A Work Project, presented as part of the requirements for the Award of a Master's

Degree in Management from the NOVA – School of Business and Economics.

# THE IMPACT OF JOB INSECURITY ON ADAPTIVE PERFORMANCE VIA BURNOUT

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June 3<sup>rd</sup> 2015

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Abstract

Difficult and unpredictable times, due to economic instability, lead employees to

feel high job insecurity. Organizations' only way to subsistence is to search innovative

ways of solving problems and find creative solutions. This study focuses on the impact

that job insecurity has on adaptive performance, a recent measure integrating the

response of creativity, reactivity in the face of emergencies, interpersonal adaptability,

training effort, and handling work stress, and, mediated by burnout. From the responses

of two questionnaires ( $N_{t_1}$ =252;  $N_{t_2}$ =145), we conclude that job insecurity leads to

exhaustion, but not to disengagement. In turn, it is the latter that demonstrates to have

negative relations with some measures of adaptive performance. Thus, it is crucial to

understand how organizations can minimize the inherent process.

**Keywords:** Job insecurity, burnout, disengagement, exhaustion, adaptive performance

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## Introduction

The study of job insecurity is nowadays of paramount importance due to the hard times Portugal and the world have been coping with and still face. The successive crises, as well as the related downsizings, recessions and economic adjustment programs have completely deteriorated world conditions in what concerns financial and economic issues. All of these factors significantly influenced the global employment situation. According to the International Labour Organization (2014), in 2013 nearly 202 million people were unemployed around the world, a 5 million increase compared to 2012. November 2014 numbers assess that around 24.423 million men and women were unemployed in the European Union of 28, 18.394 million of which belonged to the Eurozone (Eurostat, 2015). But the projections for the future are everything but exciting: estimations indicate that, in 2018, unemployment will rise by 13 million, reaching almost 215 million of people without a job, immensely worsening the current situation. Additionally, one of the biggest complications is that employment is not growing fast enough to follow the increase in labor force, since the 42.6 million people that are prepared to enter the labor market will not have enough space, as only 40 million new jobs are expected to be created each year (International Labour Organization, 2014). Some believe the period of crisis is already over; the statistics prove the contrary, showing instead that the duration of unemployment doubled when matched against the situation before the economic crisis. To the same extent, projections estimate that the global unemployment rate will persist during the next 5 years, a value 0,5% higher than the pre-crisis situation (International Labour Organization, 2014).

Therefore, job insecurity is of extreme relevance, as "the job-insecure population may be considerably larger than the number of employees who actually lose

their job" (De Witte, 2005, p. 2), since an employee's perception is completely different from their current situation, and data also demonstrates that, during the last five years, this perception of job insecurity increased in the majority of European countries (De Witte, 2005). Moreover, according to a study conducted by Randstad (2014), regarding what is the top priority for people when choosing an employer, long term job security appears in second place with 54%, only surpassed by salary and benefits (62%).

Due to the importance of the issue, together with the crucial impact it lays in the work and personal life of population, job insecurity received great attention by scholars and practitioners (Sverke et al., 2006). Nowadays, the increase in competition worldwide, along with the phenomenon of globalization made employment more flexible and reduced its security. Therefore, it is of extreme importance to understand the impact of job insecurity on employees' attitudes towards their work, their behaviors, intentions and outcomes. Research shows that job insecurity adversely affects an immense set of outcomes, such as psychological and physical health, job satisfaction, organizational commitment, trust, job involvement, and intention to leave the organization (Keim et al., 2014). However, the impact of job insecurity on performance is somehow complex, since data is contradictory in its relation. There is some evidence of a negative relation (Jamal, 1985; Vroom, 1964), some of positive (Meglino, 1977; Arsenault et al., 1983) and other that present a dubious effect, since they treat it as a challenge and hindrance factor (McGrath, 1976; Seyle, 1975, Staunfenbiel et al., 2010, Costa et al., forthcoming).

But, beyond performance in general, it is crucial to discern the impact of job insecurity in the organizations' capacity of adaptation. Working-life has suffered dramatic changes, while companies' restructurings, plant closures and occurrences like

downsizings have become more than usual (De Witte, 2005). Therefore, organizations had to figure out how to move forward by engaging in some adaptive strategies to face this new environment, for one side, and for the other to continue to be sustainable in an irregular atmosphere and in the long-term (Sverke et al., 2006). Thus, where do employees and people stay in all these adverse times? How do they feel? How do they react? The most common scenario is that people increase their worries about the future, since they cannot guarantee neither the survival of the company nor if their job will continue to exist or to have the same features (Sverke et al., 2006). The aim of this study is to understand this framework through a stress process. We will argue that the impact of job insecurity on adaptive performance occurs via burnout. Adaptive performance should be the answer to the problem, since it is by facing and engaging in change that positive outcomes flourish, such as better working attitudes, capability to manage stress, and an outstanding work performance (Niessen et al., 2009). This study aims to add new and innovative evidence to the literature, since it is imperative to understand how the workforce will react in the face of change. It is important to perceive their proactivity in the presence of crisis and what impact job insecurity has on adaptive performance. Moreover, it is essential to realize how adaptive performance can be powerful, by understanding how organizations engage in adverse times, how they make their adjustments and how they lead with uncertainty. Further to deepening our knowledge and enriching the literature, we found this theme egregiously actual, as well as important to the current situation of the world and the country. Additionally, we raise awareness to the importance of the issue, while providing help to companies and managers in understanding the perspective of employees.

