

**JOB INSECURITY AND PSYCHOLOGICAL WELL-BEING IN A  
FINANCIAL INSTITUTION IN GAUTENG**

**BY**

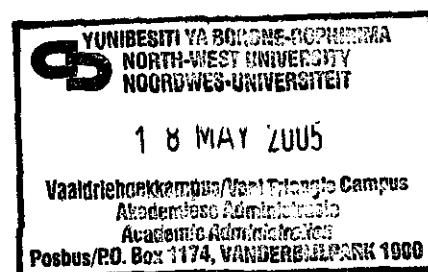
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## **REMARKS**

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## TABLE OF CONTENTS

	Page	
List of Figures	viii	
List of Tables	ix	
Summary	x	
Opsomming	xii	
<b>CHAPTER 1: INTRODUCTION AND PROBLEM STATEMENT</b>		
1.1	Introduction	1
1.2	Problem statement	1
1.3	Aims of the research	13
1.3.1	General objective	13
1.3.2	Specific objectives	14
1.4	Research method	14
1.4.1	Literature review	14
1.5	Empirical Study	15
1.5.1	Research design	15
1.5.2	Study population	15
1.5.3	Measuring Battery	15
1.5.4	Data analysis	18
1.5.5	Research procedure	18
1.6	Chapter summary	18
1.7	Preliminary chapter division	19

## TABLE OF CONTENTS (Continue)

### CHAPTER 2: JOB INSECURITY, SENSE OF COHERENCE, WORK LOCUS OF CONTROL AND DISPOSITIONAL OPTIMISM

2.1	Introduction	20
2.2	Conceptualisation of the concept job insecurity	21
2.2.1	Definition of job insecurity	21
2.2.2	Workers' perception with regards to job insecurity	26
2.2.3	Individual experience of job insecurity	28
2.2.4	The inability to react on job insecurity	28
2.2.5	Models of job insecurity	29
2.2.5.1	Integrated model of job insecurity	30
2.2.5.1.1	Objective Situation	31
2.2.5.1.2	Moderators	33
2.2.5.1.3	Subjective Characteristics	33
2.2.5.1.4	Consequences of the experience of job insecurity	34
2.2.5.2	The effort-reward imbalance model	35
2.2.5.3	Person environment fit model	36
2.3	Relationship between job insecurity and other constructs	37
2.4	Conceptualisation of Psychological well-being and psychological forces	38
2.4.1	The concept salutogenesis	39
2.4.2	From concept to paradigm	40
2.4.3	The Conceptualisation of Salutogenesis	41
2.4.4	Important implications of the Salutogenic-paradigm	41

## TABLE OF CONTENTS (Continue)

2.5	Sense of coherence	42
2.5.1	Conceptualisation of the construct sense of coherence	42
2.5.2	Research results with regards to sense of coherence	46
2.6	Locus of control	48
2.6.1	Conceptualising the construct locus of control	49
2.6.2	Research results with regards to locus of control	53
2.7	Dispositional optimism	56
2.7.1	Conceptualisation of dispositional optimism	57
2.7.2	Research results with regards to dispositional optimism	59
2.8	Chapter summary	59
 <b>CHAPTER 3: EMPIRICAL STUDY</b>		
3.1	Introduction	60
3.2	The aim of the empirical study	60
3.2.1	General objective	60
3.2.2	Specific objectives	60
3.3	Research design	61
3.4	Research sample	61
3.5	Measuring instruments	62
3.5.1	The Job Insecurity Questionnaire	62
3.5.1.1	The development and rationale of the Job Insecurity Questionnaire	63
3.5.1.2	Description of the Job Insecurity Questionnaire	63

## **TABLE OF CONTENTS (Continue)**

3.5.1.3	Administration and scoring of the Job Insecurity Questionnaire	63
3.5.1.4	Interpretation of the Job Insecurity Questionnaire	63
3.5.1.5	Reliability and validity of the Job Insecurity Questionnaire	63
3.5.1.6	Motivation for the choice of the Job Insecurity Questionnaire	64
3.5.2	The Sense of Coherence Scale	64
3.5.2.1	Development and rational of the Sense of Coherence Scale	64
3.5.2.2	Description of the Sense of Coherence Scale	65
3.5.2.3	Administration and scoring of the Sense of Coherence Scale	66
3.5.2.4	Interpretation of the Sense of Coherence Scale	67
3.5.2.5	Reliability and validity of the Sense of Coherence Scale	67
3.5.2.6	Motivation for the choice of the Sense of Coherence Scale	67
3.5.3	The Work Locus of Control Scale	67
3.5.3.1	Development and rational of the Work Locus of Control Scale	68
3.5.3.2	Description of the Work Locus of Control Scale	68
3.5.3.3	Administration and scoring of the Work Locus of Control Scale	69
3.5.3.4	Interpretation of the Work Locus of Control Scale	69
3.5.3.5	Reliability and validity of the Work Locus of Control Scale	70
3.5.3.6	Motivation for the choice of the Work Locus of Control Scale	70
3.5.4	The Life Orientation Test-Revised (LOT-R)	71
3.5.4.1	Development and rational of the Life Orientation Test-Revised (LOT-R)	71
3.5.4.2	Description of the Life Orientation Test Revised	71
3.5.4.3	Administration and scoring of the Life Orientation Test Revised	71

## TABLE OF CONTENTS (Continue)

3.5.4.4	Interpretation of the Life Orientation Test Revised	72
3.5.4.5	Reliability and validity of the Life Orientation Test Revised	72
3.5.4.6	Motivation for the choice of the Life Orientation Test Revised	73
3.6	Research Method	73
3.6.1	Preceding arrangements	73
3.6.2	Administration of the measurement instruments	74
3.7	Statistical analysis	74
3.7.1	The arithmetic mean	74
3.7.2	Standard deviation	74
3.7.3	Skewness and kurtosis	75
3.7.4	Reliability	75
3.7.5	Validity	75
3.7.6	Statistical significance	75
3.7.7	Practical significance	77
3.7.8	Pearson correlation coefficients	77
3.7.9	Factor Analysis	77
3.7.10	Regression analysis	77
3.8	Hypotheses	78
3.9	Chapter summary	78

## **TABLE OF CONTENTS (Continue)**

### **CHAPTER 4: RESULTS, DISCUSSION AND INTERPRETATION OF THE EMPIRICAL STUDY**

4.1	Introduction	80
4.2	Description of the study population	80
4.3	Factor analysis	82
4.4	Descriptive statistics	88
4.5	Correlation coefficients	90
4.6	Regression analysis	93
4.7	Discussion	94
4.8	Conclusion	97
4.9	Chapter summary	98

### **CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS**

5.1	Introduction	99
5.2	Conclusions	99
5.2.1	Conclusions with regards to the theoretical objectives	99
5.2.2	Conclusions with regards to the empirical objectives	101
5.3	Limitations of this research	103
5.4	Recommendations	103
5.4.1	Recommendations for the organisation	103
5.4.2	Recommendations for future research	104
5.5	Chapter summary	104
	Reference list	105



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**LIST OF FIGURES**

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<b>Figure</b>	<b>Description</b>	<b>Page</b>
Figure 1	<i>Integrated model of Job insecurity (Sverke &amp; Hellgren, 2002)</i>	30
Figure 2	<i>The Effort-Reward model – Siegerst (Shain, 2000, p. 11)</i>	36
Figure 3	<i>Definition of a General Resistance Resource (GRR)</i> <i>(Antonovsky, 1979)</i>	45

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## LIST OF TABLES

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Table	Description	Page
Table 1	The distinction between persons with an internal and external locus of control (Schepers, 1995)	50
Table 2	Characteristics of the participants ( $N = 146$ )	80
Table 3	Pattern Matrix of the 11 items JIQ for the Employees in a financial institution in Gauteng ( $N = 146$ )	83
Table 4	Pattern Matrix of the 29 items SOC Questionnaire for the Employees in a financial institution in Gauteng ( $N = 146$ )	84
Table 5	Pattern Matrix of the 16 items WLOC Questionnaire for the Employees in a financial institution in Gauteng ( $N = 146$ )	87
Table 6	Pattern Matrix of the 10 items LOTR Questionnaire for the Employees in a financial institution in Gauteng ( $N = 146$ )	88
Table 7	Descriptive statistics, Cronbach Alpha Coefficients and inter-item correlation coefficients of the measuring instruments for employees in a financial institution in Gauteng ( $N = 146$ )	89
Table 8	Correlation coefficients between Job Insecurity-Total, Sense of Coherence-Total, Work Locus of Control and Dispositional Optimism	90
Table 9	MANOVA of Job Insecurity of Gender, Age, Race and Tenure	91
Table 10	ANNOVA'S – Differences in Job Insecurity and Age	91
Table 11	ANNOVA'S – Differences in Job Insecurity and Race	92
Table 12	ANNOVA'S – Differences in Job Insecurity and Tenure	92

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## SUMMARY

**Topic:** Job insecurity and psychological well-being in a financial institution in Gauteng.

**Keyterms:** Job insecurity, psychological well-being, sense of coherence, work locus of control, dispositional optimism.

Organisations world-wide, but most especially in South Africa, are exposed to radical change in the economic, political, social, demographical and technological arenas. They are also exposed to the effects of the world economy, structural reforms and international competition which lead to transformations in the labour market. Consequently job insecurity became more wide spread as organisations engaged in downsizing, rightsizing, restructuring; or all three simultaneously, in an attempt to survive these difficult economic conditions.

This changing world of work is perhaps most evident in changes in the psychological contract. Employees are expected to give more in terms of time, effort, skills, and flexibility, whereas they receive less in terms of career opportunities, lifetime employment, and job security. This violation of the psychological contract is likely to have dire consequences such as a reduction in work engagement, because it erodes the notion of reciprocity, which is crucial in maintaining well-being. Long-term job insecurity will further more impact an employee's overall life situation since economic as well as other highly valued aspects of life will be perceived as being under threat. Thus job insecurity has the potential of becoming more stressful than job loss in that the coping process may be inhibited by the uncertainty of the event.

Although the experience of job insecurity is a reality in the South African context as well as worldwide, only a limited number of programmes were implemented in the past to address the problem. Furthermore, there is a lack of research regarding the causal (dispositional and situational) factors in job insecurity and the relationship with the

psychological forces (sense of coherence, work locus of control and dispositional optimism) in the financial industry in South Africa (Gauteng).

The objective of this study was to determine whether a relationship exists between job insecurity and psychological well-being which was measured in the form of sense of coherence, work locus of control and dispositional optimism. The research method proceeded by using a cross-sectional research design with a survey technique to collect data from a stratified, random sample of employees within various job levels of a financial institution in Gauteng. The measuring battery consisted of four questionnaires namely the Job Insecurity Questionnaire (JIQ), Sense of Coherence Scale (SOC-29), The Work Locus of Control Scale (WLOC) and the Life Orientation Test-Revised (LOT-R) Questionnaire.

The data analysis were conducted with help of the a SAS-programme to perform statistical analysis regarding reliability and validity of the measuring instruments, descriptive statistics, t-tests, analysis of variance, correlation coefficients and regression analyses. Conclusions were drawn from the findings and recommendations were made for the organisation and future research.

## OPSOMMING

**Onderwerp:** Werksonsekerheid en psigologiese gesondheid in 'n finansiële instelling in Gauteng.

**Sleutel terme:** Werksonsekerheid, psigologiese kragte, koherensiesin, werkslokus van kontrole, dispositionele optimisme.

Organisasies wêreldwyd, maar veral in Suid Afrika, word blootgestel aan ingrypende veranderinge in die ekonomiese, politiese, sosiale, demografiese en tegnologiese arenas. Hulle word ook blootgestel aan die effekte van die wêreld ekonomie, strukturele hervormings en internasionale kompetisie wat aanleiding gee tot transformasies in die arbeidsmark. Dit laat gevolglik werksonsekerheid meer algemeen voorkom aangesien organisasies deelneem aan personeelvermindering, inkortings, asook herstrukturering; of al drie gelyktydig in 'n poging om moeilike ekonomiese omstandighede te oorleef.

Die veranderende werksomgewing is sekerlik mees opvallend in die verandering van die psigologiese kontrak. Werknemers word verwag om meer te offer in terme van tyd, inspanning, vaardighede en buigsaamheid, waarop hulle minder ontvang in terme van loopbaan-geleenthede, lewenslange-indiensneming en werksekerheid. Die skending van die psigologiese kontrak kan moontlik tot droewige gevolge lei, soos 'n verlaging in werksbetrokkenheid, aangesien dit lei tot die verwerping van wederkerigheid wat van kritiese belang is in die handhawing van welstand. Langtermyn werksonsekerheid kan verder 'n impak op die werknemer se totale lewensomstandighede hê deur dat dit daartoe lei dat ekonomiese en ander kosbare aspekte van die lewe as bedreigd beskou word. Dus beskik werksonsekerheid oor die potensiaal om meer spanningsvol te wees as werksverlies aangesien die hanteringsproses geïnhibeer kan word deur die onsekerheid van die omstandighede.

Alhoewel die ervaring van werksonsekerheid 'n realiteit in die Suid Afrikaanse konteks is, asook wêreldswyd, is daar slegs 'n beperkte aantal programme in die verlede geïmplementeer om die probleem aan te spreek. Verder is daar ook 'n tekort aan navorsing met betrekking tot die oorsaaklike (disposisionele en situasionele) faktore van werksonsekerheid en die verhouding daarvan met die psigologiese sterkte (soos koherensiesin, werk lokus van kontrole en disposisionele optimisme) in die finansiële industrie in Suid Afrika (Gauteng). Die doelwit van die studie was dus om te bepaal of daar 'n verband bestaan tussen werksonsekerheid en psigologiese welstand is, wat gemeet is as koherensiesin, werk lokus van kontrole en disposisionele optimisme. Die navorsingsmetode het verloop deur die gebruik van 'n kruis-seksionele navorsingsontwerp met 'n vraelysopname tegniek om inligting te bekom van die gestratifiseerde, ewekansige steekproef van werknemers van verskillende werksvlakke in 'n finansiële instelling in Gauteng. Die toetsbattery het bestaan uit vier vraelyste naamlik die Werksonsekerheidsvraelys (WOV), Koherensiesin Skaal (SOC-29), die Werk Lokus van Kontrole Skaal (WLOK) asook die Lewens Oriëntasie Toets-hersiende Vraelys (LOT-R).

Die data analise was uitgevoer deur middel van die SAS-program wat dit moontlik gemaak het om statistiese analises te doen rakende die geldigheid en betroubaarheid van die meetinstrumente, beskrywende statistiek, t-toetse, analise van variansie, korrelasie koëffisiënte asook regressie analises. Gevolgtrekkings was van die bevindinge afgelei en aanbevelings is gemaak vir die organisasie asook vir toekomstige navorsing.

## **CHAPTER 1**

### **INTRODUCTION, PROBLEM STATEMENT AND OBJECTIVES**

#### **1.1 INTRODUCTION**

This mini dissertation is about the relationship between job insecurity and psychological well-being which was measured as sense of coherence, work locus of control, and dispositional optimism. In this chapter the problem statement, aims and method of the research, as well as the empirical study will be discussed. This will be followed by an indication of the chapter division.

#### **1.2 PROBLEM STATEMENT**

Organisations world-wide, but most especially in South Africa, are exposed to radical changes in the economic, political, social, demographical and technological arenas. The effects of the world economy, structural reforms (e.g. mergers, acquisitions, and privatisations) and international competition also lead to transformations in the labour market. Organisations engage in downsizing, rightsizing, restructuring; or all three simultaneously, in an attempt to survive in difficult economic conditions, and this almost inevitably implies the rationalisation of jobs (Burke & Cooper, 2000; Gowing, Kraft, & Quick, 1998; Grobler, Wärmich, Carrell, Elbert, & Hatfield, 2002; Mauno & Kinnunen, 1999; Pfeffer, 1998).

Some of the most significant companies in South Africa that have experienced change include Iscor, the SA Post Office, Telkom, Transnet, the Public Service, Eskom, mining companies, and many others (Grobler, et al., 2002; Mauno & Kinnunen, 1999). Tremendous pressure is placed on these organisations, to improve their performance and to become increasingly competitive. In such a competitive environment, the first fundamental consideration for most organisations is their profitability. In order for them to gain a competitive advantage, companies need to determine sources of cost-savings (Grobler, et al., 2002; Mauno, & Kinnunen, 1999). According to Marais and Schepers (1996) such sources include economies of scale, technology, access to raw materials,

salaries and wages, with the latter usually being the largest immediate source of cost-savings. Cameron, Freeman, and Mishra (1991) as well as Kalimo, Taris, and Schaufeli (2003) adds to this statement that downsizing through permanent layoffs and offers of early retirement has become one of the most frequently used strategies for improving effectiveness and competitive ability. Job insecurity became more wide spread during the 1990's and global trends during this era saw a swift increase in re-engineering, mergers, outsourcing and downsizing that suddenly affected company levels that for many years had been havens of job security (Martins, 2002; OECD, 1997). De Witte (1997) adds to this statement, by mentioning that plant closures with mass redundancies are now the order of the day across the world, while mergers and restructuring plans, threaten the jobs of thousands more.

Hartley, Jacobson, Klandermans, and Van Vuuren (1991) note that growing unemployment may only be the tip of an iceberg. Organisations attempting to reduce costs, put pressure on employees who remain at work to modify their jobs, accept alternative employment conditions and or positions as well as to relocate, all of which are likely to fuel job insecurity, and leads employees to work harder (intensify their work) in order to keep their jobs (Büssing, 1999).

Job insecurity refers to employee's negative reactions to the changes concerning their jobs as well as the fear that they may lose their jobs (Davy, Kinicki, & Scheck, 1997; De Witte, 1999, 2000). A more formal definition of job insecurity describes it as the worry experienced by an individual in relation to the continuation of the present job (De Witte, 1999; Hartley, et al., 1991; Heaney, Israel, & House, 1994; Rosenblatt & Ruvio, 1996; Sverke & Hellgren, 2002). Hui and Lee (2000) add to this definition that job insecurity encompasses the lack of control to maintain desired continuity in a threatened job situation.

Job insecurity has been conceptualised from three points of views i.e. as (i) a global- or (ii) multi-dimensional stressor and (iii) a job stressor (Mauno & Kinnunen, 1999). In most studies, job insecurity has been defined according to the global view, i.e. signifying



the threat of job loss or of job discontinuity (Hartley, et al., 1991). Researchers who have adopted this multidimensional definition of job insecurity, argue that job insecurity refers not only to the degree of uncertainty, but also to the continuity of certain dimensions, such as opportunities for promotion. They described five components of job insecurity (1) the severity of the threat concerning job continuity or aspects of the job; (2) the importance of job features, meaning that the fear of losing an important job feature is a cause of greater job insecurity than the threat of losing a minor job feature; (3) the perceived threat of the occurrence which are expected to have a negative affect on employee's total job situation, for example, being laid off; (4) the total importance of the changes mentioned above; and (5) powerlessness and referring to an employee's inability to control the threats described in the previous four components.

Van Vuuren (1990) also conceptualises job insecurity as the concern felt by a person for the continued existence of his or her job and identifies three components. The first refers to a subjective experience or perception. The second to the uncertainty about the future and the third component includes doubts concerning the continuation of the job.

The component of uncertainty inherent in job insecurity makes it a potent work stressor. It is intuitive that the lack of predictability or knowledge of what is to come in reference to the present job would give rise to distress in the individual. Several research studies have suggested that job insecurity should be related to different negative outcomes. These may be roughly categorised as (i) attitudinal, (ii) health-related, and (iii) behavioural (Ashford, et al., 1989; Dekker & Schaufeli, 1995; Heaney, et al., 1994; Hellgren & Sverke, 2002; Hellgren, Sverke, & Isaksson, 1999; Mohren, Swaen, Van Amelsvoort, Borm, & Galama, 2003; Probst, 2000; Rosenblatt, Talmud, & Ruvio, 1999; Sverke & Hellgren, 2001; Sverke, Hellgren, & Näswall, 2002).

People develop attitudinal attachments towards their workplace over time, which leads to high levels of commitment, satisfaction, and trust (Allen & Meyer, 1990; Mowday, Porter, & Steers, 1982). Feelings of job insecurity may threaten these basic attachments and lead to attitudinal outcomes such as decreased job satisfaction and impaired organisational commitment (De Witte, 1997; Rosenblatt & Ruvio, 1996). A downward

spiral is created, where productivity decreases, absenteeism increases, which might result in the competitive strength of the company being undermined (Ashford, et al., 1989; Davy, et al., 1997; Hartley, et al., 1991; Rosenblatt, et al., 1999; Sverke & Hellgren, 2001).

According to De Witte (2000) as well as Larson, Wilson, and Beley (1994) some of the negative health related outcomes includes psychosomatic complaints and various physical strains as well as decreased employee mental health, family well-being and a decreased workplace safety motivation and compliance (Probst & Brubaker, 2001).

As for behavioural outcomes, job insecurity has been related to withdrawal behaviour and to stronger intentions to leave the organisation (Ashford, et al., 1989; Q'Quin, 1998) as well as lowered performance (Armstrong-Stassen, 1993; Ashford, et al., 1989; Preuss & Lautsch, 2002) and decreased safety motivation and compliance, which in turn, leads to higher levels of workplace injuries and accidents (Probst & Brubaker, 2001), organisational viability (Kets De Vries & Balaz, 1997), as well as well-being (De Witte, 1999; Kinnunen, Mauno, Nätti, & Happonen, 2000; Mohr, 2000).

In an attempt to study the antecedents and consequences of job insecurity, one can consider the person-environment fit theory of stress, as well as the affective events theory of stress. Probst (2002) explains that definitions of stress falling within the person-environment fit theory of stress emphasises the match between the person and environment characteristics, and that stress value depends on the perceived imbalance between an individual's perceptions of the demands made by the environment and the individual's perceived ability and motivation to cope with those demands. Based on this perspective, Probst (2002) is of the opinion that job insecurity is perceived by an employee as a change or precursor to change demanding adaptation, which may be difficult to meet. Failure to cope with potential future unemployment or loss of job features may have significant consequences. Probst (2002) continues by explaining that from an affective events theory perspective, work environment features and events are subject to cognitive appraisal of whether and to what extent such work events and features will aid or obstruct the attainment of goals. If such goal obstruction is identified

and there is a perceived imbalance between the environmental demands and the employee's ability to cope with those demands, based on aspects such as dispositions and available resources, stress results. Resultant strain may become evident at a physiological, behavioural or psychological level, or any combination of these. Probst (2002) explains that for this reason, when stress exists, work attitudes and affective reactions are expected to be negative. Two additional strains that can result from stress are physical and mental health outcomes, which are expected to be mediated by work attitudes and affective reactions, but may also occur directly.

