



Employability as an Alternative to Job Security

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Employability as an Alternative to Job Security

Purpose: Employability has been suggested as an alternative to job security in response to more flexible work arrangements, arguing that the important question for employees is no longer the security of their current job, but their employment security in the labour market.



This paper tests two, core assumptions of this argument: First, is employability associated with a lower preference for job security? Second, are individuals with lower job security in fact compensated with higher employability? Both assumptions have received criticism in recent literature. The focus is on employees' perceived basic and aspiring employability. The former refers to employees' expectations of remaining in employment and the latter to expectations of upward mobility.

Design: Nationally representative Norwegian survey data from 12,945 employees (2009 to 2013).

Findings: Employees with higher aspiring employability and education levels have a significantly lower preference for job security, but this is not the case for employees with higher basic employability. Additionally, while employees with lower job security have higher aspiring employability, they have lower basic employability and receive less employer-supported training.

Originality/value: The current paper is the first to investigate how employability relates to the employees' own preference for job security. In line with critics of the employability argument, the results supports that job security continues to be an important protection mechanism. Moreover, employees with low job security lose out twice as employers also invest less in their training and future employability.

Employability and job security

Key words: Basic employability, aspiring employability, job security, career, employer-supported training

Article Classification: Research paper

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Employability and job security

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4 In recent years, the concept of employability has gained increasing attention in the
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6 employment literature, as well as in public and political debate. An important aspect of the
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8 debate is that we are moving away from a traditional career path where employees are loyal
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10 to one or a few companies throughout their work life and get in return long-term commitment
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12 from the company. Instead, employability is presented as an alternative (Kluytmans and Ott,
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14 1999, Pruijt and Dérogée, 2010).
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18 The idea behind employability is that in the contemporary labour market, the
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20 important factor for employees is not the security of their current jobs or the prospect of a
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22 career path within their current company, but their employment security on the job market as
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24 a whole. That is, their security in terms of remaining in employment and their prospects for a
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26 career, irrespective of the company. By this rationale, management scholars have argued for
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28 employability as part of a new kind of psychological contract—rather than the promise of a
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30 stable workplace and a long-term commitment from the company in return for the
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32 employees' efforts, the company should invest in the employees and increase their
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34 employability in the job market (Baruch, 2001, Kluytmans and Ott, 1999). Temporary
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36 contracts and reduced job security for employees are in this manner defended by arguing that
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38 employability, and not lifetime employment, is the new protection mechanism in the labour
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40 market (Forrier and Sels, 2003). In reality, employees rapidly shifting between multiple
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42 employers is not a new phenomenon (Øhren, 1997). Nonetheless, a large number of
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44 employees do experience a lack of job security, and employability is presented as an
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46 alternative (Kluytmans and Ott, 1999, Pruijt and Dérogée, 2010). Recent descriptions of
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48 “employability-based” employment contracts include short-term contracts with a focus on
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50 graduate training (Clarke, 2017) as well as students and graduates working for free in the
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52 hopes of increasing their employability (Grant-Smith and McDonald, 2017).
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Employability and job security

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4 The current paper contributes to this conversation by looking at two core assumptions
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6 of these arguments: First, do individuals with high employability report weaker preference
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8 for job security? Second, do individuals with lower job security experience more employer
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10 investment in their employability? Both are important aspects of understanding the
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12 employability concept in practice. The hypotheses in the current paper are derived from the
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14 assumption of the employability argument. However, as we will discuss, some of the
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16 criticism directed at the employability argument contest these assumptions. Another
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18 important contribution of the paper is therefore to discuss the consequences if the
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20 assumptions derived from the employability arguments are not supported, or if we find
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22 support for the opposite view.
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Job Security and Employability; Concept and Definition

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29 Job (in)security is generally used to understand the expectations of continuity in the
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31 present job (Davy et al., 1997). In contrast to the concept of employability, job security
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33 relates only to the employee's present job. Employability has been defined in several ways,
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35 however as a common thread the concept relates to the labour market as a whole, and not
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37 (only) the employee's present job. In the current paper, we focus on employees' own
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39 perception of their employability and use the terms employability and perceived
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41 employability interchangeably. In line with Authors (2018), we distinguish between basic
42
43 employability and aspiring employability.
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47 Basic employability is defined as "the individual's perception of his or her
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49 possibilities of obtaining and maintaining employment". The definition is based on
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51 Vanhercke et al. (2014), and it focuses on remaining in employment, regardless of whether
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53 that would be with the current or a new employer.
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Employability and job security

