THE ENIGMA OF STABLE EMPLOYMENT: DOES JOB SECURITY REALLY MAKE DIFFERENCE IN EMPLOYEE PERFORMANCE?

Dr Tayyaba Rafique Makhdoom

Lecturer, Business Administration, Sindh University Laar Campus @ Badin Dr Muhammad Nawaz Associate Professor (Commerce) Sindh University Laar Campus @ Badin Safia Saifuddin Abbasi

BBA (Hons.) Student, Sindh University Laar Campus @ Badin

ABSTRACT

Employees are the precious assets of organizations and play a vital role in success or failure of any organization. Job security is one of the main goals of employees in Pakistan. It is also considered one of the important factors for job attitude. As it has been considered and supported by researches that job security creates job satisfaction and job satisfaction has positive relationship with performance. This research explored relationship between job security and job performance of employees in organization. The sample consists of 60 employees from nine organizations of District Badin (Private, Public & NGOs), convenient sampling technique was used. Close-ended Questionnaire was divided in two portions, the first portion comprises on 6 items about job security that was filled by employees, and the second portion consists of 15 items about job performance and was filled by their bosses afterward. Data was analyzed using SPSS 22.0 in terms of Descriptive Statistics and Pearson Correlation. Non-confirmed employees are performing better as compared to confirmed employees due to fear of loss of job at any time as they believe that performance causes to get a job secured. Results demand for serious consideration about motivation, evaluation, confirmation and probation policies in organizations.

Keywords: Performance, Job Confirmation, Attribution, Organizations

INTRODUCTION

Life is uncertain but we want to decrease uncertainties from our life as much as possible and most importantly a secure livelihood is everyone's goal. It dates back to primitive men when as barbarians they start having provision for tomorrow and planning for rainy days rather subsisting on hunting animals and plucking plants and fruits as savage (Morgan, 1877). Hierarchy of needs theory asserts that after fulfilling basic needs man strives to be secure in terms of job and other physical threats (Maslow, 1943). Two-factor theory also concluded job security as one of the hygienic factor—which removes dissatisfaction (Herzberg, *et.al.*, 1959).

Job security is reliance or sureness of an employee that he or she will hold onto his or her current job. It is about an individual's observation of oneself, the situation and the potential (Stapleton, 2011). Social and professional life of employees are affected by job security, because it relaxes individuals to not fear about their future; help in retaining harmony among labor, improving productivity of organizations and conserving social values and norms (Senol, 2011).

Job security is decreasing day by day. Internationalization of capital, advances in technology, changes in demographics and government policies are identified as the most prominent reasons for its decline (Smith, 1999). Some people consider it an old-fashioned argument that job security still matters with young workers because today's workers have different attitudes about job security. Thinkers posit that for "new workers" job security is a low priority. They want empowerment and fulfillment of self-actualization, and aspire to improve their talent and skills for obtaining a new job in another organization whenever they choose to quit their current job (Sirota & Klein, 2014).

When Job Security of employees is at high level, they will usually focus on their work efficiently, put more efforts into work and accomplish their tasks more effectively than employees who are constantly worried about loss of their job, although employees may also be motivated by fear of loss of job in certain situations, but only for a short period. And high performers eventually enjoy Job security (Stapleton, 2011).

Job performance is defined as scalable outcomes, actions and behavior that employees take part or accomplishes, which are connected with and help in achieving organizational goals (Viswesvaran & Ones, 2000). Job performance has been widely argued as one of the most significant dependent variables and matter of interest for educators, researchers, businesses, society and governments (Rotundo, 2002). Performance is defined by Murphy (1989) as behaviors that are associated with the goals of an organization. Whereas, it is defined by Campbell (1990) as behaviors and actions which are under the control of an individual, which assist in attaining organization's goals, and which can be estimated in accordance with the aptitude level of an individual.

This research focused on the relationship and effects of job security on employees' job performance. Two constructs are measuring job security: one is 'perceived job security' and second is 'security attributed to performance'. This study identified a new variable 'Job security attributed to performance' as a result of interviews conducted from the managers of various organizations. 'Job security attributed to performance' is a variable that is measuring the employees' attitude of believing that good performance causes their job to get secured and confirm in organization.

