Discovering the Impact of Job Security on Organizational Commitment and Perceived Stress

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Abstract

Job security is one of the utmost important features that attracts an employee towards a job. It is an essential component of a job profile and indirectly influences organizational behavior. The present study aimed to discover the impact of job security on organizational commitment and perceived stress. The study also assessed the relationship between organizational commitment and perceived stress amongst government (n=50) and private employees (n=50) in India. Quota sampling was done to select the sample. The tools used include the Organisational Commitment Questionnaire (Allen & Meyer, 1990) and the Perceived Stress Scale (Cohen et al., 1988). The results revealed a significant negative correlation between organisational commitment and perceived stress. A significant difference was found between organisational commitment and perceived stress amongst the government sector and private sector employees.

Keywords: Job security, Organizational commitment, Perceived stress, Government sector and private sector employees

Introduction

Security is one of the issues that remains one of the primary concerns of the human mind.

It is the yearning to uphold the current situation and confidence in the stability of the future events. It is a universal need nonetheless its experience varies in different cultures and countries.

Job security is an individual’s perception of the stability and constancy in one's present job. According to Adebayo and Lucky [1] job security is related to the probability of an individual keeping his/her job. It is the assurance that you will be able to continue with your job as long as you please and will not become unemployed (Simon, 2011). The levels of job security also differ amongst various jobs and professional activities. The jobs that do not guarantee the employee a reasonable period of employment or an indefinite contract are the jobs lacking job security. According to Rosenblatt and Ruvio (1996) there are two aspects to lack of job security: the first is related to the individuals feeling towards his job setting like getting demoted in an organization, or being transferred to a job in the same position or even getting fired. The second aspect reflects on the thoughts and feelings of the individual towards the salary being received, promotions available in the job as well as the emotional investment required in the job.

Generally, certain types of jobs and industries have more job security in comparison to the others. For example, government and educational jobs are perceived to be more secure whereas jobs in the private sector are widely considered to have lack job security which may vary according to the industry, job position and other factors (Adebayo & Lucky, 2012).

The nature of secured jobs varies from country to country, for instance, in USA job security depends mostly on the financial and business conditions with minimal government intervention in industries. On the other hand, in some European countries many employees have indefinite contracts which do not guarantee a permanent job, nonetheless make it very difficult for the employer to terminate the employee (Adebayo & Lucky, 2012).

In India, the jobs in the government sector have a higher level of job security than private sector jobs. Government jobs have always attracted most of the candidates in search for a job. The main benefits being the
job stability and retirement benefits. Whereas in private jobs there is a lot of uncertainty in job security and promotions. The government employees enjoy banking privileges with better loan schemes, travel perks and housing allowances which the private employees may or may not enjoy (Acharya, 2017).

Job security has attained a lot of global attention due to huge layoffs by MNCs during the recent years. As a result, it has become one of the top priorities of employees, particularly due to economic reasons and securing their future. In a survey conducted by KPMG in 2010, it was concluded that 75% of the participants considered job security as one of their top priorities while looking for a job due to the uncertainty in economic conditions.

It was reported by Farifteh (1995) that tensions aroused from job insecurity has a negative impact on life satisfaction and environment. This feeling of insecurity can negatively impact one’s viewpoint about life and ultimately lead to dissatisfaction in life.

Another study done by Mousavi (1998) reported that study on job security has a strong relationship with tension experience of employees of an organisation. Vagueness in job security is considered to be one of the factors that can induce stress an eventually leading to fatigue, negatively affect job performance and ultimately damaging one’s job security (Greenhalgh, 2000).

The concept of organisational commitment has steadily grown in popularity in the field of industrial and organizational psychology. Porter et al (1974, p 604) defined organizational commitment as “an attachment to the organisation, characterised by an intention to remain in it; an identification with the values and goals of the organisation; and a willingness to exert extra effort on its behalf”. It is often considered as a linkage between an employee and the organisation. Another perspective on organisational commitment is the “side-bet” theory. According to this theory, an individual will remain committed to an organization as long as they remain in their job positions even when facing stressful conditions. If they are given alternate benefits, they are more likely to leave the organisation (Becker, 1960; Alluto, Hrebiniai & Alonso, 1973).