Aspiring employability is defined as “the individual’s perception of his or her possibilities of upward mobility in the labour market”. While basic employability focuses on the possibility of obtaining and maintaining any job, regardless of quality, aspiring employability focuses on upward career mobility. Aspiring employability is therefore more in line with authors who include career prospects in their definition of employability. For example, Rothwell and Arnold (2007) define employability as “the individual’s ability to keep the job one has, or to get the job one desires”, and Fugate et al. (2004) define it as “a form of work-specific active adaptability that enables workers to identify and realize career opportunities”. In contrast to a more traditional career path focusing on promotions within a company, aspiring employability focuses on upward mobility regardless of whether that would be with the current or a new employer, or expanding one’s job content by taking on additional tasks.

Both the employees’ expectation of aspiring employability and their expectations of basic employability are different aspects of the employees’ value in the labour market. However, as demonstrated in Authors (2018), they are two distinct constructs with different determinants. Employees may perceive their prospects for advancements in their career as distinct from their prospects of remaining in employment.

Employability and the Individual’s Preference for Job Security

The first assumption we investigate is whether employability is associated with a lower preference for job security. Preference for job security regards how important the employees perceive job security to be for them.

Employability is often presented as an alternative to, or a buffer against the lack of job security. As stated by Clarke (2017, p. 795) “it appears that the shift from job security to

Employability and job security

employability has been broadly accepted as part of the contemporary employment contract”.

We argue that an underlying premise for this shift is the expectation that the two elements are in part interchangeable. For employability to serve as an optimal alternative to job security, the presence of high employability should substantially reduce the employees' preference for job security.

The appraisal theory (Lazarus and Folkman, 1984), the conservation of resources (COR) theory (Hobfoll, 2001) and human capital theory (Becker, 1993) can assist our understanding of the relationship between employability and job security.

The appraisal theory has been suggested as an explanation for how employability may reduce the importance of job security (De Cuyper et al., 2008, Chambel et al., 2015). The model proposes that the link between the stressor in the environment and the subsequent stress response in the employee is dependent on the cognitive appraisal of the situation. The appraisal process includes an appraisal of the situation as benign, irrelevant, or stressful (primary appraisal), and an appraisal of what can be done about it (second appraisal). Losses that have not yet taken place, such as a potential job loss and unemployment is defined as a threat – a type of stressful situation. Employability might influence this appraisal process in two manners. First, employees with high aspiring employability, who expect to move to a better job in the near future, might value their current job less, and thus see job loss as less of a potential threat (primary appraisal). Secondly, employees with higher basic employability will see their potential for obtaining new employment in case of job loss as high (second appraisal). The extent to which employees experience stress from job insecurity will thus depend on how they value job loss, and subsequently how successful they expect to be in coping with it. This is in line with a main argument in COR theory, namely that resourceful

Employability and job security

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4 employees are less vulnerable to resource loss, because resource gain – finding new
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6 employment – can buffer the negative consequences of job loss (Hobfoll, 2001).
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9 Based on these arguments, we expect that employees who are more confident with
10 regard to their own labour market value, and who has a lower experienced risk of dropping
11 out of the labour market, to place less value on job security as an important safety net.
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13 Similarly, we expect that employees who are moving to better jobs, experience less stress
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15 from the threat of job loss, and therefore place less value on job security.
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20 Few have empirically studied the importance of employability for employees' own
21 preference for job security. However, past research has demonstrated that higher
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23 employability may reduce several of the negative consequences of low job security. Aybas et
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25 al. (2015) found that employability moderated the relationship between job insecurity and
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27 burnout. While job insecurity increased burnout in employees, this relationship was weaker
28
29 for employees with high employability. Silla et al. (2009) found that the negative effects of
30
31 job insecurity on life satisfaction were significantly reduced for those employees with high
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33 employability. The authors found no relationship between employability and psychological
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35 distress. Chambel et al. (2015) showed that training directed at improving internal and
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37 external employability was related to reduced exhaustion among temporary agency workers.
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43 However, while current literature support that employability buffers some of the
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45 negative consequences of low job security we believe it is also important to look at
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47 employees own preferences for job security. Employees may desire job security also for other
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49 reasons than to avoid the negative consequences associated with fear of unemployment. It is
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51 also important to consider not only *whether* employability relates to employees preferences
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53 for job security, but also to what extent. Silla et al. (2009) concluded that while employability
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Employability and job security