## **Job Insecurity and Performance**

There are multiple definitions of job insecurity, described as a work stressor by Barling et al. (1996) or as a threat of unemployment by Sverke et al. (2006). The most used definition is by Greenhalgh et al. (1984) and concerns the perceived lack of power individuals have to sustain their desired continuity in an endangered job scenario. It is more of a perception and interpretation of the probability of job loss (Cheng et al., 2008; Rosenblatt et al., 1996), since it can be understood as the "discrepancy between the level of security a person experiences and the level she or he might prefer" (Hartley et al., 1993, p. 297). This feeling of powerlessness and helplessness (Greenhalgh et al., 1984) is normally negatively linked to job satisfaction, organizational commitment, trust, and job involvement. It is, however, positively related to turnover intention (Sverke et al., 2002; Cheng et al., 2008).

When it comes to the relation between job insecurity and performance, research is somewhat dubious and there is some controversy. Starting the explanation of job insecurity as a hindrance factor, the more confirmed view in research, it is important to note that it is seen as an "excessive or undesirable work-related demand that interferes with an individual's work achievement" (Cavanaugh et al., 2000, p. 67). Staufenbiel et al. (2010) confirmed the expectation of the negative association with performance. For example, Allen et al. (1982), Jamal (1984, 1985) and Kahn et al. (1992) also established that stressors damage job performance. There are different arguments consistent with this view. First of all, it is argued that job insecurity has negative consequences in organizations, since if an employee understands that her job is threatened, she will automatically and voluntarily have the will to psychologically turn away from the job, leading to a drop in commitment, loyalty to the organization, less involvement and

increase in anxiety (Rosenblatt et al., 1996). Moreover, in a harmful situation like this, employees will use all of their energy and time to cope with the situation, leaving little or no time to dedicate to the capacity of performing better (Jex, 1998; Jamal, 1985). Furthermore, high levels of anxiety and discomfort related to job insecurity will certainly lead to involuntary physiological responses like it was described by Lazarus (1999) and Motowidlo et al. (1986), and that will end up interfering with performance. Lastly, an increase in job insecurity automatically leads to a surplus of information, meaning that the employee will be less focused and less dedicated to her job, also damaging job performance (Cohen, 1980). Gilboa et al. (2008) presumes that the relation between job insecurity and performance will be negative in the end, since "the higher the amount of perceived threat and the lower the amount of perceived challenge, the higher the resulting negative effect on individuals' job performance" (p. 230).

Concerning the positive model, stress and anxiety from job insecurity are seen as a challenge and a motivator instead of a discouraging factor (Muse et al., 2003). According to it, the employee will be encouraged to increase her performance, because that will increase the organization's success and the safety of its employees (Gilboa et al., 2008). Additionally, the employee can understand that her situation is volatile and, in the face of a hypothetical decision of whom to lay off, she will want to guarantee that her involvement was higher and therefore, improve performance. This is also consistent with the fear inherent to the perception of job loss, which the employee will cope with by putting in individual effort (Gilboa et al., 2008). So, in the end, this theory states that high individual output will safeguard employees, and therefore, job insecurity is seen as a challenge stressor that makes employees face the adversity by engaging in behaviors similar to problem-solving (Cavanaugh et al., 2000).

Regarding the dubious influence of job insecurity on performance, Staufenbiel et al. (2010) argued that job insecurity can be at the same time a hindrance stressor or a challenge factor. On one hand, anxiety can lead to a decrease and harm in performance, while on the other it can be seen as motivation to employees, by making them work harder and feel more valuable (Probst, 2002). Costa et al. (forthcoming) described similar results of this ambiguous effect, stating that job insecurity would lead to positive effects on performance, since employees tend to give back the help and confidence they gathered and steer clear of causing distress to those who previously aided them. However, they can reciprocate in a different way if they perceive that the organization is not helping them nor keeping its promises. On the reverse, they stated that job insecurity is related to negative behaviors through psychological contract breach, describing weak negative repercussions on organizational deviance. Folkman et al. (1985) stated that they differentiate threat and challenge by their mental mechanisms and also specify that they are not mutually exclusive, and may even manifest concurrently according to the situation's demands.