This study aims to analyze that how independent variable job security is related to or affect the dependent variable employee performance, hence job security is classified into two factors i.e., "perceived job security" and "security attributed to performance", and their effects on employee performance are analyzed.

OBJECTIVES OF THE STUDY

- To identify the relationship among the study variables: "perceived job security", "security attributed to performance", and "employee performance"
- To analyze the effects of "perceived job security" and "security attributed to performance" on "employee performance".

LITERATURE REVIEW

Literature about job security is more emphasized on its relationship with job satisfaction, rather evaluating its relationship with job performance. Herzberg, Mausner and Snyderman (1959) included job security as one of the hygienic factor which removes dissatisfaction. Whereas, Judge, *et.al.*, (2001) concluded that job satisfaction has been positively correlated to job performance. So it is proposed that job security affect job performance, since job satisfaction has positive effect on job performance.

Various studies emphasized on the relationship between job security and satisfaction of employees towards their job. Likewise, Austin (2009) went for meta-analysis of 60 primary studies and identified that nonpermanent employees were having slightly less job satisfaction as compared to permanent employees. Furthermore, Chirumbolo and Areni (2005) found that job insecurity negatively affects job satisfaction and when job security increases, employees' job performance tend to decrease. They also suggested job satisfaction moderates the negative effects of job insecurity on job performance. Moreover, Yousef (1998) examined the relationship between job security and job satisfaction in predicting employee performance in a multicultural non-Western environment and identified that there is a positive correlation between satisfaction with job security and job performance. Additionally, Abramis (1994) suggested moderate negative relation of job security and job performance. Whereas, Robinson (1996) indicated job insecuirity has no significant relation with performance either self-rated or rated by supervisors.

Lucky, Minai and Rahman, *et.al.*, (2013) claimed that employees who have sense of job security tends to perform effectively, consequently the overall performance of organization is improved. Likewise, James (2012) opined that job security significantly impacts on the performance of whole team as well as on the organization's performance. Similarly, Anwar, Aslam

and Tariq (2011) also have consensus on the significant positive relation of job security and performance. They concluded job performance was found to be strongly and positively related to job security but there has been weak relation between job performance and contract job.

Hellgren, *et.al.*, (1999) argued that employees have qualitative ambiguity about their job and it is more strongly related to their performance, on the other hand, quantitative insecurity demonstrated stronger associations with various features of health complaints. Moreover, Zimcosky (2018) affirmed an obvious relationship between part-time employment and customer service failures in the financial industry. However, Sverke, *et.al.*, (2002) found no significant association of job insecurity and performance, in some context job insecurity enhances performance and in some context it results in impaired performance.

Ahmed, et.al., (2017) conducted a survey of 392 employees working at ready-made garment industry Bangladesh for analyzing the relationship among employee job security, employee engagement, and employee performance; the study concluded job security as a good predictor for the enhancement of employees' performance level, whereas they identified mediating role of employee engagement in the relationship of employee job security and employee performance. Loi, et.al., (2011) hypothesized that perceived job security has positive effect on employee work performance, they tested the hypothesis with a sample of 184 employees in a state-owned enterprise in China; their findings show that perceived job security was not positively related to employee work performance. Kuhnert, Sims and Lahey (1989) examined the relationship between employee health and perceived job security in two manufacturing organizations. They found a significant positive relationship between perceived job security and employee health. Their results also propose that in order to improve work performance 'employee health' should be included in general models of well-being and stress.

Subramaniam *et.al.*, (2011) concluded while working on organizational performance of small and medium firms (SMEs) in Malaysia that job security is not significantly related to organizational performance. They described that employees tend to give less attention to job security in searching for a job. Furthermore, they also suggested that more literature is required in this domain. Kraimer *et.al.*, (2005) inferred a positive relationship of employee's benefit perceptions with employee performance. Employees have negative perception about job security, and mostly employee performance is found to be negatively related to threat of termination.

