JOB INSECURITY AND INDIVIDUAL WELL-BEING: MODERATION BY LABOUR MARKET POLICIES ACROSS EUROPE

A MULTILEVEL ANALYSIS IN A CROSS-COUNTRY PERSPECTIVE
- MULTIDISCIPLINARY STUDY: combines work psychology and social policy research

- CROSS-NATIONAL COMPARATIVE APPROACH: data from ESS and EUROSTAT of 2010, among 21 European countries

- AIM: to identify potential mitigating factors of the relationship between job insecurity and well-being at the country-level
PSYCHOLOGICAL THEORETICAL FRAMEWORK: Conservation Of Resources (COR) theory (Hobfoll, 1989), that allows us to take these different contexts into account.

COR: integrative framework for testing which contextual and individual resources help job insecure employees to maintain well-being (or to buffer the negative effect on it).
INTRODUCTION

OUR ASSUMPTION: national-level policies aimed at reducing the negative consequences of unemployment, i.e., Labour Market Policies (LMPs), can also provide individuals with more resources to deal with individual JI.

INSTITUTIONAL INTERVENTIONS: may not reduce the level of JI per se, but they may play a role in moderating the negative outcomes of economic insecurity.
Figure 1. Conceptual research model
JOB INSECURITY:
- perceived threat of job loss and the worries related to that threat (De Witte et al., 2015)
- subjective experience generated from the evaluation and interpretation of the individual’s current job.

SUBJECTIVE WELL-BEING:
- multi-faceted construct with cognitive, emotional and functional aspects (OECD, 2013)
- 3 interrelated components of life satisfaction, happiness and general health
NEGATIVE IMPACT OF JI ON WELL-BEING: support by a large number of longitudinal studies (De Witte, Pienaar & De Cuyper, 2016)

EFFECT SIZES VARY AMONG STUDIES: suggesting the presence of moderator variables

By identifying moderating factors, EMPLOYEES’ NEGATIVE RESPONSES TO JI CAN BE BUFFERED
IN WORK PSYCHOLOGY: research mostly focused on the potential effects of individual-level moderators

Little attention to the POTENTIAL ROLE OF HIGHER LEVELS MODERATORS (Debus et al., 2012)

OUR SUGGESTION: this near-exclusive focus on individual-level is not sufficient for a topic like JI, that is inevitably related also to institutional factors

HIGHER COUNTRY-LEVEL VARIABLES: may also explain substantial variation in the JI – well-being relationship
INTRODUCTION

A MULTILEVEL PERSPECTIVE AND A MULTIDISCIPLINARY APPROACH:

seems appropriate, not only because research has already revealed cross-country differences in the JI-outcomes relationship (Carr & Chung, 2014; Annink et al. 2016) but also for theoretical reasons
THEORY UNDERLINES THE MULTILEVEL PERSPECTIVE IN STRESS REACTIONS: CONSERVATION OF RESOURCES (COR)

- particularly useful for studying the stress process from a cross-national comparative approach because it considers both individual and contextual factors (Hobfoll, 2001)

- COR could be the psychological framework explaining the cross-level interactions by institutional factors on the JI – well-being relationship at the individual level
COR THEORY:

- peoples’ well-being is situated also in the social context and responses to stressful situations depend not only on the individual, but also on the environment

- as a result, NOT ONLY MORE RESOURCEFUL INDIVIDUALS BUT ALSO INDIVIDUALS IN MORE RESOURCEFUL CONTEXTS ARE EXPECTED TO COPE BETTER WITH JI
LABOUR MARKET POLICIES: RESOURCES AT THE COUNTRY LEVEL

= public interventions in the labour market which help and support the unemployed and other disadvantaged groups

TARGET: people unemployed, persons employed but at risk of involuntary job loss and individuals considered as inactive (Eurostat, 2010).
LABOUR MARKET POLICIES: RESOURCES AT THE COUNTRY LEVEL

- **ACTIVE LMPs** = interventions improving employability: training, employment incentives, direct job creation, start-up incentives.