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4 reduce *some* of the negative consequences of job insecurity, employees still largely rely on
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6 job security.
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9 Based on the employability argument, we derive the hypotheses presented below. To
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11 comply with the criticism of the employability argument, we also pay attention to the
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13 magnitude of potentially identified relationships.
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16 *Hypothesis 1a: Basic employability is negatively correlated with individuals' preference for*
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18 *job security.*
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21 *Hypothesis 1b: Aspiring employability is negatively correlated with individuals' preference*
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23 *for job security.*
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26 In addition to employees' basic and aspiring employability, we look at level of
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28 education. According to human capital theory, education and experience increase the
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30 individuals' productivity, and thereby reduce their unemployment risk (Becker, 1993). Hence,
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32 individuals who have higher levels of education and training should be more confident with
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34 regard to re-employment in case of job loss, and thus less dependent on job security. Level of
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36 education is strongly related to the individual risk of dropping out of the labour market, the
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38 types of jobs one can find (OECD, 2016), and the individual's perceived employability
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40 (Author B, nd; Wittekind et al., 2010). Indeed, the purpose of an education is to increase
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42 employability. It is therefore an interesting and more objective predictor of the employees'
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44 employability.
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48 *Hypothesis 1c: Level of education is negatively correlated with individuals' preference for*
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50 *job security.*
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Employability and job security

Job Security and Employability

Employers' investment in their employees' developmental opportunities is emphasized as part of the new psychological contract where employees in return for their efforts gain increased employability, rather than job security (Baruch, 2001, Kluytmans and Ott, 1999). Employees receive support for training and development and this employer-supported training should then in turn increase their employability (Author b, nd; Wittekind et al., 2010). Whether this contract is actually fulfilled, and to what extent employers see themselves as responsible for providing training and development remains unclear, however (Clarke and Patrickson, 2008).

The second assumption is whether reduced job security (measured as temporary/permanent contract and as self-reported job security) is associated with increased employability in terms of self-perceived employment chances and employer-supported training. Again, if the employers behave in line with the employability argument, we expect:

Hypothesis 2a: Employees with lower job security experience higher basic employability compared to employees with high job security.

Hypothesis 2b: Employees with lower job security experience higher aspiring employability compared to employees with high job security.

Hypothesis 2c: Employees with lower job security experience higher employer-supported training compared to employees with high job security.

However, the employability approach has been criticized by authors arguing that, in practice, reduced job security is rarely compensated by increased employability in terms of providing more training opportunities and employer-supported training (Forrier and Sels,

Employability and job security

2003). Two important reasons for why we would expect the directions in these hypotheses to be opposite is worth highlighting.

We could expect low employability among employees with low job security due to a selection effect. The COR theory states that those with more resources are also more capable of gaining more resources, having one resource is typically linked with having others (Hobfoll, 2001). More resourceful employees are able to invest more in their education and training, benefit more from training opportunities and improve their job security. Employees who are perceived as more attractive in the labour market and receive increased investment in their employability are likely to move to more secure jobs (De Cuyper et al., 2008). This is supported by Mäkikangas et al. (2013) who found that individuals with high or increasing employability more often moved from temporary to permanent contracts within a year.

We could also expect employers to be less willing to investment in temporary employees. The human capital theory argues that investment in employees is only rational to the extent that they remain in the organization (Becker, 1993). Employees on temporary contracts not only have lower job security but are often left with lower employability over time, as their employers are less willing to invest resources in their training and professional development (Forrier and Sels, 2003).

According to these counterarguments, we can expect a more disadvantageous situation for employees with low job security – where they both have lower employability due to a selection effect and lower prospects of increased employability due to less training.

Norway and the Norwegian Labour Market

Employment security in Norway is high. The Work Environment Act (2007) and collective agreements regulate dismissals and the use of temporary contracts. Compared to the OECD

Employability and job security

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4 average, the protection of permanent workers against individual and collective dismissals are
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6 ranked slightly above the average, and the regulation on temporary forms of employment is
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8 among the highest (OECD, n.d.). Approximately 8% of all employees are in temporary
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10 contracts (SSB, n.d.-c).