However, our focus is on adaptive performance. Today, organizations have the need to continuously grow and get more competitive. Nevertheless, several environmental changes are occurring: technological alterations, restructuration of business units, mergers, internationalization and, consequently, employees need to adapt. Companies that are going through organizational changes due to difficult and unstable conditions need employees to increase their productivity, efficiency and performance (Schraub et al., 2011; Pulakos et al., 2002). Notwithstanding, this atmosphere is propitious to negative reactions such as burnout, cynicism, doubt, reduced performance and intentions to quit (Schaubroeck et al., 1994). Therefore, and

indeed, adapting is as important (if not more) as doing one's job adequately, hence the need to study adaptive performance.

Adaptive performance can be defined as the capacity of an individual to adapt to vigorous work situations by adjusting her behavior (related to skill acquisition) to a new environment (Pulakos et al., 2000; Shoss et al., 2012). This contrasts with task and contextual performance, since these reflect the behaviors connected with the manifestation of competencies (ability and intent). In the beginning, researchers considered adaptive performance as a simple measure that included tasks, team and the company. However, times of change and uncertainty brought some doubts of that perspective. Therefore, companies started to delineate the behaviors that were connected to contexts of change and were important to increase flexibility, efficiency and innovation (Charbonnier-Voirin et al., 2012; Shoss et al., 2012]. Since then, performance has started to be considered as a multidimensional construct, in which behaviors were aligned with organizational strategy, differing from simple tasks and contextual performance, since their dimensions had a much broader scope (e.g. they do not only value if the tasks are done, but how they are done, like by engaging in innovative solutions) (Pulakos et al., 2000; Charbonnier-Voirin et al., 2012).

As a result, Pulakos et al. (2000) distinguished 8 dimensions of adaptive performance: handling emergencies; handling work stress; solving problems creatively; dealing with uncertain/unpredictable work situations; learning work tasks, technologies, and procedures; demonstrating interpersonal adaptability; demonstrating cultural adaptability; and demonstrating physically oriented adaptability. More recently, Charbonnier-Voirin et al. (2012) updated the model to 5: creativity, comprising the aptness of employees to find innovative answers to uncertain situations; reactivity in the

face of emergencies, the capacity to set priorities and to adjust to new environments; interpersonal adaptability, the ability to change the individual's style to improve effectively at work; training and learning effort, the promotion of particular improvement; and managing stress, the potential of an individual to manage her and her team's stress.

The study of adaptive performance is important due to multiple reasons. Firstly, it is of pertinent applicability to an extensive series of job settings, since different sectors and different organizations are going through the changes addressed earlier (Charbonnier-Voirin et al., 2012). Secondly, adaptive performance is a tool that facilitates and affects several organizational outcomes. Companies with employees with high levels of adaptation are more effective and capable of managing change in a better way (changes like mergers or expansions require constant adaptation) (Pulakos et al., 2000). Employees who have pertinent skills that make them capable of figuring out different solutions and being available to keep learning, help companies with constant adaptation to technology, restructuring and internationalization. Also, organizations and their employees who value their final customer by focusing on their needs are constantly adapting to new situations, in a way to give customers what they really want, thus increasing effectiveness (Dorsey et al., 2010).

Subsequently, adaptive performance is essential to align an organization's strategy, configuration and values with the external environment, since its competitive advantage only derives from the know-how and capacity to "develop processes that help them sense opportunities and threats in the environment and respond in a timely manner" (Shoss et al., 2012, p. 910-911). Adaptive performance is also of extreme importance, because it involves the ability of doing things in an alternative way, by

sustaining consciousness of a situation and responding with an adjustment in performance (either by engaging in an environmental change or by modelling it). This will result in more effectiveness and continuous adaptations if the product is not what is desired (Dorsey et al., 2010). Therefore, adaptive performance regards an employee as a thinker rather than just a doer, since "adaptation may involve doing the same activity to a greater degree, with greater intensity, or in a substantially different way" (Dorsey et al., 2010, p. 6). Adaptive performance is also of extreme relevance, since the inherent processes on its dimensions and its total dynamics are different from other measures of performance and adaptive performance is not captured by them.

Consequently, we do not know what the results will be. Although there is much research stating the relations between job insecurity and task performance, the dimensions of adaptive performance are completely different and therefore, we do not know what to expect. As a result, the following are our competing hypotheses:

**Hypothesis 1:** Job insecurity is negatively related to adaptive performance, namely: a) creativity, b) reactivity in the face of emergencies, c) interpersonal adaptability, training effort, d) handling work stress.

**Hypothesis 2:** Job insecurity is positively related to adaptive performance, namely: a) creativity, b) reactivity in the face of emergencies, c) interpersonal adaptability, training effort, d) handling work stress.

