

Examining the Moderating Role of Job Satisfaction in the Relationship Between Job Insecurity and Workplace Psychological Stress

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Abstract

The purpose of this study is to analyze the moderating role of job satisfaction between job insecurity and job stress among the engineers of Pakistani based multinational company. Data was collected from a sample of 173 respondents through a questionnaire. A significant correlation was found among all the research variables. Hierarchical moderated regression is used to measure the moderating role of job satisfaction. Results showed an interaction effect of job satisfaction and job insecurity on the dependent variable job stress. The study proved that the relationship between job insecurity and job stress was low when job satisfaction was high, however, low job satisfaction among the employees exacerbate this relationship. The generalization of the result is limited being a single organization wherein the research was conducted. The findings show the importance of job satisfaction for the management as a tool to mitigate the negative feelings of job insecurity among the employees. Implications and future research directions are discussed.

Keywords: Job Insecurity, Job Satisfaction, Job Stress,

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1. Introduction

Over the past several decades working life has been subject to dramatic change, for example changes in career structures and work life environment, including the role of women in modern workforce, technological advancement, changes in labor laws, work process automation, and the aging workforce (Macky, 2004). Job insecurity is considered as a serious work stressor in the modern work environment, with negative work related outcomes (Jiménez, Milfelner, Šarotar, Žižek, and Dunkl, 2017). The concept of job security during 1960's to 70's has been shifted from a motivator factor to potential stressor as job insecurity in 1980's (Greenhalgh and Rosenblatt, 1984; Sverke, Hellgren, and Näswall, 2006). Greenhalgh and Rosenblatt (1984) define job insecurity as 'the perceived powerlessness to maintain desired continuity in a threatened job situation'. We noted that, increased feelings of security over time have negatively prolonged effects on workers depression levels (Rocha, Crowell, and McCarter, 2006). Given that, job insecurity in modern working life considered as the most significant stressors at the workplace (DeCuyper, Bernhard, Berntson, DeWitte, and Alarco, 2008). Selye (1978) elaborated stress as a force, strain or pressure, applied upon an object or an individual who resists these forces and efforts to hold their usual condition. Stress may be experienced when an employee expects to lose their resources at the workplace (Hobfall, 1989).

It was noted that, work stressors in different job related scenario have significant negative influence on employee health and well-being and strain in such situation is the employees' physiological and psychological reaction to such condition (Holmstrom, 2008). Locke (1976) on the other hand threw a light on overall job satisfaction as 'an enjoyable and optimistic emotional condition appearing due to the appraisal of employees' job or job experiences'. Job insecurity as noted above is the strong predictor of psychological stress among the workforce which contributes towards emotional exhaustion, coworkers relationship issues, and low physical health (Jahoda, 1982). Job insecurity is associated with adverse reactions by employees especially in term of reduced job satisfaction (Ritcher, 2011). An attainment of the pleasures at workplace is an art of coping with stress (Rizwan, Tariq, Hussain, Rashid, Hussain, and Khawar, 2013). This study contributes to understand the development of this relationship by providing insights into what stressor like job insecurity impact job stress and how job satisfaction mitigates job stress in the working environment among a sample of industrial professionals.

2. Literature Review

Greenhalgh and Rosenblatt (1984) explored job insecurity for the first time and asserted that job insecurity is a condition where a person's perceived powerlessness to preserve continuity of threatened job condition. Other researchers considered job insecurity as "the subjectively experienced anticipation of a fundamental and involuntary event" (Sverke, Hellgren, and Näswall, 2002, p. 243). Therefore, job insecurity predicts the discontinuation of ones job in a threatened situation having the characteristics of uncertainty about the future. Job insecurity has become a more frequently researched stressor in modern working life almost in every organization (Yasliaglu, Karagulli, and Baran.,

2013). It was observed that perception of job insecurity grew up in most of the European countries during the last five years (De Witte., 2005), however, research in non-western collectivistic settings are lag behind. In the context of Pakistan cross sectional study proved that job insecurity has a negative influence on job satisfaction, employee performance, organizational commitment and intention to quit (Qureshi and Khan, 2016).