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13 During the study period 2009–2013, the labour market in Norway was booming. The
14
15 unemployment rate was between 3 and 4%, and between 67 and 70% of all Norwegians
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17 between the ages of 15 and 54 were registered in some form of employment (SSB, n.d.-b).
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19 Norway is a universal welfare state. Those in full or partial unemployment receive
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21 unemployment benefits of approximately 62% of the employee's previous wages for up to a
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23 year. When unemployment benefit rights run out, other social security benefits become
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25 available. Generally, Norwegians report having higher average levels of employability
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27 compared with employees in Denmark, Germany, and the U.K., where unemployment has
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29 also been higher (Olsen, 2012).
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34 Employees in countries with higher unemployment and/or fewer benefits are likely to
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36 value job security more. Yet, the issue of employability is highly relevant in the Norwegian
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38 context. In 2015, a legislation change permitted employers to use more temporary contracts
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40 of up to 12 months. Politicians defended the liberalization in part by arguing that an increased
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42 use of temporary contracts would give those with the weakest position in the labour market
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44 better opportunities for employment and help to enhance their employability.
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Method

Sample and Procedure

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53 The data used in the analysis comes from five waves (2009–2013) of a nationally
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55 representative cross-sectional survey of the working age Norwegian population (18–68
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Employability and job security

years), the YS Employment Outlook Survey. Sampling is stratified by sex, education, place of residence, economic sector, and the number of employees in the respondent's workplace (see Author C (2015) for more information on data gathering and sampling). The response rate for the five years was 37%.

Hypotheses 1 a-c were investigated using data from all the five years. Hypotheses 2a-c were investigated using data from 2011 to 2013, as temporary contracts were not covered in the two first years.

We restricted our sample to employees between 25 and 55 years of age. The perception of employability and preference for job security is likely different for young adults working while in college or during a gap year and for workers approaching retirement age. Contractual early retirement pension is possible from the age of 62.

Measurement

Employability. Aspiring and basic employability was measured using the instruments presented and tested in Author B (2018). Aspiring employability was measured using two items asking employees to evaluate the likelihood that in five years from now they would be in a higher paying job and in a job with more responsibility (e.g. how likely is it that you in 5 years hold a better paid job). Basic employability was measured by two items that assess the likelihood that, five years from now, the employees would be out of employment due to unemployment or inactivity unrelated to education, retirement, disability pension, or health (e.g. how likely is it that you in 5 years are unemployed). Answers were given on a five-point Likert scale ranging from (1) "Highly unlikely" to (5) "Highly likely". The scale for basic employability was reversed so that higher basic employability represents a higher perceived probability of remaining in employment, and low basic employability represents a higher

Employability and job security

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4 perceived probability of dropping out of the labour market. Because a low number of the
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6 respondents anticipated being unemployed, the answers to the basic employability scale were
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8 dichotomized with the answers (1) “Highly unlikely” and (2) “Quite unlikely” in category 1
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10 and the answers (3) “Neither likely nor unlikely” to (5) “Highly likely” in category 0.
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12 Spearman-Brown Coefficient for aspiring and basic employability is 0.91 and 0.78
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14 respectively.
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18 **Education.** We used a series of dummy variables to measure employees’ educational
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20 level as master (4 or more years of higher education), bachelor (less than 4 years of higher
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22 education), post-secondary vocational training, and other education (up to and including
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24 secondary education).
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28 **Employer-supported training.** Employer-supported training is measured using the
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30 instruments presented and tested in Author B (2018). The scale consists of four items asking
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32 whether employers facilitate skill development, education, and training (e.g. “How often do
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34 you experience that the employer facilitates skills development”). Each item was scored on a
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36 five-point Likert scale from (1) “Never” to (5) “Always”. Cronbach’s alpha is 0.84.
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40 **Preference for job security.** The employees’ preference for job security was measured
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42 by one item “How important is the following aspect of a job for you?”: “A secure job”.
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44 Answers were given on a five-point Likert scale ranging from (1) “Not important at all” to
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46 (5) “Highly important”.
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50 Because employees who are worse off in the labour market might adjust their rating
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52 based on their general lower expectations, we also analysed all respondents’ relative
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54 preference for job security. This was calculated by dividing their reported preference for job
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56 security on their average score by the importance given to job characteristics, including job
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Employability and job security

