

CSI 33: Subjective Job Insecurity

Summary

- There is no sustained trend in levels of subjective job insecurity in Britain over the last 30 years
- Women are somewhat less likely to fear job loss than men
- Social class is not clearly associated with subjective job insecurity
- Non-permanent work and self-employment are associated with higher levels of subjective job insecurity, while part-time work is not
- The UK exhibits comparative levels of job insecurity as other European countries, though its relative position has deteriorated somewhat over time

What is subjective job insecurity and why does it matter?

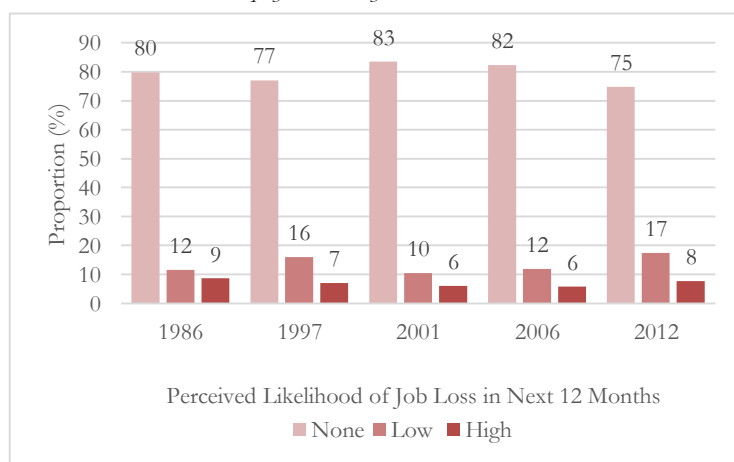
In recent years, labour markets across advanced economies have undergone profound transformation in the context of increasing global competition, economic recession and technological progress¹. Alongside these changes, new, often less stable forms of employment, such as temporary work, casual employment and self-employment, have become more common². These developments may affect how secure workers feel in labour markets. Subjective job insecurity is defined as an employee's perception of the likelihood of involuntary job loss in the near future, often the next 12 months³.

Higher subjective job insecurity – that is, increased fear of job loss – is negatively related to individuals' mental³ and physical⁴ health. Moreover, it can lead to negative views towards one's place of work, lower organisational commitment and impaired work performance⁵. Higher job insecurity may also have socioeconomic consequences by leading workers to reduce their consumption and delay important life decisions, such as marriage and having children^{6,7}. This briefing note explores how job insecurity has developed in Britain over time, whether its magnitude differs between social groups and how the UK fares internationally.

How has job insecurity in Britain developed over time?

Figure 1: There has been no clear trend in subjective job insecurity in Britain since the 1980s

Source: *British Skills and Employment Survey*⁸



Overall, we do not observe systematic change over time in subjective job insecurity. While the number of workers who perceived no likelihood of job loss decreased in 1997 compared to 1986, job security increased in the early 2000s. In contrast, most recently in 2012, comparatively high levels of insecurity are evident, with only three-quarters of individuals perceiving no chance of job loss. While it is difficult to judge which factors influence these figures, they map quite well onto

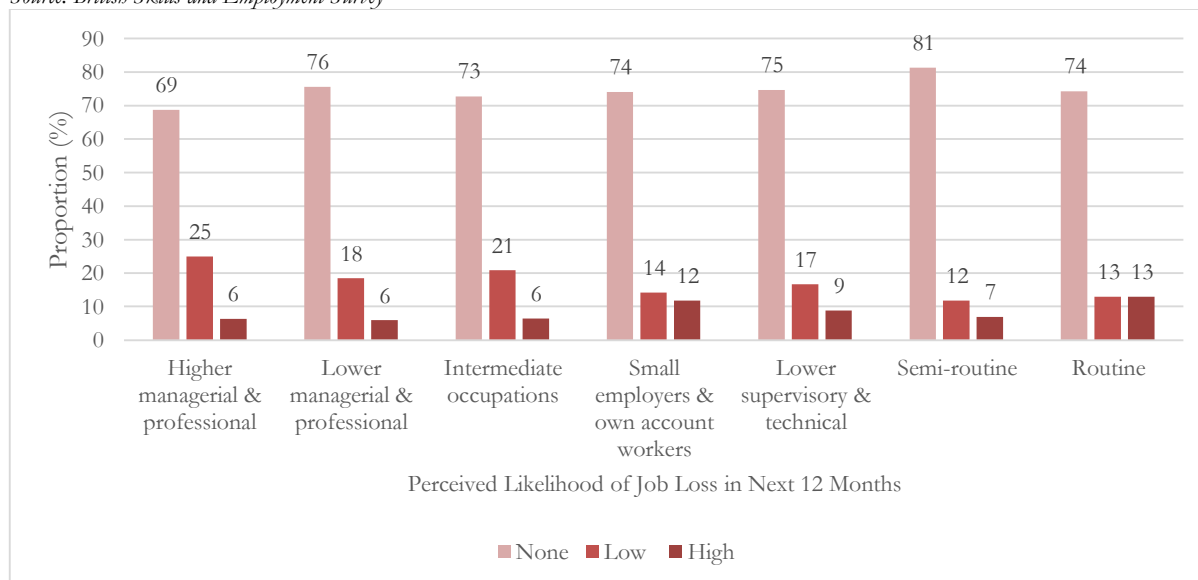
unemployment rates⁹: In times of greater economic uncertainty, workers perceive a higher likelihood of losing their job¹⁰. Of those who feel insecure in their jobs, the majority – around two thirds – do not judge the likelihood of job loss to be high, and this proportion is fairly stable over time.