Researchers explored job insecurity as a source of affecting mental health and employee's well-being which negatively influence job satisfaction (Mauno, Leskinen and Kinnunen, 2001). Moreover, job insecurity literature shows different results in a different work situation, for example, attitudinal, behavioral and health related outcomes (Hartley, Jacobson, Klandermans, and van Vuuren., 1991; Sverke, Hellgren, and Näswall, 2002). Moreover, it was asserted that 'job insecurity is derived from objective threats via individual cognitive processes' (Sverke, et. al., 2002). Almost, in every organization, the reason of employee exhaustion is job stress and hopelessness among the employees (Huang, 2001). People gain their psychological stress due to job insecurity and more work demands than their capacity as well as demanding pace of life (Rizwan et al., 2013). Studies conducted by different researchers found negative relationship between job insecurity and job satisfaction (Clark, 2005; Reisel, Probst, Chia, Maloles, and Konig, 2010; Richter, 2011). Job satisfaction is considered as the most common and widely researched attitudinal outcomes of the job insecurity (Sverke, 2002). It was also explored that, employees who feels unsecured in their jobs experience lower job satisfaction (Ashford, Lee, and Bobko, 1989).

A study conducted by Brewer and McMahan-Landers (2003) explored negative correlation between job stress and job satisfaction. Other researchers asserted that job insecurity has negative influence on job stress (Yasliaglu, Karagulli, and Baran., 2013). Similarly employees who experience uncertainty and instability in their job feel lower job satisfaction (Rizwan et al., 2013; Mansoor., Fida., Nasir., and Ahmad., 2011). This study is an attempt to examine job satisfaction as a moderator in relationship between role stressor-job insecurity and psychological stress. It was noted that psychological stress and job satisfaction has inverse relation with job satisfaction meaning that those individual who feel higher stress level experience low job satisfaction (Abouserie, 1996).

In recent past researchers also used the pervasive role of job satisfaction in organizational studies as a moderator and mediator in different behavioral and attitudinal outcomes, for example the moderating role of job satisfaction in servant leadership and turnover intention relationship among the Turkish employees (Turgut, Bekmezci, Ateş, 2017). Conservation of resource theory (Hobfoll, 1989) guide us that, if organizational workplace demands are higher than the individuals resources (mental and physical), in turn threaten individual well-being and negative organizational outcomes for example, job stress, job dissatisfaction and low organizational commitment. Therefore we argue that, if organization properly manage and invest in their human resource, in turn, improve job satisfaction level among the employees which can be used as a coping mechanism to reduce stress level among the employee due to job insecurity. Therefore, we expect that, employee who experience high job satisfaction likely mitigate the relationship of job insecurity and psychological job stress.

2.1. Theoretical Framework and Hypothesis

After going through the literature review, the proposed model of research paper is given below

Figure: 1



Hypothesis:

H1: All the research variables are significantly correlated.

H2: Job insecurity is a significant negative predictor of job stress.

H3: Job satisfaction moderates the relationship between job insecurity and job stress, such that, the individuals with low job satisfaction experience high job stress and individual with high job satisfaction experience low job stress.

3. Research Methodology

3.1. Survey approach

As surveys are good for measuring orientations and attitudes for large population, so survey approach is applied (Sekaran, 1999). Researches show that for data gathering survey approach is the frequently and commonly used approach in the social sciences (Babbie, 1993). Considering these facts, in this study the survey approach was applied with the implementation of a structured questionnaire among 180 employees of the organization.

3.2. Population and sampling

The employees working in Pakistani based multinational company were the population of this research project. A pilot study was carried out for having the statistical error in the information provided by the respondents; the outcomes of the pilot study were put in the formula for testing of questionnaire, verification of the variables, sample selection and creation of hypotheses. A sample of 78 employees was derived utilizing the formula for the selection of sample size from finite population. Krejcie & Morgan (1970) tabulated 175 samples for 320 population size. Moreover, low response was expected so, keeping in view above factors, 180 copies of the questionnaire were distributed to the employees excluding those respondents who were included in the pilot study. The questionnaire was distributed among 180 employees and a number of 173 questionnaires were received and the response rate was 97%.

3.3. Sampling

Normally, convenience sampling is used for the speedy collection of many numbers of completed surveys with economy (Rizwan et al., 2013). Adenike (2011) asserted that most studies that have already been conducted used convenience sampling technique because it would be difficult for researchers to have access every unit of sample. Considering the fact of these findings, the researcher used convenient sampling technique.

