypotheses that it might, indeed, be financial problems, rather than job insecurity that are causing the rise and fall of depression and anxiety. However, figure 2 illustrates that job insecurity shows the same downward trend as depression and anxiety, while financial difficulty remains relatively constant over time. In fact, workers reported less financial difficulty at baseline when their perceptions of their job insecurity were at the highest point before the final plant closure notice came. Furthermore, the only significant increase in financially difficulty between time periods was between six months and one year, at the same time job insecurity was declining slightly. Job insecurity followed a similar downward slope as the outcome variables. Feelings of insecurity began to significantly decline at the 1½ year mark. The consequences to workers’ mental health were varied. Anxiety significantly declined in two out of six data collection periods and depression never significantly declined. At the 3½ year mark the workers were given notice that their plant would close; thus, the sharp increase in depression, anxiety and job insecurity.

*p<.05 between waves for insecurity;
** p<.05 between waves for financial difficulty
Discussion and Implications

Three issues should be noted about figure 1 and figure 2. First, there is evidence of chronic emotional distress associated with feelings of insecurity. However, while job insecurity and anxiety did significantly decline, depression remained high. Second, there appears to be somewhat of a lag time effect. Insecurity began to rise again at the third year mark, but emotional distress remained at the lowest point since that particular period of insecurity began. The third issue is that at the 3½ year mark there was a closure notice filed on this plant. As one would expect, job insecurity, depression and anxiety soared up to the highest level since the first plant had closed almost four years earlier.

The effects of prolonged insecurity did not become more potent as the time of exposure increased, as Heaney, Israel & House (1994) theorized. However, while job insecurity did subside significantly, as Armstrong-Stassen (2002) suggested, depression levels did not. The results in this study are more supportive of the findings of Dekker (1995) and Ferrie and Associates (2002) that indicate as long as the uncertainty remains, it continues to be associated with continuously high levels of psychological distress. In the current study, although both depression and anxiety subsided to some degree, neither perceived job insecurity nor depression decreased to acceptable levels for 2 ½ years, putting workers and their families at risk for a multitude of stress-related problems. Moreover, during this 2 ½ year period, workers jobs were, according to the company, secure. Not until the third year did stress levels begin to increase, probably due to rumors that a plant closure notice was being considered.

The fact that younger workers with fewer children significantly correlated with depression is curious. It does not support current assumptions of workers who are hypothesized as most vulnerable to job insecurity. The baseline phase did support that financial difficulty was related to depression and anxiety, but longitudinally, financial difficulty did not show the same long term trends with either job insecurity or the outcome variables. This adds some evidence that longer term studies with multiple data collection periods are important to tease out the
differences in what is actually related to prolonged job insecurity and what is not. In other words, it is quite likely that financial problems are related in general to depression and anxiety, but over time, the changes in depression and anxiety levels followed the changes in job insecurity, not financial issues.

While this study contributes to a greater understanding of the theoretical questions in stress research as it relates to job insecurity, it can only be generalized to a small group of blue collar workers. Much more research is needed to address demographic vulnerability to job insecurity.

Limitations and Further Research Needs

The current study would have benefited from a control group of stable workers, or a stable baseline phase before the neighboring plant closed. However, in the present climate, this type of stability in manufacturing may simply not exist. The study does, however, address some of the theoretical questions that have plagued the job insecurity research. Only one of the prior studies reviewed here assessed more than two time periods. This study was able to collect eight measures at six month intervals, allowing an examination of the process by which insecurity and psychological distress affects workers over time. It provides some evidence to support what others have theorized: that job insecurity has lingering and pervasive negative effects on the well-being of workers, even as perceptions of insecurity begin to dissipate.

Further research is needed that collects data on job insecurity and its consequences at multiple time periods and in other contexts. First, different sectors of the economy should be assessed. Both of the U.S. studies were on blue collar workers. Second, researchers need to conduct studies with multiple time periods, both in the U.S., and in other countries. Because other industrialized countries have different labor systems and greater security for workers, it would be important to see if their outcomes were similar if they collected their data over multiple time periods. This is particularly intriguing since the only other country that did assess job insecurity over multiple waves (Canada), found quite different results than those countries that did pre and post tests. It is possible that countries
providing greater safety nets for their workers may have better outcomes in the long run, even if some of their workers experience prolonged periods of job insecurity. Further development in this area would be helpful.

Finally, more research is needed to look at which demographic groups are most affected by job insecurity. The results in this study were unexpected and incongruent with theoretical expectations.

Conclusion

Perceived insecurity is largely due to factors outside the individual’s control. It is linked to wider labor market adjustment to global competition and trade. Successful interventions will need to engage the economic and political systems. If current economic trends continue, the number of employees exposed to job insecurity will probably increase (Strazdins, D’Souza, Lim, Broom & Rodgers, 2004). The pressure on individuals and families is, in part, because of the absence of institutional structures that could lessen the insecurity felt by workers.

Government regulations are needed to prevent firms operating in a capitalist global context from structuring employment in a fashion that promotes greater short term profit at the expense of reasonable security for employees (Andolsen, 1998). Alternative institutional models found in advanced industrialized countries set health, pensions and other benefits through legislation in a universal manner. If U.S. policy makers are unwilling to regulate corporations, then stronger safety net policies are needed to create a sense of security for workers in a volatile market. Corporations should share the cost of this security, since they will also likely benefit from a healthier workforce. Given the instability of our economic market and the inadequacy of current employment and earnings policies to produce secure employment in the U.S., sound social welfare policy is imperative to ensure a safety net for families in an uncertain employment market. “The social safety net should not be viewed as a series of residual programs that become unnecessary during times of economic affluence, but rather as a permanent cushion for vulnerable families” (Rocha & McCarter, 2003/4, p. 8.). Given the increasing uncertainty
in a global market-place and the detrimental impact that job insecurity has on individual and family well-being, a stronger safety net for families may be the only feasible way to provide a sense of security for families in the current economic environment.

References


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