## The mediation role of burnout

According to Demerouti et al. (2001), job stressors play an influential role on burnout, which in turn is also a strong antecedent of stress responses. A stressor is a "demand, situation or circumstance that disrupts a person's equilibrium and initiates the stress response of increased autonomic arousal" (Lloyd et al., 2002, p. 256), while

job demands are "those physical, psychological, social, or organizational aspects of the job that require sustained physical and/or psychological effort and are therefore associated with certain physiological and/or psychological costs", which basically states that these are tasks that need to be done (Demerouti et al., 2001, p. 501). Demands are not inevitably negative, but they can become stressors when not accomplished, or when they require extreme effort, possibly leading to depression, anxiety, or burnout (Schaufeli et al., 2004). Job demands particularly lead to job strain (and in extreme cases, burnout), when certain job resources are lacking. This is the case of job insecurity, since employees do not have the certainty they need of the continuity of their job. In turn, burnout was described by Maslach et al. (2001) as a progressive reduction of energy and motivation, a job-related outcome developed in reaction to chronic stressors. More recently, Schaufeli et al. (2004) defined it as a "persistent, negative, work-related state of mind in "normal" individuals that is primarily characterized by exhaustion, which is accompanied by distress, a sense of reduced effectiveness, decreased motivation, and the development of dysfunctional attitudes and behaviors at work" (p. 295). Demerouti et al. (2001) highlight two dimensions of burnout: emotional exhaustion and disengagement. The first is defined as a "consequence of intensive physical, affective and cognitive strain, that is, as a longterm consequence of prolonged exposure to certain job demands" (p. 500), and can cover affective, physical and cognitive characteristics. The latter refers to the distance an individual keeps from her work, "experiencing negative attitudes towards the work object, work content, or one's work in general" (Demerouti et al., 2001, p. 501).

Job demands are usually linked to emotional exhaustion. According to Demerouti et al. (2001), when job demands are high, employees have high levels of

exhaustion and not necessarily disengagement. Job demands consume energy and that will lead to exhaustion and health issues (the health impairment process). However, when job resources are missing, the reverse happens: high levels of disengagement and not of exhaustion. For example, "feeling emotionally drained from one's work 'once a week' does by no means exclude that in the same week one might feel bursting with energy" (Schaufeli et al., 2004, p. 294).

High job demands are usually related with bad conditions and characteristics of jobs. That, together with the successive demands leads individuals to mental and physical exhaustion, and consequently to a reduction of energy and an increase of health problems (Bakker et al., 2007). But how do employees cope with these situations? They can react either through a strain coping mode or through a passive coping mode. The first consists of a reaction where the individual maintains her performance, but to make possible to cope with the increase in demand, compensatory costs are used at the expense of psychological and physiological fatigue and effort. An alternative approach is to adjust performance downwards to the employee's mood, decreasing speed and precision. In this situation, the compensatory costs are not used, even though performance suffers. Although employees start with the strain coping mode and then pass to the passive one, in the long-run neither strategy is good, because the individual will end up damaged by breakdown (Schaufeli et al., 2004).

In our study, burnout will be tested as a mediator between job insecurity and adaptive performance. The correlation between job insecurity and burnout was found in several studies, since the chronic and continued contact with job insecurity usually results in fatigue, less energy, sensations of exhaustion, lack of resources to cope with circumstances and inevitably, burnout (Dekker et al., 1995). Moreover, burnout is the

cause of different job outcomes such as lower productivity, decrease in effectiveness and efficiency, as well as the cause for high levels of absenteeism, turnover intentions and reduced commitment and satisfaction (Maslach et al., 2001). For instance, burnout includes having negative feelings towards the job, by being pessimistic on a daily-basis, and that is related to different variables of job performance (e.g. efficacy, absenteeism and satisfaction) (Gorji, 2011). Burnout has repercussions not only in organizational matters, but it also influences the personal life of individuals, along with the relationships and interactions they have with others, damaging personal and professional connections (Ismail, 2015). Hence, our hypotheses:

**Hypothesis 3:** Disengagement is a mediator between job insecurity and adaptive performance, namely: a) creativity, b) reactivity in the face of emergencies, c) interpersonal adaptability, training effort, d) handling work stress.

**Hypothesis 4:** Emotional exhaustion is a mediator between job insecurity and adaptive performance, namely: a) creativity, b) reactivity in the face of emergencies, c) interpersonal adaptability, training effort, d) handling work stress.

Figure 1 illustrates the theoretical model proposed in this study.

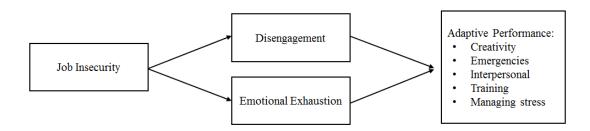


Figure 1. Theoretical model.

## Method

Sample and procedure

The questionnaires were collected in two different periods, t<sub>1</sub> and t<sub>2</sub>, with a six week interval, to reduce common method bias concerns. The first set involved 252 respondents, while the second collected 145 valid respondents, which corresponds to a 58% response rate. To make possible to compare and match the data from the two surveys, it was proposed that the respondents create a code of four numbers and two letters. The whole process guaranteed total anonymity.