3.4. The demographics result is shown in table 1

Table 1:

Category	Frequency	Percent
Gender		
Female	0	0
Male	173	100
Designation		
Manager	6	3.5
Asstt Manager	15	8.7
Engineer	35	20.2
Sub Engineer	62	35.8
Helper	37	21.4
Other	18	10.4
Age		
18-25	41	23.7
26-35	56	32.4
36-45	58	33.5
46-55	16	9.2
≥55	2	1.2
Experience		
<5	95	54.9
5-10	40	23.1
11-16	27	15.6
17-22	7	4.0
23-28	4	2.3
>28	0	0
Qualification		
Undermatic	11	6.4
Matric (Grade 10)	32	18.5
FA/FSc. (Grade 12)	11	6.4
Diploma (Grade 12)	62	35.8
Master (other than Engineering)	4	2.3
Engineering	53	30.6
Department		
Safety	5	2.9
Electrical	32	18.5
Civil	66	38.2
Mechanical	41	23.7
Chemical	8	4.6
Admin	3	1.7
Other	18	10.4

In table 1, demographic information reveals that all the respondents were male. The manpower consisted most of the sub-engineers, engineers and helpers. The average age of the respondents was 35 years old. Maximum employees have less than 5 years' experience. Profession wise the most of the manpower consisted of diploma holders and engineers, respectively. Similarly most of the employees were working in civil, mechanical and electrical divisions.

3.5. Instrumentation

The survey techniques through a structured questionnaire were used as an instrument of data collection consisting of two parts. Part A dealt with the demographics information of the respondents while Part B dealt with the research variables i.e. job insecurity, job stress and job satisfaction.

For job insecurity, the 20-items short version of the original 57-items scale was used originally developed by Ashford et al., (1989), measured on 5-point Likert type scale. The obtained Cronbach's alpha was .84 for this scale. Job Stress Scale developed by Parker & Decotiis (1983) was used with thirteen items measured on 5-point Likert

type scale and secured .79 value of Cronbach’s alpha. Job satisfaction was measured by Gul and Oktay (2009) inventory that used fourteen items Likert type scale having 1= least satisfactory to 5 = Most satisfactory for the identification of the Job satisfaction of the respondents of the organization understudy. The obtained Cronbach’s alpha from this inventory was .79. Therefore, all the measures were in acceptable level to use for analysis in this study.

4. Results

4.1. Testing of hypothesis 1

Table 2: Means, standard deviation, and correlations

Variables	JI	JS	JSF	Mean	Std. Deviation
JI	1			2.8908	.44238
JS	.596**	1		3.3433	.47379
JSF	-.451**	-.511**	1	4.0710	.36685

**P<0.01

Table 2 shows that all the variables are significantly correlated. As depicted in table 2, job insecurity and job stress are significantly and positively correlated. Moreover, job insecurity and job satisfaction are also negatively correlated as expected. Mean values in table 2 shows that employees of the organization understudy were satisfied strongly with their job ($M= 4.1$) and were also having neutral job stress ($M= 3.3$).

4.2. Testing of hypothesis 2

Table 3:

Model $F = 94.17, P = .000$ $R^2 = .35$	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.498	.192		7.790	.000
Job Insecurity	.638	.066	.596	9.705	.000

a. Dependent Variable: Job Stress

The standardized beta value ($\beta = .596, p = .000$) in table 3 confirmed that job insecurity predicting job stress, R^2 value also shows that 35% change in job stress is significantly counted by job insecurity, hence $H2$ is accepted.

4.3. Testing of hypothesis 3

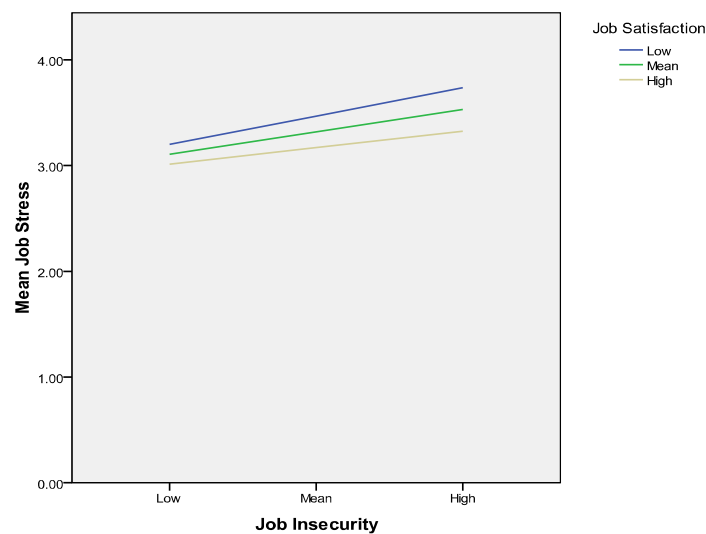
Table 4: Results of the moderated hierarchical regression analysis

