

The Effect of Job Insecurity on Presenteeism: The Moderating Role of Psychological Capital

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Abstract: Among the most commonly perceived job stressors among employees, job insecurity is the most frequently discussed. A relationship between job insecurity and presenteeism was examined in this study, and the moderating role of psychological capital was considered. One hundred twelve questionnaires in Shenzhen and Dongguan, two cities in mainland China, were used to collect data, mainly from the education and manufacturing industries. It was found that job insecurity was negatively correlated with presenteeism. Psychological capital buffered the effect of job insecurity on presenteeism after controlling for age and gender. This study presents future research prospects and discusses the findings' contribution to theory and the implications in real life.

Keywords: Job insecurity, Psychological capital, Presenteeism

1. Introduction

The organizational and business environment has changed dramatically with the increasing global competition brought on by economic development and the impact of the pandemic on the worldwide economy. In a highly competitive global environment, companies have resorted to restructuring, mergers and acquisitions, outsourcing, and downsizing to maintain their competitiveness, leading to a rise in insecurity among employees within the company and a growing sense of concern about the future viability of jobs and job characteristics [1]. While not all of these measures are directed at employees, they have at least one thing in common: they have a dramatic impact on both their work and their individual lives, it often leads to their growing insecurity with their jobs and their future work. Job insecurity is the subjective perception of a stressful event that exposes employees to risks or threats to job continuity, rather than that they will actually lose their jobs. Second, job insecurity involves the perception of a threat to the job itself, as well as perceptions of threats to valuable job characteristics [1]. Organization-related issues have also been well explored as they could be affected by job insecurity, such as organizational commitment and withdrawal behaviors. And previous research has also shown that it has been identified that job insecurity is a critical generator of workplace stress [2]. Therefore, I focused the research on the possibility of a relationship between job insecurity and presenteeism.

Presenteeism is a common problem faced by managers in today's everyday workplace, manifested by employees who are unable to function fully in the workplace due to sickness, injury or other circumstances. Even if an employee is in a physically capable condition to work, he may not fully perform his duties and may be more likely to make mistakes on his job. Studies have shown that people with children, workers with lower wages, employees with poor health, and those who have

difficulty setting limits in the face of excessive demands are most likely to have problems in presenteeism [3]. Presenteeism means 'being at work, but at the same time not being there'. Presenteeism has been reported for a variety of reasons, such as occupational stress, lack of time, lack of resources and personal financial issues. It could also lead to the loss of productivity [4].

Previous findings suggest that the negative effect of job insecurity can be buffered by increasing positive psychological resources of employees [5]. Four positive personality strengths make up PsyCap: self-efficacy, resilience, hope, and optimism, and it is a multifaceted construct [6]. And research has identified psychological capital as an effective tool for coping with the negative effects of insecurity [7]. This study wanted to verify whether psychological capital, as a cultivable psychological resource, has the potential to significantly buffer the negative effect of insecurity on presenteeism.

2. Literature Review and Hypotheses

2.1 The Relationship between Job Insecurity and Presenteeism

Previous studies have found that the perception of job insecurity was correlated with a higher prevalence of presenteeism [8]. Employees decide whether to work when they are sick or not based on their level of job insecurity [9]. After organizational restructuring and layoffs in a company, employees' job insecurity increases, thus leading to a relatively high frequency of employee absence behaviors [9]. This is because after organizational restructuring and layoffs, employees' job insecurity increases with the increase in workload and job competitiveness. Therefore, employees would rather work with illness than take a break or go to the hospital in order to keep their jobs and increase job stability [10]. But since the global economy has been hit by pandemic and companies around the world have massively downsized their operations, while layoffs and wage cuts have been frequent. Mainland China is no exception, so this has led to new developments in the employment relationship between companies and their employees, it also caused employees to react differently than they had in the past when they felt insecure about their jobs. Therefore, the following hypothesis was proposed:

Hypothesis 1: Job insecurity will be negatively related to presenteeism.