In a model of commitment developed by Meyer and Allen (1987) three types of commitment have been identified including:

Affective or moral commitment which develops when individuals believe in and follow the goals and values of the organisation. This employee commits to the organisation because they want to. They feel responsible for the success of the organisation as they become involved in it at an emotional level. They feel that they fit their organisation and are satisfied with their work. Such employees generally tend to show high productivity and positive work attitudes.

Continuance or calculative commitment relates to the decision of an employee to stay in the organisation after evaluating the gains and losses that may occur if they were to leave (Becker, 1960). Such commitment is based on what an employee is receiving in return for their efforts. Strong continuance commitment may be due to high cost of sacrifice in leaving the organisation or may be due to lack of suitable options.

Normative commitment occurs when an individual decides to continue working in an organisation based on expected standards of behaviour. It may even reflect an internalised norm which may have developed through family or other socialisation processes regarding the ethics of remaining loyal to a particular organisation that one has joined. Thus, an individual may remain with one organisation just because they feel that they ought to do so.

According to Greenberg and Baron (2003) employees high on normative commitment feel obliged and are shy to disappoint their authorities.

A research done by Rego and Souto (2004) discovered that perceptions of justice explain affective commitment for 23% of Portuguese subjects 28% of Brazilians. For normative commitment, 15% of Brazilians and 37% of Portuguese employees attribute it to perception of justice. It is the explanation for 1% of Brazilians and 6% of
the Portuguese employees with continuance commitment. Thus, it can be concluded that Brazilian and Portuguese employees show high level of affective and normative nature when they feel that they have been treated fairly. Findings of a study done by Simon and Coltre (2012) indicated that presence of affective commitment are a product of human resource management policies, which help the employees to aid justice, reward and recognition.

According to Folkman et., al. (1986), “Stress is an internal state which can be caused by physical demands on the body (disease conditions, exercise, extremes of the temperature and the like) or by environmental and social situations which are evaluated as potentially harmful, uncontrollable or exceeding our resources of coping. Thus, it is considered as a degree of person-environment fit. The endocrinologist, Hans Selye defined stress as the “response of the body to any demand, whether it is caused by, or results in, pleasant or unpleasant conditions” (Selye, 1976, p. 74).

A stressor is something that causes stress. It can be a chemical or biological agent, environmental condition, external stimulus or simply an event. For example, major life changes. Stress can be perceived positively as well as negatively. Eustress is the positive cognitive response to stress which is healthy and gives a pleasant feeling (Lazarus, 1966). Some examples of eustress include packing for a vacation, a new marriage, a promotion or a planned pregnancy. Distress on the other hand occurs when we experience unpleasant feelings or emotions due to an event or stimulus. It can lead to anxiety, decrease performance and even lead to psychological and physiological problems when prolonged. For example, death of spouse or a close family member, divorce, bankruptcy etc.

An individual’s perception plays an important role in experiencing and reacting to a particular situation. Perceived stress refers to the feelings and thoughts one has about how much stress they are under at a given point in time or over a given time period (Lazarus, 1984). It includes the individual’s feelings about the unpredictability in one’s life, the daily hassles one has to face, one’s ability to control their environmental situations, and the belief in oneself to be able to handle their problems and difficulties. It does not involve measuring the type or how many times a stressful event occurs but rather what are the views about an individual regarding stressful events his/her life and the ability to cope with them (Cohen, Kamarck & Mermelstein, 1983). Every person will appraise a similar negative event differently as a result of having a different personality, coping resources, support etc.

According to McEwen (1998) a significant amount of perceived stress is healthy and challenges individuals to grow. However too much level of perceived stress can equally prove to be very harmful for psychological as well as physiological functioning of an individual.