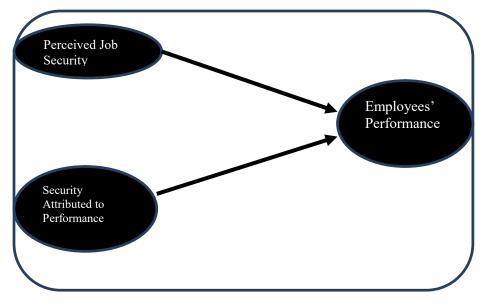
Hence literature urges to conduct research on the enigma of the significance of job security for job performance of the employees in the

organization. Most of the literature advocates that job security increases job satisfaction, and job satisfaction influences employee performance. Though, the effect of job security on employee performance is not strongly emphasized in literature.

HYPOTHESES

- H1: "Perceived job security" have significant and positive correlation with "employee's performance"
- H2: "Perceived job security" have significant and positive correlation with "security attributed to performance"
- H3: "Security attributed to performance" have significant and positive correlations with "employee performance"
- H4: "Perceived job security" have significant and positive effect on "employee performance"
- H5: "Security attributed to performance" have significant and positive effects on "employee performance".

CONCEPTUAL MODEL



RESEARCH METHODOLOGY

This is a correlation study and data were collected with the help of questionnaire that contains 21 closed-ended questions from public, private organization, and NGOs.

SAMPLING

Convenient sampling technique was used because it involves two types of respondents; one group comprises bosses and second group consists of subordinates. The sample composed of 60 employees from nine organizations of District Badin (Private, Public & NGOs) among them 24 were females and 36 were male, from different organizations.

DATA COLLECTION

The self-administered Questionnaire was divided in two portions. The subordinates/employees of organizations were contacted first and the first portion comprising six items about job security was filled by employees, then supervisors were given the collected and filled questionnaires and the second portion consist of 15 items about employees' job performance was filled by immediate bosses afterward.

Instrument

A Closed-ended questionnaire was used which composed of 21 items. Six items of the questionnaire were developed about job security which were adopted from Oldham, Kulik, Stepina, and Ambrose (1986) measuring 'perceived job security' and three were measuring 'job security attributed to performance' — believing that good performance causes job security — on five point Likert scale 1 = strongly disagree to 5 = strongly agree. Fifteen performance' items about 'employee were adopted from 'Staff Performance Evaluation: Supervisor's Input Form' prepared by University of the Fraser valley, Canada and responses were measured on five point Likert scale 1=unsatisfactory 2=fair 3=satisfactory, 4=good and 5=excellent.

RESULTS

Data were analyzed using SPSS 22.0 in terms of Descriptive Statistics and Pearson Coefficient of Correlation as done by Anwar, *et.al.*, (2011).

	Ν	Mean	Std. Deviation	
Perceived Job Security	60	2.6000	1.40593	
Security Attributed to Performance	60	3.6167	.90161	
Employee Performance	60	3.3778	.67516	
Valid N (list-wise)	60			

TABLE-1 DESCRIPTIVE STATISTICS

With the help of descriptive analysis the means and standard deviation of the variables were calculated, Table-1 shows majority of employees were having less 'perceived job security' as having mean score of 2.60 (SD =

1.40593).Substantial number of employees attributed job security to good performance as mean score is 3.616 (SD = 0.90161).While employees who were rated as good performers by their immediate bosses were more than employees whose performance is not good as mean score of Employees' performance is 3.3778 (SD = 0.67516).

TABLE-2
RELATIONSHIP BETWEEN PERCEIVED JOB SECURITY
AND EMPLOYEE PERFORMANCE

		Perceived Job Security	Employee Performance
Perceived Job Security	Pearson Correlation	1	240
	Sig. (2-tailed)		.064
	N	60	60
Employee	Pearson Correlation	240	1
Performance	Sig. (2-tailed)	.064	
	N	60	60

Correlation between 'perceived job security' and 'employee's performance' was calculated and there was found an insignificant negative weak correlation between the two variables asr = -.240 and p > .05. Results are exhibited by Table-2.

TABLE-3
RELATIONSHIP BETWEEN PERCEIVED JOB SECURITY
AND SECURITY ATTRIBUTED TO PERFORMANCE

	Security	to Performance
rson Correlation	1	280*
. (2-tailed)		.030
	60	60
rson Correlation	280*	1
. (2-tailed)	.030	
	60	60
	. (2-tailed) rson Correlation . (2-tailed)	. (2-tailed) 60 rson Correlation 280* . (2-tailed) .030

Correlation between 'perceived job security' and 'security attributed to performance' was calculated and there was found a significant negative weak correlation between the two variables as r = -.280 and p < .05. Results are shown in Table-3.