2.2. The Moderating Role of Psychological Capital

Psychological capital, or PsyCap, is seen as a positive psychological state that refers to individuals who are open to development [10]. It consists of four dimensions, with the following definitions. Self-efficacy is defined as a person's belief or self-confidence in one's ability to engage motivation, cognitive resources, action processes, and other required abilities to accomplish a specific task. Resilience is expressed as an individual's ability to rebound or revive when facing failure or success [12]. Hope refers to a positive state of motivation for something, which is expressed as having a successful agency (goal-oriented) and path (plan to reach a goal) [13]. Optimism, on the other hand, is a positive attributional style that is usually expressed when individuals explain events [14]. The social cognitive theory of Bandura suggests that "a sense of confidence of intentional control over one's own future and destiny" is the result of the interaction of the personality, circumstances and behaviors, which is the source of PsyCap [15]. For companies and managers, PsyCap is stable and these internal competencies have been shown to be developed through training [16] and have shown a high return on investment [17]. Employees with high PsyCap are hopeful about life and work and are more confident that they could achieve their goals and also are able to create different solutions and adaptations in response to the problems caused by job insecurity [17]. In the current environment, psychological capital is important as a modifiable and efficient psychological resource. Depending on its components, grounded theory, and prior experience as, the present study expected that

employees with high PsyCap scores and employees with low PsyCap scores would respond differently to job insecurity. Therefore, I proposed the following hypothesis (see Figure 1):

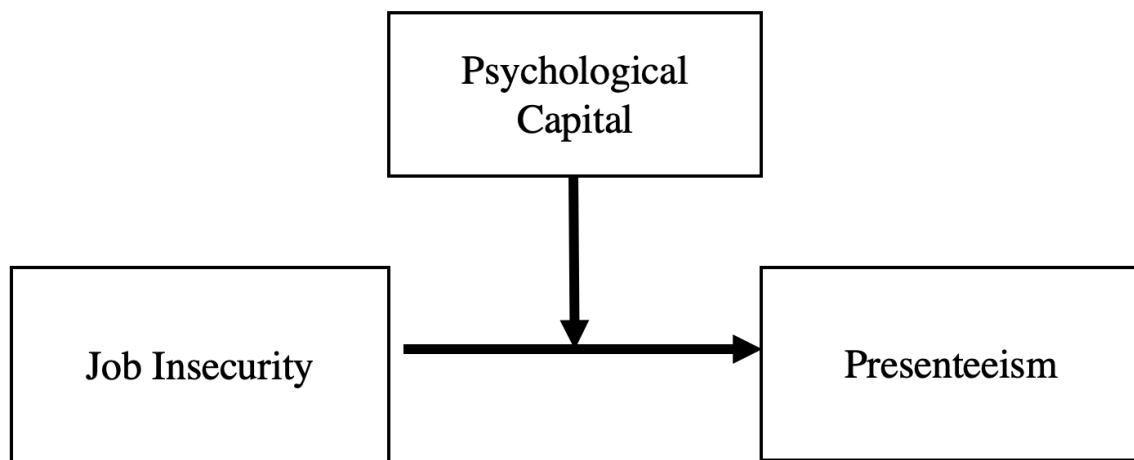


Figure 1: Hypothesis 2: Psychological capital will buffer the negative effect of job insecurity on presenteeism.

3. Method

3.1. Participants and Procedure

A total of 125 participants were successfully recruited, of which 112 participants completed the questionnaires, with a validity rate of 89%, the Cronbach's alpha for the total questionnaire was .91. Male participants accounted for 56.3% ($n = 63$) and female participants 43.7% ($n = 49$). The participants were from Shenzhen and Dongguan in mainland China, with 31.3% ($n = 35$) from Dongguan and 69.8% ($n = 77$) from Shenzhen. The respondents were mainly from two industries, including education (64.3% ($n = 72$), manufacturing (32.1% ($n = 36$), and other industries (3.6% ($n = 4$)). The education level was normally distributed, with the highest percentage of undergraduates at 34.8% ($n = 39$). The demographic characteristics of participants are presented in Table 1. In this study, questionnaires were used as the research method and were distributed via the Internet. Participants were asked to answer the questionnaire according to their real situation, which contained questions related to employees' work patterns, more specifically divided into sections about job insecurity, presenteeism and psychological capital.