The sample included people from the following industries: education (32.4%), energy (23.4%), banking (11.1%), audit and consulting (8.3%), consumer goods (6.9%), communication and marketing (3.5%), information technology (3.5%), NGO's (2.1%), tourism (2.1%) and others accounted for 6.7%. From those, 40% worked in the public sector, while 60% were private sector workers. The respondent's average age was 36 years old, with a standard deviation of 14,25. Concerning gender, 71% were female and the remaining were male (29%). Regarding education, the majority had a master's or higher degree (39.3%) and a bachelor's degree (35.9%), while the rest had upper secondary education (12.4%), post-graduate education (8.3%) and lower secondary education (4.1%). Taking into account tenure in the organization, 39.7% worked in the same organization for less than 5 years and 72.4% had worked with the same supervisor also for less than 5 years. Concerning the length of employment, 89.7% worked on a full-time basis, while 10.3% on a part-time basis.

#### Measures

The questionnaires incorporated questions concerning job insecurity, adaptive performance and burnout. The five-point Likert scale was used in the questionnaire's

items of all measures, quantifying the answers between 1 and 5, which respectively corresponded to "strongly disagree" and "strongly agree".

## Control Variables

In our sample, we tested for the influence of possible control variables, since Becker (2005) suggested that, for statistical power reasons, only appropriate suppressors like variables that are correlated with the results, should be used in analytical models. We did not find any variable (level of education, age, gender, tenure in the organization, time worked with the same supervisor, sector and length of employment) that was significantly correlated with the outcome variables, and as a result we did not include them in our study.

## *Job Insecurity* $(t_1)$

Job insecurity was measured using the reduced scale from Kraimer et al. (2005), with the items with the highest loadings according to Costa et al. (forthcoming). We used those 6 items, for example "I will be able to keep my present job as long as I wish". The Cronbach's alpha of this measure was .92.

## $Burnout(t_1)$

The burnout scale was measured with the Oldenburg Burnout Inventory, an alternative measure of burnout and work engagement proposed by Demerouti et al. (2010), which includes 16 items, divided by two different dimensions, disengagement (e.g. "I always find new and interesting aspects in my work") and emotional exhaustion (e.g. "There are days when I feel tired before I arrive at work"). The Cronbach alpha of disengagement's dimension was .75, while the dimension of emotional exhaustion had a Cronbach alpha of .80. The Cronbach alpha of the overall Burnout measure was .85.

## Adaptive performance $(t_2)$

The adaptive performance scale included five dimensions: creativity, reactivity in the face of emergencies, interpersonal adaptability, training effort, and handling work stress, proposed by Charbonnier-Voirin et al. (2012) after they had applied an exploratory factor analysis. One example of an item of creativity is "I do not hesitate to go against established ideas and propose an innovative solution", of reactivity in the face of emergencies is "I analyze possible solutions and their ramifications quickly to select the most appropriate one", of interpersonal adaptability is "Developing good relationships with all my counterparts is an important factor of my effectiveness", of training effort is "I look for every opportunity that enables me to improve my performance (training, group project, exchanges with colleagues, etc.)", and of handling wok stress is "I keep my cool in situations where I am required to make many decisions". The Cronbach alpha for each dimension was: creativity .71, reactivity in the face of emergencies .72, interpersonal adaptability .69, training effort .70, and handling work stress .50. This last measure was removed from our analysis due to the lower Cronbach's alpha, keeping the other four dimensions, since they were close to the threshold of .7.

# Bootstrapping analysis

SPSS Statistics was the software chosen to analyze the data. The results presented in the current study were a mediation, so a bootstrapping analysis was used (we used Model 4 of Process macro provided by Preacher et al. (2007)). The answers to the first questionnaire were used to measure job insecurity and burnout, while the values of the second were used to measure adaptive performance.

#### **Results**

From the first to the second collection of questionnaires, the response rate decreased from 252 to 145 (58%) and, as such, we compared the sample that responded to both questionnaires (N<sub>t2</sub>=145) against the one that only answered the first (N<sub>t1-12</sub>=107). In order to test for differences between the participants that quit and those who answered both questionnaires, an ANOVA analysis was conducted. There was no difference for job insecurity (F=1.24, p>.05), disengagement (F=.66, p>.05), emotional exhaustion (F=1.18, p>.05), creativity (F=.05, p>.05), emergencies (F=.66, p>.05) and training (F=.02, p>.05). However, there were significant differences for the interpersonal dimension of adaptive performance (F=9.85, p<.01). We also tested for differences in demographics and only the level of education was significant (F=6.48, p<.05), as people who answered both questionnaires had higher education than the ones who only responded to the first one. Hence, it is possible to conclude that both samples seemed to be similar in most aspects. Descriptive statistics, reliabilities (Cronbach's alphas) and correlations of the model variables are presented in Table 1.