In a study done by Ivancevich and Matteson (1980) it was discovered that stress negatively affects individual behaviour leading to poor attendance, poor performance, poor health and lack of confidence. Also, when talking about organisation, occupational stress can lead to increased turnover rate, reduced levels of customer service, poor quality control and reduced production rate (Quick, Quick, Nelson & Hurrell, 1997). Another study done by Topper in 2008 discovered that an employee who is incompatible to cope up with his/her job demands and requirements also leads to stress.

Job security has become one of the important concerns in the recent years especially due to unexpected financial crisis in 2008. It is considered to be the worst economic crisis since the great depression between 1929 to 1932. It led to downsizing of numerous employees throughout the globe. Since then, job security has become one of the biggest priorities of people seeking jobs. In India, job security is directly associated with the government jobs whereas the private sector takes a back seat in terms of job security. The instability in one’s job has always been related to financial uncertainty ultimately leading to stress. Fear of being unable to have control over one’s future in a company can be stressful as well may lead to low work motivation, job satisfaction, productivity and ultimately high turnover rates. Thus, the three variables of job security, organizational commitment and perceived stress were chosen for the study.
The following hypotheses were formulated:

There will be a significant positive relationship between organizational commitment and perceived stress; and there will be no significant differences between the government employee sample and private employee sample on organizational commitment and there will be no significant differences between the government employee sample and private employee sample on perceived stress.

Materials and Method

Participants

The sample was chosen through quota sampling which involves characterizing the population on the basis of certain desired features. Data was gathered from 100 employees with 50 participants being government employees and 50 participants from the private sector. Informed consent was taken from the participants.

Measures

The Organisational Commitment Questionnaire (OCQ) by Allen & Meyer, 1990 consists of the 21 item questionnaire used to assess the organisational commitment of the employees. The reliability of the scale indicated by Cronbach Alpha coefficient has been found to be >.70 (Meyer & Allen, 1990). The scale measures the commitment of the individual towards the organisation (i.e. affective, continuance and normative organisational commitment).

The Perceived Stress Scale (PSS) by Cohen et al., 1988 is a 10-item scale where respondents rate themselves in a five-point scale (i.e. 0 = Never, 1 = Almost Never, 2 = Sometimes, 3 = Fairly Often, 4 = Very Often). The scores of the scale are obtained by reversing responses (e.g., 0=4, 1=3, 2=2, 3=1& 4=0) to the four positively stated items (4,5,7 and 8). Total scores would be obtained by summing all scale items. The Cronbach alpha of PSS has found to be >.70 in all cases and the test-retest reliability for PSS subscales has been found to be \( r=.66 \) and \( r=.50 \). The scale has also found to be positively correlated with athletic burnout and life stress.

Design

A Causal-Comparative research design was used as the study sought to establish a cause-effect relationship between job security (independent variable) and organisational commitment and perceived stress (dependent variables). Survey method was used for collecting data.

Procedure

The questionnaire booklet was framed by compiling the two tests to be administered in a google form survey. The informed consent form, demographic details form and a broad idea of the research study was outlined along with the general instructions. Standardised instructions for each of the tests were written along with the respective questionnaires. After the data collection, subjects were thanked for their participation and the scoring and interpretation of the results was facilitated.

Results and Discussion

Results

Section I

Section I deals with descriptive statistics (Means and Standard Deviations) for the variables that have been used in the study including organizational commitment and perceived stress. Means and Standard Deviations were calculated separately for the government and private employees.
Table 3.1: Means and Standard Deviations of organisational commitment and perceived stress.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Descriptive Statistics</th>
<th>Job Security</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Government</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(n=50)</td>
</tr>
<tr>
<td>Organisational Commitment</td>
<td>Mean</td>
<td>121.96</td>
</tr>
<tr>
<td></td>
<td>Standard Deviation</td>
<td>10.50</td>
</tr>
<tr>
<td>Perceived Stress</td>
<td>Mean</td>
<td>15.92</td>
</tr>
<tr>
<td></td>
<td>Standard Deviation</td>
<td>5.40</td>
</tr>
</tbody>
</table>

Descriptive Statistics according to job security (Government employees=50, Private employees=50):

In terms of organisational commitment, the mean score of government employees (M=121.96, SD=10.50) is higher than that of the private employees (M=102.22, SD=17.08). In terms of perceived stress, the mean score of government employees (M=15.92, SD=5.40) is lower than that of private employees (M=20.88, SD=4.77).