Table 1. The demographic characteristics of participants

	Category	Percentage (%)
Gender	Male	56.3
	Female	43.7
Marital Status	Single	38.4
	Married/Cohabitation	58.9
	Divorce/Separation	2.7
Education Level	Middle School	6.3
	High School	15.2
	College Degree	19.6
	Bachelor Degree	34.8
	Master Degree	18.8
	PhD	5.3
Age	<=19	1.8
	20-24	25
	25-29	25
	30-34	33
	35-39	8.0
	40-44	2.7
	45-49	4.5

3.2. Measures

Job insecurity. To measure workers' ratings of their job security, participants were required to agree to different questions on a six-point Likert scale (1 = *never agree* to 6 = *agree several times a day*). The four items were adapted from an organizational stress screening tool—The management guide [18]. Sample items include “You might lose your job”, “Your job is not a permanent hire” and so on. The higher the job insecurity will be the higher the total score on these four items. The Cronbach’s alpha of this scale was .83.

Presenteeism. The questionnaire was taken from the Stanford presenteeism scale: health status and employee productivity [19]. Six items were selected for the research project, including the completing work dimension and the avoiding distractions dimension, where the completing work dimension was scored using reverse scoring. The participants rated these items on a six-point Likert scale (1 = *completely disagree* to 6 = *completely agree*). The Cronbach’s alpha of this measure in the current study was .84.

Psychological capital. 12 items were taken from Psychological capital: Developing the human competitive edge [17]. The scale has four subscales: measuring self-efficacy, resilience, hope, and optimism, respectively. These items were rated on a six-point Likert scale (1 = *strongly disagree* to 6 = *strongly agree*). An example item is “I am confident that I can contribute to the discussion of company policies”, etc. The Cronbach’s alpha was .96.

4. Results

4.1. The Relationships among the Three Outcome Variables

The means, *SDs*, and correlations between job insecurity, PsyCap and presenteeism were reported in Table 2. It shows that job insecurity was negatively related to presenteeism ($r = -0.27, p < .01$), which was as expected and hypothesis 1 was supported. Job insecurity was positively related to

psychological capital ($r = 0.20, p < .50$), and psychological capital was positively related to presenteeism ($r = 0.21, p < .50$).

Table 2. Means, *SD*s, and correlations among the main variables.

	Mean	<i>SD</i>	1	2	3
1.Job insecurity	2.34	1.20	1		
2.Psychological capital	3.94	1.16	.20*	1	
3. Presenteeism	3.48	0.53	-.27**	.21*	1

Note. * $p < .05$; ** $p < .01$.

4.2. The Moderating Role of Psychological Capital.

Table 3 shows that the hierarchical regression analyses for the effect of job insecurity on presenteeism. It also demonstrates the moderating role of psychological capital, which buffered the negative effect of job insecurity on presenteeism after controlling for the effects of age and gender ($\Delta R^2 = .160, p < .01$), the hypothesis 2 was verified.

Table 3. Hierarchical multiple regression results of job insecurity on presenteeism.

	Presenteeism	
	M1	M2
Gender	-.14	-.16*
Age	-.03	-.02*
Job insecurity	-.10**	-.09**
Psychological capital	.11**	.03
JI*PC		-.09**
R ²	.14	.16
F	4.33**	4.05**

Note. * $p < .05$; ** $p < .01$.

The moderating role of psychological capital on job insecurity and presenteeism is shown in Figure 2, at three levels: low, middle and high. To a certain extent, higher psychological capital levels may more effectively buffer the negative effect of job insecurity on presenteeism.