- **PASSIVE LMPs** = financial supports for unemployed: unemployment benefits, out-of-work income support or programmes for early retirement.
LABOUR MARKET POLICIES: RESOURCES AT THE COUNTRY LEVEL

ACTIVE and PASSIVE LMPs:

- important providers of social security
- stabilizers for the consequences of unemployment
- buffering factors for feelings of economic vulnerability in case of job loss
H1: The negative relationship between JI and well-being will be buffered by active LMPs: employees in countries with more generous active LMPs will have less negative reactions to JI in terms of individual well-being.

H2: The negative relationship between JI and well-being will be buffered by passive LMPs: employees in countries with more generous passive LMPs will have less negative reactions to JI in terms of individual well-being.
DATA:

- European Social Survey (ESS), 2010 (round 5)
- Eurostat, 2010

Combining the two data sets:
40,061 individuals nested in 21 European countries
SUBJECTIVE JOB INSECURITY: ESS Data

individual’s evaluation about the probability to lose the job in the near future (cognitive dimension)

Question: “My job is secure” - reversed scores tapping job insecurity low (= 1) and high (= 4)
INDIVIDUAL WELL-BEING: ESS Data

3 indicators combined into a measure, considering life satisfaction, happiness and general health (see OECD, 2013).

Questions: “How satisfied are you with life as a whole?” “How happy are you?”, and “How is your general health (physical and mental)?” (1= very poor; 5= very good)
ACTIVE and PASSIVE LMPs: Eurostat Data

Operationalized as the country’s expenditure on passive and active LMPs, in percentage of GDP.
CONTROL VARIABLES AT INDIVIDUAL LEVEL: ESS Data

- Age (years)
- Gender (1=male; 2= female)
- Years of education completed
- Contract type (1=permanent; 2=temporary)
HIERARCHICAL LINEAR MODELING WITH CROSS-LEVEL INTERACTIONS

- Estimation method: ML
- Change in log-likelihood fit index for comparing models
- Predictors: grand mean centred, because interested in differences among countries (Enders & Tofighi, 2007)

1st step (null model): the variance of the outcome well-being is partitioned into within and between country component, to give a baseline variance statistics at each level, and an estimate of the ICC. ICC = 0.333, i.e. 33% of the variance in well-being is attributable to country differences
2nd step: Test of the hypotheses → compared 3 nested models

Model 1: individual-level control variables and JI as random effect

Results: significant variation in the individual slopes, suggesting that these are significant predictors of well-being

Model 2: main effect of ALMP and the Job Insecurity X ALMP interaction term (H1). Results: interaction term significant, the cross-level interaction explained 38% of the variance in JI

Model 3: main effect of PLMP and the Job Insecurity X PLMP interaction term (H2). Results: interaction term significant, the cross-level interaction explained 42% of the variance in JI
RESULTS

Figure 2. The cross-level interaction effect of country-level Active Labour Market Policies on the relationship between individual-level job insecurity and well-being.
RESULTS

Figure 2. The cross-level interaction effect of country-level Passive Labour Market Policies on the relationship between individual-level job insecurity and well-being
THEORETICAL IMPLICATIONS

- support to the idea of **higher resources, at the country-level, as a buffer** against the negative effect of individual JI

- **COR theory as a framework to integrate psychological aspects and socio-economic factors** related to perceptions of JI, each having the potential to exert specific influence

- importance to look at **stress processes from different perspectives**, highlighting the potential importance of all factors involved
PRACTICAL IMPLICATIONS

- possible suggestions for national policies concerning employment protection

- to provide instruments to evaluate initiatives toward flexicurity of European countries

- to evaluate the generalizability of job insecurity in various countries in order to find common strategies to deal with it
THANKS FOR YOUR ATTENTION 😊