Section II

This section deals with the relationships among the variables in the study. The correlation between organisational commitment and perceived stress were computed.

Table 3.2: Showing the correlation among organisational commitment and perceived stress.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Organisational commitment</th>
<th>Perceived stress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational commitment</td>
<td>1</td>
<td>-.463**</td>
</tr>
<tr>
<td>Perceived stress</td>
<td>-.463**</td>
<td>1</td>
</tr>
</tbody>
</table>

*correlation is significant at .05 level
** correlation is significant at .01 level

It was found also found that there is a significant negative correlation between organisational commitment and perceived stress, \( r (98) = -.463, p<.01 \).

Section III

Section III deals with the results of Independent samples t-test. The statistical tool of Independent samples t-test was used to compute differences amongst the government and private employees on the two variables used in the study.

Table 3.3: Results for Independent samples t-test for Government employees and Private employees on organisational commitment and perceived stress.
As can be seen from Table 3.3, there were significant differences in the scores of organisational commitment of government employees (M=121.96, SD=10.50) and private employees ((M=102.22, SD=17.08); t (98) = 6.961, p<0.01. This suggests that the government employees are more committed to their jobs in comparison to the private employees.

In the case of perceived stress, there were significant differences found amongst the government employees (M=15.92, SD=5.40) and the private employees (M=20.88, SD=4.77); t (98) = -4.863, p<.01. This suggests that the private employees have more perceived stress as compared to the government employees.

Discussion

Irrespective of the generation gap, the two things that are considered important in the work environment are a stable organization and job security. People working in less secure jobs are less likely to identify with the values or get emotionally attached to the organizations they are working in. Hence, the present study was undertaken to study the impact of job security on organisational commitment and perceived stress. The sample comprised of 100 employees, 50 employees were from the government sector of India and 50 were employees were working in the private sector in India. The Organisational Commitment Questionnaire (Allen & Meyer, 1990) and the Perceived Stress Scale (Cohen et al., 1988) were administered. The correlational method was used to study the interrelationship between organisational commitment and perceives stress and Independent samples t-test was conducted to study the effect of job security on the other two variables.

The explanation and interpretation of the results in the light of various hypothesis that were formulated for the present study have been discussed below:

Hypothesis 1: There will be a significant negative relationship between organizational commitment and perceived stress.

From table 3.2, it can be seen that there is a negative correlation between organizational commitment and perceived stress (r=.463**, p<0.01). Therefore, the hypothesis that there will be a significant negative correlation between organisational commitment and perceived stress.

When a person is committed and dedicated to an organisation, they are more focused and determined to handle the hardships and challenges that come along their job. On the other hand, an employee with low organisational commitment is less likely to be motivated, satisfied and determined towards their work. Consequently, it may lead to inefficient work, failing to meet the deadlines and thus, contributing to perceived stress.

A high level of perceived stress at work can prove to be harmful for an employee’s professional as well as personal life. It is likely to negatively affect employee’s concentration, work motivation, commitment and work engagement. Such changes in an employee’s feelings, attitude and behaviour leads to decreased seriousness towards the work and ultimately low commitment (especially affective commitment) towards one’s organisation. According to Shahid et al., 2004, an employee who has a lot of risky work, relationship problems with colleagues, work load and inability to balance with their family results in an overstressed job and creates problems socially, dissatisfaction among employees and reduced level of work as well as organisational commitment.
The acceptance of this hypothesis is also confirmed by the findings of Khatib, et. Al., (2009). Their study indicated a negative significant relationship between job stress and organizational commitment, affective commitment and normative commitment amongst the athletes in national Olympic and Paralympic academy. However, there was no significant relationship between job stress and continuance commitment.