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4 security, high income, promotion opportunities, an interesting job, opportunities to work
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6 independently, opportunities to help others in their job, and a job that is beneficial to society.
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8 Their relative preference for job security therefore measures how important job security is to
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10 the employee compared to other aspects of the job. The scale ranges from 1 to 5.
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13 ***Job security.*** The employees' job security was measured in two manners—by
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15 comparing employees with temporary contracts to employees with permanent contracts, and
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17 by asking employees to subjectively evaluate their job security on the item, “To what degree
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19 does the following description fit your job situation—My job is secure”. Answers were given
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21 on a five-point Likert scale ranging from (1) “Does not fit at all” to (5) “Fits very well”.
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24 ***Control variables.*** The analyses were controlled for age, sex, the year of the survey,
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26 and salary. We adjusted the analyses for age because age likely confounds the correlation of
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28 interest as young persons on average have higher education levels and a more positive
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30 perspective of future employment. Sex is a potential confounder because men are more likely
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32 to gain higher status jobs (e.g., jobs paying a higher salary) and to become unemployed (SSB,
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34 n.d.-a, SSB, n.d.-b). Furthermore, studies have also found sex differences in the evaluation of
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36 and consequences of job insecurity (Giunchi et al., 2016). The control for calendar year
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38 adjusts for variation across time. Finally, we control for salary as an indicator of job quality.
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40 Employees in poorer jobs is possibly more likely to believe that they will move on to better
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42 jobs because they have more room for improvement.
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Analyses

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51 Multiple linear regression was used for all analyses, except for the relationship between job
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53 security and basic employability, for which we used logistic regression.
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Employability and job security

Results

Of the 10,862 employees included in the present analyses, 52% were female, 26% had a bachelor degree as their highest level of education, 12% had a master's degree, and 23% had post-secondary vocational training. The mean age was 42 (SD 8.6) and 6% were employed on temporary contracts. Of all the respondents, 88% reported high basic employability (believed it was highly or quite unlikely that they would drop out of the labour market), and 23% reported high aspiring employability. The correlation matrix is presented in Table 1.

[table 1]

Hypothesis 1: Increased Employability Reduces the Individual's Preference for job security

Employees with high aspiring employability (b -0.086, $p < 0.001$) and employees with a master's degree (b -0.232, $p < 0.001$) or a bachelor's degree (b -0.136, $p < 0.001$) experience a lower preference for job security (Table 2). However, employees with low basic employability reported a lower preference for job security compared to persons with high basic employability (b 0.045, $p < 0.01$).

[table 2]

Aspiring employability and higher education correlates with a lower relative preference for job security. The relationship between basic employability and a relative preference for job security is insignificant (b -0.009).

Employability and job security

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4 Considering the magnitude of the relationship, a descriptive analysis shows that while
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6 97% of employees with the lowest aspiring employability regard job security as important or
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8 very important, 89% of employees with the highest level of aspiring employability regard job
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10 security as important or very important. Similarly, 64% of employees without a master's
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12 degree regard job security as very important, while 50% of employees with a master's degree
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14 report the same (analysis not shown).
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18 ***Hypothesis 2: Employees with Low Job Security Experience Higher Employability***
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20 ***Compared to Employees in Permanent and Secure Jobs***
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23 We tested our second hypothesis through six different analyses to investigate the relationship
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25 between the two measures of job security (temporary versus permanent employment
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27 contracts and the employees' subjective evaluation of their job security) on the one hand, and
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29 basic employability, aspiring employability, and employer-supported training on the other
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31 (Table 3).
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34 Employees on temporary contracts reported significantly higher aspiring
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36 employability (b 0.422, $p < 0.001$) but significantly lower basic employability (b -1.166,
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38 $p < 0.001$) and significantly lower employer-supported training (b -0.124, $p < 0.01$) (Table 3).
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40 Similarly, employees who subjectively evaluated their job security as higher had lower
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42 aspiring employability (b -0.095, $p < 0.001$), but higher basic employability (b 0.658, $p < 0.001$)
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44 and higher employer-supported training (0.229, $p < 0.001$).
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48 [table 3]
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Employability and job security

Discussion

This article has tested two core assumptions of the employability argument; if increased employability is related to a lower preference for job security (H1a-c) and if employees with lower job security are in fact compensated for this with increased employer-supported training and higher employability (H2a-c). Employability was defined in terms of perceived aspiring employability and perceived basic employability. The distinction between basic and aspiring employability captures the duality inherent in previously mentioned definitions of employability between success in the labour market and the ability to maintain one's employment.

For hypothesis 1a, the relationship between basic employability and preference for job security was opposite of what we expected. Employees with low basic employability reported a significantly lower preference for job security. We suspect that this correlation arose because employees who have a weak position in the labour market demand less from their jobs in general. They may also feel that employment is less important (e.g., compared to being supported by a spouse) and therefore value job security lower. When we investigate how highly employees value job security compared to other characteristics of a job, the relationship was insignificant. The latter analysis supports the argument that a lower preference for job security among employees with lower basic employability is likely due to general lower expectations towards the jobs within their reach.