The effort-reward imbalance model, as discussed by Bakker, Kilmer, Siegrist, and Schaufeli (2000), provides a theoretical approach toward explaining the adverse health effects produced by a lack of reciprocity at work. According to this model, a lack of reciprocity between costs and gains defines a state of emotional distress with particular proclivity to autonomic arousal and associated strain reactions. Bakker, et al. (2000) note that this holds especially true if poor reward is experienced in terms of poor job stability, forced occupational change, downward mobility, or lack of promotion prospects (low occupational control). From this point of view perceived job insecurity can thus be expected to produce lack of reciprocity leading to emotional distress.

By considering these two theoretical frameworks of stress, Probst (2000) proposed and tested an integrated model, based on the premise that job insecurity occurs as a result of multiple antecedents which may serve to stimulate a person's perception that the future of his/her job is in jeopardy. Besides the expected role that organisational change plays as an antecedent to job insecurity, his research confirmed the role of other antecedents such as grievance filing, absenteeism, organisational tenure, educational level, and job technology change. Probst (2000) hypothesised that these antecedents are all subject to cognitive appraisal, which involves an assessment of the relevance and importance of these factors to one's well-being. Resulting perceptions of job security are then predicted to generate an emotional or affective response to work events (for example, anger or anxiety), as well as influence job attitudes (for example, promotion satisfaction or job security satisfaction). Research results indicated that cognitive appraisals regarding one's

level of job security strongly predicted satisfaction with job security, but job security perceptions predicted work attitudes to a lesser extent. It was also found that perceptions of job insecurity predicted affective reactions to organisational restructuring. These results were found while taking into account quotidian work stressors such as role ambiguity, time pressure, and role conflict and were apparent in both the cross-sectional and longitudinal data sets (Mowday, Steers & Porter, 1979; Preuss & Lautsch, 2003).

Research conducted by Probst (2002) furthermore revealed that numerous consequences of job insecurity were mediated by work related attitudes and affective reactions. Job insecurity was found to hold important negative consequences at both individual and organisational levels, leading to increased organisational withdrawal, increased reported health conditions, increased psychological distress and lowered organisational commitment.

With regard to consequences, a distinction is made between stress reactions and coping behaviour. According to De Witte (1997) stress reactions refer to the consequences of the stressor for psychological well-being, whilst coping behaviour refers to the way in which a person deals with the stress. Although job loss can be very traumatic for workers because it has an impact not only the individual but also on different aspects of his personal life such as his family, marriage and children, as well as on his monthly income and status – some workers can cope better than others in effectively managing this trauma and stress.

Antonovsky (1979) stated that there are people who can cope with the various traumatic events and manages to stay emotionally and physically healthy – this is known as salutogenesis. Antonovsky (1992) described the salutogenic approach as the approach that seeks to explain health rather than disease, focusing on coping rather than risk factors, survivors rather than the defeated, and the invulnerable rather than the damaged.

Strümpfer (1990) believes that individual functioning is on a continuum between terminal illness to total psychological wellness, he added during 1995 that there are many more factors that influence total psychological well-being and physical health. He elaborated on the paradigm by adding that certain sources of strength influence an individual's well-being - these sources are classified under the concept fortigenesis (Strümpfer, 1995).

Wissing and Van Eeden (1997) added another paradigm by stating that consideration should also be given to the nature and dynamics of the improvement in psychological well-being. They proposed the term psychofortology as a description of psychological well-being. In the conceptualisation of psychological well-being certain factors are proposed, including processes that the individual can use as coping strategies to improve their psychological well-being. The coping strategies that Strümpfer (1990) identified included sense of coherence, self-efficacy, and locus of control, hardiness/resilience, and potency as well as learned source-utilisation. For the purpose of this research the focus will be on the employees' coping strategies that they may use to improve their psychological well-being and cope with job insecurity. The strategies that will mainly be focused on in this study are sense of coherence, locus of control and dispositional optimism.

Sense of coherence is a resource which is positively associated with coping with change (Fouché & Rothmann, 2001). It is a general way of appraising the world both cognitively and emotionally, which is associated with effective coping, health-enhancing behaviours and better social adjustment. It is not a particular coping style, but rather a disposition, which allows individuals to select appropriate strategies to deal with stressors confronting them. Antonovsky (1987) postulates that it is the particular way in which an individual appraises or understands his/her environment, referred to as sense of coherence, which allows the individual to make sense out of complex environments.

Antonovsky (1993, p.725) further defined the concept sense of coherence as “a global orientation that expresses the extent to which one has a pervasive, enduring though dynamic feeling of confidence that the stimuli deriving from one's internal and external

environments in the course of living are structured, predictable and explicable; the resources are available to one to meet the demands posed by these stimuli; and these demands are challenges, worthy of investment and engagement”.

Sense of coherence are conceptualised as a global orientation and includes the individual’s worldview (Antonovsky, 1987). Strümpfer (1990) conceptualises sense of coherence as habitual patterns of appraisal which encompasses perception, memory, information processing and affect. Sense of coherence manifests in concrete behaviours that are formed based on experiences of success after coping with a variety of situations. Antonovsky (1987) postulates three components of sense of coherence namely comprehensibility, manageability and meaningfulness.

Comprehensibility refers to the degree in which an individual cognitively understands stimuli as clear, ordered, structured and consistent as oppose to noise, chaos, random and incomprehensible (Antonovsky, 1987; Kalimo & Vuori, 1990). The second component Antonovsky (1987) identified refers to the degree in which an individual views the situations that he/she are confronted with as manageable. An individual with a strong sense of manageability would therefore feel able to cope with difficult situations. The last component namely meaningfulness refers to an individual’s emotional assessment of situations as coherent and worthy of investment (Sullivan, 1995).

It is generally found that sense of coherence shows negative correlations with measures of stress indicating that a strong sense of coherence allows an individual to cope better with stressful situations and to use more effective coping mechanisms (Flannery & Flannery, 1990; Fourie, 1999; Strümpfer & Bands, 1996; Strümpfer & Wissing, 1998).

Siu, Spector, Cooper, Lu and Yu (2002) mentioned that locus of control is also a good stress moderator. According to Cooper, Dewe, and O’Driscoll (2001, p.117) can a moderator be defined as a “variable that affects the direction and/or strength of the relation between an independent or predictor variable and a dependent or criterion variable”.

Locus of control is described as the perception that individuals have of the relationship between their own behaviour and the results of reward or punishment (Pretorius & Rothmann, 2001). Individuals with an internal locus of control believe that they can influence the results of their actions, whereas individuals with an external locus of control believe that the results of their actions are controlled by forces outside of themselves (Pretorius & Rothmann, 2001).

Schepers (1995) postulated that the construct locus of control consists of three dimensions namely internal control, external control and autonomy. Internal locus of control is the degree to which an individual attributes success to causes within their control, such as their own behavior, abilities or personality characteristics. External locus of control is the degree to which an individual attributes success to causes outside their control such as luck, fate, the surroundings or influential others. Autonomy is perceived by Schepers (1995) as the self-confidence to act independently, believe in one's own abilities and taking action steps for problem solving. Robbins (2001) elaborates on to this definition of locus of control by stating that where as pesons with an external locus of control perceive themselves as having little control over those organisational outcomes that are important to them, persons with an internal locus of control, facing the same situation, attribute organisational outcomes to their own actions.

A large amount of research comparing persons with an internal orientation with persons with an external orientation has consistently shown that individuals who have high scores in an external locus of control are less satisfied with their jobs, have higher absenteeism rates, are more alienated from the work setting, and are less involved in their jobs than are persons with an internal locus of control (Robbins, 2001). Rahim and Pseunicka (1996) also established that individuals with an external locus of control are not able to cope with the pressure, uncertainty and challenges in a demanding work situation. In addition to this statement Spector (1988) postulates that workers with an internal locus of control will perform better in the work situation since they have more trust in their own abilities as well as the possible rewards.

Locus of control is believed to influence the individual's specific goal expectancy in any given situation, with the extent of the influence in part dependent upon the novelty and the ambiguity of the setting, as well as the degree of reinforcement that the individual has directly experienced in that setting. According to Bandura (1977) an increase in an individual's perception of his/her control over the ability to successfully perform a task will prevent stress and add to his/her health and well being.

Education, work experience, age, ethnic background, and gender are individual characteristics which influence one's position in the labour market and are related to the expectations of success in undertaking individual action during rationalisation. These characteristics are reflected in a more or less optimistic view of one's position in the labour market (Hartley, et al., 1991).

Hellgren, et al. (1999) report that a growing body of literature suggests that self-reports of job stress, well-being and health are under the influence of mood dispositions such as positive and negative affectivity. Greenhalgh and Rosenblatt (1984) report that it is likely that individual differences moderate the relationship between experienced job insecurity and the individuals' reactions to it, citing powerlessness, maintenance of situational continuity, importance attributed to work, attribution tendencies and security needs as potential individual differences which act as moderators.

According to Meeks and Murrell (2001), negative affectivity can be defined as an intrapsychic determinant, which controls an individual's view of the world, where individuals interpret the world and see themselves in unhappy and pessimistic terms. Conversely, positive affectivity is characterised by positive feelings experienced across situations, by sociability, social dominance, energy, venturesomeness and ambition. Negative and positive affectivity are viewed as relatively permanent and stable dispositions. Dispositional optimism will also be considered as a potential moderator of the stressor-strain relationship in this study. Scheier and Carver (1985) define dispositional optimism as a general expectation of experiences throughout one's life. Cooper, et al. (2001) noted



that, as a dispositional variable, optimism has been of considerable interest as a potential moderator of the relationship between job stressors and psychological strain.

Dispositional optimism can be defined as a person's positive outlook towards life events (Ebert, Tucker, & Roth, 2002; Scheier, Carver, & Bridges, 1994). Optimists believe that good outcomes will occur in life and can therefore appraise stressful events more positively and mobilise their resources to take direct action in response to a stressor. Pessimists, on the other hand, are very negative people who don't respond appropriately to stress. They tend to ignore the problem or source of the stress, often give up on goals blocked by stress, and do not attempt to develop positive ways to deal with the problem (Aamodt, 1999). Therefore, the more pessimistic people are about their job prospects, the less likely it is that they will become individually active in response to the job insecurity they experience (Hartley, et al., 1991).

Optimism has been identified as an important factor in physical health, especially for people experiencing stress (Cassidy, 2000). In a hierarchical multiple regression analysis done by Fry (1995), evidence showed that optimism significantly moderates the relationship between daily hassles and self-esteem maintenance, burnout and physical illness. A number of researchers described this personality trait as a psychological resistance factor, which could be used to conceptualise individual differences and are related to more positive outcomes (Ebert, et al., 2002). Positive outcomes being predicted by optimism include - coping with major life stresses; adjusting to major life transitions; and more positive responses to minor stresses (Hasan & Power, 2002).

Numerous studies (e.g., Ashford, et al., 1989; Brockner, Grover, Reed, & De Witt, 1992; Hellgren & Sverke, 2003), including a meta-analysis (Sverke, et al., 2002), suggest that job insecurity associated with impaired work attitudes and well-being. Further more job insecurity is problematic not only for individual employees and their well-being, but also for the company in which they work. Greenhalgh and Rosenblatt (1984) found, that the impact of job insecurity on individual employees can erode the effectiveness of the organisation. A downward spiral is created, where productivity decreases, and the competitive strength of the company is undermined. The risk of further redundancies is

increased, which in turn, increases feelings of job insecurity, due to the associated costs of increased absenteeism resulting from lowered employee well-being (Greenhalgh & Rosenblatt, 1984).

The rationale for this study lies in the assumption that job insecurity is important because it deals with the continuing existence or survival of an organisational member within an organisation (Greenhalgh & Rosenblatt, 1984; Jacobson & Hartley, 1991). Underlying job insecurity is the notion that there is uncertainty in one's job situation, and that control over one's own destiny of job situation is threatened (Hui & Lee, 2000). It seems therefore necessary to evaluate the possible relationship between the individual's sense of coherence, and their internal or external locus of control. Optimism and pessimism are also a resistance factor that can have a possible influence on an individual's coping when experiencing job insecurity.

The financial institutions that will be used in this study, are seen as big market leaders in the financial institution industry, which places them under enormous pressure to remain competitive. Due to these pressures, the institutions are going through constant change and transformation processes, job insecurity is in the mind of the employees on a constant basis. More work has to be done with less people in order for the companies to manage their cost to income ratio, which again places a lot of extra pressure on the employees, especially in terms of work life balance, corporate wellness programs need to be put in place. This study will contribute to the financial institution in the sense that it will provide information on the current levels of job insecurity, optimism/pessimism as well as the levels of sense of coherence and the locus of control of the employees. Out of the analysis in this study, information can be used to develop work life balance programs to assist the employees with the increased levels of pressure and insecurity.

The research problem can be summarised as follows: it is clear that the experience of job insecurity is a reality in the South African context and even worldwide. A limited number of programmes were implemented in the past to address the problem. Furthermore, there is a lack of research regarding the causal (dispositional and

situational) factors in job insecurity and the relationship with the psychological forces (sense of coherence, work locus of control and dispositional optimism) in the financial industry in South Africa (Gauteng Province).

It is therefore necessary to determine whether a relationship exists between job insecurity and psychological well-being as a function of a person's sense of coherence, work locus of control and dispositional optimism.

From the problem statement, the following research questions emerge:

- What are the reliability and validity of the Job Insecurity Questionnaire, the Sense of Coherence Scale, Work Locus of Control Scale and the Life Orientation Test Revised for employees in a financial institution in Gauteng?
- How are job insecurity, sense of coherence, work locus of control and dispositional optimism conceptualised in the literature?
- What is the level of job insecurity, sense of coherence, work locus of control and dispositional optimism of the employees in a financial institution in Gauteng?
- What is the relationship between job insecurity, sense of coherence, work locus of control and dispositional optimism for the employees in the financial institution in Gauteng?
- Can sense of coherence, work locus of control and dispositional optimism predict job insecurity?
- Does work locus of control act as a moderator of job insecurity?

### **1.3 AIMS OF THE RESEARCH**

#### **1.3.1 General objective**

The general objective of this research is to establish the relationship between job insecurity, sense of coherence, work locus of control and dispositional optimism in a financial institution in Gauteng.

### **1.3.2 Specific objectives**

The specific research objectives are to:

- Determine what the reliability and validity of the Job Insecurity Questionnaire, the Sense of Coherence Scale, Work Locus of Control Scale and the Life Orientation Test Revised is, for the employees in a financial institution in Gauteng
- Conceptualise job insecurity, sense of coherence, work locus of control and dispositional optimism from the literature;
- Establish the levels of job insecurity, sense of coherence, work locus of control and dispositional optimism in a financial institution in Gauteng
- Establish the relationship between job insecurity, sense of coherence, work locus of control and dispositional optimism of employees in a financial institution in Gauteng
- Establish whether sense of coherence, work locus of control and dispositional optimism predict job insecurity
- Determine whether work locus of control is a moderator of job insecurity

## **1.4 RESEARCH METHOD**

Specific focus will be given on the research method, which includes the literature review and the empirical study (consisting of the research design, study population, the measuring battery as well as the data analysis). Furthermore a short description of the research procedure will also be given.

### **1.4.1 Literature review**

The researcher will use theoretical data that was obtained through relevant means such as books, journals, articles and electronic media. The information regarding job insecurity, sense of coherence, work locus of control and dispositional optimism will be thoroughly analysed and integrated to provide a basis from which further conclusions and suggestions can be made.

## **1.5 EMPIRICAL STUDY**

### **1.5.1 Research design**

A cross-sectional research design with a survey as technique of data collection was used to reach the objectives of the research. The design was well suited to the descriptive and predictive functions associated with correlational and validation research, whereby relationships between variables are examined. The reason for selecting this specific design is due to the fact that cross-sectional design involves the collection of data at a specific time, in contrast with a longitudinal design that gathers data at different times (Shaughnessy & Zechmeister, 1997).

### **1.5.2 Study population**

The study population consists of a stratified, random sample which was taken from various job levels in a financial institution in Gauteng. It is planned to include 2500 employees (N = 2500). Stratification will take place based on home language, age, years of service, gender and job level.

### **1.5.3 Measuring battery**

Four questionnaires were used in the empirical study, namely the Job Insecurity Questionnaire (JIQ), Sense of Coherence Scale (SOC-29), The Work Locus of Control Scale (WLOC) and the Life Orientation Test-Revised (LOT-R) Questionnaire.

*The Job Insecurity Questionnaire (JIQ)* (De Witte, 2000) - This 11-item questionnaire was used for the purpose of measuring the perceived job insecurity of the participants. The survey focuses on two aspects, namely the cognitive comprehension of the possibility of job loss as well as the affective reaction to the feelings of job insecurity (De Witte, 2000). De Witte (2000) mentioned that he found an overlap between both predictive factors namely cognitive (e.g. "It makes me anxious that I might become unemployed") and affective (e.g. "I feel uncertain about the future of my job") that is significant, making it complicated to distinguish between the two dimensions. Human (2002) obtained a Cronbach alpha coefficient of 0,83 in her study on the relationship

between job insecurity and psychological factors of human resources employees in a financial institution in South Africa. Elbert (2002) obtained a Cronbach alpha coefficient of 0,84 in her study on job insecurity and psychological strengths of service workers in a parastatal and Heymans (2002) obtained an alpha coefficient of 0,81. The items of the JIQ, measuring global job insecurity are reported to have a Cronbach alpha coefficient of 0,92 and both scales (cognitive and affective) were shown to be highly reliable, with the six items measuring cognitive job insecurity, displaying a Cronbach alpha coefficient of 0,90; and the five items of the affective job insecurity having a Cronbach alpha coefficient of 0,85 (De Witte, 2000). According to De Witte (2000) the content of these two scaled do not overlap, but nevertheless have a high underlying correlation ( $r=0,76$ ;  $p<0,0001$ ).

*The Sense of Coherence Scale (SOC)* (Antonovsky, 1987) measures three components of the construct, namely (i) comprehensibility (e.g. “Do you have the feeling that you are in an unfamiliar situation and don’t know what to do?”), (ii) manageability (e.g. “Do you think that there will always be people whom you’ll be able to count on in the future?”), and (iii) meaningfulness (e.g. “Life is: (1) full of interest; (7): completely routine”). The components should, however, not be considered as sub-scales (Antonovsky, 1993), since, firstly, the items were constructed using a facet analysis design, so as to vary the content systematically along a number of dimensions; secondly, from his review of studies. Factor analysis of the scale is likely to produce a single factor solution which will not reflect the three components. Responses are on 7-point semantic differentials anchored by wordings related to the contents of each item (Antonovsky, 1993).

Regarding the reliability and validity of this questionnaire - Antonovsky (1993) reported alpha coefficients of the SOC in 29 research studies varying between 0,85 and 0,91 whilst Test-retest reliability studies found coefficients between 0,41 and 0,97 (Antonovsky, 1993). In a South African study Rothmann (2000) reported an alpha coefficient of 0,89 for the SOC, which may be regarded as acceptable. It was found that there is a negative relationship between the SOC and experienced stress and that the SOC correlates negatively with the “State-Trait Anxiety Inventory-Trait” and the “Beck Depression

Inventory” – which indicates the construct validity of the questionnaire (Frenz, Carey, & Jorgensen, 1993).

*The Work Locus of Control Scale (WLOC)* (Spector, 1988) – consists of 16 items and was used to measure the participants’ locus of control within the work environment. The original number of items included in the scale was 49 – these items were developed from the conceptual analyses of the construct work locus of control. The questionnaire can be completed by the respondent himself by evaluating the items (e.g. “A job is what you make of it.”) on a 6 point scale where 1= disagree totally with the statement; and 6= agree to a high extend with the concerned statement.

Three criteria were used in the item selection namely: total correlation, lack of correlation with social desirability and the scale had to conform to equal amounts of internally and externally formulated items. The item totals vary from 0,24 to 0,67, with a low inter-item correlation of 0,25 (O’Brien, 1983; Spector, 1982). To have consistency with Rotter’s Internal-External-scale, the low scores represent internal locus of control on the scale. Spector (1988) found alpha coefficients for the WLOC varying between 0,75 and 0,85. Spector (1988) found evidence for the construct validity of the WLOC.

*The Life Orientation Test-Revised (LOT-R)* (Scheier, et al., 1994), a ten item measure was used to measure dispositional optimism (Scheier, et al., 1994). Six items contribute to the optimism score (e.g. “In uncertain times I usually expect the best”) and four items are fillers (e.g. “If something can go wrong for me, it will”). Follow-up analysis have demonstrated a one-factor structure, indicating that the LOT-R is measuring a continuum of high, average and low optimism/pessimism (Scheier, et al., 1994). The LOT-R is measured on a five-point Likert Scale, ranging from 1= I strongly agree to 5= I strongly disagree. The LOT-R was found to have adequate internal consistency (Cronbach’s alpha = 0,78) and excellent convergent and discriminant validity (Scheier, et al., 1994). Based on a sample of 204 college students, Harju and Bolen (1998) obtained a Cronbach alpha coefficient of 0,75.

#### **1.5.4 Data analysis**

The data analysis was carried out with the help of the SAS-program (SAS Institute, 2000). The SAS-programme was used to carry out statistical analysis regarding reliability and validity of the measuring instruments, descriptive statistics, t-tests, analysis of variance, correlation coefficients, and multiple regression analyses. Cronbach alpha coefficients, inter-item correlation coefficients and factor analysis was used to assess the reliability and validity of the measuring instruments (Clark & Watson, 1995).

A cut-off point of  $p < 0,05$  was set for the statistical significance of the results. Effect sizes (Cohen, 1988) were used to decide on the practical significance of the findings. Pearson product-moment correlation coefficients were used to specify the relationships between the variables. A cut-off point of 0,30 (medium effect, Cohen, 1988) was set for the practical significance of correlation coefficients. T-tests and analysis of variance (MANOVA and ANOVA) was used to determine the differences between groups. A stepwise multiple regression analysis was conducted to determine the percentage of the variance in the dependent variables that is predicted by the independent variables.