**Table 1.** Descriptive statistics, correlations and reliabilities, <sup>a,b</sup>.

		Meana	SD	1	2	3	4	5	6	7
1.	Job Insecurity	3.05	1.08	(.92)						
2.	Stress Burnout (Disengagement)	2.69	0.64	.15	(.75)					
3.	Stress Burnout (Exhaustion)	2.75	0.68	.21**	.60**	(.80)				
4.	Adaptive Performance (Creativity)	3.76	0.61	26**	28**	10	(.71)			
5.	Adaptive Performance (Emergencies)	3.93	0.53	25**	30**	32**	.64**	(.72)		
6.	Adaptive Performance (Interpersonal)	4.19	0.51	10	20*	20*	.42**	.40**	(.68)	
7.	Adaptive Performance (Training)	3.70	0.65	20*	35**	21*	.58**	.50**	.43**	(.69)

<sup>&</sup>lt;sup>a</sup> 5-point scales.

<sup>&</sup>lt;sup>b</sup> Cronbach's alpha is reported on the diagonal

<sup>\*\*</sup> Correlation is significant at the 0.01 level

<sup>\*</sup> Correlation is significant at the 0.05 level

As it is possible to see in Table 1, job insecurity is positively correlated with exhaustion (r=.21, p<.01) and negatively correlated with creativity (r=-.26, p<.01), emergencies (r=-.25, p<.01) and training (r=-.20, p<.05). Disengagement is positively related with exhaustion (r=.60, p<.01) and negatively correlated with creativity (r=-.28, p<.01). Both dimensions of burnout, disengagement and emotional exhaustion, are negatively correlated with emergencies (r=-.30, p<.01; r=-.32, p<.01, respectively), interpersonal (r=-.20, p<.05, both) and training (r=-.35, p<.01; r=-.52, p<.05, respectively).

To assess our first and second competing hypothesis, we executed a linear regression. As a result, job insecurity was negatively related to creativity (B=-.15, p=.00), to emergencies (B=-.12, p=.00) and to training (B=-.12, p=.02) and the relation with interpersonal was not relevant (B=-.04, p=.27). This means that in the face of job insecurity, employees will reduce their performance related to creativity, reactivity in the face of emergencies and training effort. However, it will not influence interpersonal adaptability.

Subsequently, we performed a bootstrapping analysis to test our mediation models. These findings are shown in Tables 2 and 3. Job insecurity showed a direct relationship with two dimensions of adaptive performance: creativity (B=-.14, p=.00) and reactivity in the face of emergencies (B=-.09, p=.02). Therefore, we accept the hypotheses 1 a) and b), rejecting 1 c), d) and all of hypotheses 2 (a), b), c) and d)).

Regarding the first leg of mediation, between job insecurity and burnout, we found that job insecurity is positively related to emotional exhaustion (B=.14, p=.00) and has no significant relation to disengagement (B=.09, p=.08), thus rejecting hypotheses 3 a), b), c) and d). Analyzing the second leg, between burnout and the

dimensions of adaptive performance, we found that emotional exhaustion had no significant relation with any of the dimensions of adaptive performance – creativity (B=.14, p=.11), reactivity in the face of emergencies (B=-.14, p=.07), interpersonal adaptability (B=-.09, p=.30) or training effort (B=.04, p=.69), rejecting the hypotheses 4 a), b), c) and d). Concerning the relation between disengagement and adaptive performance, it was found that it is negatively related with creativity (B=-.33, p=.00), interpersonal adaptability (B=-.2, p=.02) and with training and learning effort (B=-.36, p=.00). The dimension of handling emergencies had no relation with disengagement (B=-.13, p=.10). As a result, our two hypotheses of mediation are not confirmed.

**Table 2.** Results of the bootstrapping analysis – Mediators

Predictors		Mediators								
	Diseng	agement	Emotional Exhaustion							
	В	t	В	t						
Main effects:										
Job Insecurity	.09	1.77	.14	2.67**						

**Table 3.** Results of the bootstrapping analysis – Outcomes

Predictors	Outcomes											
	AP (Creativity)		AP (Emergencies)			AP (Interpersonal)			AP (Training)			
	В	t	$\mathbb{R}^2$	В	t	$\mathbb{R}^2$	В	t	$\mathbb{R}^2$	В	t	$\mathbb{R}^2$
Main effects:												
Job Insecurity	14	-3.01**		09	-2.28*		04	94		09	-1.94	
Mediators:												
Disengagement	33**	-3.50**	.15	13	-1.64	.15	20	-2.45*	.06	36	-3.61**	.15
Emotional Exhaustion	.14	1.62	.15	14	-1.84	.15	.08	1.04	.06	.04	.40	.15

<sup>\*\*</sup> Correlation is significant at the 0.01 level

<sup>\*</sup> Correlation is significant at the 0.05 level

Figure 2 illustrates the model of results of this study.

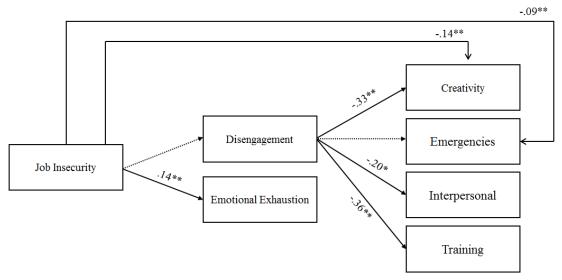


Figure 2. Model of results.