Model		B	T	R^2	ΔR^2
Step 1	Job Insecurity	.638	9.705**	.355**	--
Step 2	Job Insecurity	.492	7.070**	.429**	.074**
	Job Satisfaction	-.392	-4.680**		
Step 3	Job Insecurity	.477	6.884**	.442**	.013**
	Job Satisfaction	-.407	-4.878**		
	Job Insecurity \times Job Satisfaction	-.344	-1.991*		

Dependent Variable: Job Stress.
 *P<0.05 **P<0.01

In step 1, (table 4), job insecurity was regressed on job stress, in step 2, the moderator was added in the equation and in step 3, interaction term consisting job insecurity and job satisfaction was added in the equation which produced significant result. Before testing the hypothesis all the independent and moderated variables were centered to follow the protocol of the interaction analysis. The result of moderated hierarchical regression is available in table 4 which shows significant moderation effect of job satisfaction between job insecurity and job stress. In step 3 the interaction effect is significant where ($B = -.344, P < .001$) and change in R^2 ($\Delta R^2 .013, P < .001$) after inclusion of interaction term. Moreover, below figure 2 depicted that, employee with low job satisfaction experience high level of psychological stress, however, when they are high in job satisfaction experience low psychological stress produced by job insecurity. So, the relationship of job insecurity and job stress is moderated by job satisfaction subject to low or high job satisfaction. Thereby, *hypothesis 3* was accepted.

Figure 2: Graphical representation of moderating effect of job satisfaction



5. Discussion

The primary goal of this study was to find the moderating effect of job satisfaction in job insecurity and job stress relationship. The impact of job insecurity on job stress was significantly positive which is in line with the previous study conducted by Yaslioglu et al., (2013). In addition, the model indicated that all the independent and dependent variables are correlated where job satisfaction is negatively related with job insecurity and job stress, while the relationship between job stress and job insecurity was significantly positive. Further, results found that this positive link between job insecurity and job stress was moderated by job satisfaction and those who report high job satisfaction are less affected by job insecurity. The results of previous studies revealed that job insecurity lead towards higher job stress (e.g., Yaslioglu et al., 2013) and job satisfaction negatively related with job stress (Ahsan, Abdullah, Fie, and Alam., 2013; Khattak, Ain, and Iqbal., 2013; Mansoor et al., 2011; Rizwan et al., 2013). The effect of job insecurity on job stress was moderated by job satisfaction depicted in table 4. The most upper line shows low job satisfaction and at this point the job stress is high caused by increased perception of job insecurity and the most lower line depicts high job satisfaction and we observed in this stage that, employees perceive low job stress caused by increased perception of job insecurity.

5.1. Conclusions & Recommendations

The result confirmed that job satisfaction plays an important role in moderating the effect of job insecurity on employee's job stress. The management should provide an environment in which employees, especially those who are not permanent or likely not to be permanent in near future, may work satisfactorily which will reduce the impact created by job stress due to their feeling of insecurity in their respective jobs. The organization need to implement HR practices to motivate them and ensure their job security, thereby improve their morale and most importantly provide them good career development opportunities. This will ultimately improve the satisfaction level and job performance as well organizational productivity. The challenging environment throughout the globe needs to provide job security to make their organization more productive.

5.2. Limitation and Future researches

The study include only one stressor job insecurity causing stress, in future other job stressors like different role stressors may be included to explore the impact of other variables. Likewise job stress more outcomes of the job insecurity may be explored, for example turnover intension, emotional exhaustion, job performance, and organizational commitment. In addition, due to the time, budget and accessibility constraints the researcher could not collect data from many organizations therefore; more companies may be included to increase the sample sized in order to generalize the findings and to ensure more heterogeneous sample. Single source of data is also the major limitation of this study so, it is recommended to collect a data from multiple sources.

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