Hypothesis 2: There will be no significant differences between the government employee sample and private employee sample on organizational commitment.

The results revealed a significant difference between the government employee sample and private employee sample on organisational commitment (6.961, p<0.01). Thus, the above hypothesis has been rejected. The mean score of government employees (M=121.96, SD=10.50) was greater than that of the private employees (M=102.22, SD=17.08).

Organisational commitment is considered to be an important factor in retaining strong workforce by organisations. In India, government employees are awarded with a lot of perks and facilities. In addition to pensions and permanent jobs, the employees have more relaxed work timings in comparison to the people working in the private sector. The main motive of the government sector is ‘social development’ however in the corporate world, more focus is on ‘profit making’ and how to extract the maximum out the hired employees. Thus, the leisure enjoyed by government employees can attribute to their increased level of commitment towards their job.

In contrast, the private sector employees face a lot of pressure not only in meeting targets, moreover, their inability to do so can sometimes even lead to their termination. Such insecure jobs do not guarantee economic stability and thus employees are not attached to them. Consequently, this lead to low organisational commitment amongst the private sector workforce. A study carried out by Bhardwaj et al. (2014) revealed that the government sector engineers were more committed to their organisation in comparison to the engineers in private jobs. This can be reasoned to varied job roles, qualification and difference in perceiving the organisation.

In another research study done by Adekola (2012) it was discovered that public university employees had more organisational commitment than the private university employees. They also found that organisational commitment is positively correlated to organisational commitment.

Hypothesis 3: There will be no significant differences between the government employee sample and private employee sample on perceived stress.

As depicted in table 3.3, significant differences have been found between the government and private employees on perceived stress (-4.863, p<.01). Thus, the above hypothesis which states that there will be no significant differences between the government employee sample and private employee sample on perceived stress has been rejected.

The mean score of private employees on perceived stress (M=20.88, SD=4.77) was greater than that of the government employees (M=15.92, SD=5.40).

Stress can be positive as well as negative. When stress increases more than individual’s ability to cope up with it, it leads to distress. When a person feels that they are incapable of doing a particular job, irrespective of the reality, this perception itself can lead to a lot of stress and pressure. In India, the work timings and leaves offered in the private sector are very rigid and inflexible. Thus, making it difficult for the employees to balance their work and life together. Such problems can negatively affect one’s personal life as well as their psychological health.
Whereas, in the government sector, employees are offered with a lot of employment benefits and the work load is comparatively less than the private sector. According to Caplan, Cobb and French (1975) “The responsibility load creates severe stress among workers and managers.”

Though, the private employees are paid more than a government employee of the same rank however, the government employees do their work with more flexibility and relaxation. Such factors might lead to increased level of perceived stress in private employees than that of the government employees.

In 1999, Dollard and Walsh discovered that private sector workers in Queensland, Australia had higher rates of stress in comparison to public sector workers. In another study done by Malik (2011) it was found that occupational stress level is found to be higher amongst the private sector employees than the public sector employees. The different variables contributing to this stress include over load, role authority, role conflict and lack of senior level support.

Conclusion

Results of the present study show that organisational commitment and perceived stress have a significant negative relation with each other. Significant differences were found between the government employee sample and the private employee sample in terms of organisational commitment as well as for perceived stress. The focus of every research is to discover something novel and make significant contribution to the field. This study is important as in focuses on how safety or guarantee of one’s job can play an important role in affecting the employee’s organizational commitment which is likely to affect their performance efficiency. As the government employees become more experienced they not only become emotionally attached but also start identifying more with their organization. This may be due to the sense of stability they experience throughout the years and the certainty of a safe future even after retirement. Private sector should also focus towards improving their policies and making them more employee friendly because they are the most important part of the organization. As increased work load leads to excessive pressure especially amongst private sector workers, the companies should effectively distribute goals and deadlines so that a healthy atmosphere is maintained at the workplace. These steps will not only aid to improve the productivity of the corporate sector but also lower the turnover rates.

REFERENCES