## **Discussion**

The literature regarding the processes and the impact that job insecurity has on employees' performance is extensive, but quite inconsistent. Moreover, research on adaptive performance, a multi-dimensional and recent measure of performance that involves more than task and contextual performance, is still scarce.

Nowadays the country and companies are facing unpredictable times, since one of the most severe crises of the history is rooted in economy and on people's minds for more than 7 years. Unemployment rate touched a level of 17 per cent, and one in seven jobs has been lost (International Labour Organization, 2014). Modifications in jobs, developments in technology and globalization require workers to adapt to new environments and circumstances at work, making adaptive performance imperative to the survival of companies, turning them more effective. This study had the goal of understanding the impact of job insecurity on adaptive performance, mediated by the

model of burnout, concerning the different dimensions that are inherent to its composition.

The results of our study highlight the direct negative relation that job insecurity has on adaptive performance. In the face of a work stressor such as insecurity at work, employees decrease their creative thinking, becoming incapable neither of dealing with emergencies nor setting priorities. This may be explained by the fact that when employees perceive that their job is at risk, they will not have enough resources to deal with it and therefore, performance will be damaged. Moreover, the dimensions of performance that are at stake are the ones that need more resources, like the creativity and the search for new solutions. As a result, the anxiety coming from job insecurity will shorten available memory resources causing performance reduction (Probst, 2002). Curiously, employees with the perception of insecurity at work do not decrease their interpersonal adaptability or their engagement in learning and training sessions. One possible explanation may be associated with the social support they need to cope with in adverse situations or by the blame they attribute to the company instead of their colleagues. Concerning training efforts, job insecurity do not interfere with their desire to participate in such activities, probably because they need to be more valued or to enhance their employability by increasing their knowledge.

Aligned with the model of burnout by Demerouti et al. (2001) and with the process of work stressors and demands, our results validated the fact that the work stressor (job insecurity) is positively related with emotional exhaustion and has no relation with disengagement. According to Demerouti et al. (2001), when job demands are high, employees have high levels of exhaustion and not disengagement, since stressors are seen as a hindrance factor, that consume energy, leading to exhaustion. The

prolonged and constant exposure to job insecurity will lead the employee to a harm of resources, feelings of exhaustion, damage of energy and no form to deal with a long-term source of stress (Ismail, 2015). This is in line with health impairment process described by Bakker et al. (2007), which states that continuing job stressors exhaust workers' mental and physical resources, leading to a reduction of energy and to health problems. These results may be explained by the fact that the shortage of workers, equipment and material derived from these unpredictable times, together with the lack of time to rest, will intensify the exhaustion and the impact of this demand, reducing the capacity of employees to perform (Schaufeli et al., 2009).

Unexpectedly, results showed that emotional exhaustion and adaptive performance were not related to any dimension, which goes against studies of emotional exhaustion (e.g. Wright et al., 1997, Demerouti et al., 2001, Cropanzano et al., 2003, Bakker et al., 2007,). However, disengagement demonstrated a negative relation with three adaptive performance dimensions. Our results showed that emotional exhaustion was positively related to disengagement. According to Bakker et al. (2004), this is similar to a snowball effect, since the energy that is used to cope with the demands of stressors lead to exhaustion and consequently, will lead to a detachment from work, which corresponds to disengagement. In the end, this disengagement can lead to a diminution on performance, probably explaining why disengagement had revealed a negative relation with some dimensions of adaptive performance. Basically, workforce find strategies to deal with feelings of exhaustion, by withdrawing from their job emotionally (Bakker et al., 2004).

The dimensions of adaptive performance that were negatively related to disengagement were creativity, interpersonal adaptability and training. In the face of

disengagement, employees will not have enough resources or motivation to deal creatively with problems, nor have the desire to find new approaches. Moreover, employees will also not have disposition to align their working style with others or with the company - interpersonal adaptability. As for the last one, training and learning effort, if employees are disengaged they will not have motivation to initiate actions for personal development. Regarding the dimension of reactivity in the face of emergencies, with no relation to disengagement, results may be justified by the fact that, if workers are disengaged they will have the need to find a way to react to adversity, not having other choice, and, as a result, this is not significant.

The results of adaptive performance are not linear and may be more complex than we thought. The relation between job insecurity and adaptive performance is complex, since it probably involves more predictors and processes besides burnout. For instance, when the relation is mediated by burnout, some effects of the dimensions of adaptive performance change. This can be extremely important to the field and to the literature, because the impact of work stressors on performance can be much more complex than it is being studied, since inherent processes and other measures may be influencing our results and involved on the way.