#### **1.5.5 Research procedure**

A letter requesting participation and motivating the research was included. Ethical aspects regarding the research were discussed with the participants. The test battery was administered in small groups at the different work places on suitable dates. The results were analysed and feedback will be given to all individuals who requested feedback.

### **1.6 CHAPTER SUMMARY**

In this chapter an overview of the study was given with specific reference to the problem statement and objectives of this study as well as background information on job insecurity and the psychological strengths as well as the importance of this study for the organisation.



The research method was discussed with focus on the literature review as well as aspects such as the study population, measuring battery and research procedure of the empirical study. Next an outline of the chapter divisions will be provided.

### **1.7 PRELIMINARY CHAPTER DIVISION**

Chapter 1: Introduction and problem statement.

Chapter 2: Job insecurity, sense of coherence, work locus of control and dispositional optimism

Chapter 3: Empirical study.

Chapter 4: Results, discussion and interpretation of the empirical study.

Chapter 5: Conclusion, limitations and recommendations.

## **CHAPTER 2**

# **JOB INSECURITY, SENSE OF COHERENCE, WORK LOCUS OF CONTROL AND DISPOSITIONAL OPTIMISM**

### **2.1 INTRODUCTION**

The concept job insecurity is no new phenomenon, but a current theme in modern time. During the past two decades most organisations began restructuring and merging, whilst most of the personnel-forces were reduced. These changes in the work conditions lead to feelings such as anxiety, stress and uncertainty about the nature as well as continuation of the workers' jobs (Human, 2002).

Even during the 1980's it was found that the loss of work and possible reallocation as a result of working conditions as well as the loss of status, benefits and opportunities are the general result of acquisitions and mergers (Magnet, 1984; Walsh, 1988). Although change can seem attractive to managers impressed by the case for organisational survival, individual employees may feel threatened for a variety of reasons. Apart from the failure to see the need for change, employees may fear the unknown, threats to their relationships at work, threats to their financial security and threats to their daily routine. Furthermore, proposals for change create novel situations in which uncertainty is more likely to lead people to weigh up the costs and benefits of organised resistance (Human, 2002).

The harmful impact of job insecurity is clearly shown when two groups of people are compared with each other in terms of knowledge of redundancy and the possibility of becoming redundant in the future (De Witte, 1999). The group, who knew that redundancy was a reality, experienced improved psychological well-being in comparison with the group who were still uncertain. The unpredictability and the uncontrollability of job insecurity have a negative impact on the psychological well-being of people (De Witte, 1999).

Further more, recent research found that job insecurity is associated with a decrease in trust within organisations, a decrease in organisational loyalty, as well as a decrease in the perceived organisational support. Job insecurity also influences organisational commitment and causes a resistance against change and the intention to leave the organisation (Ashford, et al., 1989; Davy, et al., 1997; Rosenblatt & Ruvio, 1996).

Greenhalgh and Rosenblatt (1984), as well as Klandermans, Van Vuuren, and Jacobson (1991) found that the specific environmental factors and specific organisational conditions, e.g. organisational change and communication; a worker's individual and positional characteristics, e.g. age, gender, and socio-economic status; as well as characteristics such as sense of coherence, locus of control, optimism and pessimism, influences the perceived job insecurity.

The aim of this chapter is therefore to study job insecurity, as well as the psychological strengths namely – sense of coherence, locus of control and dispositional optimism; that might influence job insecurity.

The focus will firstly be on how job insecurity is conceptualized in the literature; secondly it will be on the dimensions and perceptions of job insecurity and lastly the psychological forces (sense of coherence, locus of control and dispositional optimism) that might influence the experience of job insecurity.

## **2.2. CONCEPTUALISATION OF THE CONCEPT JOB INSECURITY**

### **2.2.1. Definition of job insecurity**

Job insecurity has been defined from literature as an individual's expectations about continuity in a job situation, the overall concern about the future existence of the job and powerlessness to maintain desired continuity in a threatened job situation (Davy, et al., 1997; Greenhalgh & Rosenblatt, 1984; Heaney, et al., 1994). It is further more conceptualised as a negative effective feeling that individuals experience towards their work, working conditions, work possibilities as well as towards the changes concerning

their jobs. This negative feeling can lead to the highlighting of negative self-worth, negative aspects pertaining to other people as well as the world, and to chronically high levels of stress that can have a fatal influence on a person's attitude and behaviour towards his work (Davy, et al., 1997; Roskies, Louis-Guerin, & Fournier, 1993).

Lazarus and Folkman (1984) describes this feeling of uncertainty as 'n subjective reaction to an objective threat – this is based on Lazarus's theory of psychological stress which postulates that psychological stress in a situation is based on the individual's perception of the situation. Other researchers also describe job insecurity as a person's subjective perceptions regarding the risks and consequences that accompany the loss of his/her job (Roskies, et al., 1993).

Hartley, et al. (1991) also describes job insecurity as a subjective phenomenon based on the individual's appraisal of uncertainties in the immediate work environment, which implies that the feeling of job insecurity may differ between individuals even if they are exposed to the same objective situation. They also state that it is important that focus should not just be given to the continuation of the job but also to the continuation of certain aspects of the job. Therefore, job insecurity can be determined by the way the individual experience and summarises his work.

Job insecurity relates to people in their work context who fear they may lose their jobs and become unemployed. Growing emphasis on more flexible employment contracts may also intensify feelings of job insecurity (De Witte, 1997, 1999). Van Vuuren (1990) emphasises that job insecurity has the following components: firstly, it is a subjective experience or perception, as different employees might perceive the same situation differently; secondly, job insecurity implies uncertainty regarding the future – it is uncertain whether he/she will be able to continue work, or whether he/she will be made redundant. Finally, doubts about the continuation of the job as such, are central to job insecurity (De Witte, 1999; Van Vuuren, 1990).

According to Mauno and Kinnunen (1999) literature usually conceptualises job insecurity from three general points of view, it being (i) a global or (ii) multidimensional concept or (iii) a job stressor. In most instances, job insecurity has been defined according to the global viewpoint, signifying the threat of job loss or job discontinuity. Generally, this definition has been applied in the context of organisational crisis or change, in which job insecurity is considered as a first phase of the process of job loss (Ferrie, Shipley, & Marmot, 1997; Joelson & Wahlquist, 1987).

Researchers, who have adopted the multidimensional definition of job insecurity, argue that job insecurity refers not only to the degree of uncertainty, but also to the continuity of certain dimensions, such as opportunities for promotion (Ashford, et al., 1989; Borg & Elizur, 1992; Rosenblatt & Ruvio, 1996). Borg and Elizur (1992) differentiated between cognitive job insecurity (likelihood of job loss) and affective job insecurity (fear of job loss). For the purpose of this study the differentiation between cognitive job insecurity and affective job insecurity as proposed by Borg and Elizur (1992) is supported.

Three main themes rise from the study of the literature regarding the conceptualisation of job insecurity. The first conceptual theme is the objective versus the subjective phenomenon. The observation was made that not all workers whose jobs are threatened experience job insecurity. Greenhalgh & Rosenblatt (1984) as well as Hartley, et al. (1991) believe that job insecurity is a subjective phenomenon, based on the worker's interpretation of the uncertainties in the immediate work environment. Each worker's own judgment of the specific environment plays a peculiar role in the literature of job insecurity (Klandermans & Van Vuuren, 1999). The aforementioned researchers' research have shown that personality factors such as self-confidence and pessimism have a strong influence on the worker's subjective experience of job insecurity, but they also see these personality factors as insignificant in organisations where the job is threatened. In such organisations personality characteristics such as education, age, and position in the organisations as well as ethnic background are of importance because these characteristics can influence the worker's possibility to lose his job (Klandermans & Van Vuuren, 1999). The conclusion can be made that job insecurity are both subjective and

objective due to the fact that organisations bring an objective threat to the fore as soon as the job is threatened, whilst a worker's subjective fears come to the fore through their subjective opinion about his chances to lose their job.

The second conceptual theme with regards to job insecurity is the question whether job insecurity only refers to the continuation of the job or whether it includes the continuation of certain important aspects of the job. Greenhalgh and Rosenblatt (1984) did pioneer work with regards to this and came to the conclusion that job insecurity can be classified as qualitative and quantitative in nature. Qualitative job insecurity refers to the observed threats in terms of a reduction in the quality of the work-relationship with the organization e.g. the deterioration of the work-conditions, less career opportunities and a reduction in salary-adaptations (Hellgren, et al., 1999). Qualitative job insecurity can be tied to a worker's attitude towards his job. Examples thereof can be job-dissatisfaction and the tendency to leave the organisation willingly.

The third conceptual theme of job insecurity is the distinction that is made between the possibility of job loss and the loss of certain aspects of the job (Hartley, et al., 1991). According to these researchers, the extend of the losses also plays a role in the experience of job insecurity. From this the conclusion can be drawn that job insecurity includes the possibility of job loss and the loss of certain aspects of the job as well as the consequences and degree of the occurrences.

Klandermans and Van Vuuren (1999) are of the opinion that there is a reciprocal relationship between the two aspects and that the difference depends on the context in which the worker are. Personal circumstances, the family situation, the labour market and the presence or the absence of social support systems, can have a huge impact on the degree of the consequences of job loss (Klandermans & Van Vuuren, 1999). Other factors that can also influence the degree of the loss are organisational climate, economic cycles and legislation (Klandermans & Van Vuuren, 1999). Personal characteristics can

also have a possible influence on the degree of job loss and includes factors such as age and ethnic background (Klandermans & Van Vuuren, 1999).

The significance of job insecurity relates to the fact that it is critical in influencing work-related outcomes, inter alia employee health, physical and psychological well-being, employee turnover, job satisfaction and organisational commitment. Further more the research of Ferrie, et al. (1997), as well as of Dekker and Schaufeli (1995), indicated a negative relationship between job insecurity and well-being, in turn indicating a reduction in well-being as job insecurity increases.

Van Vuuren's (1990) measuring instrument for job insecurity focuses on the possible loss of the job and gives an indication of the possibility of job loss in the near future. De Witte (2000) is of the opinion that job insecurity should be measured as a global construct and that the need exists to develop an instrument that can measure job insecurity as a whole.

Borg and Elizur (1992) postulated that the cognitive sub-factor of job insecurity refers to the possibility of job loss and a worker's judgment of the situation whilst the affective sub-factor refers to the emotional experience of the possible threat of job loss and the worker's reaction (Borg, 1992). Inspired by Borg's (1992) instrument, De Witte (2000) developed an instrument that consists of 11 items to measure the cognitive and affective sub factors. Items 1 – 5 refer to the affective sub factor of job insecurity whilst items 6 – 11 refer to the cognitive sub factor. An average score of the 11 items are then used as an indicator of the total job insecurity level (De Witte, 2000). The Job insecurity Questionnaire of De Witte (2000) will be used in this study.

From the literature's conceptualisation of job insecurity the conclusion can be made that the concept consists of different facets (affective and cognitive) and that these facets can have different effects on different employees. This study investigates these facets as

described in the literature as well as the emotional experiences of job insecurity amongst workers. Therefore, in the following sections attention will be given to the different perceptions of job insecurity amongst workers as well as the possible effects that it can have on each worker's life.

### **2.2.2. Workers' perception with regards to job insecurity**

A national survey namely the (Survey of Economic Expectations) was undertaken with 3561 workers over a period of 4 years (from 1994 till early in 1998). The survey found that there a reasonably big difference is in the individual perceptions of job loss and that these individual perceptions are also influenced by different factors. These aspects will therefore be discussed in this section.

From this survey it was evident that age does not have a big influence on the perceptions of job insecurity amongst different age groups. Job loss is a more of a concern for younger workers than older workers, but the possibility to be reemployed is much bigger for younger workers than older workers. The expectation of job loss tends to decrease with age – but so does the possibility of reemployment even when it is a necessity to find another job (Human, 2002; Manski & Straub, 2000).

When considering educational background there are clear differences in the subjective experience of job loss. The survey proved that the higher the educational levels of a person, the lower his/her subjective experience of job insecurity (Human, 2002; Manski & Straub, 2000).

The third aspect that can have an influence on individual perceptions of job insecurity is gender. Research has shown that men and women experience the same amount of job insecurity (Burchell, Day, Hudson, Ladipo, Mankelow, Nolan, Reed, Wichert, & Wilkinson, 1999). This finding supports the proposal that both sexes have the same perception of job insecurity (Human, 2002).



During the survey it was found that race plays an important role in the experience of job insecurity. The biggest difference in the dimension of race is the expectation of job loss. From respondents' results it was clear that black employees experience more job insecurity than white employees. In the category that determines how readily an employee believes that he will be able to get another job, black officials felt that they will not be able to get another job easily. In the case of race differences it is important to determine whether the results can be generalised or whether the results are only applicable to the specific subgroup of the population that was used in the study (Burchell, et al., 1999; Human, 2002).

The type of employer for whom the employee is working can also have an influence on the workers perceptions of job insecurity. Entrepreneurs or family businesses do not experience the same degree of job insecurity than workers that are employed by other institutions (Human, 2002).

The year and economical conditions also plays a role in the development of the workers' perceptions. Within the 4-year period that the survey was done, it was found that the perceptions of job loss were higher in 1995 than in 1994, and in 1996 there was another increase in this perception which stabilised in 1997 (Human, 2002; Manski & Straub, 2000).

From the conceptualisation of job insecurity in the literature, it was mentioned that job insecurity consists of a cognitive and an affective sub factor (Borg, 1992). The above mentioned aspects, namely age, educational background, gender, race, type employer as well as the year and economical conditions had a significant influence on the workers perception and experience of job insecurity (Human, 2002). The experience of job insecurity and the reaction to it refers to the affective sub factor (Borg, 1992). During the following section the individual's personal experience of job insecurity will be discussed.

### **2.2.3. Individual experience of job insecurity**

Future uncertainties about possible reductions in the budget of the organisation can lead to the experience of different types of stress amongst workers, e.g. job insecurity and role-overload (Erbaz & Zengin, 1998). Job insecurity is the perception that an employee has towards the possibility of job loss as well as the degree of control that he/she has over the threat (Human, 2002). The workers' control over the situation of possible job loss can be influenced by factors such as - the degree of protection that the union and employment contracts provide the workers; the extent to which the worker understands what will be necessary to maintain the status of the post and which developments are needed to prevent the change of the post's status; the degree to which the organisational climate are seen as participatory or autocratic; and how much trust a worker has in the dismissal procedure (Human, 2002).

Workers' experience are also influenced by the extent of the restructuring process – the more positions are effected; the higher will the experienced level of job insecurity be (Human, 2002). According to Greenhalgh and Rosenblatt (1984) individuals must take important aspects into consideration when determining the seriousness of the threat; such as whether the job loss is temporary or permanent; whether the losses are caused by restructuring or reductions in personnel force by means of dismissals; whether the changes will lead to a total loss of the job or whether it will only include losing certain aspects of the job.

### **2.2.4. The inability to react on job insecurity**

As soon as a worker starts to feel powerless with regards to taking action against job insecurity, it worsens the perception that the worker has of the job insecurity. According to Greenhalgh and Rosenblatt (1984) powerlessness can manifest as a lack of protection, ambiguous expectations, as well as the culture of the organisation that can also influence the individual's feeling of powerlessness toward job insecurity

A lack of protection can refer to unions, hierarchal levels and employment contracts that can protect the employee and therefore increases his/her power to resist the threat. Ambiguous expectations refers to an employee's experience of job insecurity with regards to his/her job, but he/she is not sure about the achievements that are necessary to retain his / her job - this can be a consequence of not having an adequate performance appraisal system in place. Therefore, the worker does not know what is expected of him / her to be successful in his job consequently he/she does not know what to improve on to be more successful in his job (Greenhalgh & Rosenblatt, 1984).

The influence of the organisational culture on the individual's feeling of powerlessness towards job insecurity can be due to an autocratic culture within the organisation that will not be supportive in the case of restructuring. Greenhalgh and Rosenblatt (1984) stated that when the organisation does not have strong norms and values it can have a strong influence on the powerlessness of the individual as well as when the worker could not participate in the decision-making and had no rights to oppose the decision. Supervisors that are seen as temperamental and biased in making the decision as well as the degree of trust the workers have in the organisation's standard policy and procedures on the dismissal of workers can further more influence the degree of powerlessness of the individual.

The definition, perception, experience and inability to react to job insecurity has been discussed in the preceding section. In the following section the concept job insecurity will be explored further by viewing different models of job insecurity.

#### **2.2.5. Models of job insecurity**

Given that job insecurity can be explained by theories such as Probst's (2000) *integrated model*, as well as Bakker, et al's., (2000) *effort-reward imbalance model* as well as the *person-environment fit theory* (Kroegeer, 1995) it is necessary to explore these theories in this section.

### 2.2.5.1. Integrated model of job insecurity

Sverke and Hellgren (2002) are of the opinion that more systematic research is needed concerning the consequences of job insecurity. They call for more longitudinal research to address issues of causality, long-term effects of insecurity and its relative effects after controlling other important factors such as initial levels of the outcomes. The consequences of job insecurity can best be explained through a model such as Figure 1. In this figure it is clear that job insecurity can be best described by viewing the objective situation, the subjective characteristics as well as the moderators that has an influence on the threat of job loss, occupational status and the treats to the job which has certain consequences with regards to an individual's well-being, job attitudes and organisational attitudes.

Figure 1 describes job insecurity as a subjectively experienced, multidimensional phenomenon which may arise as a function of the interaction between the objective situation and subjective characteristics, a phenomenon that may have detrimental consequences for employee attitudes and well-being, where such consequences may be mitigated by a number of potential moderators (Sverke & Hellgren, 2002).

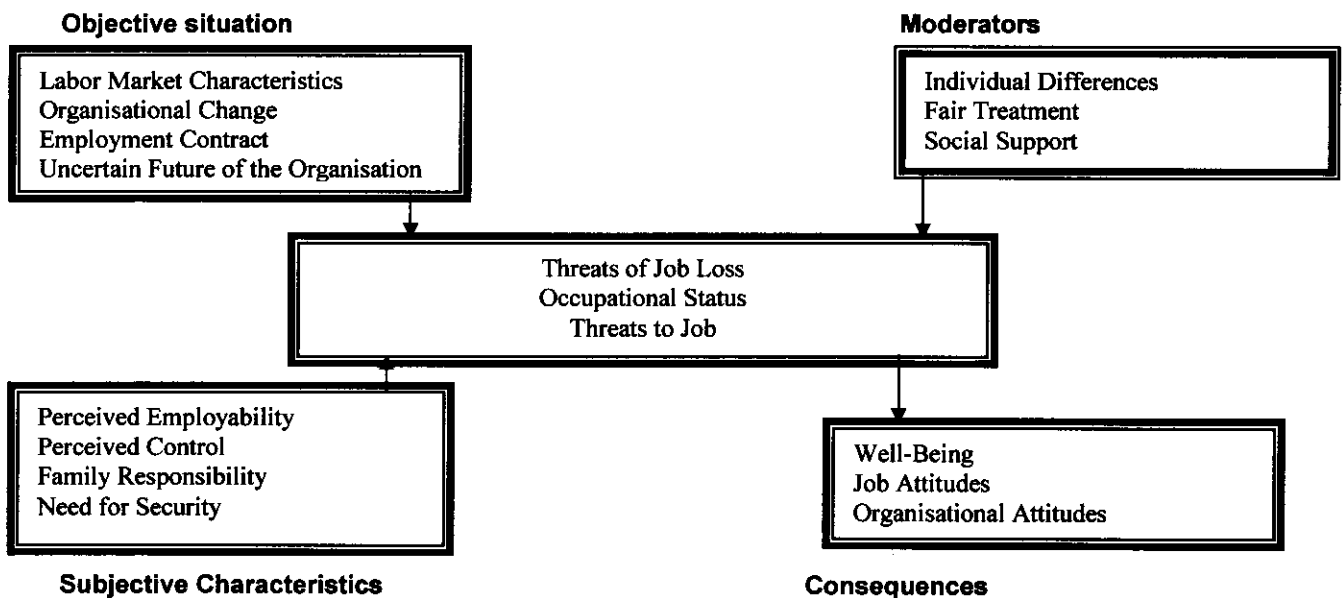


Figure 1: Integrated model of job insecurity (Sverke & Hellgren, 2002).

The different aspects of the Integrated Model of Job Insecurity will be discussed in the following sections.

#### **2.2.5.1.1. Objective Situation**

Labour market characteristics, organisational change, employment contracts and uncertain future of the organisation contribute extensively towards employees' feelings of job insecurity and occupational status (Elbert, 2002).

The statement is supported by Human (2002) who mentioned that employees must be able to switch their focus rapidly from one task to another and employees will no longer have clear job descriptions. Employees should expect that much more frequently than in the past they have to move from one organisation to another and long-term employment was in times gone by.

##### **(a) Recession and Restructuring as a Source of Job insecurity:**

Jacobson and Hartley (1991) mentioned that many national economies appear to be caught in a low-growth trap, where their ageing industries and flooded labour forces are unable to compete successfully, locally and globally. Recessions can lead to less jobs overall and restructuring can lead to less jobs in certain environments within an organisation. Recessions contribute to organisational costs and thereby strengthen the need for restructuring.

##### **(b) Technology as a Source of Job insecurity:**

For organisations to retain an adequate advantage they need to stay ahead of technological changes and requirements due to the fact that technology itself contributes towards uncertainty amongst employees (Robbins, 2001). Robbins (2001) viewed technology as a factor that will raise the skills required to such a high level that illiterate employees and employees with low qualifications would feel at risk of losing their jobs. Thus employees will experience that their future

employment within the organisation will be at risk if new technology is introduced within the workplace.

Innovate or die is a key concept in today's highly competitive environment. Robbins (2001) concludes by emphasizing that the office of 2003 is dramatically different from its counterpart of 1983, predominantly because of computerisation.

(c) Growth of the Small Business Sector:

Jacobson and Hartley (1991) mention that employees who work in small businesses in general have lower levels of financial and fringe benefits. They also emphasise that these employees are at greater risk of job loss as a result of a relatively high mortality rate in the business environment.