Do levels of subjective job insecurity vary between social groups?

The degree of job insecurity may depend on the labour market position of different groups, how they perceive their level of labour market vulnerability, and what resources are available to them to work against the threat of job loss¹¹.

Figure 2: There are mixed patterns in subjective job insecurity by social class in Britain in 2012

Source: British Skills and Employment Survey⁸



The proportion of individuals reporting no likelihood of job loss shows no clear relation to social class position. However, among those reporting some fear of job loss, individuals in lower social classes (particularly small employers or own account workers, and workers in routine occupations) are more likely to evaluate their risk as high rather than low. These mixed patterns of class differences in job insecurity may be related to the fact that increasingly, jobs in higher occupational positions are becoming more insecure¹².

Figure 3: Men report higher levels of job insecurity than women in Britain in 2012

Source: British Skills and Employment Survey⁸

More women than men believe there is no likelihood of their losing their job in the next 12 months. However, the difference mainly stems from a higher proportion of men believing there is a low chance of job loss for them, rather than a high chance. While women have traditionally been a more vulnerable labour market group than men in many countries, the UK is an economy with comparatively few entrenched gender differences in labour markets, which may explain why we do not observe large differences in job insecurity between genders^{11 13}. Rather, men may feel stronger strain when facing the threat of job loss given their traditional role as family supporters, leading to them experiencing somewhat higher levels of job insecurity¹².

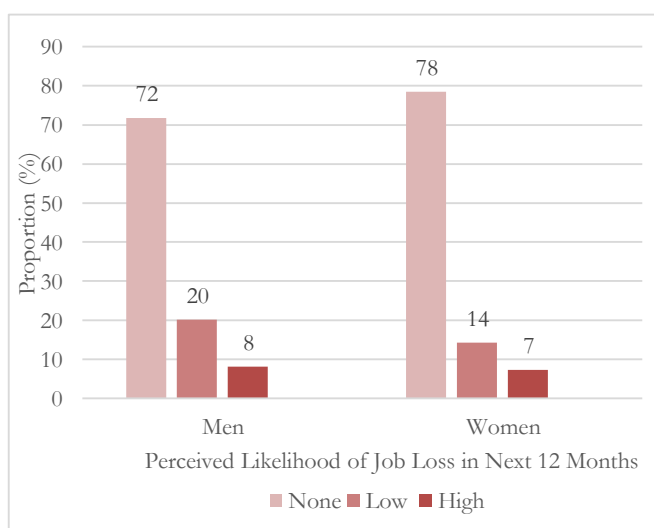
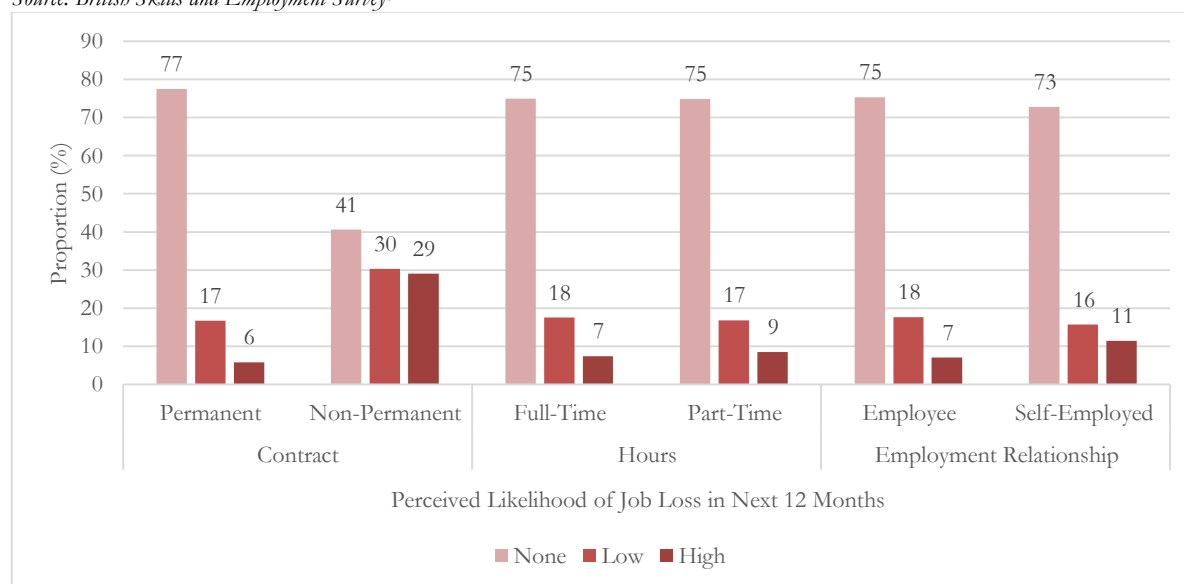