## **Managerial Implications**

This study also comprehends several practical implications. Companies that are living in difficult, unstable and turbulent environments need to adjust and try to be more agile and adapt to change by developing their competitive strategy (Shoss et al., 2012), and this is only possible by developing a workforce that is more "anticipatory, creative, and broadly adaptive" (Charbonier-Voirin et al., 2012, p. 290). Taking into consideration the uncertain times employees live in, managers will be confronted with

the challenge to inspire, encourage and train employees to be more adaptable and involve them in adaptive performance behaviors (Shoss et al., 2012).

It is imperative that organizations reduce job insecurity or, at least, try to mitigate its consequences and damaging effects (Dekker, 1995). Organizations going through the process of change give stronger focus to episodic rather than continuous change. However, it is important that companies and managers focus on continuous change in a way that many small changes can lead to substantial change, with the objective of amplifying employees' outcomes (Schraub et al., 2011). Small steps like the introduction of new software or the welcoming of a new employee can lead to a great degree of change. Besides, it is important that managers, seen as change enablers, are careful regarding the adaptation to change of their employees, since it can be a way to prevent or reduce apprehensions they have or any cause of anxiety. A good way to calm employees down and to prepare them for change is by engaging in good planning, since it will prevent the accumulation of adaptation episodes.

Other important suggestions fall in the range of trying to minimize volatility and uncontrollability that unstable environments bring as a way to mitigate the consequences of job insecurity. Increasing communication, by being explicit and transparent, is a good way to reduce job insecurity, since explicit information of future actions diminishes unpredictability and enhances feelings of control on employees. Moreover, openness to communicate demonstrates that organizations care and respect employees, also being a manner to not let rumors proliferate, which only worsens insecurity (De Witte, 2005). Another way to reduce insecurity is by enhancing participation in decision making, which calms employees down by sharing the organization's future, by giving them both a sense of belonging and some control, while

also providing them with assurance about the future. Lastly, and also according to De Witte (2005), increasing justice in organizations is also an important way to deal with insecurity, since organizations are reinforcing the perception that employees are treated fairly. It also assures transparency in the procedures, while increasing the control of unpredictable events in the process of change in the organization, together with their outcomes.

## **Limitations and future research**

This study faces some limitations, which in turn may carry interesting suggestions for future research.

Our final sample size was small, since we collected only 145 valid respondents in the second turn, with a reasonable mortality rate of nearly 43%. A larger sample would make our results more robust and powerful.

This study was conducted both in private and public sector organizations and spanning different sectors (from energy to banking and education). This diverse sample increases generalizability. However, our sample included almost 84% of people with higher education, which can influence results and relations and raise some concerns about the generalizability of our conclusions. This raises the doubt if in a sector with lower education, like manufacturing, the pattern of results would be similar. It would also be interesting to discover if the process of job insecurity would remain the same. People with higher education usually have more employability and, consequently, might not react so strongly to this type of phenomenon. Accordingly, it would be stimulating to apply this study to different samples, taking into account employees with lower education.

Although our study is not cross-sectional, with two periods of data collection in a six-week interval, concerns with common method bias could be addressed by having supervisors assess the adaptive performance of their subordinates. This would be an approximation to the performance evaluation that already exists in organizations.

Future research could build on this study and deepen our knowledge of the outcomes of job insecurity on adaptive performance. A good way to extend this study was to introduce the Job Demands-Resources Model of Burnout proposed by Demerouti et al. (2001), which relates job demands with job resources and has the intent to explain stress as a predictor of that relationship. It would be extremely interesting to find job resources, "those physical, psychological, social, or organizational aspects of the job that either/or i) reduce job demands and the associated physiological and psychological costs; ii) are functional in achieving work goals; iii) stimulate personal growth, learning and development" (Demerouti et al., 2001, p. 501), that could act as buffers of demands and of its consequences, such as burnout (Bakker et al., 2007). Therefore, future research should include resources that help to cope with job insecurity, such as perceived employability, trust in the organization, talent management practices, humor, along with others. Future studies could also build on processes that lead to higher adaptive performance and understand all the inherent processes that made the results of this study extremely complex. On a last note, we still know little about adaptive performance, which is particularly important for the current context, charged with uncertainty and requiring flexibility.

## **Conclusion**

Portugal is facing difficult times. Unpredictability and instability are a constant in everyday life, job insecurity is high and adaptive performance might be the key to success. In adverse times, companies need to innovate and create corporate advantage to survive crises and unstable environments. But it is also in these unpredictable times that employees feel more insecure and less enthusiastic and inspired to cope with difficulties. Adaptive performance is essential to involve workers in the process. Employees need not only to do what they are supposed to, but also to go much further by engaging in creative solutions and innovative ways of overcoming problems. They should be seen as figuratively taking ownership of the company in these times, pushing it forward through the replenishment of innovation and creativity. Researchers and academics should focus their studies on the dynamics of job insecurity and how adaptive performance is key to understand and to overcome it. As Paul Hawken (2010) said "good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them" (p. x).

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