It can be expected that employees within a small business environment have higher levels of job insecurity than their counterparts in larger environments. Human (2002) mentioned that by defining the rules of the competition, a smaller firm can often take advantage of the dominant player's first-mover momentum. The researcher is of the opinion that the sense of the above-mentioned statement is slowly but surely changing due to the fact that bigger business sectors are busy outsourcing non-core businesses, which can have a positive effect on the future existence and growth of the small business sectors.

(d) Employment Flexibility as a Source of Job Insecurity:

Numerous organisations regard employment flexibility as a mechanism for retaining skills but Jacobson and Hartley (1991) indicated that employment flexibility can be viewed in two ways namely: (a) functional flexibility that indicates a broader scope of tasks and (b) numerical flexibility that points out contract employment, and where contract employment has important connotations for job insecurity.

A reduction in job insecurity can be expected from employees if they are more involved in working from home, on limited duration contracts contracted with them,

sub- contracting temporary and part-time work, thus the expectations from employees and employer are clearly clarified and agreed upon (Human, 2002).

#### **2.2.5.1.2. Moderators**

Sverke and Hellgren (2002) also believe that further research is needed to examine how the negative effects of job insecurity can be reduced. Three areas of moderators seem especially important – individual differences, fairness perceptions, and social support.

One of the few studies that researched the relationship between personality traits, job insecurity and employee well-being was done by Roskies, et al. (1993). They observed that individuals expressing high levels of negativity do not inevitably perceive the outcomes of job insecurity as severe as those low in this attribute, but they may report lower well-being because of their elevated initial values.

Interestingly, Roskies, et al. (1993) found that personality was the most important predictor of distress, even more important than the perception of job insecurity. Klandermans and Van Vuuren (1999), in their research, found the lowest level of well-being among employees who attributed their job insecurity to uncontrollable individual factors, such as age and health and therefore an appropriate response to insecurity is less obvious.

#### **2.2.5.1.3. Subjective Characteristics**

Warr (1994) found that unemployment is as distressing for women as for men especially when the women is single or when she is the sole wage earner in the family. Married women with children experience unemployment less negatively than men and this can be partly explained due to real theory because married men who are earning money for their families sees this as the core of their role in society, whilst an alternative role as taking care of the household and children can make unemployment less distressing for young married women.

Research on the consequences of job insecurity in which gender effects are analyzed is scarce and yet the longitudinal study of Ferrie, et al. (1998) revealed less deterioration in self-reported health among insecure women than among insecure men.

The above-mentioned could thus be interpreted that job insecurity is less distressing for women compared to men. Warr (1994) however is of the opinion that above-mentioned would differ where women are the sole wage earners in the family.

Warr (1994) found that the consequences of unemployment are more distressing for employees between the age of 30 to 50 years of age than for younger and older employees. Numerous reasons might explain why younger workers experience less problems with unemployment. Some of these reasons are - fewer financial responsibilities and better prospects of finding a job.

Unemployment forces younger employees to maintain their youth role, with fewer responsibilities, a while longer. The ever-increasing number of workers over 50 years of age, who already are retired, makes it easier to adapt to this new role, because they could have prepared themselves for this role.

#### **2.2.5.1.4. Consequences of the experience of job insecurity**

Instinctively one would expect feelings of job insecurity to have a strong psychological impact on those affected. A long-term threat in job insecurity is likely to have severe consequences for employees' overall life situation in those economic and other highly valued aspects of life and will be perceived as threatened (Hartley, et al., 1991). The radical change from a traditionally secure working environment to a rapidly changing and insecure one could be expected to have an impact not only on the well-being of individuals, but also on their work attitudes and behaviour and in the long run on the vitality of the organisation (Hartley, et al., 1991). Job insecurity has consistently been found to be associated with reduced levels of work attitudes, such as job satisfaction. Ashford, et al. (1989) showed that employees who felt insecure about their future



employment were more dissatisfied with their jobs compared to those who perceived their future job situation as more secure.

Job insecurity, like any stressor, could lead to a withdrawal response as manifested in, for example, higher levels of turnover intention (Hartley, et al., 1991). This is especially important also for managers, given that qualified workers will more easily find a new job and thus are more likely to quit if they experience job insecurity (Greenhalgh & Rosenblatt, 1984).

Psychological well-being, according to Van Vuuren (1990), as well as Klandermans (1991), is affected by job insecurity. Burchell (1994), during his study, which was conducted among 600 employees, found a lower level of psychological well-being among employees who felt insecure about their jobs.

#### **2.2.5.2 The effort-reward imbalance model**

In the early 1990s, the effort-reward imbalance model was developed. An effort can be defined as a mental or physical energy expended to achieve an organisational goal. A reward can be defined as a compensation for or acknowledgement of effort in terms of bestowed status, financial gain or career advancement (Shain, 2000).

This model postulates that jobs characterised by a perceived imbalance between high effort and low rewards are stressful and will lead to negative health outcomes, particularly in persons with limited coping abilities. Siegrist (1993) confirms this by stating that an imbalance between costs and gains at work (i.e. high effort/low reward condition) results in a state of emotional distress with special propensity to autonomic arousal and associated strain reactions (Lewchuk, 2003; Ostry, Kelly, Demers, Mustard, & Hertzman, 2003).

This model is meant to tap the attribute of an individual's "need for control"; a personality characteristic related to flexibility in coping. According to the model, a person with high need for control will respond in an inflexible way to work situations of high effort and

low reward; and will therefore be more stressed and disease prone than a person in the same situation who has less need for control. This model also shows that high effort/low reward conditions are associated with a variety of adverse health outcomes prominent among which are cardiovascular disease and mental health problems such as anxiety and depression as illustrated in Figure 2 (Ostry, et al., 2003; Shain, 2003).

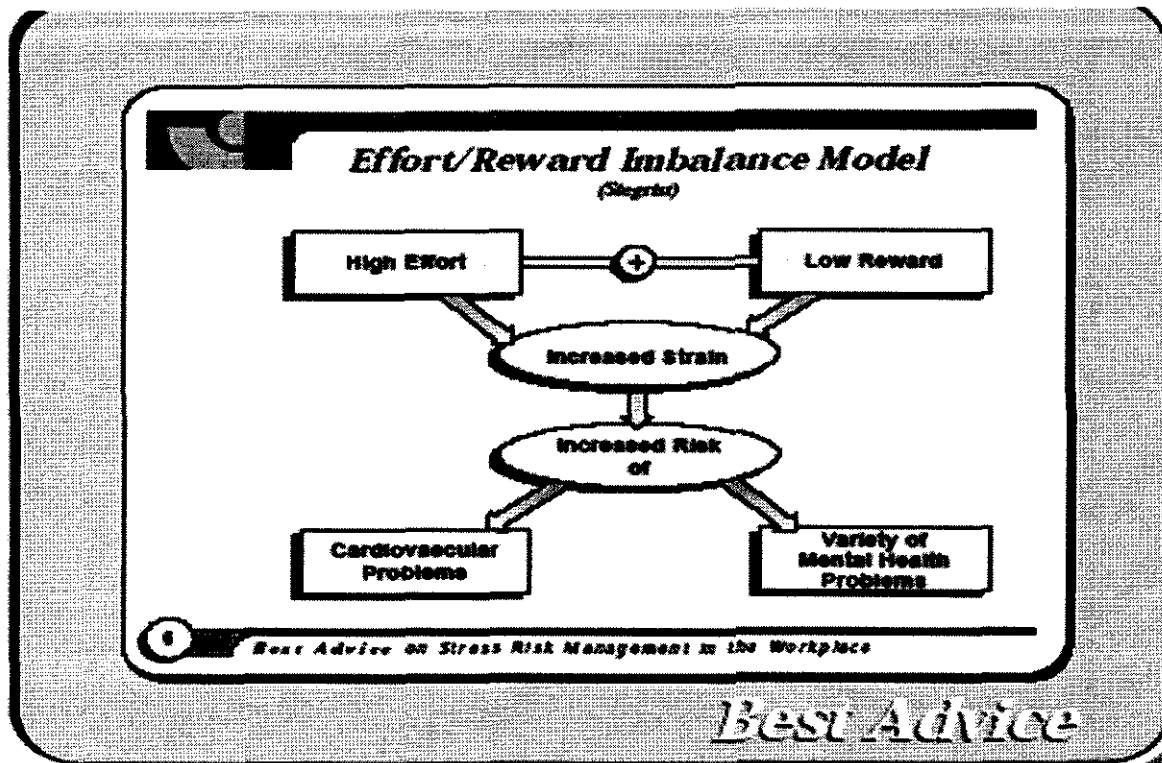


Figure 2: The Effort/Reward Model of Siegrist (Shain, 2000, p. 11).

### 2.2.5.3 Person environment fit model

The person-environment fit theory of stress emphasises the match between the person and environmental characteristics, and that stress value depends on the perceived imbalance between an individual's perceptions of the demands made by the environment and the individual's perceived ability and motivation to cope with those demands (Kroeger, 1995).

The relationship between the employee and the workplace environment can therefore be a source of unfathomed strength or profound confusion. The person-environment theory

model is based on the assumptions that (1) individuals seek out and create environments that offer possibilities of leadership such that they are in charge; (2) the degree of fit between the person and environment is associated with significant outcomes that can substantially affect the performance, productivity, satisfaction, turnover, and stress; and (3) the process of person and environmental fit is reciprocal (Kroeger, 1995).

### **2.3 RELATIONSHIP BETWEEN JOB INSECURITY AND OTHER CONSTRUCTS**

Widespread research findings pertaining to the above-mentioned constructs are not entirely consistent and the topic job insecurity has received little attention from researchers over the past decades (Human, 2002).

Research showed that there is a positive correlation between leadership behaviours, job satisfaction, age occupational status, and gender and job insecurity. Roskies and Louis-Guerin (1990) did not find a correlation between age and job insecurity but found a positive correlation with occupational status.

There seems to be a correlation between job insecurity and sense of coherence. The studies of Van Vuuren, et al. (1999) indicated a positive correlation between job insecurity and sense of coherence in which it is mentioned that job insecurity is associated with psychological distress.

The psychological state of the employer is more relevant to the success or failure of the empowerment initiative than to the fundamental nature of empowerment as experienced by the employee. Job insecurity has a direct relationship with age and indirectly with self-efficacy, as older respondents had higher levels of job insecurity and respondents with higher levels of self-efficacy had lower levels of job insecurity (Elbert, 2002; Human, 2002).

A hierarchical regression analysis found that the relationship between job insecurity and job dissatisfaction remained significant after considering several demographic variables such as age, tenure and gender. An employee may be dissatisfied with his particular job

and not be dissatisfied with the organisation as a whole, however when dissatisfaction spreads to the organisation itself, individuals are more likely to consider resigning (Robbins, 2001).

Research acknowledged contextual factors such as organisational cultures as influencing empowerment and elaborates further by mentioning that empowered individuals may experience higher levels of job insecurity (Human, 2002).

## **2.4 CONCEPTUALISATION OF PSYCHOLOGICAL WELL-BEING AND PSYCHOLOGICAL FORCES**

Ryff and Keyes (1995) stated that positive human health is best construed as a multi-dimensional dynamic process rather than a discrete end state. That is, human well-being is ultimately an issue of engagement in living, involving expression of a broad range of human potentialities, e.g. intellectual, social, emotional and physical potential. This resulted in the term salutogenesis, which was coined by Antonovsky (1979) and literally refers to the origins of health. The theory assumes that stress-producing experiences are ubiquitous, but also that individuals have access to an array of resistance resources for coping with them without undue harm.

The refrain that positive health is “more than the absence of illness” has long been heard. More than 50 years ago, the World Health Organisation (WHO, 1948) defined health as a “state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”. Explicit efforts to move beyond medical and disease models of health (pathogenic), such as attempts to measure multidimensional aspects of functioning like physical, mental and social functioning as well as quality of life provide important steps in the direction of construing health as a state of well-being rather than ill-being (Bowling, 1991; Engel, 1977).

Employees are confronted daily with dynamic changes in their internal and external environments – this can lead to higher stress levels in their personal as well as work environments (Cartwright & Cooper, 1997). One concept that occur the most as a consequence of these organisational changes is job insecurity, this generates stress

because of the possibility of job loss, transfers, new management and changed career paths. The tendency to observe situations or events as stressful are determined by the individual's dispositional characteristics. These characteristics are determined by a person's perception of the world and how he/she copes with it. These characteristics can include sense of coherence, (Antonovsky, 1987), locus of control (Rotter, 1966) and optimism (Scheier & Carver, 1985).

In the following parts focus will be on the concept of salutogenesis, the movement from concept to paradigm, the conceptualisation of salutogenesis and lastly the important implications of the salutogenic paradigm. For the purpose of this study attention will be given to psychological forces such as sense of coherence, locus of control and optimism and their possible relationship with job insecurity.

#### **2.4.1 The concept Salutogenesis**

Salutogenesis is a coalesced construct that developed from various independent constructs. Allport (1955) studied the concept propiety striving; Antonovsky (1979; 1987) studied the concept sense of coherence, Bandura (1977) studied self-efficacy; Schepers (1995) studied locus of control; and Senge (1990) studied personal mastery.

According to Antonovsky (1979; 1987) his salutogenic-perspective developed from the assumption that the typical characteristics of a living organism includes – heterostasis, chaos and a tendency to develop increasing entropy (entropy refers to a force with an inherent tendency to chaos). The concept salutogenesis is a neologism that was coined by Antonovsky (1979) that describes the origin of well-being. Antonovsky was fascinated by the fact that so many people stay healthy even in stressful situations. He realised that certain people can grow personally, despite traumatic events. Antonovsky (1992) describes the salutogenic perspective as: "...the approach that seeks to explain health rather than disease – the salutogenic approach – focuses on coping rather than risk factors, survivors rather than the defeated, the invulnerable rather than the damaged".

In a further development of the salutogenic model, Strümpfer (1995) argued that to emphasise health as the core endpoint of a whole paradigm is to limit the extent of the paradigm. He proposed expanding the construct to fortigenesis, encompassing the origins of strength in general to all areas of human well-being.

In the past few years a paradigm shift occurred in psychology – from a pathological perspective to a fortigenic focus. In contrast with the pathogenic orientation, which focuses on psychopathology and the repair thereof, the fortigenic perspective emphasises the positive aspects of human adaptation and how psychological well-being can be enhanced (Wissing & Van Eeden, 1998).

The conclusion can be made that both the salutogenic (Antonovsky, 1979, 1984, 1987) and fortigenic paradigms (Strümpfer, 1990, 1995) views well-being as appearing along a continuum, with the one extreme being that of health and the other that of “disease”. The central point is one of neutrality, representing the absence of symptoms or disease, while the positive end of the continuum represents optimum well-being (Ardell, 1995). The central point is one of neutrality, representing the absence of symptoms or disease, while the positive end of the continuum represents optimum well-being (Ardell, 1995). In the following section this paradigm shift will be discussed in more detail.

#### **2.4.2 From concept to paradigm**

The reason for conceptualising salutogenesis is to balance the pathological orientation. According to Strümpfer (1990) psychology mainly functioned within the pathological paradigm.

Antonovsky (1979; 1987) is the initiator of the salutogenic paradigm that refers to the origin of health whilst fortigenesis refers to the origin of power. For the purpose of this study it is possible to recognise that the concept psychological forces are based in the salutogenic paradigm.

Wissing and Van Eeden (1997) mentioned that in psychology there is no “haven” in the field of psychology for the study of psychological forces yet. The term psigofortology was suggested and refers to the science of psychological forces.

#### **2.4.3 The Conceptualisation of Salutogenesis**

Salutogenesis represents according to Strümpfer (1990) the general paradigm that investigates man’s ability to cope with stress, maintain good health and develop optimally. Antonovsky (1987) uses a metaphor to illustrate the salutogenetic-orientation by stating that it is like a man walking a tightrope from one end to the other, balancing himself even while he changes clothes, takes on and discards a variety of other objects. We begin to lose our balance and recover it, or slip, catch the rope, or fall, hurt ourselves acutely or are damaged chronically, or we are destroyed. Some complete the course, with ups and downs, but successfully – and what glorious, exhilarating experience it has been, whatever the sadness that it has ended.

According to Viviers and Cilliers (1999) salutogenesis refers to optimality in terms of the utilisation of stress to accomplish positive outcomes in life as well as ensuring psychological well-being.

#### **2.4.4 Important implications of the salutogenic-paradigm**

According to Antonovsky (1979, 1987) the salutogenic paradigm has its origin from the fundamental believe that heterostasis, aging and the accumulation of entropy are central elements to all living beings. This assumption brings us to the principles of salutogenesis namely - it does away with digotomic classification of man as being either healthy or having a disease. Antonovsky (1987) refers to this as the “health ease/dis-ease”-continuum. According to this continuum any human can be seen as being somewhere in between the two poles of either being terminally ill or totally healthy. The salutogenic-perspective suggests that the position of each human being at a specific time should be studied.

The second implication is that the general assumption about stress as an inherently negative force is being discarded. Salutogenically stress can be viewed as potential or even a challenge. This orientation prevents us from just focusing on the etiology of a certain disease and rather focuses on a holistic view of the human to whom the disease is a mere element. This perspective is not interested in the relationship between the pathology of a stressor and other variables, but rather in the exceptions when a hypothesis isn't proven (Antonovsky, 1994).

Instead of focusing on the stressors that may lead to disease, it focuses on the coping resources – or factors that at least assists in the maintenance of the position or facilitates the movement towards the effective management of stress (Antonovsky, 1994).

The choice of the construct is based on the specific purpose of this investigation to determine whether the psychological forces namely sense of coherence, work locus of control and dispositional optimism have a significant effect on coping with job insecurity an employee might experience. These psychological forces will be discussed in the following sections with specific focus firstly on sense of coherence, secondly on locus of control and lastly on dispositional optimism.

## **2.5 SENSE OF COHERENCE**

Antonovsky (1979; 1987) can be seen as the father of the construct sense of coherence – he sees this as an indication of a person's health-disease-continuum. The construct sense of coherence will now be conceptualised as well as justified for its inclusion in this study.

### **2.5.1 Conceptualisation of the construct sense of coherence**

Antonovsky (1987) defined sense of coherence as a global orientation that expresses the extent to which one has a pervasive, enduring though dynamic feeling of confidence that the stimuli deriving from one's internal and external environments in the course of living are structured, predictable and explicable; the resources are available for one to meet the



demands posed by the stimuli; and these demands are challenges worthy of investment and engagement.

Sense of coherence can therefore be described as an encompassing orientation that indicates the degree to which a person has an enduring and dynamic trust that his internal and external environment is predictable and that there is a big probability that things will work out as good as it was expected to (Antonovsky, 1992).

It indicates the degree to which a person thinks his life makes emotional, instead of cognitive, sense. As the definition states, sense of coherence is mainly a general, long-term observation of the world and an individual's life within it. This observation takes place both on an affective and cognitive level and forms an important part of an individual's personality structure (Antonovsky, 1987).

This construct is developed as a single dimension of an individual's personality and consists of the following three, intertwined components. In order to bring greater clarity to the concept sense of coherence Antonovsky (1992) summarised these three components as follows.

(1) Comprehensibility refers to the degree in which an individual cognitively understands stimuli as clear, ordered, structured and consistent as oppose to noise, chaos, random and incomprehensible (Antonovsky, 1987; Kalimo & Vuori, 1990). This causes the expectation that future stimuli will also be ordered, clear and even predictable. The stimuli are therefore experienced as understandable and make sense on a cognitive level. Comprehensibility is seen as the key component of sense of coherence.

(2) Manageability refers to the degree in which an individual views the situations that he/she is confronted with as manageable. An individual with a strong sense of manageability would therefore feel able to cope with difficult situations. There must be a balance between over- and underload of stimuli in order for the situation to be perceived as manageable (Antonovsky, 1987).

(3) Meaningfulness refers to an individual's emotional assessment of situations as coherent and worthy of investment (Sullivan, 1995). It indicates the degree to which a person sees life as being emotionally, rather than cognitively meaningful (Antonovsky, 1987). According to Strümpfer (1990) it also indicates that some of the problems and demands of life are experienced as welcome challenges and that it motivates a person to invest more energy in it.

A person with a weak sense of coherence will, according to these three factors, perceive internal and external stimuli as noise instead of information; they will feel unfairly victimised by life and see the future as unpredictable and gloomy (Antonovsky, 1994).

For the purpose of this study sense of coherence can be seen as a dispositional orientation through which an individual make sense of various stressors in the environment as well as work situations that might influence him daily. The question that arises from this is why do some people, despite an enormous stress load, still survive and can even experience psychological well-being. Antonovsky (1979) explains this by looking at general resistance resources. In the following section more focus will be given to the general resistance resources.

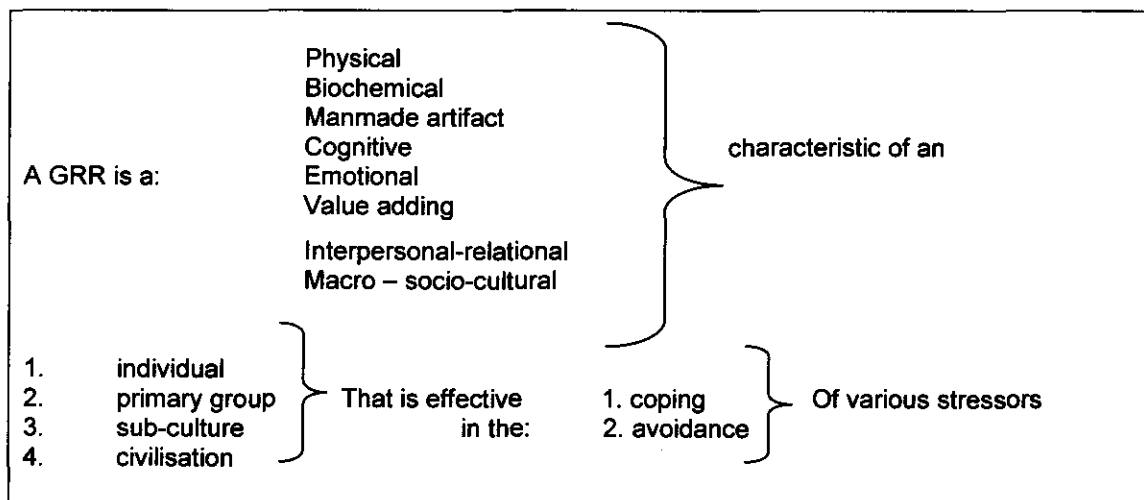
The concept general resistance resources can be described as any characteristic or experience of an individual, group or environment that tries to cope and manage with various stressors. A characteristic that forms part of the general resistance resources is the assistance it provides by helping a person to make sense of the existing stressors. When people experience frequent availability of these resources during their personal development, a strong SOC develops Antonovsky (1979).

