Job Insecurity (2006)

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Basic Concepts and Definitions

Job insecurity is a condition wherein employees lack the assurance that their jobs will remain stable from day to day, week to week, or year to year. Depending on the discipline and political leanings of authors, job insecurity can be referenced in a variety of ways. For instance, “boundaryless careers,” “flexibility,” “new employer-employee contracts,” and “organizational restructuring” can sometimes be used as euphemisms for the dismantling of workplace protections for secure employment (Pollert, 1988; Sweet, Moen, & Meiksins, Forthcoming). But these terms can also be used to highlight positive aspects of job and organizational redesigns, some of which workers find liberating (Heckscher, 1988; Piore & Sabel, 1984). Some types of “non-standard” employment contracts, including temporary work and contingent work, add complexity to the analysis of job insecurity because workers in these jobs have explicit understandings that their jobs are unlikely to last long, but also lump these workers with other workers who are inter-organizationally mobile and secure in their careers (Kalleberg, 2000). As a result, some of these workers may be secure in the knowledge that their current employment situations are unlikely to remain stable.

Importance of Topic to Work-Family Studies

Throughout the 20th century job insecurity has been a pervasive problem for workers who labored in the secondary labor market. The low value “deskilled” jobs that comprise the secondary labor market offered workers neither the avenues to develop skills, nor the ability to independently bargain for favorable compensation (Braverman, 1974; Piore, 1977; Ritzer, 1996). Large proportions of the contemporary workforce, especially those in the retail and service sectors, labor in these types of jobs. As a result of job design, many employees lack the economic resources to provide for their families, labor in jobs that seldom offer health insurance, and lack control over their schedules (Ehrenreich, 2001). These concerns are especially hard felt by women, ethnic minorities, and younger workers, all of whom are more likely to be employed in the secondary labor market.
In the new economy, job insecurity is increasingly experienced by workers previously protected by contracts or organizational cultures that equated security with seniority. The proliferation of job insecurity among these workers can be attributed to a number of factors. One factor is declining union membership, which has decreased from a peak of one in four workers in the early 1970s to fewer than one in ten workers today. Additionally, new organizational designs have expanded the use of contingent workers in skilled positions (Piore & Sabel, 1984). For example, far greater proportions of academic employees work in poorly paid adjunct positions, jobs that offer no security from semester to semester, few benefits, and lower pay. Today, greater proportions of workers are employed by smaller companies, which have historically offered lower levels of security (Brown, Hamilton, & Medoff, 1990). Outsourcing of work, on national and global levels, has created organizational insecurities, whereby workers’ jobs hinge on their employers’ abilities to secure contracts (Castells, 2000; Milberg, 2004). Additionally, there has been a systematic dismantling of paternalistic employee-employer relationships, with neither party feeling as strong ties to one another as in the mid 20th century industrial era (Sennett, 1998).

Not only have jobs changed, so have workers. This has a direct impact on the ways job insecurity affects family lives. In the husband-breadwinner economy of the mid 20th century, wives commonly served as back-up workers in circumstances when husbands lost jobs (Moen & Roehling, 2005). In the dual earner economy of the late 20th century to the present, most families require the contributions of two full-time or near full-time workers to make ends meet (Warren & Tyagi, 2003). For dual earner couples, who now labor in a risk economy, the prospect of one worker losing a job can dislodge two careers (Sweet, Moen, & Meiksins, Forthcoming).

State of the Body of Knowledge

The most commonly used indicator of job insecurity is the unemployment rate. These data document trends in the proportions of individuals who are out of the labor market and who are actively seeking work, but ignore discouraged workers, those who had been out of the labor market and are now trying to reenter, those who are forced to accept jobs that are inappropriate to their qualifications and needs, and those laboring in jobs that offer no protection beyond short term contracts (Cottle, 2001; Kalleberg, Reskin, & Hudson, 2000; Smith, 2002; Thurow, 1992, 1999).

Another method of gauging job insecurity is to examine trends in mass layoffs with data provided by the Bureau of Labor Statistics. These show that mass layoffs affect 1.5 to 2 million families annually. However, these data ignore workers laboring in smaller enterprises, as well as workers who are displaced in smaller groups or as individuals (Sweet, Moen, & Meiksins, Forthcoming).

Yet one more alternate method of assessing insecurity is to ask workers questions such as “Think of a
scale of 0 to 100, where 0 means you are certain you will lose your present job and 100 means that you will be able to keep it. On this scale, how certain is it that during the next couple of years you will be able to keep it?” A representative study of middle class dual earner couples found that, when asked this question, the most typical respondent was only 80% certain that he/she would be able to keep the job. This same study went on to study the likelihood that both partners in dual earner couples would have security in both spouses’ jobs and found that these couples were far less common than couples in which one or both partners experienced low security (Sweet, Moen, & Meiksins, Forthcoming).

The impact of job insecurity and job loss has been documented to negatively impact families in a variety of ways:

- In terms of marital quality and spouses (Perrucci, 1994; Shamir, 1986b; Westman, 2001)

Studies have also revealed that some workers (termed “survivors”) are negatively affected by witnessing their coworkers lose jobs (Armstrong-Stassen, 1998; Brockner, 1990; Brockner, Wiesenfeld, & Martin, 1995; Brockner, 1987; Grunberg, Anderson-Connolly, & Greenberg, 2000; Kets de Vries & Balazs, 1997).

**Implications for Practice and Research**

In terms of future research, there is a growing interest in the ways in which workers adapt to what is now a normative situation - employment in jobs that offer only limited security. This can have an impact on expectations toward jobs, careers, employers, communities, and the fabric of society (Rubin, 1995; Rubin & Brody, 2005; Sennett, 1998; Smith, 2002). This process of adaptation to job loss and insecurity is an understudied issue, and one that is especially relevant in the present economic context. Additionally, research will benefit by a focus on how families adapt to insecurity and the ways in which dual career decisions are shaped after the loss of one or both partner’s jobs.

In terms of practice, there is a sizeable body of literature that demonstrates how procedural justice and advance notification facilitates employees and survivors adjustments to job loss (Appelbaum, Simpson, & Shapiro, 1987; Armstrong-Stassen, 1993; Brockner, 1990; Latack, 1995; Mishra & Spreitzer, 1998; Naumann, 1998; Wanberg, Bunce, & Gavrin, 1999; Wiesenfeld, Brockner, & Martin, 1999). Toward this
end, educating employers on the benefits of including employees in decisions concerning when and how to engage in organizational restructuring can be positive direction for change.

In the wake of declining unionization and organizational restructuring, workers and their interests are increasingly fragmented. This suggests a political response to the issue of job insecurity. The safety nets in the old industrial economy were established in response to the Great Depression and later adjusted during an era when most working families could depend on the income of one worker employed in a secure position in an economy rich with jobs. Reworking these programs and entitlements to meet the needs of contemporary working families is essential to helping workers gain control of careers in an economy that is likely to continue on a path towards increasing risk (Kochan, 2005; Sweet, Moen, & Meiksins, Forthcoming).

References