TABLE-4
RELATIONSHIP BETWEEN SECURITY ATTRIBUTED TO
PERFORMANCE AND EMPLOYEE PERFORMANCE

		Security Attributed to Performance	Employee Performance
Security Attributed to	Pearson Correlation	1	.609**
Performance	Sig. (2-tailed)		.000
	N	60	60
Employee Performance	Pearson Correlation	.609**	1
	Sig. (2-tailed)	.000	
	Ν	60	60
**. Correlation is signifi-	cant at the 0.01 level	(2-tailed).	

Correlation between 'security attributed to performance' and 'employee performance' was calculated and there was found a significant positive strong correlation between the two variables as r = -.609 and p < .05. Table-4 exhibits the results.

TABLE-5 EFFECTS OF JOB SECURITY ON EMPLOYEES PERFORMANCE-MODEL SUMMARY

Model Summary ^b							
Model R R Square Adjusted R Square Std. Error of the Estim							
1	.613 ^a	.376	.354	.54263			
a. Predictors: (Constant), Security Attributed to Performance, Perceived Job Security							
b. Deper	b. Dependent Variable: Employee Performance						

R is measure of the quality of the prediction of the dependent variable. A value of 0.613 indicates a good level of prediction. The adjusted R^2 of the model is 0.354 with the $R^2 = .376$, which shows 37.6 percent of the total variance in employee performance is explained by the independent variables in this model i.e., Security Attributed to Performance and Perceived Job Security. Whereas estimated standard error is 0.542, which is not relatively smaller, as compared to the estimated coefficient, hence it indicates sample size is not large enough. Table-5 indicates the results.

TABLE-6
EFFECTS OF JOB SECURITY ON EMPLOYEES
PERFORMANCE-ANOVA TABLE

ANOVA ^a							
Model		Sum of Squares df		Mean Square	F	Sig.	
1	Regression	10.111	2	5.056	17.170	$.000^{b}$	
	Residual	16.784	57	.294			
	Total	26.895	59				
a. D	ependent Variał	ole: Employee Per	formanc	e			
b. Pı	redictors: (Cons	tant), Security Att	ributed	to Performance,	Perceive	d Job Security	

Table 6 shows that the full model is statistically significant F (2, 57) = 17.170, p < .05, thus we can assume that the model explains a significant amount of the variance in employee performance and the regression model is a good fit of the data.

TABLE-7
EFFECTS OF JOB SECURITY ON EMPLOYEES
PERFORMANCE – TABLE OF COEFFICIENTS

		andardized efficients	Standardized Coefficients			Collinearity Statistics	
Model	В	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	1.881	.365		5.154	.000		
Perceived Job Security	036	.052	076	694	.491	.921	1.085
Security Attributed to Performance	.440	.082	.588	5.391	.000	.921	1.085

Table-7 exhibits perceived job security has insignificant, negative and very weak effect on employee performance, having a negative beta coefficient -.036 with p value >.05. Whereas security attributed to performance has significant and high positive effect as it has beta coefficient .440 with p value < .05. Furthermore, there is not high multi collinearity among the independent variables, because Tolerance is >.25 as the minimum value recommended by Huber and Stephens (1993), and VIF is< 4 as the maximum value recommended by Pan and Jackson (2008).

DISCUSSION

The results of the present study are much different than the famous theories and literature. As in the present study insignificant, negative and weak effect of perceived job security was found on employee performance

which denotes that though job security is one of the low order needs that is also part of existence needs of ERG theory (Alderfer, 1969), and a hygiene factor in Herzberg theory but its fulfillment does not motivate the employees to improve their performance. It can only be termed as a need as it is defined as a vacuum but its fulfillment does not improve performance. It also signifies that employees who have been confirmed or who perceive their job as confirmed were not get confirmed on the basis of their performance evaluation.

Perception of having security will change the perception about how good performance causes an employee's security. In this study employees having perceived security did not perceive that good performance of employees may cause or increases job security of employee in organization as there was significant negative weak correlation between the two variables.