It is a general way of appraising the world both cognitively and emotionally, which is associated with effective coping, health-enhancing behaviours and better social adjustment. It is not a particular coping style, but rather a disposition, which allows individuals to select appropriate strategies to deal with stressors confronting them. Individuals with a strong SOC are more likely to show a "readiness and willingness to exploit the resources that they have at their potential disposal" - this reinforces a stronger

development of a person's sense of coherence because it allows him to experience life and its problems as meaningful (Antonovsky, 1984, p. 121). These general resistance resources (GRR) are shown schematically in Figure 3.

Antonovsky (1979) confirms this by also stating that resistance resources add to the individual's meaningful coping with a stressful situation and adds to the individual's development of a strong sense of coherence. People with a strong sense of coherence are likely to use active, problem-focused coping mechanisms. Their primary strategy is to solve the problem effectively, whilst people with a low sense of coherence tend to be less focused. Within the frame of strain and coping with it, an individual will manage job insecurity, based on the perception that he has formed of the threatening situation and through emotionally focused methods (Kalimo & Vuori, 1990; Lazarus & Folkman, 1984).

According to Antonovsky (1987) there is a further factor that can influence an individual's sense of coherence - it is the general stability of the community in which such a person functions. An individual that has continuous exposure to a stable community seemingly has a higher sense of coherence than a person that tends to move regularly.



**Figure 3.** *Definition of a General Resistance Resource (GRR) (Antonovsky, 1979, p. 121).*

In the instance where an individual does in fact have a strong sense of coherence, he/she doesn't necessarily observe the world as meaningful, manageable or comprehensible. An individual can for example have a limited field of interest and will therefore only see life as meaningful, manageable and comprehensible within his limited space (Antonovsky, 1987). People set life-boundaries, some will be extensive and other more constricted, and whatever occurs outside these boundaries will have no influence on them (Strümpfer, 1990). Antonovsky (1987) postulates that four facets must be included in an individual's boundaries to maintain a strong sense of coherence. These facets are (1) his/her own feelings; (2) immediate interpersonal relationships; (3) the area of his/her biggest activity and (4) existential aspects such as death, failure, shortages, conflict and isolation (Antonovsky, 1987).

From the above discussion the conclusion can be drawn that an individual with a strong sense of coherence, that maintains flexible boundaries of interests, will see the environment as explicable and manageable. These individuals will also function more effectively – possibly even in changing environments where the demands might be more complex.

### **2.5.2 Research results with regards to sense of coherence**

Antonovsky (1979; 1984; 1987; 1992; 1993; 1994) dedicated himself to determining which factors enable people to experience psychological well-being despite the amount of stressors to which they are daily exposed. The results of research that focused specifically on sense of coherence will be discussed in this section.

Bowman (1996) found that sense of coherence is important in the management of stress, to ensure physical and psychological well-being. Research showed that social workers with a high sense of coherence experience less burnout than individuals with a low sense of coherence, and that the manageability component in sense of coherence is a predictor of emotional tiredness (Human, 2002). Marais and Schepers (1996) found a moderate to

strong relationship between the strength of the salutogenic-constructs of managers in the Kruger National Park and their ability to cope with organisational change.

Strümpfer, et al. (1998) found a moderate correlation (0, 47) between sense of coherence and job satisfaction. People with a high sense of coherence also experiences higher levels of general job satisfaction (Strümpfer, et al., 1998). Since the majority of adults spend the biggest part of their lives at work, it forms a central source of external, as well as internal stimuli, which can be understood, managed and meaningfully coped with. According to Kalimo and Vuori (1990) a strong sense of coherence will lead to (1) on a cognitive level an individual will be able to comprehend the work environment and experience the stimuli as clear, ordered, structured, stabile and predictable information; (2) the work will be seen as an experience that can be tolerated, dealt with, and as challenges that a person can accept by using the available resources; and (3) emotional and motivational sense can be made about the work demands and it would be experienced as a welcome challenge, which will make it worthwhile to engage in doing.

The conclusion can be made that an individual with a strong sense of coherence will thus be able to cope better with the stressors within his environment due to the positive utilisation of resistance resources.

During a one year follow up study Feldt, Kinnunen, and Mauno (2000) focused on the effect of sense of coherence on the coping with job insecurity, organisational climate and leadership relationships. The study found that a good organisational climate and low levels of job insecurity strongly correlates with a high sense of coherence. For the purpose of this study the mentioned finding is supportive to the hypothesis that a strong sense of coherence will help employees to cope more effectively with job insecurity.

Research showed that a positive correlation exists between lower levels of job insecurity, better well-being and a high sense of coherence. The previously mentioned study furthermore postulates that the positive correlation between job insecurity, better well-being and a high sense of coherence is applicable to both sexes (Human, 2002).

In this research the focus will be on the relationship between sense of coherence and the influence that it might have on coping with job insecurity. From the previously mentioned studies it can be concluded that employees with a strong sense of coherence can deal with life stressors more effectively.

In this section the aim was to describe sense of coherence as one of the constructs of the salutogenic-paradigm, as well as to show the relationship that it has with job insecurity. In the following section the construct work locus of control will be conceptualised.

## **2.6 LOCUS OF CONTROL**

Locus of control as concept was developed from the social learning theory (Rotter, 1966) as well as the attribution theory. The specific theories form part of the cognitive-behavioural paradigm (Bandura, 1977). The social learning theory supports the stance that reinforcement of behaviour will lead to an increase in the expectation that the specific behaviour or extraordinary incident will be followed in future by the same reinforcement. The potential for behaviour to take place are connected to the anticipation of the specific reinforcement to follow the behaviour and that the individual will see the reinforcement as valuable (Coetzer & Schepers, 1997).

From the social learning theory the assumption can be made that the expectations of the individual is that a specific reinforcement will follow certain behaviour. If the individual perceive the reinforcement as a consequence of his own behaviour, is it characteristically of an internal locus of control. A causal relationship exists between reinforcement and behaviour. From the attribution theory observations can be made that the information of stimuli from the environment is used to explain the incidents. An internal locus of control is applicable when an individual explains his behaviour or incidents as an outcome of his own behaviour (Rotter, Chance, & Phares, 1972).

The attribution theory is interested in the way in which an individual uses information from the environment to explain the incidents. According to Heider (1958) there are three basic assumptions underlying this theory namely (1) individuals try to determine the consequences of their own behaviour as well as those of other individuals; (2) individuals

attribute causal explanations for behaviour on a systematic way; and (3) the attribution the individual makes has consequences for his future behaviour or interactions.

The attribution theory is underlying the construct locus of control is based on the relationship between an individual's perception and internal behaviour. The focus here is on the attribution process, according to which an individual will interpret behaviour as the consequence of certain aspects in the environment. Collins (1974) is of the opinion that the attribution theory is focused on the methods how individuals use information from the social environment to explain incidents and the behaviours of other individuals. A determination of an individual's reaction to an incident, is the way in which he/she perceives that a reward does in fact follow his/her behaviour, in contradiction to the degree to which he/she experience the reward as being controlled by external forces that are independent from his/her behaviour.

The concept of internal-external LOC (Rotter, 1966) thus classifies individuals as either attributing the cause of or control over events to themselves (internals) or to their surrounding situation (externals). The characteristics of externals are closely related to the surrounding environment. Ashford et al. (1989) stated that, in comparison with externals, internals generally see environmental situations as being less important and believe that they have the power to counteract environmental threats. An insecure and threatening environment may cause significantly different perceptions and responses between internals and externals. Therefore it is necessary to focus on locus of control and will this construct be conceptualised in this following section according to the consulted literature.

### **2.6.1 Conceptualising the construct locus of control**

The concept locus of control as well as the relationship between behaviour and reinforcement can be used as applicable possibilities in the study. The relationship suggests that an individual with an internal locus of control will attribute the consequences of incidents as well as behaviour to his own behaviour. This is a characteristic of an individual that is capable to accept responsibility of the situation, take

ownership and manage the situation accordingly. From the literature the concept locus of control can be defined in various ways. Hodgkinson (1992) is of the opinion that the personality dimension has an influence on the relationship between an individual's behaviour and the consequences there of. Locus of control can be linked to the beliefs that people have about who or what control their abilities, actions and skills. Rotter (1966) described locus of control as the degree to which an individual sees an internal or external control point over their lives.

Schepers (1995) defined locus of control as the belief that individuals have (over recourses of control) in their life that reinforces certain behaviour. He also distinguishes between external control, internal control and autonomy as independent dimensions in the construct locus of control. External locus of control is the degree to which an individual attributes success to causes outside their control such as luck, fate, the surroundings or influence others – characteristics of people with an external locus of control includes emotional sensitivity, uncertainty, influential etc. Internal locus of control is the degree to which an individual attributes success to causes within their control, such as their own behaviour, abilities or personality characteristics – characteristics of an individual with an internal locus of control is emotional stability, maturity, analytical, etc. The characteristics and the differences Schepers (1999) identified between individuals with an internal locus of control and individuals with an external locus of control are furthermore indicated in Table 1.

Table 1

*The distinction between persons with an internal and an external locus of control (Schepers, 1995).*

INTERNAL LOCUS OF CONTROL	EXTERNAL LOCUS OF CONTROL
Emotional stability	Emotionally sensitive
Mature, calm	Immature, uncertain
Self-efficient	Worthlessness



Unconventional	Conventional – prefers the familiar
Adventurous	Over cautious
Socially outgoing	Shy/reserved
Tough-minded/Unchangeable	Changeable, influenceable
Responsible	Careless/reckless
Intelligent, Insightful	Lacking self-knowledge
Self-assured	Uncertain/Unsure
Analytical	Less accurate

According to Antonovsky (1992) it is possible to analyse and explain constructs such as *internal* and *external control*. There are certain factors that have a specific influence on the explanation of internal and external locus of control among different individuals (Marais, 1997).

These factors include firstly internal control and an individual's culture. According to Antonovsky (1991) in certain cultures there exists a degree of acceptance that if certain prerequisites and rules are adhered to, the consequences thereof will have a positive influence on the individual's life. Therefore individuals will loyally obey these roles with the expectation that it would lead to the expected positive outcomes. This phenomenon does not occur among all cultures – there are cultures that emphasise an individual's control over his own life-course and results.

The second factor is the influence of "important others". According to Rotter (1966) certain individuals believe that they are not in control of their own behaviour/actions but are controlled by powerful others. Antonovsky (1992) is of the opinion that certain family-structures, religions, and even health institutions can lead to proactive or reactive behaviour among individuals. The consequential existence in such a structure can therefore produce an external locus of control.

Thirdly an internal control is a reflection of the environment/situation. Antonovsky (1992) believes that a relationship exists between an individual's locus of control and the

influence of the environment. The presence of certain overwhelming environmental influences (natural disasters, wars, epidemics and incurable diseases) contributes to an individual accepting that he/she can not control the particular situation and therefore reveals a weaker internal locus of control.

The last factor that may explain the differences of an internal or external locus of control is locus of control acceptance versus rejection. According to Antonovsky (1992) individuals have two possible coping-mechanisms that influence both internal and external locus of control. The acceptance of internal locus of control are related to the degree in which an individual accept and cope with certain stressors, since a positive result can lead to acknowledgement and praise, and a negative outcome will also not have an influence on the individual because he/she can deny responsibility for the negative outcome. With an external locus of control rejection can also occur because the individual can give different reasons why he/she could not influence behaviour in the past.

The basic distinguishing characteristics between persons with an internal and an external locus of control can (through various ways) have a direct effect on organisations, some of these effects includes better decision-making (Spector, 1982); higher job satisfaction (Bernardi, 1997); higher job performance and general self-confidence with which assignments are approached (Bothma & Schepers, 1997; Coetzer & Schepers, 1997; Spector, 1982); an ability to cope with complex assignments (Perrewe & Mizerski, 1987); successful gathering and usage of information (Perrewe & Mizerski, 1987; Spector, 1982); a sense of responsibility by believing that he/she can control what happens to him/her and are therefore responsible for it (Rahim & Pseunicka, 1996); and effective coping with pressure, demands and stressful situations within the work context (Rahim & Pseunicka, 1996).

According to the above description of locus of control, it can, for the purpose of this study, be defined as the perception of an individual about the control over his/her life. Individuals with an internal locus of control take control over their own life and will contribute successes to their own personality characteristics. Viviers and Cilliers (1999)

are of the opinion that an internal locus of control forms part of a psychological optimally functional worker who accepts control of his own well being and personal growth. Individuals with an external locus of control believe that their lives and situations are controlled by other individuals. The successes in their lives are determined by aspects such as fate, luck and influential others. Rahim and Pseunicka (1996) found in their studies that people with an external locus of control are not able to cope with the pressures, uncertainty and challenges of a demanding work situation.

### **2.6.2 Research results with regards to locus of control**

Various researchers such as Erwee and Pottas (1982) as well as Burke and Gottesfield (1986) describe a clear relationship between the concept locus of control and various other aspects like for instance work performance, autonomy, sense of responsibility and better decision-making. Individuals with an internal locus of control experience less anxiety. An internal locus of control can therefore be seen as a filter for stress, and it can possibly explain why individuals with an external locus of control are threatened by stressors whilst persons with an internal locus of control experience it as a challenge (Human, 2002).

Human (2002) mention conclusive results about persons with an internal locus of control that can cope better with life stresses. They have a clear sense of comprehension about their goals and values and the opportunities to accomplish these goals.

Locus of control has been shown to moderate the relationship between job characteristics and job-related outcomes. Locus of control moderated the relationship between job demand and autonomy and stress (Elbert, 2002). High demand-low autonomy jobs were more stressful for persons with an external locus of control than for persons with an internal locus of control. Even under low demand-high autonomy conditions, individuals with an external locus of control still experienced anxiety. Spector (1982) suggested that external locus of control might be best suited to employment situations with less autonomy. Thus, locus of control is related to reactions to one's work environment.

People with an internal locus of control are more focused on achievement than individuals with an external locus of control; these individuals have higher levels of performance motivation, trust in their own abilities and the results of their actions (Elbert, 2002). A significant relationship between internal locus of control and the degree to which social support systems was used proved to be successful within the work environment (Human, 2002). Humans are inherently social beings - in some cultures social support are more important than in other cultures. An internal locus of control implies that social support is managed in such a way that it contributes to better work performance and job satisfaction, whilst individuals are self-responsible for the consequences of their behaviour (Human, 2002).

A statistically significant relationship between internal locus of control, quality of an individual's problem solving ability and self efficacy as well as a statistically significant relationship between an internal locus of control and the work performance of individuals were found. Individuals with an internal locus of control the performance are higher than among individuals with an external locus of control (Human, 2002).

Individuals with an internal locus of control receive higher salaries than individuals with an external locus of control. Therefore the assumption can be made that an internal locus of control enhances instigation and performance that is rewarded by the organisation. Significant correlations were also found between an internal locus of control, career advancement, work status, and increase in salary (Human, 2002).

Bernardi (1997) found that an internal locus of control is associated with lower stress levels and higher job satisfaction, because individuals with an internal locus of control believe that they have a degree of control over their environments. There is limited research available with regard to the relationship between job insecurity and locus of control, but in the study of Orpen (1994) it is proven that individuals with lower self confidence and an external locus of control are influenced to a bigger degree by job insecurity than individuals with a high level of self confidence and internal locus of control. Persons with an external locus of control are uncertain about their ability to cope

with the daily demands of life, their goals and values are also unclear. Further findings indicate that persons with an external locus of control have difficulties in coping with pressure and uncertainty and are more likely to commit suicide (Human, 2002).

Individuals with an internal locus are more determined, enduring, and successful in the completion of their tasks. Individuals with an external locus of control are less successful and give up easily. Individuals with an external locus of control are sensitive with regards to the group's opinion and have less self-confidence. These individuals see their successes and/or failures as under the control of other individuals, therefore they are not willing to accept responsibility (Human, 2002).

Persons with an external locus of control display a significantly more negative and fatalistic attitude when they are confronted with difficult tasks. The main reason why individuals with an internal locus of control are more satisfied with their work is the fact that they have the ability to control situations in the work context better than individuals with an external locus of control (Elbert, 2002; Human, 2002).

Human (2002) found that a study done by Salter confirmed a positive relationship between an internal locus of control and job insecurity. Individuals with an internal locus of control were able to cope more successfully with job insecurity. Human (2002) stated that various researchers studied locus of control and they all found that the relationship between locus of control and job insecurity enables an individual to cope better with job insecurity as well as the circumstances surrounding it.

The conclusion that can be made from the above mentioned study is that an internal locus of control positively correlates with coping with stressors and the individual's ability to manage demands, pressure and stressful situations. In the work situation these results can confirm that an internal locus of control also correlates with various other concepts such as performance, task complexity, career advancement and rewards.

An internal locus of control can therefore lead to better self management that can in itself lead to better job opportunities, better management of stressors such as job insecurity as well as new opportunities (Ling & Ding, 2003). Therefore an individual, in this dynamic era of the changing business world, must be able to systematically adapt to changes and make himself more employable. An individual with an internal locus of control will take the responsibility to develop him/herself further instead of waiting for fate or an opportunity to come his/her way. This individual will also trust in his own abilities and will engage in each situation with more self-confidence. In this study the focus is on locus of control as one of the psychological forces that can possibly correlate with job insecurity (Ling & Ding, 2003).

In this section the construct locus of control were conceptualised from the literature. The following section will focus on the conceptualisation of dispositional optimism as well as previous research on the construct.

## **2.7 DISPOSITIONAL OPTIMISM**

Social cognitive theory (Bandura, 1986) contends that the overall frequency and valence or tone (i.e., positive or negative) of an individual's acute thoughts influence motivated behaviour. The intensity of one's reaction might be further mediated by the extent to which the situation is viewed as unchangeable (pessimism) versus the likelihood of positive change in the future (optimism).

In general, optimism reflects an expectation that good things will happen, while pessimism reflects an expectation of negative outcomes. Existing theories and research on optimism indicate that as long as people are hopeful and self-confident in goal achievement, they have the ability to overcome most obstacles, achieve positive outcomes, and enjoy various health benefits, even when their optimistic expectations are based on positive illusion or bias (Bandura, 1982; Scheier & Carver, 1985).

In the past two decades, many researchers have attempted to understand the nature, processes and effects of optimism. Several models of optimism have been proposed. These include Seligman and Peterson's (Peterson & Seligman, 1984; Seligman, 1991)

Learned Optimism Model of Explanatory Styles; Weinstein's Optimistic Bias notion (Weinstein 1980), Taylor's Positive Illusion model (Taylor & Brown, 1988); Scheier and Carver's Dispositional Optimism model (Scheier & Carver, 1985); and Snyder's Hope model (Snyder, 1994). Each of these models has contributed a unique piece to the overall picture of optimism.

### **2.7.1 Conceptualisation of dispositional optimism**

Dispositional optimism refers to an individual's expectations of positive outcomes across situations and over time (Elbert, 2002). Optimists are people who generally have a favourable outlook and expect things to go their way in the future. Conversely, pessimists are individuals who generally have a more negative outlook on life and expect things to go badly (Scheier & Carver, 1985).

There may be at least two types of optimism (Peterson, 2000). Firstly, big optimism is reflective of generalised expectations about positive outcomes. Big optimists view their world from a "glass as half-full" perspective, and big pessimists view their world from the "glass as half-empty" perspective. The positive or negative expectations of big optimists and pessimists are not limited to a specific behaviour or setting. This type of optimism is considered a trait personality characteristic and has been operationalised as dispositional optimism (Scheier & Carver, 1985). Peterson (2000) suggested that this trait influences the general state of vigour and resilience within an individual, which leads to desirable outcomes.

Secondly, little optimism is reflective of specific expectations about positive outcomes (Peterson, 2000). Little optimism is a state-like tendency to view specific situations optimistically and is developed through the personal experiences of an individual (i.e., learning history) (Peterson, 2000). Little optimism may lead to desirable outcomes because it sets up specific actions that an individual has learned are adaptive in actual situations. Little optimism may be considered a type of daily optimism that influences specific situations occurring in a day.

There are different approaches to the study of optimism. One approach has assessed optimism by examining attribution styles, the characteristic manner in which a person explains prior events. In this approach, optimists, as compared with pessimists, explain negative events in terms of causes that are more time limited, narrowing their effects, and external to the self (Leung, Steinfors, & Vroom, 2003). The other approach, defines optimism as a relatively stable, generalised expectation that good outcomes will occur across important life domains. The important part of the definition is the stability of the expectation. People maintain their optimism and pessimism over time and across different situations. Thus, dispositional optimism is a very general tendency, a disposition that reflects expectations across a variety of life domains (Leung, et al., 2003).

One important mechanism is that optimists use different strategies to manage critical life situations than pessimists do. People who are confident about their future exert continuing effort, even when dealing with serious adversity. People who are doubtful about their future, in contrast, are more likely to try to push the adversity away as though they can somehow escape its existence by wishful thinking. In other words, there are substantial differences in how optimists and pessimists cope with and manage challenging life situations (Leung, et al., 2003).

Differences in coping methods used by optimists and pessimists have been found in a number of studies. One early project on undergraduates showed that optimists more frequently used problem-focused coping, especially when they experienced controllable stressful situations. If the situations were perceived as uncontrollable, by contrast, optimists tended to rely more heavily than pessimists on positive reframing – trying to place the situation in the best possible light. Other research has also shown that optimists reported a tendency to rely on active, problem focused coping, and they reported being more prepared when confronting stressful events. The aforementioned studies help to establish that optimists cope differently than pessimists (Leung, et al., 2003).

Optimists appear to be actively engaged in the processes of goal attainment and may also reappraise situations in a positive way if an important goal is blocked. In sum, the reported studies indicate that optimists differ from pessimists in the way they manage



challenging situations. Findings from this research suggest that optimists tend to use more problem-focused coping strategies than pessimists do. When problem-focused coping is not a possibility, optimists turn to adaptive emotion focused coping strategies such as acceptance, use of humour, and positive reframing (Leung, et al., 2003).