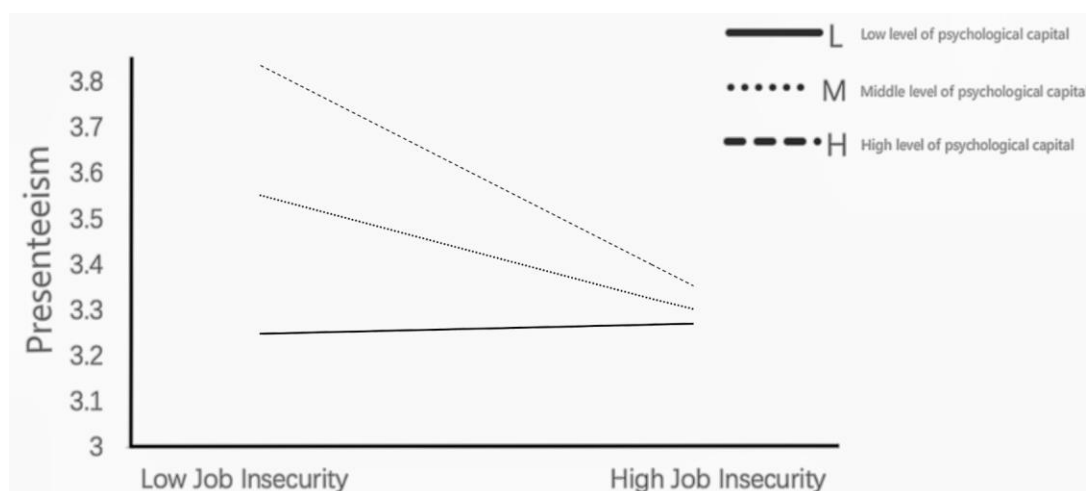


Figure 2: Plot of the two-way interaction effect of Job insecurity and psychological capital on presenteeism.

5. Discussion

Job insecurity is described as an internal event that reflects a shift in perceptions of what is happening in the organization and its circumstances [20], and a general sense of powerlessness when confronted with these seemingly uncontrollable events [21]. Unlike previous studies, this study demonstrates that job insecurity is negatively correlated with presenteeism. Given the limitations of the sample source region and industry for this study, I provide some interpretation of the conclusions drawn in the context of this study. Against the backdrop of the epidemic, employees returned to work after long periods of working at home, and their attitudes toward their jobs have changed. Even some educational and manufacturing companies have experienced career freezes, and employees have experienced job insecurity for extended periods of time, which has greatly influenced presenteeism.

Previous research has shown evidence that PsyCap as an available resource can help employees work in a more positive way to handle issues related to job insecurity [7]. This study successfully demonstrates that the effect of job insecurity on presenteeism can be buffered by psychological capital to a certain extent, and that employees can better regulate their perceptions of their current job insecurity and perform better on the job when they are high in PsyCap. Previous research has also found PsyCap to be an explorable resource, it is not only that people with high PsyCap levels seem to perform better when facing job insecurity [10]. According to the study, applying the theory to today's business management, companies can cultivate higher level of positive psychological capital for their employees and the negative effects of job insecurity can be mitigated to some degree.

6. Limitations and Future Perspectives

The dimensions of job insecurity should be also be considered, the study of the relationships between them and the outcome variable could be further discussed, rather than focusing on an overall correlation. Psychological capital can also be further investigated as a moderator of the dimensions, leading to more precise results. And the study was conducted only in the cities of Dongguan and Shenzhen in mainland China, and the sample has some limitations. The questionnaires are only from the education and manufacturing industries, and the total number of questionnaires is small, so they can only represent some, but not all, of the employees in these industries. In future research, the sample size will be expanded and more industries will be added to improve the representativeness and diversity.

7. Conclusions

This study presents the possibility of a new relationship between job insecurity and presenteeism, suggesting that the employees who perceive more job insecurity are likely to show less presenteeism. Some promising solutions were also proposed by this study, that the negative effect of job insecurity changed in a positive way by PsyCap. It is hoped that this study will stimulate discussion about job insecurity as well as its psychological and behavioral impacts on work-related issues, and that further research will be conducted based on a full understanding of the impact of socioeconomic context on organizational life.

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