Contrary to what we would expect based on the employability argument employees with high basic employability do not display a lower preference for job security. One potential explanation could be that while employees with high basic employability have the resources to avoid prolonged unemployment, job loss still poses a threat for multiple reasons. Job loss could be undesired if it leads to a less attractive job, the loss of valued colleagues, or

Employability and job security

is seen as an involuntary change. The results are thus in line with critics who argue that employees still large rely on job security (Silla et al., 2009).

The relationship between aspiring employability and the preference for job security is, however, in the predicted direction. Employees with a higher aspiring employability report a lower absolute and relative preference for job security. The results thus support the hypothesis that employees who perceive themselves as upwardly mobile are less concerned with job security. To realize upward career mobility implies changing jobs to improve one's position; hence, employees are likely less concerned with job security because they do not anticipate remaining in one employment relationship for a prolonged period. It can also be the case that these employees seek out employment positions that provides opportunities for increasing their aspiring employability, which might be the case for example in training positions focused on preparing the employee for new and better jobs. Moreover, jobs in management are more often temporary, and persons aspiring to those positions likely put less emphasis on their preference for job security.

Finally, respondents with higher levels of education also report a lower preference for job security. This is the premise of the human capital perspective underlying the employability literature—that formal skills will improve employment security when job security is no longer guaranteed. However, the educational effect can also be a result of limiting competition, as education is a means to achieve a higher position in the labour queue (Tomlinson, 2012).

The findings thus partially support the employability premise that an increased sense of employability can reduce the employees' preference for job security, although only among those with high aspiring employability and higher education, those who are arguably best

Employability and job security

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4 positioned in the labour market. The results are therefore only partially in congruence with
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6 previous research that demonstrates that the negative consequences of job insecurity are
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8 reduced for employees with higher employability (Aybas et al., 2015, Silla et al., 2009).
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11 However, particularly for policy implications, it is important to consider the
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13 magnitude of this effect, which in the current study is low to moderate. While 97% of
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15 employees with the lowest aspiring employability regard job security as important or very
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17 important, 89% of employees with the highest levels of aspiring employability regard job
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19 security as important or very important. This is a significant reduction; however, job security
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21 is still important for the majority of employees. This is in line with previous studies that have
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23 concluded that employability does not replace job security, but may reduce some of its
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25 negative consequences (Silla et al., 2009).
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30 In accordance with hypothesis 2b, employees on temporary contracts and employees
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32 with low subjective job security report significantly higher aspiring employability. If
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34 employees with lower job security also have generally poorer jobs, they may be more likely
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36 to believe that they will move on to better jobs because they have more room for
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38 improvement. However, the analysis adjusted for current salary, which is an indicator of job
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40 quality. It can be that temporary positions are used to let employees try out new
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42 responsibilities and learn on the job, preparing them for a better, and possibly more
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44 permanent, position. This is in line with the “stepping-stone” argument for temporary
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46 employment.
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50 For basic employability and employer-supported training, the relationship with job
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52 security was the reversed, as argued by critics (Forrier and Sels, 2003) and predicted by
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54 human capital (Becker, 1993) and COR theory (Hobfoll, 2001). Employees with lower job
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Employability and job security

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4 security experience lower basic employability and less employer-supported training. Rather
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6 than low job security being compensated by increased basic employability and increased
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8 employer-supported training, the employees seem to lose out twice. This can create a
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10 negative circle of low job security for employees who are worse off in the labour market.
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12 This pattern is in line with the COR theory, according to which negative loss cycles occur as
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14 those who have few resources primarily invest their energy into conservation of those
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16 resources, and cannot oversee the acquisition of new resources (Hobfoll, 2001). Hence,
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18 because of low employability, they obtain less secure jobs, and because they are employed in
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20 less secure jobs, they get less support to enhance their employability. Consequently, they are
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22 less able to improve their employability, and they run the risk of permanently remaining in
23
24 less secure jobs. The results are in line with De Cuyper et al. (2008), which concluded that it
25
26 is the employees with high employability that are more likely to occupy the better jobs,
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28 including the jobs with higher job security. It also upholds the findings of Forrier and Sels
29
30 (2003) stating that employers are more prone to offer training and opportunities for
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32 development to employees on permanent contracts with an expected longer future within the
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34 company.
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40 The findings of the present study are likely influenced by the strong economic climate
41
42 and social security schemes in Norway. Aspiring employability had a greater impact on the
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44 employees' preference for job security than basic employability. If the absolute risk of
45
46 dropping out of the labour market due to long-term unemployment is low, it is possible that
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48 employees are more concerned about the quality of their job and less concerned with having
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50 a job at all, compared to employees in countries with a higher unemployment rate.
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52 Furthermore, it is possible that the employees' valuation of basic employability is attenuated
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54 by comparatively generous unemployment benefits and other social security benefits. Further
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Employability and job security

