



Job insecurity in the younger Spanish workforce: Causes and consequences [☆]

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ABSTRACT

The Spanish labor market is currently an example of a flexible labor market. However, it involves a set of detrimental conditions for its workforce, such as lower employability in the labor market and underemployment (i.e. over-qualification and underemployment in time). In this study, we assume that all these conditions promote higher job instability, which is especially serious for the younger population. Hence, the present study aims to examine, on the one hand, how these specific labor conditions affect younger employees' concerns about job loss or job insecurity and, on the other, how this job insecurity can affect their current job performance and the future development of their career. The study sample was composed of 3000 Spanish younger employees. Results showed a significant relationship between employability and underemployment and job insecurity, as well as a significant association between job insecurity and work involvement. Indeed, the relationship between employability and underemployment and work involvement was mediated by job insecurity. Lowemployable, overqualified and temporary young workers experience higher levels of job insecurity, which, in turn, negatively affects their work involvement.

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1. Introduction

The world economy and the labor market have seriously been affected by the recent economic crisis. Unemployment rates and the use of precarious contracts (i.e., temporary and part-time) have significantly increased throughout Europe. Among European countries, Spain has been one of the most affected, presenting some of the highest unemployment and temporary employment rates. Indeed, the unemployment and temporary employment rates in Spain were 20.1% and 25.4%, respectively, compared to European rates, which were 9.6% for unemployment and 13.6% for temporary employment in 2009–2010 (Statistical Office of the European Communities, EUROSTAT, 2011). Furthermore, the Spanish labor market had another problem: underemployment due to over-qualification. Spain presents the highest levels of over-qualification in Europe, with 25.5% of its population being overqualified in relation to their job positions. The European rate is 11.9% (García-Montalvo & Peiró, 2008).

This labor situation has not affected all Spanish population segments equally. The youngest active population is one of the most affected (Prause & Dooley, 2011), understanding as active population both employed and unemployed (young) persons who are available for work (Statistical Office of the European Communities, EUROSTAT, 2011). The increase in their unemployment and temporary employment rates has been more pronounced, reaching 41.6% and 52%, respectively (Statistical Office of the European Communities, EUROSTAT, 2011), and it is the demographic group with the highest risk of experiencing underemployment (Dooley & Catalano, 2003; OECD, 2007). All of these circumstances have contributed to making Spanish youths' job insertion a complex, long and uncertain phenomenon. Employment periods, usually characterized by flexible contracts with a specified duration, are alternated with periods of unemployment and training (Peiró, 2008).

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In this study, we consider that these changes in the labor market conditions can have also affected younger employees' perceptions and attitudes. More specifically, the current characteristics of the Spanish labor market can promote work stressors in the form of job insecurity or concern about the possibility of losing one's job (De Witte, 2000), which in turn can influence young people's performance at their current jobs and the future development of their professional careers. In this respect, the present study aims to examine, on the one hand, how these specific labor conditions affect younger employees' concerns about job loss or job insecurity and, on the other hand, how this job insecurity can affect their job performance and future career development. To conclude, we focus on the Spanish youth population for two reasons. First, the economic crisis has negatively affected the youth population in Spain to a greater extent than the older population, as can be observed in the unemployment or underemployment rates. Second, there are speculative reasons to fear that any psychological damage suffered could have lasting detrimental effects on both individuals and society (Dooley, 2003; Erikson, 1971; Prause & Dooley, 2011; Winefield, 2002).

2. Antecedents of job insecurity: employability and underemployment

2.1. Perceived employability in Spanish labor market

Employability refers to “the worker's perception of his or her possibilities to achieve a new job” (Berntson, Sverke, & Marklund, 2006). This perception has often been mentioned in relation to job insecurity in the literature (see, for example, Sverke & Hellgren, 2002). Indeed, several theoretical frameworks underpinned the role of employability as an antecedent of job insecurity (De Cuyper, Bernhard-Oettel, Berntson, De Witte, & Alarco, 2008). For example, theories about the labor market, such as the Flexible Firm Model (Atkinson, 1984) or Dual Labor Market Theory (Doeringer & Piore, 1971), suggest a segmentation of the labor market based on the quality of the jobs: primary labor market and secondary labor market. Primary jobs are those that provide high wages, good working conditions, employment stability, chances of advancement, equity and due process in work rules; whereas jobs in the secondary market present worse conditions compared to the primary labor market. Hence, employers offer the most secure jobs (primary labor market) to the most valuable workers in order to attract and retain them, because if the working conditions are undesirable (secondary labor market), they can leave the organization and easily find an alternative job. Hence, it is plausible to assume that the most valuable workers are also highly-employable workers. Similarly, Human Capital Theory (Becker, 1993) points out that employees with stronger labor market positions (i.e. highly-employable workers) expect compensation for their early investments. This compensation can come in the form of economic retribution, but also in terms of greater job security (Worth, 2002). Therefore, it is assumed that highly-valuable employees may experience lower levels of job insecurity because they objectively have more secure jobs.

Despite this generalized assumption and its theoretical underpinnings, not enough empirical support has been provided about this relationship. As De Cuyper et al. (2008) mentioned, “no satisfactory account has been provided for the potential importance of employability in job insecurity research, except for speculation that employable workers are less likely to perceive job insecurity” (pp. 489). Moreover, the scarce results seem to be inconclusive and inconsistent. For example, Sora, Caballer, and Peiró (2010) examined this relationship, although it was not one of their explicit research objectives. Their results showed a non-significant association between employability and job insecurity in their correlation analyses. In contrast, De Cuyper et al. (2008) explicitly examined the relationship between employability and job insecurity as one of their hypotheses. They showed a significant and negative relationship according to the theoretical frameworks explained. In an attempt to shed light on the association between employability and job insecurity, we propose the following hypothesis:

Hypothesis 1. Employability is negatively related to job insecurity.

2.2. Underemployment

The traditional categorization, employed vs unemployed, does not capture the full array of types of employment hardship (Hauser, 1974). Consequently, a broader concept was advocated: underemployment. Underemployment goes beyond unemployment and includes additional forms of inadequate employment; for example, those who work part-time but would like to work full-time, those who work full time but for poverty-level wages, or those whose occupational status and level of education do not match (Jensen & Slack, 2003). Hence, this construct can be split into various categories. Indeed, there seem to be as many categories of underemployment as researchers who have studied this phenomenon (Friedland & Price, 2003).

This study, according to our purposes, focuses on two specific categories: underemployment due to occupational mismatch (over-qualification) and underemployment in time. Over-qualification reflects “a situation where the individuals have surplus skills, knowledge, abilities, education, experience and other qualifications that are not required by, or utilized on the job” (Erdogan, Bauer, Peiró, & Truxillo, 2011). Underemployment in time involves different conditions, such as part-time or temporary work (Bashshur, Hernández, & Peiró, 2011; Kalleberg, 2000). Nevertheless, they all reflect employment relations that are not the individual's preference, that is, workers who work at part-time jobs but would prefer full-time employment or workers with temporary contracts who could lose their jobs at any time and would prefer a more secure job, such as permanent employment (Jensen & Slack, 2003). Indeed, most young workers who do not want to study any longer and are working part-time or temporarily are doing so involuntarily. The main reason is that they have not been able to obtain a permanent or full-time position in the activity of their choice (Feldman, Doeringhaus, & Turnley, 1994; Feldman & Turnley, 1995).

Underemployment, understood as over-qualification and underemployment in time, reflects the incongruence between individuals' characteristics and their jobs. Accordingly, this construct can be framed within the person–job fit model (P–J Fit) (Kristof-

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