### **2.7.2 Research results with regards to dispositional optimism**

Dispositional optimism is related to both physical and psychological outcomes, including health symptoms, intensity of physical symptoms, depressive symptomatology, adjustment to breast cancer, and recovery from surgery. Similarly, pessimism has been seen to be predictive of anxiety, stress, self-rated health, and depressive symptomatology, as well as correlated with self-reported psychological symptoms and illness severity (Scheier and Carver, 1992).

Overall, research in dispositional optimism has suggested that people who are dispositionally optimistic tend to cope better than those who are more pessimistic (Elbert, 2002). One of the main reasons for this is that optimists tend to be more goal-oriented and constructive in their thinking than pessimists. Perhaps even more significantly, Scheier et al. (1994) suggest that when problem-focused coping is not a possibility, optimists turn to adaptive emotion-focused coping strategies such as acceptance, use of humour, and positive reframing. Pessimists tend to cope through overt denial and by mentally and behaviourally disengaging from the goals with which the stressor is interfering” (Scheier, et al., 1994)

## **2.8 CHAPTER SUMMARY**

In this chapter an in-depth literature review was discussed on the various constructs namely job insecurity and the psychological strengths, which for the purpose of this study includes sense of coherence, work locus of control and dispositional optimism.

Each of these constructs was conceptualised and various models with regards to the constructs were discussed and an overview of previous research finding was also given. In the following chapter the focus will be on the empirical study.

## **CHAPTER 3**

### **EMPIRICAL STUDY**

#### **3.1 INTRODUCTION**

In the previous chapter job insecurity as well as various psychological forces such as sense of coherence, work locus of control and dispositional optimism were discussed.

The research objectives, population group and the various measurement instruments will be discussed in this chapter as well as the research method and the statistical analysis that was used. This will be followed by the formulation of the research hypothesis.

#### **3.2 THE AIM OF THE EMPIRICAL STUDY**

##### **3.2.1 General objective**

The general aim of this study is to measure and determine whether a relationship exists between job insecurity and various psychological forces, such as sense of coherence, work locus of control and dispositional optimism at a financial institution in Gauteng.

##### **3.2.2 Specific objectives**

The specific objectives of this study include the following:

- Determine what the reliability and validity of the Job Insecurity Questionnaire, the Sense of Coherence Scale, Work Locus of Control Scale and the Life Orientation Test Revised is, for the employees in the financial institution in Gauteng
- Conceptualise job insecurity, sense of coherence, work locus of control and dispositional optimism from the literature;
- Establish the levels of job insecurity, sense of coherence, work locus of control and dispositional optimism in a financial institution in Gauteng

- To establish the relationship between job insecurity, sense of coherence, work locus of control and dispositional optimism of employees in a financial institution in Gauteng
- To establish whether sense of coherence, work locus of control and dispositional optimism predict job insecurity
- Determine whether work locus of control is a moderator of job insecurity

### **3.3 RESEARCH DESIGN**

The purpose of a research design is to plan and structure a research project in such a way that it enhances the validity of research findings (Mouton & Marais, 1992). The research design can be classified as a survey design or correlation design (Huysamen, 1993). This design can be used to assess interrelationships among variables at a specific point in time, without any planned intervention.

For the purpose of this study, information collected from the total population (at a financial institution in Gauteng) was used to describe the population at that specific point in time (Shaughnessy & Zechmeister, 1997). The survey design will indicate the levels of psychological well-being and job insecurity. It will also point out the relationship between the constructs namely job insecurity, sense of coherence, work locus of control and dispositional optimism. Quantitative research methods will be used for the purpose of this study and a large amount of data can be collected with relatively low cost implications. The research sample will now be discussed.

### **3.4 RESEARCH SAMPLE**

This study was undertaken at a financial institution in Guateng, a stratified, random sample was taken from various job levels within the financial institution. Stratification took place based on home language, age, years of service, gender and job level. A total population of about 500 ( $N=500$ ) were targeted. A response rate of 28,6% ( $N=146$ ) was achieved. The measurement instruments will be discussed in the following section.

### **3.5 MEASURING INSTRUMENTS**

In this section the rationale, development, description, administration, scoring, interpretation as well as the reliability and validity of the various measurement instruments will be discussed.

#### **3.5.1 The Job Insecurity Questionnaire**

In this section the rationale, development, description, administration, scoring, interpretation as well as the reliability and validity of the Job Insecurity Questionnaire will now be discussed.

##### **3.5.1.1 The development and rationale of the Job Insecurity Questionnaire**

According to Hartley, et al. (1991) job insecurity can be a very stressful experience. It can influence an individual's health and job performance. Job insecurity is seen as one of the most important stressors within any job setting. During the development of an instrument to measure job insecurity De Witte (2000) found that there are two aspects that needed to be focused on – (1) the cognitive evaluation of the possibility of job loss and (2) the affective reaction due to the emotional experience of the job insecurity. He postulates that some researchers just concentrate on the possibility of job loss, whilst others focus on the wider aspects that are also involved in job loss, e.g. possible degradation, change in the work content as well as the feeling of helplessness that accompanies it. Based on the measurement by Borg and Elizur (1992), De Witte (2000) developed a questionnaire that includes 11 items. The 11 items are relevant to job insecurity and include both the possibility of job loss (cognitive evaluation) and the emotional experience of the threatening situation (affective reaction) as a consequence of the job security.

### **3.5.1.2 Description of the Job Insecurity Questionnaire**

The questionnaire that was used in this study consists of 11 items that are applicable to job insecurity. The items include both the cognitive and affective dimensions of job insecurity. The items are arranged according to a 5-point Likert scale where 1 indicates a response of strongly agree, 3 is indicative of an uncertain response and 5 indicates a strongly disagree response.

### **3.5.1.3 Administration and scoring of the Job Insecurity Questionnaire**

Job Insecurity is studied according to the cognitive, affective and total dimension, the Job Insecurity Questionnaire can be administered individually or in groups. The 11 items are answered by the respondent by choosing to which degree he/she agrees or disagrees with the different statements in each subscale.

### **3.5.1.4 Interpretation of the Job Insecurity Questionnaire**

A low score on an item is an indication that the respondent experiences a high level of job insecurity whilst a high score is indicative of a low level of job insecurity.

### **3.5.1.5 Reliability and validity of the Job Insecurity Questionnaire**

In the research of De Witte (2000) he reported a Cronbach alpha-coefficient of 0,92 (total) for the questionnaire. On the first 5 items of the questionnaire, those that measure the cognitive dimension of job insecurity, the Cronbach alpha-coefficient is 0,85 and on the last 6 items of the questionnaire, those that measure the affective dimension of job insecurity, a Cronbach alfa-coefficient of 0,90 were found. It is therefore an indication of a highly reliable questionnaire (De Witte, 2000). De Witte (2000) also found an overlap of the scales in terms of the item content; both scales correlated highly with a correlation coefficient of 0,76. The criteria that was set in terms of heterogeneity and the balancing was achieved. The reliability coefficients and the inter-item correlations of the questionnaire and its subscales will also be determined in order to compare it to the above mentioned findings. Human (2002) obtained a Cronbach alpha coefficient of 0,83 in her

study on the relationship between job insecurity and psychological factors of human resources employees in a financial institution in South Africa. Elbert (2002) obtained a Cronbach alpha coefficient of 0,84 in her study on job insecurity and psychological strengths of service workers in a parastatal and Heymans (2002) obtained an alpha coefficient of 0,81.

#### **3.5.1.6 Motivation for the choice of the Job Insecurity Questionnaire**

The focus of the research is on the experience of job insecurity. The Job insecurity Questionnaire (De Witte, 2000) supports the concept and it provides a general measurement of job insecurity, despite the fact that it is conceptualised within a two-dimensional structure as affective and cognitive.

### **3.5.2 The Sense of Coherence Scale**

In the following section the rationale, development, description, administration, scoring, interpretation as well as the reliability and validity of the Sense of Coherence Scale will now be discussed.

#### **3.5.2.1 Development and rationale of the Sense of Coherence Scale**

Antonovsky (1987) developed the Sense of Coherence Scale which concurs with the description of sense of coherence. Antonovsky (1987) based the Sense of Coherence Scale on the principles and assumption that a strong sense of coherence is needed to cope with stressors.

Antonovsky (1987) developed the Sense of Coherence Scale by first setting criteria for a sample group of respondents that he wanted to use in a pilot study. He set the following criteria (1) all the respondents had to have experienced serious traumatic incident in their lives that had led to serious, unavoidable consequences, e.g. the loss of a parent or loved one, serious physical disability, financial down fall, being held captive in a concentration

camp or resent emigration; (2) all the respondents must have been seen as functioning extremely well despite the traumatic experience in their lives.

Antonovsky (1987) had interviews with a group of 51 respondents that met the abovementioned criteria, these people's experiences and perceptions of the world were then used to formulate the phrases.

The rationale for the use of Sense of Coherence Scale is that the respondent's global orientation toward coping are measured according to how it is represented by the concept sense of coherence, as well as according to the three central components namely comprehensibility, manageability and meaningfulness. The presence of these components is indicated by a high score and the absence by a low score.

### **3.5.2.2 Description of the Sense of Coherence Scale**

The Sense of Coherence Scale consists of and is related to the various aspects of the person's life (Antonovsky, 1987). The respondents must make a choice according to a 7-Likert scale that fluctuates between one and seven as extremes, whilst number four are indicative of the applicability of both phrases in equal amounts.

The Sense of Coherence Scale is divided in three subscales. The comprehensibility scale (11 items) measures the degree to which a person sees the world as orderly, predictable and clear. It consists of items 1, 3, 5, 10, 12, 15, 17, 19, 21, 24 and 26. The second scale is manageability (10 items). The scale measures the degree to which a person sees the events in his life as manageable, and it consists of items 2, 6, 9, 13, 18, 20, 23, 25, 27 and 29. The third scale is meaningfulness (8 items). This scale measures the degree to which a person sees life as meaningful, and it consists of items 4, 7, 8, 11, 14, 16, 22 and 28.

### **3.5.2.3 Administration and scoring of the Sense of Coherence Scale**

The Sense of Coherence Scale can be administered individually or in groups, the respondent reads the instructions on the questionnaire and then answers the 29 items by continuously deciding to which degree the descriptions at the poles are applicable to him.

The Sense of Coherence Scale is then scored by calculating the sum of the items on each sub scale separately. The total of the Sense of Coherence Scale are then calculated by adding the totals of the three subscales. Thirteen of the statements are phrased in such a manner that the score must be reversed for scoring purposes, these items are 1, 4, 5, 6, 7, 11, 13, 14, 16, 20, 23, 25 and 27 (Antonovsky, 1987).

### **3.5.2.4 Interpretation of the Sense of Coherence Scale**

The total of the three subscales of the Sense of Coherence Scale provides an indication and total reflection of the respondent's sense of coherence. A high score with regards to a sub scale are indicative of whether the characteristics are present to a larger degree whilst a low score are indicate a lesser degree of presence of the characteristic (Antonovsky, 1987).

### **3.5.2.5 Reliability and validity of the Sense of Coherence Scale**

According to Antonovsky (1987) positive results were found with regards to criterion-, construct- and predictive validity of the Sense of Coherence Scale. Antonovsky (1987) rappsorts a high degree of internal consistency and reliability due to reliability coefficients that varies between 0,84 and 0,93. Rumbaut, Anderson and Kaplan (1983) that found in further studies with a research sample of 336 persons a reliability coefficient of 0,88. He further found a correlation of 0,64 between the Sense of Coherence Scale and his own version of the questionnaire. Kalimo and Vuori (1990) found in their study with regards to 706 adults, between the ages of 31 and 44 years, a reliability coefficient of 0,93, and Coetzee and Rothmann (1999) found in their study a reliability coefficient of 0,89. Pretorius and Rothmann's (2001) study showed a reliability coefficient of 0,93 for sense of coherence, whilst research of Naudé and Rothmann (2002) indicated a score of 0,88.



The construct validity of the Sense of Coherence Scale varies between 0,38 and 0,72. Antonovsky (1993) also indicates an important aspect of the SOC, namely that despite the fact that the scale includes the three components of sense of coherence, it does not lower its internal stability.

Antonovsky (1993) summarises the most recent reliability and validity coefficients that were found by various researchers as follows: the average alpha-coefficient that were found by 29 research studies, varies between 0,85 and 0,91. The consistently high internal reliability is found amongst a variety of different samples in various cultural and linguistic groups in the West. The amount of studies that were done after test-retest-reliability, found coefficients that varies between 0,41 and 0,97.

#### **3.5.2.6 Motivation for the choice of the Sense of Coherence Scale**

Sense of Coherence is a psychological force that is included in this study because it is an indication of the degree to which the person sees the stimuli from the environment as meaningful, manageable and comprehensible. For the purpose of this study the Sense of Coherence Scale was chosen as a measurement instrument because it supports the operational view of the concept. Antonovsky (1987) also stated that the Sense of Coherence Scale could also be used cross culturally.

The development, rationale, description, administration, scoring procedures, reliability and validity as well as the motivation for the choice of the Work Locus of Control Scale will subsequently be discussed.

#### **3.5.3 The Work Locus of Control Scale**

The development, rationale, description, administration, scoring procedures, reliability and validity as well as the motivation for the choice of the Work Locus of Control Scale will be discussed in this section.

### **3.5.3.1 Development and rationale of the Work Locus of Control Scale**

Locus of control is a personality variable that is extensively researched in a wide variety of circumstances, including organisations. Despite the wide range of interest, the organisational studies dominated this area with the usage of Rotter's (1966) Internal-External Scale of general locus of control. The relationship between Internal-External and works related variables were rather limited.

Locus of control can be defined as how the general expectation of a person with regards to rewards, reinforcements or outcomes in life due to the person's own actions (internal) or due to another influence (external), are regulated. In an organisational setting this includes rewards or outcomes, promotion, favourable circumstances, salary increases and general career progress (Pretorius & Rothmann, 2001).

O'Brien (1983) and Spector (1982) found that locus of control shows a relationship with a number of organisationally applicable variables. From this finding the Work Locus of Control Scale was developed (Spector, 1988). People with an internal locus of control tend to be more satisfied with their jobs than people with an external locus of control. People with an internal locus of control see their supervisors as higher with regards to attentiveness and initiative, they report less role-stress, exhibit more autonomy, and they control and manage a longer service period.

### **3.5.3.2. Description of the Work Locus of Control Scale**

The Work Locus of Control Scale consists of 16 items and is used to determine the respondent's locus of control within the work environment (Spector, 1982). The scale originally consisted of 49 items, which were developed from the conceptual analysis of the locus of control construct and how it was related to work behaviour. Three criteria were used in the item selection: total correlation, lack of correlation with the social desirability and the scale has to concur with equal amounts of internally and externally

worded items. The item totals varied between 0,24 to 0,67, with a low inter-item correlation of 0,25 (O'Brien, 1983, Spector, 1982).

To stay consistent with Rotter's Internal-External Scale, a low score on the scale indicates an internal locus of control.

### **3.5.3.3 Administration and scoring of the Work Locus of Control Scale**

The Work Locus of Control Scale can be administered individually or in groups, it can be completed by the respondent himself by evaluating the items on a 6-point scale where 1 indicates disagree totally with the statement; and 6 indicates that the person agrees to a high extent with the statement

The respondent must read carefully through each question before deciding to which extent the specific factor (circumstance), that are included in the statement, influences his/her behaviour. Despite just reading through it he/she needs to focus on the descriptions given on the 6-point scale that accompanies each question, he/she then needs to mark his/her response from 1 to 6 on the scale. It is important for the respondent to give their first impression after they read through the question; all questions must be answered honestly. The measurement instrument is evaluated by scoring the items inversely.

### **3.5.3.4 Interpretation of the Work Locus of Control Scale**

An individual with a high score on internal control and autonomy and low scores on external control will be seen as a healthy and well adapted individual (O'Brien, 1983; Spector, 1982). The opposite is true of an individual with a low score towards an internal control and autonomy and a high score towards external control. An individual with this score may tend to blame the environment and external factors accountable for low performance.

### **3.5.3.5 Reliability and validity of the Work Locus of Control Scale**

Spector (1988) found a Cronbach alpha-coefficient between 0,75 and 0,85 for the Work Locus of Control Scale. In an attempt to validate the Work Locus of Control Scale, Spector (1988) brought job variables that previously correlated with Rotter's scale, in relation with it. He reported that a lot of the correlations between the Work Locus of Control Scale are in fact higher than those Rotter found. Maram and Miller (1998) as well as Spector (1988) found that the Work Locus of Control Scale does have construct validity. Rothmann and Van Rensburg (2001) found in their research a Cronbach alpha-coefficient of 0,70 for the Work Locus of Control Scale. As expected the research indicated a shortage of relatedness between the Work Locus of Control Scale desirability, because it was a criterion for item selection. Furthermore, a correlation was found between work- and general locus of control – as expected the more specific measures correlated higher with the more general locus of control. Spector (1988) found that the Work Locus of Control Scale predicts work behaviour more accurately than the general scales that measure locus of control.

### **3.5.3.6 Motivation for the choice of the Work Locus of Control Scale**

The Work Locus of Control construct are included in this study, because it is an indication of the degree to which a person believes that he controls the consequences of his own behaviour. The Work Locus of Control Scale is a suited measure for this study because it measures the respondents' locus of control within the work environment. The results of this study suggest that the Work Locus of Control Scale is the most valid scale. Internal consistency is high enough, and earlier work, based on limited amounts of examples and subjects provide proof of high-quality validity. The focus of the next section will be on the development, rational, description, administration, scoring procedures, reliability and validity as well as the motivation for the choice of the Life Orientation Test Revised.

### **3.5.4 The Life Orientation Test-Revised (LOT-R)**

The development, rationale, description, administration, scoring procedures, reliability and validity as well as the motivation for the choice of the Life Orientation Test-Revised will be discussed in this section.

#### **3.5.4.1 Development and rationale of the Life Orientation Test-Revised (LOT-R)**

Dispositional optimism can be viewed as a person's positive outlook towards life events (Ebert, et al., 2002; Scheier, et al., 1994). Optimists believe that good outcomes will occur in life and can therefore appraise stressful events more positively and mobilise their resources to take direct action in response to a stressor (Aamodt, 1999). Therefore, the more positive people are about their job prospects, the more likely it is that they will become individually active in response to the job insecurity they experience (Hartley, et al., 1991).

The Life Orientation Test – Revised was developed by Scheier, et al. (1994) to measure dispositional optimism. The original Life Orientation Test (Scheier & Carver, 1985), which hypothesised a two-factor structure of optimism (i.e. optimism and pessimism) was questioned (Harju & Bolen, 1998). Follow-up analysis has demonstrated a one-factor structure, indicating that the LOT-R is measuring a continuum of high, average and low optimism/pessimism (Coetzer, 2004; Scheier, et al., 1994).

#### **3.5.4.2 Description of the Life Orientation Test Revised**

Dispositional optimism was derived from the Life Orientation Test-Revised (LOT-R), a 10-item measure which measure dispositional optimism (Scheier et al., 1994). Six items contribute to the optimism score and four items are fillers (Scheier & Carver, 1985).

#### **3.5.4.3 Administration and scoring of the Life Orientation Test Revised**

The Life Orientation Test-Revised can be administered individually or in groups, it can be completed by the respondent himself by evaluating the items on a 5-point Likert Scale,

where 1 indicates a response of I strongly agree and 5 indicates a response of I strongly disagree.

The respondent must read carefully through each question before deciding to which extent the specific statement are indicative of his/her behaviour. Despite just reading through it he/she needs to focus on the descriptions given on the 5-point scale that accompanies each question, he/she then needs to mark his/her response from 1 to 5 on the scale. It is important for the respondent to give their first impression after they read through the question. All questions must be answered honestly.

#### **3.5.4.4 Interpretation of the Life Orientation Test Revised**

Six of the items on the questionnaire contribute to the optimism score, these items are items 1, 2, 4, 5, 6, and 10; the other items are only filters. An individual with a high score on the scale exhibits optimism and will be seen as a healthy and optimistic individual who has positive emotions about the future, which include faith, trust, confidence and hope (Seligman, 2002). The opposite is true of an individual with a low score, which are indicative of pessimism. Individuals with this type of orientation may tend to be more negative and they do not respond appropriately to stress. They tend to ignore the problem or source of the stress, often give up on goals blocked by stress, and do not attempt to develop positive ways to deal with the problem (Aarnodt, 1999). Therefore, the more pessimistic people are about their job prospects, the less likely it is that they will become individually active in response to the job insecurity they experience (Hartley, et al., 1991).

#### **3.5.4.5 Reliability and validity of the Life Orientation Test Revised**

The LOT-R was found to have adequate internal consistency ( $\alpha = 0,78$ ) and excellent convergent and discriminant validity (Scheier, et al., 1994). Based on a sample of 204 college students, Harju and Bolen (1998) obtained a Cronbach alpha coefficient of 0,75.

#### **3.5.4.6 Motivation for the choice of the Life Orientation Test Revised**

Cooper, et al. (2001) noted that as a dispositional variable, optimism has been of considerable interest as a potential moderator of the relationship between job stressors and psychological strain because optimists believe that good outcomes will occur in life and can therefore appraise stressful events more positively and mobilise their resources to take direct action in response to a stressor. The opposite is true of pessimists – they tend to be very negative people who don't respond appropriately to stress, they ignore the problem or source of the stress, often give up on goals blocked by stress, and do not attempt to develop positive ways to deal with the problem (Aamodt, 1999). Therefore, the more pessimistic people are about their job prospects, the less likely it is that they will become individually active in response to the job insecurity they experience (Hartley, et al., 1991). Therefore the Life Orientation Test Revised is a suited measure for this study because it measures the respondents' orientation towards life and stressors such as job insecurity.

### **3.6 RESEARCH METHOD**

The research method that was used in this study will now be discussed.

#### **3.6.1 Preceding arrangements**

Before the study started, it was first necessary to receive permission from the human resource manager that was involved. Letters were sent to the various individuals in order to obtain their cooperation as well as informing them of the process and motivating them to participate in the study because participation was voluntary. After the necessary communication was sent to them, a covering letter that accompanied a questionnaire was sent to each individual within the financial institution via e-mail. In this document the nature and purpose of the study were explained as well as the fact that all questionnaires will be administered anonymously.