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4 studies should include various national contexts with higher unemployment rates and less
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6 universal benefit schemes. The Norwegian context provides a conservative test of employees'
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8 preference for job security in a prosperous labour market. However, it is still notable that the
9
10 desire for job security among Norwegian employees is high. The findings support that
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12 continuous employment provide more than economic security, such as social and personal
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14 fulfillment, which is likely important independent of context.
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Limitations

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20 Our data, though collected over five years, is cross-sectional. Because of this, we cannot
21
22 exclude the possibility of reverse causation or a selection effect. The selection effect can for
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24 example mean that those with high aspiring employability choose another career path,
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26 perhaps as contractors, rather than seeking out secure employment positions. Yet, that does
27
28 not invalidate the anticipated correlation between job security and employability, but rather
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30 suggests that future research should investigate how job security leads to higher self-
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32 perceived aspiring employability. Moreover, the distinction made between aspiring
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34 employability and basic employability serves to reduce the effect of any potential selection
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36 bias, because we gauge the anticipation of upward mobility separately from the expectation
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38 to remain in employment. Similarly, it could be that employees with high employability are
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40 able to gain jobs with better job security and better training opportunities, without there being
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42 a causal link between job security and employer-supported training. Again, this would not
43
44 invalidate the results as employees with low job security still seem to lose out twice because
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46 their employers invest less in their training and future employability. Two of the main
47
48 findings are of particular interest also when causality is unclear; employees with high
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50 employability still highly value job security, and employees with low job security receive less
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52 employer-supported training. A longitudinal study could probe important questions such as
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Employability and job security

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4 how do employability and employers' investment in employees' employability alter over time
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6 when practices and legislation regarding temporary contracts change.
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9 The focus of the current paper is on perceived employability. To what extent
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11 perceived employability leads to employment success has not been adequately empirically
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13 tested (Clarke, 2008). It is possible that jobs with low job security, such as temporary
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15 positions, increase the employees' security on the job market beyond what is perceived by
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17 the employee. However, psychological strain associated with an uncertain future can only be
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19 reduced if the employees themselves perceive the future prospects as improved. The
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21 employees' perception of employability is therefore central in and of itself.
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25 The measures of employability used have been developed and tested in Author B
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27 (2018). However, further validation of the measures should look into whether a different
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29 phrasing would yield different results. For example the definitions of employability used in
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31 the current paper focus on the employees' perception of possibilities in the labour market.
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33 The measures used asks about expectations. There could be a discrepancy between their
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35 perceived possibilities and expectations (e.g. if employees perceive their possibilities of
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37 upward mobility as good, but undesirable, they may not expect to change to a better job).
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39 Furthermore, the measure focuses on a time span of five years. The time span is meant to
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41 capture the long-term prospects of employability, while being close enough in time for it to
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43 be experienced as meaningful for employees to speculate on employment outcomes. A longer
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45 time span could yield interesting results if it increased employees' uncertainty regarding
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47 basic employability.
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Employability and job security

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4 ***Practical Implications***
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6 Management scholars have argued for employability as part of a new kind of psychological
7 contract—rather than the promise of a stable workplace and a long-term commitment from
8 the company in return for the employees' efforts, the company should invest in the
9 employees and increase their employability in the job market (Baruch, 2001, Kluytmans and
10 Ott, 1999). In line with other critics of the employability argument, our results sheds some
11 doubt on the validity of this new contract in practice.
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20 First, it is uncertain how attractive such a contract, with low job security but with
21 good developmental opportunities, will be to employees. Our results suggest that most
22 employees do look for secure jobs. Human Resource Managers interested in attracting and
23 retaining employees should be aware that job security is still highly valued among
24 employees. Even in prosperous economic times, and among employees with high
25 employability, job security is a desired quality of a job. If providing employees with job
26 security is not an option, our results suggest that the best alternative is to provide learning
27 opportunities that facilitate career advancement and aspiring employability, compared to
28 enhancing only basic employability.
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40 Secondly, employers do not seem to uphold their part of the new psychological
41 contract. Policy makers interested in deregulating rules pertaining to job security, weakening
42 the employment protection legislation, should be aware that organizations would likely invest
43 less in the development of skill and competencies for temporary employees. This is in line
44 with the human capital perspective, where employers are more likely to invest in permanent
45 employees for which they expect a longer return on the investment. How to secure the
46 employability of temporary employees is then a vital question. When temporary jobs are
47 advertised as an opportunity to facilitating increased employability, it would also create a
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Employability and job security