Conforming to need theories and Herzberg's two factors theory insecurity can convince the employee to perform better if they believe in their job would get confirmed if they perform well. The variable security attributed to performance has significant, strong and positive effects on employees' performance.

Security until not attained is a variable that can affect employees' performance but when security is attained it will not have a positive relation with employee performance rather when security is attained security is not attributed to employees' performance.

CONCLUSIONS AND RECOMMENDATIONS

- Results indicate that temporary employees are performing better as compared to permanent employees due to fear of losing their job and they are concentrating on their performance for the sake of security because they also believe that good performance will lead to job security. It also denotes that secured employees would have been confirmed without proper performance evaluation. Organizations should devise much strict confirmation policy and vigilance during probation and use other motivators when employees get confirmed.
- The insignificant negative and weak relation and effects of perceived job security on employees' performance signals one way or other that the target sample firms are not using an efficient performance appraisal system, consequently employees are indifferent to the level of performance. Secondly due to the absence of pay for performance the workers would be least concerned with job security issues. Hence it is strongly recommended that target sample firms constitute an efficient performance appraisal system.
- Prevalence of fixed ratio and fixed interval schedules of incentive system in the organizations may be causing employees to be heedless of their
 - 169

performance. Following variable ratio and variable interval schedule may create an element of job enrichment. Including challenging and motivating assignments would lead the employees towards better performance.

- In developed countries job security has a least concern for employees and they are more focused on personal development as they can become more assertive and demanded candidates and have a vast scope in job market. In under developed countries the attitude of employees should also be shaped towards being independent and self-sufficient rather relying on organizations to feed them for lifetime.
- Conforming Herzberg's theory this study also indirectly advocates the use of intrinsic factors for improving employees' performance as 'security' the extrinsic factor seems to remove dissatisfaction but could not be defined as pure motivator.

LIMITATIONS

- The study required heads/supervisors as respondents for filling out the number of the questionnaires therefore few organizations were accessed due to non-cooperation of other organization
- Due to non-cooperation from organizations sample lacks homogeneity. As sampled organizations are banks, NGOs, vocational centers.

AREAS FOR FURTHER RESEARCH

- The similar study can be conducted on large sample of employees and organizations
- Several studies can be conducted on different industries in order to know the relationship between job security and job performance in that particular industry and comparison can be made. Some industries might be efficient in terms of secured employees' performance
- A study can be conducted taking other factors and their relationship with performance by comparing them with job security.
- The study can be extended to provincial and national level for proper generalization.

REFERENCES

Abramis, D. G. (1994). Relationship of Job Stressor to Job Performance: Linear or an Inverted-U? *Psychological Reports*, 75:547-558.

Ahmed, S., Haderi, S. M., Ahmad, F. B., Jaaffar, A. R., Walter, J., & Al-Douis, G. A. (2017). Employee Job Security and Performance Relationship in Developing Economy through Employee Engagement: Critical Analysis with PLS-SEM. *International Journal of Economic Research*, 14(19):133-147.