### **3.6.2 Administration of the measurement instruments**

The questionnaires were sent to individuals within the human resource department and a deadline was set for the return of the questionnaires. After 146 of the questionnaires were received back, it was statistically analysed and certain conclusions could be drawn from the results of the analysis.

## **3.7 STATISTICAL ANALYSIS**

In this study descriptive statistics as well as the SPSS was used for the statistical analysis (Tredoux & Durrheim, 2002). Descriptive statistics enables a researcher to organise the data in a meaningful manner (Burns & Grove, 1993). The description and comparisons of the results are done with the use of arithmetical averages and standard deviations.

### **3.7.1 The arithmetic mean**

The arithmetic mean is represented as a one-figure summary of a mass of data and because it takes into account both the magnitude of all scores and the number of scores, it therefore is by far the single best way of representing a set of data (Tredoux & Durrheim, 2002).

The arithmetic mean, according to Shaugnessy and Zechmeister (1997), describes the typical score in a group of scores and is an important summary measure of group performance. The arithmetic mean is the best-known measurement and is used to indicate the mean (average) score of the study population on each questionnaire.

### **3.7.2 Standard deviation**

The standard deviation indicates the average amount by which each individual value deviates from the group mean (arithmetical average) – the bigger the standard deviation, the further are the values situated from the arithmetical mean (Anastasi & Urbina, 1997).



### **3.7.3 Skewness and kurtosis**

Skewness is a descriptive indication of symmetry, which gives an indication of the level of skewness (positive or negative) of a population, whereas kurtosis indicates the level of pointedness of a distribution of scores (Tredoux & Durrheim, 2002). The term skewness was first used by Pearson and measures the deviation of the distribution from symmetry.

A value for skewness that is between -1 and 1 is indicative of a normal distribution. When the kurtosis (which measures “peakedness” of the distribution) is clearly different from zero then the distribution is either flatter or more peaked than normal (Tredoux & Durrheim, 2002).

### **3.7.4 Reliability**

Cronbach’s alpha coefficient was used to determine the internal consistency of each of the items of the questionnaires used in this study. This index is indicative of the extent to which all the items in the questionnaire measure the same characteristics consistently (Huysamen, 1993).

### **3.7.5 Validity**

Construct validity was used in this study. Construct validity can be defined as the extent to which the test measures the theoretical construct it is intended to measure (Shaughnessy & Zechmeister, 1997). Construct validity can be concluded from high correlations among variables, which are supposed to measure the same construct. Factor analysis was done on the data.

### **3.7.6 Statistical significance**

The independent sample t-test is based on the difference between the two sample means, so the expected value of (t), when the independent variable has had no effect is zero. The obtained (t) must be compared with a critical value from the appropriate t-distribution to determine if it is statistically significant (Shaughnessy & Zechmeister, 1997). ANOVA is the statistical test applied to data collected on the basis of a simple randomised subject

design. This is a general statistical procedure for analysing data generated from a research design that uses more than two levels of one independent variable.

### 3.7.7 Practical significance

The practical meaningfulness (*d*) of the difference between the measures of the various ages, years of service and sex were calculated by using a one-way-variance-analysis.

The following formula was used to calculate the effect sizes (*d*) of the difference (Tredoux & Durrheim, 2002):

$$\frac{Ma - Mb}{\sqrt{MSE}}$$

*Ma* = Average of the construct in the population

*Mb* = Average of the construct in various levels in the population

*MSE* = The average square root error

The cut-off points for practical significance that are considered valid is where  $d \geq 0,3$  which indicates a correlation with medium effect, and  $d \geq 0,5$  that is indicative of a correlation with a large effect (Cohen, 1977). For the purpose of this study the deviations with a *d*-value of 0,5 and higher, will be seen as practically significant medium effect.

### 3.7.8 Pearson Correlation Coefficients

Pearson correlations were used to determine the degree to which one variable is related to another. The product-moment-correlation is based on the assumption that when two variables deviate simultaneously, correlation or relationship exists between them (Tredoux & Durrheim, 2002). When a relationship exists, it can either be positive or negative in nature; a decrease in the measurement of one variable leads to the decrease in another, it is seen as a positive relationship. A negative relationship exists when the

decrease in the measurement of one variable leads to an increase in another (Tredoux & Durrheim, 2002).

The product-moment-correlation-coefficient varies between -1,00 and +1,00 and respectively indicates a negative and a positive relationship. The following cut-off points are according to Cohen (1988) applicable for practical significant correlations between variables  $r > 0,30$  is indicative of a medium effect and  $r > 0,50$  indicates a correlation with a large effect. For the purpose of this study  $r$ -values greater than 0,30 will be seen as practically significant, medium effect.

### **3.7.9 Factor Analysis**

Factor analysis is a statistical technique for analysing the interrelationships of variables. The aim is to determine the underlying structure or dimensions of a set of variables because by identifying the common variance between them, it is possible to reduce a large number of variables to a relatively small number of factors or dimensions. The factors describe the factorial composition of the measure and assist in determining subscales (Foxcroft & Roodt, 2001).

#### **3.7.10 Regression Analysis**

Regression Analysis was used to describe the relationship between the variables job insecurity, sense of coherence, work locus of control and dispositional optimism (Wisniewski, 1997). The multiple regression was done with sense of coherence, work locus of control and dispositional optimism and with job insecurity, affective and cognitive as dependent variables.

The multiple regression-analyses were used to determine the proportion of the total variance of one variable (job insecurity) that can be explained by the other variables (sense of coherence, work locus of control and dispositional optimism). The effect sizes (that indicates practical significance) in the case of multiple regression, are determined by the following formula (Tredoux & Durrheim, 2002):

$$f^2 = R^2 / 1 - (R^2)$$

A cut-off point of 0,35 (large effect) (Tredoux & Durrheim, 2002) is set for the practical significance of  $f \times f$ . According to Cohen (1993) a correlation ( $r$ ) can only be better understood by determining its square ( $r^2$ ).

### **3.8 HYPOTHESES**

The following research hypotheses can be formulated in connection with the specific research aims:

- **H1:** A practically significantly relationship exists between job insecurity and sense of coherence amongst employees in a financial institution in Gauteng.
- **H2:** A practically significantly relationship exists between job insecurity and work locus of control amongst employees in a financial institution in Gauteng.
- **H3:** A practically significantly relationship exists between job insecurity and dispositional optimism amongst employees in a financial institution in Gauteng.
- **H4:** A practically significantly relationship exists between dispositional optimism and work locus of control amongst employees in a financial institution in Gauteng.
- **H5:** A practically significantly relationship exists between dispositional optimism and sense of coherence amongst employees in a financial institution in Gauteng.
- **H6:** Sense of coherence, work locus of control and dispositional optimism and certain biographical items can predict job insecurity of the employees in a financial institution in Gauteng.

### **3.9 CHAPTER SUMMARY**

In this chapter the research method was explained in the form of the composition of the measurement instruments, the description of the research sample and the work method that was followed. The statistical method that was used was also discussed and lastly hypotheses were formulated.

The specific aim that was set for this chapter included the description of the aims of the empirical study, the research sample, the various measurement instruments, the work method that was followed in the study as well as an explanation of the statistical analysis of the data – all of this was achieved according to the researcher.

In Chapter 4 the results of the empirical study are reported and discussed.

## CHAPTER 4

### RESULTS, DISCUSSION AND INTERPRETATION OF THE EMPIRICAL STUDY

#### 4.1 INTRODUCTION

The previous chapter focused on the empirical study; this chapter will focus on the results of the empirical research. This chapter will also examine the results of the empirical phenomenon as outlined in Chapters 1 and 3.

Firstly, before discussing the empirical objectives, the biographical data regarding the study population will be presented. The researcher will discuss the biographical data in terms of sex, age, tenure and qualifications. This will assist in conceptualising the rest of the findings discussed throughout the remainder of the chapter.

#### 4.2 DESCRIPTION OF THE STUDY POPULATION

Table 2

*Characteristics of the Participants (N=146)*

Item	Category	Frequency	Percentage
Gender	Male	78	53,42
	Female	67	45,89
	Missing	1	0,68
Age	24 years and younger	3	2,05
	25-35 years	49	33,56
	36-45 years	51	34,93
	46-55 years	38	26,03
	56 years and older	4	2,74
	Missing	1	0,68
Race	Black	35	23,97

Table 2 (Continue)

*Characteristics of the Participants (N=146)*

	White	109	74,66
	Missing	2	1,37
Qualifications	St. 8-10	29	19,86
	Diploma	20	13,70
	Grade	42	28,77
	Post-Graduate	53	36,30
	Missing	2	1,37
	Tenure	> 1 year	5
1-2 years		8	5,48
3-4 years		20	13,70
5-10 years		37	25,34
11-15 years		27	18,50
16-20 years		26	17,81
>20 years		22	15,07
Missing		1	0,68

From Table 2 the inference can be made that 78 (53,42%) are male whilst 67 (45,89%) were female. The criterion for the selection of the research sample was not based on the distinction between the sexes, this is merely included to ensure completeness.

Table 2 also indicates that the biggest percentage of the sample group, namely 34,93% (51) of the members are between the ages 36-45 years and the second biggest percentage namely 33,56% (49) of the participants are between 25-35 years of age. From the above data the conclusion can be made that the research sample were relatively young and still has growth possibilities within the organisation. Manski and Straub (2000) undertook a study that showed that job insecurity is a bigger stressor amongst younger employees

than older employees, but their chances of being re-employed were also much better than those of the older employees. The researchers postulates that the expectation of job loss decreases as the employee becomes older.

According to Table 2 it is clear that the biggest percentage of the sample group, namely 74,66% (109) of the members are white whilst 23,97% (35) of the participants are black. Only 1,37% (2) did not report their race.

It is evident that most of the members in the research sample 36,30% (53) has post graduate qualifications. The percentage of members of the research sample that has grade qualifications are 28,77% (42). The conclusion that the research sample has a high literacy rate can therefore be concluded from the abovementioned data. Human (2002) mentioned that Manski and Straub (2000) found in their study that educational background has a definite effect on the experience of job insecurity. The study showed that the higher the educational level of the employees, the lower is their subjective experience of job insecurity.

Table 2 suggests that most of the members of the research sample 25,34% (37) have 11-15 years experience in their current position. The percentage of the research group namely 18,45% (27) has 5-10 years experience in their current positions. The conclusion can be made that respondents have extensive experience in their current positions.

The biggest amount of members in the research sample, namely 36,30% (53) are in professional job positions. The conclusion can be made that the high post graduate and graduate qualifications namely 36,30% and 28,77% can be linked to the high percentage professional positions that are held.

### **4.3 FACTOR ANALYSIS**

A simple principal components analysis was conducted on the 11 items of the Job Insecurity Questionnaire on the total sample of employees at a financial institution in Gauteng. Based on analysis of the eigenvalues (larger than 1) and scree plot, it was



indicated that two factors could be extracted namely the Cognitive and Affective factors. These two factors were confirmed by De Witte (1997). An oblique rotation showed that the factors were not strongly correlated, and subsequently it was decided to use principal factor analysis with varimax rotation.

Table 3

*Pattern Matrix of the 11 items JIQ for the Employees in a financial institution in Gauteng (N=146)*

ITEM	Component	
	1	2
<i>1. I think that I will be able continue working here</i>	<b>0,81</b>	0,32
<i>2. There is only a small chance that I will become unemployed.</i>	<b>0,82</b>	0,38
<i>3. I am certain/sure of my job environment.</i>	<b>0,90</b>	0,17
<i>4. I am very sure that I will be able to keep my job.</i>	<b>0,90</b>	0,27
<i>5. It makes me anxious that I might become unemployed.</i>	0,52	0,48
<i>6. I feel uncertain about the future of my job.</i>	<b>0,82</b>	0,31
<i>7. I worry about the continuation of my career.</i>	<b>0,79</b>	0,35
<i>8. I fear that I might lose my job.</i>	<b>0,83</b>	0,40
<i>9. I fear that I might get fired.</i>	0,26	<b>0,90</b>
<i>10. There is a possibility that I might lose my job in the near future.</i>	<b>0,81</b>	0,44
<i>11. I think that I might be dismissed in the near future.</i>	0,31	<b>0,86</b>

After scrutinising the individual item loadings as indicated in Table 4, it appeared that items 1-4 and 10 loaded correctly on the cognitive subscale whilst items 6, 7, 8 which are supposed to load on the affective subscale, loaded heavily on the affective job insecurity subscale. Item 9 loaded correctly on the affective scale. Due to the heavily loading on the cognitive component (Factor 1) the focus of the rest of the study would reside on the total of the Job Insecurity components.

A simple principal components analysis was also conducted on the 29 items of the SOC-Questionnaire on the total sample of employees at a financial institution in Gauteng. Three factors could be extracted based on analysis of eigenvalues (larger than 1) and scree plot. An oblique rotation showed that factors were not strongly correlated and thus a principal factor analysis with varimax rotation was used.

Table 4

*Pattern Matrix of the 29 items SOC-Questionnaire for the Employees in a financial institution in Gauteng (N=146)*

ITEM	Component		
	1	2	3
<i>1. When you talk to people, do you have the feeling that they don't understand you?</i>	<b>0,64</b>	0,05	0,10
<i>2. In the past, when you had to do something which depended upon co-operation with others, did you have the feeling that it surely would/wouldn't get done</i>	-0,12	<b>0,86</b>	0,06
<i>3. Think of all the people with whom you come into contact daily, aside from the ones to whom you feel the closest. How well do you know most of them?</i>	<b>0,51</b>	0,03	0,28
<i>4. Do you have the feeling that you don't really care about what goes on around you?</i>	<b>0,70</b>	0,12	0,16
<i>5. Has it happened in the past that you were surprised by the behaviour of people whom you thought you know well?</i>	0,31	<b>0,75</b>	-0,05
<i>6. Has it happened that people, whom you counted on, disappointed you?</i>	0,27	<b>0,80</b>	-0,03
<i>7. Life is: Full of interest/complete routine</i>	0,44	0,16	<b>0,73</b>
<i>8. Until now, your life has had no goals or purpose/very clear goals and purpose</i>	<b>0,58</b>	0,20	0,39
<i>9. Do you have the feeling that you are being treated unfairly?</i>	<b>0,62</b>	0,32	0,29
<i>10. In the past ten years your life has been full of changes without you knowing what will happen next/ completely consistent and clear</i>	-0,15	0,19	<b>-0,73</b>
<i>11. Most of the things you do in the future will probably be completely fascinating/dead boring</i>	0,31	0,20	<b>0,78</b>
<i>12. What best describes how you see life: One can always find a solution to painful things in life/there is no solution to painful things in life</i>	<b>0,66</b>	0,05	0,29

Table 4 (Continue)

*Pattern Matrix of the 29 items SOC-Questionnaire for the Employees in a financial institution in Gauteng (N=146)*

13. <i>What best describes how you see life? One can always find a solution to painful things in life/There is no solution to painful things in life</i>	0,18	0,35	<b>0,79</b>
14. <i>When you think about your life, you very often: Feel how good it is to be alive/Ask yourself why you exist at all</i>	0,37	0,43	<b>0,65</b>
15. <i>When you face a difficult problem, the choice of a solution is: Always confusing and hard to find/always completely clear</i>	<b>0,69</b>	0,21	0,36
16. <i>Doing the things you do everyday is: A source of deep pleasure and satisfaction/ A source of pain and boredom</i>	<b>0,56</b>	0,25	<b>0,53</b>
17. <i>Your life in the future will probably be: Full of changes without knowing what will happen next/ Completely consistent and clear</i>	-0,19	0,10	<b>-0,73</b>
18. <i>When something unpleasant happened in the past, your tendency was: "To eat yourself" up about it/ To say "OK, that's that. I have to live with it."</i>	0,13	<b>0,50</b>	0,31
19. <i>Do you have very mixed-up and ideas?</i>	<b>0,71</b>	0,08	0,36
20. <i>When you do something that gives you a good feeling: It's certain that you will go on feeling good/Something will happen to spoil the feeling</i>	0,49	0,30	<b>0,56</b>
21. <i>Does it happen that you have feelings inside you that you would rather not feel?</i>	<b>0,67</b>	0,14	0,46
22. <i>You anticipate that your personal life in the future will be: Totally without meaning and purpose/ Full of meaning and purpose</i>	0,34	0,48	<b>0,65</b>
23. <i>Do you think that there will always be people whom you'll be able to count on in the future?</i>	-0,22	<b>0,77</b>	0,40
24. <i>Does it happen that you have the feeling that you don't know exactly what's about to happen?</i>	<b>0,73</b>	-0,15	0,08
25. <i>Many people- even those with a strong character- sometimes feel like losers in certain situations. How often have you felt this way in the past?</i>	<b>0,42</b>	-0,00	-0,02
26. <i>When something happened, have you generally found that: You overestimated or underestimated its importance/You saw it in the right proportion</i>	<b>0,58</b>	0,24	0,26

Table 4 (Continue)

*Pattern Matrix of the 29 items SOC-Questionnaire for the Employees in a financial institution in Gauteng (N=146)*

27. <i>When you think of difficulties, you are likely to face important aspects of your life, do you have the feeling that: You will always succeed in overcoming the difficulties/ You won't succeed in overcoming the difficulties</i>	<b>0,55</b>	0,36	<b>0,56</b>
28. <i>How often do you have the feeling that there is little meaning in the things that you do in your daily life?</i>	<b>0,62</b>	0,27	0,49
29. <i>How often do you have the feelings that you are not sure that you can keep under control?</i>	<b>0,59</b>	0,07	0,26

By inspecting Table 4 it is clear that items 1, 12, 15, 21 and 24 correctly loads on factor 1 and item 4, 8, 9, 16, 19, 25, 28 and 29 loads wrongly. With regards to factor 2 the following items loaded correctly 2, 6, 18 and 23 loads whilst item 5 incorrectly loads on this factor; items 7, 11 and 22 loads acceptably on factor 3 but items 3, 10, 13, 17 and 20 loads improperly on this factor. Only item 27 did not load significantly on any of the factors. From the data shown in the table it is clear that most of the items load onto factor 1 and the focus of this study now be on the total of the three components in the scale thus the focus will be on the Sense of Coherence Total scale.

Regarding the WLOC-Questionnaire, a simple principal components analysis was also conducted on the 16 items of the questionnaire on the total sample of employees at a financial institution in Gauteng. A oblique rotation showed that factors were not strongly correlated and thus a principal factor analysis with varimax rotation was used and one factor was extracted namely Total WLOC.

Table 5

*Pattern Matrix of the 16 items WLOC-Questionnaire for the Employees in a financial institution in Gauteng (N=146)*

ITEM	Component
	1
1. <i>A job is what you make of it</i>	-0,68
2. <i>On most jobs, people can pretty much accomplish whatever they set out to accomplish</i>	-0,65
3. <i>If you know what you want out of a job, you can find a job that gives it to you</i>	-0,63
4. <i>If employees are unhappy with decisions made by their boss, they should do something about t.</i>	-0,41
5. <i>Getting the job you want is mostly a matter of luck</i>	<b>0,79</b>
6. <i>Making money is primarily a matter of good fortune</i>	<b>0,82</b>
7. <i>Most people are capable of doing their jobs well if they make the effort</i>	-0,41
8. <i>In order to get a really good job, you need to have family members or friends in high places</i>	<b>0,83</b>
9. <i>Promotions are usually a matter of good fortune</i>	<b>0,88</b>
10. <i>When it comes to getting a really good job, who you know is more important than what you know</i>	<b>0,84</b>
11. <i>Promotions are given to employees who perform well on their job</i>	-0,50
12. <i>To make a lot of money you have to know the right people</i>	<b>0,06</b>
13. <i>It takes a lot of luck to be an outstanding employee on most jobs</i>	0,65
14. <i>People who perform their jobs well generally get rewarded for it</i>	-0,72
15. <i>Most employees have more influence on their supervisors than they think they do.</i>	-0,36
16. <i>The main difference between people who make a lot of money and people who make a little money is luck</i>	<b>0,84</b>

By examining Table 6 it is evident that items 5, 6, 8, 9, 10, 12, 14 and 16 loads onto the Total WLOC factor. The items of the questionnaire is scored inversely and a high score/positive score will be indicative of a tendency towards an external locus of control and a low score/negative score is representative of a tendency towards an internal locus of control.

With reference to the LOT-R Questionnaire, a simple principal components analysis was conducted on the 10 items of the questionnaire on the total sample of employees at a financial institution in Gauteng. An oblique rotation showed that factors were not strongly correlated and thus a principal factor analysis with varimax rotation was used, one factor was extracted namely the LOT-R Total.

Table 6

*Pattern Matrix of the 10 items of the LOT-R Questionnaire for the Employees in the financial institution in Gauteng (N=146)*

ITEM	Component
	1
1. <i>In uncertain times, I usually expect the best</i>	-0,84
2. <i>It's easy for me to relax</i>	-
3. <i>If something can go wrong for me, it will</i>	-0,83
4. <i>I'm always optimistic about my future</i>	-0,80
5. <i>I enjoy my friends a lot</i>	-
6. <i>It's important for me to keep busy</i>	-
7. <i>I hardly ever expect things to go my way</i>	-0,86
8. <i>I don't get upset too easily</i>	-
9. <i>I rarely count on good things happening to me</i>	-0,86
10. <i>Overall, I expect more good things to happen to me than bad</i>	-0,83

Six of the items on the questionnaire contribute to the optimism score, these items are items 1, 2, 4, 5, 6, and 10; the other items are only filters. All the items load highly on the factor.

#### 4.4 DESCRIPTIVE STATISTICS

The Cronbach alpha findings will be discussed together with construct validity that was tested by means of factor analysis. Table 3 indicates the mean values, standard deviations, skewness and kurtosis for the sub-dimensions of job insecurity, sense of coherence, work locus of control and dispositional optimism.