Figure 4: Temporary and self-employed workers experience higher job insecurity, while part-time workers do not in Britain in 2012

Source: British Skills and Employment Survey⁸



We also observe differences in job insecurity between workers in different types of employment. Non-permanent workers experience much higher levels of job insecurity than permanent workers. This is what we would expect given the nature of the employment relationship, and the fact that non-permanent workers who do not form part of the traditional core of their organization are likely to feel more insecure regarding their employment prospects¹². In contrast, levels of job insecurity between part-time and full-time workers are practically identical. In recent decades part-time employment has generally become an established form of labour market engagement that is afforded the same protections as full-time work, which may explain the pattern observed¹⁴. For the self-employed, the proportion not perceiving a risk of job loss is similar to employees. However, a larger proportion of self-employed insecure workers judge this risk to be high. This may reflect the fact that a growing proportion of self-employment is located in casual work or dependent self-employment, such as work within the “gig economy”, and accordingly has very little job security¹⁵.

Technical details

Job insecurity is a complex phenomenon that is based on individuals’ subjective perception and interpretation of their work environment rather than only on objective risk factors¹. This briefing note focuses on the most commonly examined dimension of subjective job insecurity, the fear of losing one’s job in the (near) future, often the next six or 12 months.

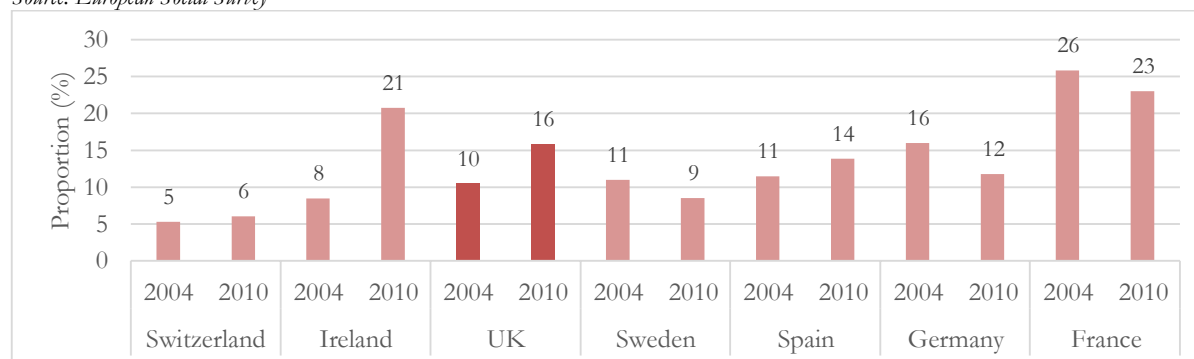
The data analysis uses two different sources. The analysis of subjective job insecurity in Britain is based on the British Skills and Employment Survey⁸, a repeated cross-sectional survey examining the job quality, skills and activities of workers in Britain over time. The measurement of subjective job insecurity is based on two survey questions which were used to collapse job insecurity into three categories: No likelihood of job loss in the next 12 months; low (very unlikely, quite unlikely or even) likelihood of job loss in the next 12 months; and high (quite or very likely) likelihood of job loss in the next 12 months. Analysis was carried out for all 20-60 year-olds using a weighted sample.

For international comparison, the European Social Survey¹⁵, an internationally recognized cross-national survey was used. Here, the analysis of job insecurity relied on a slightly different measure, where a worker was regarded as subjectively insecure when the statement “My job is secure” was regarded as “not at all true”. The estimation was conducted for all 20-60 year-olds using a weighted sample.

How does job insecurity in the UK compare with other European countries?

Figure 5: The UK exhibits comparable levels of subjective job insecurity to other European countries

Source: European Social Survey¹⁶



Internationally, the UK exhibits medium levels of job insecurity, although as job insecurity rose between 2004 and 2010, its position has worsened somewhat over time. Some country-level trends persist over time, such as low job insecurity in Switzerland and Sweden, while levels are very high in France. It is difficult to disentangle the factors affecting job insecurity across countries, as many different policy arrangements such as labour market policy, the extent of social protection and educational systems may influence insecurity^{17,18}. Other factors are also important, particularly economic growth and the unemployment rate¹¹. For instance, the rapidly increasing job insecurity in Ireland between 2004 and 2010 may result from the deteriorating economic climate during the recession.

Conclusions

In Britain, subjective job insecurity has not changed systematically since the 1980s, although the proportion of insecure workers with very high job insecurity is decreasing. Women are somewhat less likely to fear job loss, while a clear pattern in social class differences is not observable. Moreover, temporary contracts and, to a lesser extent, self-employment are associated with higher insecurity, while part-time work is not. Internationally, the UK exhibits medium levels of job insecurity compared to other European countries, although its position deteriorated between 2004 and 2010. Disentangling the factors that cause higher job insecurity requires consideration of individual circumstances and the institutional setting. The influence of policy on job insecurity should be investigated further to address this important societal issue.

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