- Alderfer, C. P. (1969). An empirical test of a new theory of human needs. Organizational behavior and human performance, 4(2), 142-175.
- Anwar, M. S., Aslam, M., & Tariq, M. R. (2011). Temporary Job and its Impact on Employee Performance. *Global Journal of Management and Business Research*, 11(8):23-28.
- Austin, C. L. (2009). Meta-Analysis of Job Satisfaction: Are Permanent Employees More Satisfied than Contingent Workers? Niagara Falls: ASAC.
- Campbell, J. P. (1990). Modeling the performance prediction problem in industrial and organizational psychology. In M. D. Dunnette, & L. M. Hough (Eds.), *Handbook of industrial and organizational psychology* (Vol.1:687-732). Palo Alto, CA: Consulting Psychologists Press.
- Chirumbolo, A., & Areni, A. (2005). The Influence of Job Insecurity on Job Performance and Absenteeism: The Moderating Effect of Work Attitudes. *Journal of Industrial Psychology*, 31(4):65-71.
- Hellgren, J., Sverke, M., & Isaksson, K. (1999). A two-dimensional approach to job insecurity: Consequences for employee attitudes and wellbeing. *European Journal of Work and Organizational Psychology*, 8:179-195.
- Herzberg, F., Mausner, B., & B, S. B. (1959). *The Motivation to Work* (2nd ed.). New York: John Wiley.
- James, G. (2012). How to achieve true job security. <u>http://www.inc.com</u>/geoffrey-james/how-to-achieve-true-job-security.html.
- Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). The job satisfaction-job performance relationship: A qualitative and quantitative review. *Psychological Bulletin*, 127:376-407.
- Kraimer, M. L., Wayne, S. J., Liden, R. C., & Sparrowe, R. T. (2005). The role of job security in understanding the relationship between employees' perceptions of temporary workers and employees' performance. *Journal of Applied Psychology*, 90(2):389-98.
- Kuhnert, K. W., Sims, R. R., & Lahey, M. A. (1989). The relationship between job security and employee health. *Group & Organization Studies*, 14(4):399-410.
- Loi, R., Ngo, H. Y., Zhang, L., & Lau, V. P. (2011). The interaction between leader-member exchange and perceived job security in predicting employee altruism and work performance. *Journal of Occupational and Organizational Psychology*, 84(4):669-685.
- Lucky, E. O., Minai, M. S., & Rahman, H. A. (2013). Impact of Job Security on the Organizational Performance in a Multiethnic Environment. *Research Journal of Business Management*, 7(1):64-70.
- Maslow, A. (1943). A Theory of Human Motivation. Psychological Review .
- Morgan, L. H. (1877). Ethnical Periods. In A. Montagu (Ed.), *Ancient Society* (pp.3-18). Tucson: University of Arizona Press.
 - 171

- Murphy, K. R. (1989). Dimensions of job performance. In R. Dillon, & J. Pellingrino (Eds.), *Testing: Applied and theoretical perspectives* (pp.218-247). New York: Praeger.
- Oldham, G. R., Kulik, C. T., Ambrose, M. L., Stepina, L. P., & Brand, J. F. (1986). Relations between job facet comparisons and employee reactions. *Organizational Behavior and Human Decision Processes*, 38(1):28-47.

Robinson, S. L. (1996). Trust and Breach of the Psychological Contract. Administrative Science Quarterly, 41:574-599.

- Rotundo, M. (2002). Defining and Measuring Individual Level Job Performance: A Review and Integration. Joseph L. Rotman School of Management. Toronto: University of Toronto.
- Şenol, F. (2011). The Effect of Job Security on the Perception of External Motivational Tools: A Study in Hotel Businesses. *Journal of Economic* and Social Studies, 1(2):33-67.
- Sirota, D., & Klein, D. (2014). *Dealing With Job Security: What It Really Tells You About A Company*. Retrieved 8.12.2016, from Eremedia: <u>http://www.eremedia.com/tlnt/dealing-with-job-security-what-it-tells-you-about-a-company/</u>
- Smith, L. (1999). An Evaluation of Programmes for Staff in NHS and Hotel Ancillary. *Staff Facilities*, 17(7/8):264-271.
- Stapleton, S. (2011). *What Is Job Security (and does it really exist?* Retrieved 01 15, 2016, from: SimonStapleton.com. <u>https://www.simonstapleton.com</u>/.../02/.../what-is-job-security-and-does-it-really-exist
- Subramaniam, C., F.M. Shamsudian and H. Ibrahim (2011). Linking human resource practices and organizational performance: Evidence from small and medium organizational in Malaysia. *Journal of Pengurusan*, 32:27-37.
- Sverke, M., Hellgren, J., & Naswall, K. (2002). No Security: A Meta-Analysis and Review of Job Insecurity and its Consequences. *Journal of Occupational Health Psychology*, 7(3):242-264.
- Viswesvaran, C., & Ones, D. S. (2000). Perspectives on Models of Job Performance. *Internationall Journal of Selection and Assessment*, 216-226.
- Yousef, D. A. (1998). Satisfaction with Job Security as a Predictor of Organizational Committment and Job Performance in a Multicultural Environment. *International Journal of Manpower*, 19:184-194.
- Zimcosky, K. L. (2018). Part-Time Employment and Consumer Complaints: The Relationship Between Part-time Employment and CFPB Complaints (PhD Dissertation). Denver, Colorado: University of The Rockies.