Table 7

*Descriptive statistics, Cronbach Alpha Coefficients and Inter-Item Correlation Coefficients of the Measuring Instruments for employees in a financial institution in Gauteng (N=146)*

<i>Test and subscales</i>	<i>Mean</i>	<i>SD</i>	<i>Skewness</i>	<i>Kurtosis</i>	<i>Inter-item r</i>	<i>α</i>
Job Insecurity – Affective	2,99	0,99	0,16	-1,19	0,72	0,92
Job Insecurity – Cognitive	2,71	0,92	0,34	-0,79	0,68	0,92
Job Insecurity – Total	2,84	0,93	0,21	-1,20	0,69	0,96
Work locus of control- Average	3,28	0,38	-0,15	0,76	0,14	0,63
Sense of Coherence – Comprehensibility	4,39	0,65	-0,69	0,58	0,21	0,72
Sense of Coherence – Manageability	4,55	0,86	-0,44	0,70	0,35	0,83
Sense of Coherence – Meaningfulness	5,17	1,01	-0,99	1,46	0,61	0,92
Sense of Coherence – Total	4,66	0,74	-0,88	1,57	0,33	0,93
Life Orientation Test Revised	3,76	0,77	-1,16	1,19	0,64	0,91

The values for skewness and kurtosis must be between 3 and -3 for normal distribution. Ideally the values must be as close as possible to zero. The values for skewness and kurtosis in this study as indicated above are of normal distribution and are therefore acceptable.

The Cronbach alpha coefficients of the Job Insecurity scales (cognitive and affective), the Work Locus of Control scale and the Sense of Coherence scales (comprehensibility, manageability and meaningfulness) as well as the Life Orientation Test revised are considered to be acceptable, compared to the guideline of a  $\alpha > 0,70$  (Nunnally & Bernstein, 1994). Furthermore, the inter-item correlations for the Job Insecurity Scales, Work Locus of Control Scale and the Meaningfulness subscale of Sense of Coherence as well as the Life Orientation Test Revised are found to be too high and are therefore considered unacceptable compared to the guideline of  $0,15 < r < 0,50$ ; only manageability and Total Sense of Coherence met the requirement (Clark & Watson, 1995). It therefore

appears as if the internal consistency of these measuring instruments for the study population could be questioned.

#### 4.5 CORRELATION COEFFICIENTS

Pearson correlations were used to determine the degree to which one variable is related to another. The Correlation Coefficients between the measurement instruments will be discussed in this section.

Table 8

*Correlation Coefficients between Job Insecurity-Total, Sense of Coherence Total, Work Locus of Control and Dispositional Optimism*

VARIABLES	JI-T	WL	SC-T	LOTR
JI-T	-	-	-	-
WL	0,03*	-	-	-
SC-T	-0,46*+	-0,12	-	-
LOTR	-0,46*+	-0,11	0,74*++	-

\*Statistically significant correlation

+ Correlation is practically significant  $r > 0,30$  (medium effect)

++ Correlation is practically significant  $r > 0,50$  (large effect)

Table 8 shows a positive a negative practically significant correlation (Medium effect) between Job Insecurity Total and Sense of Coherence Total and with Dispositional Optimism. A positive practically significant correlation (large effect) was detected between Sense of Coherence Total and Dispositional Optimism.

Next, MANOVA and ANOVA analysis followed to determine the relationship between job insecurity and various demographic groups, such as gender, age, race and tenure. Demographic groups were analysed for statistical significance using Wilk's Lambda statistics. The results will be discussed and reported in the following tables



Table 9

*MANOVA of Job Insecurity of Gender, Age, Race and Tenure*

Variable	Value	F	Df	DENDF	P
Gender	1,00	0,28	2	142	0,76
Age	0,85	2,89	8	278	0,00*
Race	0,81	16,12	2	141	0,00*
Tenure	0,81	2,57	12	274	0,00*

\*Statistically significant difference:  $p < 0,01$

In an analysis of Wilk's Lambda values, statistically significant differences ( $p < 0,01$ ) were found between the job insecurity levels of age, race and tenure. The relationship between cognitive- and affective job insecurity of age, race and tenure were further analysed to determine the practical significance of differences using ANOVA, followed by Tukey HSD test. The results of the differences between Job Insecurity and Age are given in Table 10.

Table 10

*ANOVA'S – Differences in Job Insecurity and Age*

	24 years and younger	25-35 years	36-45 years	46-55 years	56 years and older	<i>p</i>	Root MSE
Jl Total	<sup>a</sup> 4,00	2,50	2,96	3,08	<sup>c</sup> 2,34	0,0024*	0,63

\*Statistically significant difference:  $p < 0,01$

<sup>a</sup> Practically significant differences from type (in row) where <sup>b</sup> (medium effect,  $d \geq 0,5$ ) or <sup>c</sup> (large effect,  $d \geq 0,8$ ) are indicated

Table 10 demonstrates that there is a practically significant difference between the levels of job insecurity (as measured by the JIQ) between employees that are 24 years and younger and employees who are 56 years and older. The employees whom are 24 years and younger displayed more job insecurity than the workers whom are 56 years and older (large effect). This partially supports hypothesis 6 and can be a result of the younger employees whom have just started with their careers and family lives and are therefore

under tremendous pressure to retain their positions whilst most organisations follow the basic principle of “last in, first out” when employee reductions are needed. The differences between Job insecurity and Race the differences are indicated in Table 11.

Table 11

*ANOVA'S – Differences in Job Insecurity and Race*

	Black	White	<i>p</i>	Root MSE
Jl Total	2,1377 <sup>a</sup>	3,0684 <sup>c</sup>	0,00*	0,51

\*Statistically significant difference:  $p < 0,01$

a Practically significant differences from type (in row) where b (medium effect,  $d \geq 0,5$ ) or c (large effect,  $d \geq 0,8$ ) are indicated

Table 11 reveals that a practically significant difference (with a large effect) exists between the levels of job insecurity (as measured by the JIQ) of white and black employees. White employees seem to experience higher levels of job insecurity than the Black employees. These findings are also partially supportive of hypothesis 6 and may be a result of the affirmative action legislation that requires a certain amount of black employees within each organisation. The results of the differences between job insecurity and tenure are illustrated in Table 12.

Table 12

*ANOVA'S – Differences in Job Insecurity and Tenure*

	> 1 year	1-2 years	3-4 years	5-10 j years	11-15 years	16-20 years	>20 years	<i>p</i>	Root MSE
Jl Total	2,60 <sup>a</sup>	3,57	3,77	3,81	3,64	3,96 <sup>c</sup>	3,92	0,016	0,30

\*Statistically significant difference:  $p < 0,01$

a Practically significant differences from type (in row) where b (medium effect,  $d \geq 0,5$ ) or c (large effect,  $d \geq 0,8$ ) are indicated

Table 12 exposes a practically significant difference between the levels of job insecurity (as measured by the JIQ) between employees that have been in the financial institution for less than one year and employees who have been working in the institution for

between 16 and 20 years (large effect). It seems that the people who have the second highest level of tenure does experience more job insecurity than the younger employees who have less than one year's service in the company. These findings also partially supports hypothesis 6 and can be a result of the previous statement that the people that are not in the organisation for a very long period will be the first to get retrenched. The older persons whom fall in the second last category namely 16-20 years of service also have a higher amount of job insecurity because they are nearing the end of their careers and may become redundant but might not be in such a position that it is possible for them to retire as yet.

#### **4.6 REGRESSION ANALYSIS**

Regression Analysis was used to describe the relationship between variables (Wisniewski, 1997).

Multiple regression was done with the total scores of Sense of Coherence, Work Locus of Control, and dispositional optimism and with Job Insecurity as dependent variable.

According to Cohen (1993) a correlation ( $r$ ) can only be better understood by determining its square ( $r^2$ ). A regression analysis is used to determine the proportion of the total variance of one variable that is explained by another variable (Moore, 1995). In this study, a multiple regression analysis is conducted to determine the proportion of the total variance of Work Sense of Coherence, Work Locus of Control, and Dispositional Optimism and Job Insecurity.

With regards to hypothesis 6 that stated that sense of coherence, work locus of control and dispositional optimism and certain biographical items can predict job insecurity of the employees the regression analysis of total job insecurity, indicated that the adjusted  $r^2= 0,23$  which implies that 23% of the variance in job insecurity as measured by the JIQ is predicted by the Sense of Coherence total, Work Locus of Control as well as Dispositional Optimism. The multiple correlation coefficient of 0, 32 are practically significant with medium effect and can it concluded that this finding partially supports hypothesis 6.

## 4.7 DISCUSSION

The objectives of this study was firstly to investigate the relationship between job insecurity, sense of coherence, work locus of control and dispositional optimism experienced in the financial institution in Gauteng as well as determining whether sense of coherence, work locus of control and dispositional optimism can predict job insecurity within this study.

With regards to the biographical data of the study population it was evident that most of the participants were male, that most of the participants were between the ages of 46-55 years old and that the biggest percentage of the sample group was white. With regards to qualification and tenure most of the individuals had post-graduate qualifications and most of them have been working for the institution for 5 – 10 years.

Based on descriptive statistics, Cronbach alpha coefficients and inter-item correlations it was found that the distribution of the measuring instruments were normal and therefore acceptable. With regards to the internal consistency of the measuring instruments the inter-item correlations it was that there were factors that was found not to be reliable and that only Total SOC and manageability met the requirements according to the guideline of  $0,15 < r < 0,50$  as set by Clark and Watson (1995).

The Job Insecurity Questionnaire had a Cronbach Alpha coefficient of 0,96 that compares favourably with the findings of De Witte (2002) as well as Heymans (2002) and Nunnally and Bernstein (1994). The Work Locus of Control, Sense of Coherence and Life Orientation Questionnaires were also found to be reliable and separately had correlation coefficients of 0,70, 0,93 and 0,91.

Job insecurity was conceptualised in the literature as an individual's expectations about continuity in a job situation the overall concern about the future existence of the job and powerlessness to maintain desired continuity in a threatened job situation as well as the

negative effective feeling that individual experience towards work, working conditions, work possibilities as well as towards the changes concerning the job (Davy, et al., 1997; Greenhalgh & Rosenblatt, 1984; Heany, et al., 1994; Roskies, et al. 1993). Job insecurity consists according to Borg and Elizur (1992) of two sub factors namely a cognitive and affective sub factor. The 11 item measurement of job insecurity indicates the different levels of job insecurity experienced by an individual and suggests that the items should load onto both sub factors. Within this study a one factor solution was more suitable and was the focus on the JI-Total score.

Sense of coherence were conceptualised in the literature as an encompassing orientation that indicates the degree to which a person has an enduring and dynamic trust that his internal and external environment is predictable and that there is a big probability that things will work out as good as it was expected and consists of three dimensions namely comprehensibility, manageability and meaningfulness (Antonovsky, 1992). The Sense of Coherence Questionnaire measures these three dimensions as subscales of the construct with specific items loading on each subscale, for the purpose of this study it seemed that a 1 factor solution is more suitable and was the focus on the SOC-Total score.

The construct work locus of control was conceptualised as the belief an individual has (over resources of power) in his/her life that reinforces certain behaviour (Schepers, 1995). Work locus of control was measured on a scale where a low score is indicative of an internal locus of control among the research sample an external locus of control were detected, two factors were identified namely internal and external locus of control but for the purpose of this study a 1 factor solution was more suitable and was the focus on the WLOC-Total score.

Dispositional optimism was conceptualised as an individual's expectations of positive outcomes across situations and time (Scheier & Carver, 1985). The measuring

instrument consists of 10 items of which six contribute to the optimism score and the other items are only filters. In this study all the factors loaded highly on the factor. .

With regards to the relationships found between the various factors it can be reported that a negative statistically significant relationship with medium effect was detected between job insecurity and sense of coherence – this coincides with the study of Human (2002). A positive statistically significant relationship was also detected between work locus of control and job insecurity, this relationship has been investigated by various other researchers and is it clear that individuals with an internal locus of control copes better within these circumstances than individuals with an external locus of control (Human, 2002). In this study the results also indicated that dispositional optimism negatively correlated significantly with job insecurity. Various research findings supports this by stating that individuals with high optimism will tend to cope better and can it therefore be postulated that they will experience lower levels of job insecurity (Human, 2002; Peterson, 2000; Scheier & Carver, 1985). A statistically significant positive correlation (large effect) was also found between sense of coherence and dispositional optimism.

As far as the biographical correlations with these constructs are concerned, it was found that the employees 24 years and younger had the highest levels of job insecurity. The employees older than 56 years had the lowest level of job insecurity. A possible explanation for this finding is that employees in this age group has nearly reached the end of their working career and thus will not be as much affected by the experience of job insecurity as the younger employees, this finding is confirmed by Buitendach and Rothmann (in press). The correlations between job insecurity and tenure that suggests that individuals with 16-20 years of service have the highest level of job insecurity whilst individuals with less than one year service has the lowest level of job insecurity. A possible explanation for this is that the older persons fall into the second last category of service and are nearing the end of their careers and may become redundant but are not in such a position that it is possible for them to retire.

With regards to race it was found that white employees experience higher levels of job insecurity than black employees – this is supported by findings of Buitendach and Rothmann (in press). Buitendach and Rothmann (in press) suggested that a possible explanation for this is the insecurity that rose due the influence of the first democratic election during 1994, which caused a fundamental change in the world of work as well as the implementation of the Employment Equity Act 55 of 1998 that favours the previously disadvantaged groups as employees.

With regards to the predictability of sense of coherence, work locus of control and dispositional optimism towards the levels of job insecurity of the employees the regression analysis of total job insecurity, that 23% of the variance in job insecurity as measured by the JIQ is predicted by the Sense of Coherence total, Work Locus of Control as well as Dispositional Optimism.

#### **4.8 CONCLUSION**

The findings of this study supports Hypothesis 1 that states that a practically significant relationship exists between job insecurity and sense of coherence. The findings also indicated that no practically significant relationship exists between job insecurity and work locus of control amongst employees in a financial institution in Gauteng, thus Hypothesis 2 is rejected.

Hypothesis 3 is also supported by the findings and states that a practically significant relationship exists between job insecurity and dispositional optimism. Hypothesis 4 states that a practically significant relationship exists between dispositional optimism and work locus of control amongst employees at a financial institution in Gauteng but is not supported by the findings and are therefore rejected. Furthermore, hypothesis 5 states that a practically significant relationship exists between dispositional optimism and sense of coherence amongst employees at a financial institution in Gauteng and is supported by the abovementioned findings.

From the discussion it can be concluded that hypothesis 1, 3 and 5 are accepted whilst hypothesis 2 and 4 is rejected.

#### **4.9 CHAPTER SUMMARY**

In this chapter the results of the empirical study was discussed with reference to the biographical data of the study population, the descriptive statistics of the measurement instruments, factor analysis, correlation coefficients as well as regression analysis.

The results obtained in this chapter will be discussed further in chapter 5.



## **CHAPTER 5**

### **CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS**

#### **5.1 INTRODUCTION**

The results of the empirical study that was discussed in the previous chapter will be explored further in this chapter and conclusions will be drawn from the literature findings as well as these results. The limitations of the research will be discussed, and is followed by recommendations for the organisation and suggestions for future research.

#### **5.2 CONCLUSIONS**

Conclusions will be made with regards to the specific theoretical objectives as well as that of the results of this study.

##### **5.2.1 Conclusions with regards to the theoretical objectives**

The first objective of the study was to conceptualise the different constructs from the literature review. Firstly the focus was on job insecurity. For the purpose of this study the concept job insecurity was viewed as an employee's cognitive observation and affective experience of job insecurity (Greenhalgh & Rosenblatt, 1984). An employee's control over the possible job loss are influenced by the degree of security a union can offer him/her, the degree to which an employees understands what is needed to maintain the status of a specific position, the degree to which the organisational climate is participative or autocratic and the trust an employee has in the dismissal process. The employee's cognitive evaluation of the seriousness of the possible job loss is also influenced by the loss of either a permanent or temporary position, whether the loss is through restructuring or the minimising of personnel through dismissals, or whether the change that is taking place will lead to total job loss or just the loss of certain aspects of the job (Hartley, et al., 1991).

The second construct was sense of coherence. This concept was conceptualised as a comprehensive orientation that is an indication of the degree to which a person has lasting and dynamic trust in that the stimuli from the internal and external environment is structured, predictable and comprehensible as well as that he/she has the necessary resources to cope with the demands of this stimuli and that he/she experiences these demands as challenges that are worthy of acting on (Antonovsky, 1987). The conclusion can be made that an individual with a strong sense of coherence experiences information from the environment as comprehensible, manageable and meaningful (Antonovsky, 1992).

Thirdly the focus was on locus of control. This concept was originally developed within the frame of the social learning theory and the attribution theory that falls within the cognitive behavioural paradigm (Bandura, 1977; Rotter, 1966). The social learning theory suggests that the reinforcement of behaviour will lead to a rise in the expectance that the specific behaviour or action will be followed by the reinforcement in the future. The construct locus of control is conceptualised from the literature as the degree to which an individual believes that the occurring phenomenon is dependant on his behaviour (Schepers, 1995).

The last construct that was discussed in the literature review was dispositional optimism. From the literature dispositional optimism was conceptualised as an individual's expectations of positive outcomes across situations and over time. Optimists are people who generally have a favourable outlook and expect things to go their way in the future. Conversely, pessimists are individuals who generally have a more negative outlook on life and expect things to go badly (Scheier & Carver, 1985). One important finding is that optimists use different strategies to manage critical life situations than pessimists do. People who are confident about their future exert continuing effort, even when dealing with serious adversity in contrast to people who are doubtful about their future (Leung, et al., 2003).

### **5.2.2 Conclusions with regards to the empirical objectives**

In the empirical study the following general and specific objectives were set:

The general aim of this study is to measure and determine whether a relationship exists between job insecurity and various psychological forces, such as sense of coherence, work locus of control and dispositional optimism at a financial institution in Gauteng.

A relatively high level of job insecurity (a loading bigger than 0.80 on all the factors) was detected that mainly loaded on the cognitive factor that indicates that respondents mostly experience job insecurity due to their cognitive observation of the situation.

With regards to sense of coherence, the highest average score on a subscale was obtained on the first factor namely comprehensibility. This implies that respondents see events in their lives as understandable and comprehensible on a cognitive level. Antonovsky (1991) identifies comprehensibility as the central component of sense of coherence.

Among the research sample high scores were found on work locus of control. A low score on locus of control is indicative of an internal locus of control and a high score indicates an external locus of control. The conclusion can therefore be made that respondents had an external locus of control.

With regards to optimism, a very high score was obtained from the research sample which indicates that they are rather negative and pessimistic and can even view the situation as hopeless or unchangeable. In this research the job insecurity total relationships were found with sense of coherence total, work locus of control as well as dispositional optimism.

The following objectives of the empirical study was to investigate the levels of job insecurity, sense of coherence, work locus of control and dispositional optimism as well

as to establish the relationship between these constructs and to determine whether sense of coherence, work locus of control and optimism can predict job insecurity. The following results were found with regards to these objectives.

In this study the total score of job insecurity was used because the factor loadings of the affective and cognitive aspects of job insecurity did not load correctly on the two factors, despite the problems in the loading of the factors, a practically significant relationship was detected between job insecurity and locus of control. As mentioned in the literature various researchers such as Mulholland (1996) and Reisel (1998) did research on the relationship between job insecurity and found in their studies that an internal locus of control enables an individual to cope better with such circumstances.

Furthermore, a practically significant relationship with a medium effect was detected between job insecurity and sense of coherence. This finding is supported by findings of Ibrahim et. al. (2001) found a positive relationship does exist between job insecurity and sense of coherence.

In this study the results indicated that dispositional optimism correlated negatively with job insecurity that indicates that individuals with low optimism experiences high levels of job insecurity – this finding is supported by various research in dispositional optimism which suggested that people who are dispositionally optimistic tend to cope better than those who are more pessimistic.

With regards to the relationship between certain biographical items Manski and Straub (2000) postulated that a relationship does exist between job insecurity and age as well as between job insecurity and qualifications. Within this study a negative relationship was found between job insecurity and age as well as a positive relationship between job insecurity and tenure.

The last objective of the empirical study was to determine whether sense of coherence, work locus of control and dispositional optimism could predict job insecurity, it was found that only 23% of the variance in job insecurity as measured by the JIQ is predicted

by the Sense of Coherence-Total, Work Locus of control-Total as well as Dispositional Optimism.

### **5.3 LIMITATIONS OF THIS RESEARCH**

The limitations that can be indicated from this study includes a need for more extensive research regarding the literature review; the research was limited due to a small research sample (146 instead of the planned 500) as well as a very low response rate of 28,6%; and the research sample mainly consisted of white employees and other cultures were not sufficiently represented in the sample.

### **5.4 RECOMMENDATIONS**

#### **5.4.1 Recommendations for the organisation**

For any intervention or individual, managerial or organisational practice to deal with job insecurity and its associated consequences depends on the extent to which the phenomenon is quite clearly and accurately comprehended. The following recommendations can be made to the organisation in order to focus on job insecurity and the related factors.

The Job Insecurity Questionnaire of De Witte (2000) indicates both the cognitive and affective aspects of job insecurity. Among the research sample a high score was obtained for job insecurity. The organisation can give information to employees that will help them to understand and comprehend the situation better as well as implementing a programme to prepare them for possible job loss and its consequences. It can be further recommended to help the employees explore the affective aspects of job insecurity, with debriefing.

The high score on the construct locus of control is indicative of an external locus of control among the members of the research sample. Possible interventions can be developed by the organisation to stimulate an internal locus of control among the employees. An intervention that can be implemented is a training programme with focus

on personality characteristics such as self-actualisation, spontaneity, self-esteem, self-acceptance, synergy, acceptance and management of anger as well as the capacity to allow intimate contact (Olivier, 1998).

The relationship between these constructs needs further investigation however the fact that most of the employees are extremely negative is a factor that needs to be addressed and moral building exercises as well as support groups can be suggested. Possible personal development with specific focus on the psychological forces for psychological optimisation of employees must be considered.

#### **5.4.2 Recommendations for future research**

The recommendations for future research that can be made from this research includes the further investigation of the relationship between job insecurity, sense of coherence, work locus of control and dispositional optimism in other contexts as well as with larger samples, or even by the use of longitudinal studies.

Sense of coherence, work locus of control and dispositional optimism must be examined in conjunction with other variables such as job performance and job satisfaction among human resource managers at a financial institution. The situational causes of job insecurities must also be investigated in future studies.

Research regarding the elimination of an external locus of control and the stimulation of an internal locus of control must be conducted and the relationship of other psychological forces such as tough poise and coping mechanisms with job insecurity must be further researched.

### **5.5 CHAPTER SUMMARY**

In this chapter conclusions were made from the theoretical and empirical information. The limitations of the study were indicated and recommendations were made on the basis of the research findings.

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