challenge for HRM if these expectations were not met. For employees entering an employability-based contract unmet expectations can be important for their general impression of the organization (Clarke, 2017).

Conclusion

In public and academic debates, increased use of temporary contracts and reduced job security among employees are defended with reference to employability as the new protection mechanism in the labour market (Forrier and Sels, 2003). The current paper is the first to investigate how employability relates to the employees' own preference for job security. The results partially support the fact that increased employability can reduce employees' preference for job security. However, the relationship between employability and the preference for job security is only significant for aspiring employability and education, and not for basic employability. It is likely that the trade-off between job security and employability is more attractive for employees on an upwardly mobile career path than for employees who risk dropping out of the labour market. Furthermore, the relationship between the preference for job security on one hand and aspiring employability and education on the other seems to be moderate to weak, indicating that high employability might reduce, but not remove, employees' desire for job security.

Furthermore, while employees with low job security report higher aspiring employability, they generally report lower basic employability and less employer-supported training. Because employers are more likely to invest in the competence development of those employees with long-term prospects within the organization, this indicates that employees with low job security can gradually fall further behind their peers in more secure jobs. At an individual level, basic employability does not seem to compensate for a lack of

Employability and job security

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4 job security as a protection mechanism against unemployment or inactivity. Rather,
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6 employees are more likely to have both job security and basic employability or neither of
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8 these.
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11 Finally, the diverging results for basic and aspiring employability clearly support that
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13 these are two distinct phenomena with different causes and consequences for an employee.
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15 The two phenomena should be researched and discussed as separate concepts.
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Personnel Review

Table 1: Correlation Matrix

	Mean	SD	Range	1	2	3	4	5	6	7	8	9	10
1 Aspiring employability	2,86	1,08	1 - 5										
2 Basic employability	0,88	0,32	0 - 1	-0,001									
3 Preference for job security	4,55	0,64	1 - 5	-0,182	0,020								
4 Temporary contract	0,06	0,23	0 - 1	0,140	-0,091	-0,100							
5 Subjective job security	4,05	0,96	1 - 5	-0,102	0,226	0,210	-0,322						
6 Master's degree	0,12	0,32	0 - 1	0,164	0,065	-0,130	0,057	0,025					
7 Bachelor's degree	0,26	0,44	0 - 1	0,070	0,052	-0,052	0,022	0,042	-0,230				
8 Post-secondary vocational training	0,23	0,42	0 - 1	-0,032	-0,047	0,051	-0,033	0,006	-0,200	-0,327			
9 Age	42	8,59	25 - 55	-0,344	-0,062	0,049	-0,170	0,024	-0,119	-0,089	0,087		
10 Female	0,52	0,5	0 - 1	-0,095	0,037	0,112	0,068	0,063	0,017	0,119	-0,087	-0,009	
11 Income (NOK)	470 965	537 414		0,025	0,040	-0,033	-0,051	0,012	0,093	0,008	-0,004	0,029	-0,109

Table 2: The relationship between employability and Preference for job security

	Preference for Job Security			Relative Preference for Job Security		
	B	SD	Beta	B	SD	Beta
Aspiring employability	-,086 ***	,006	-,145	-,040 ***	,002	-,249
Basic employability	,057 **	,020	,029	-,009	,005	-,016
Education						
Master	-,248 ***	,023	-,124	-,068 ***	,006	-,131
Bachelor	-,136 ***	,017	-,094	-,042 ***	,004	-,108
Vocational training	,004	,017	,002	-,008	,004	-,020

* p < 0.05 ** p < 0.01 *** p < 0.001

Preference for job security : R²= 0,069 adjusted R² = 0,068

Relative Preference for job security: R²= 0,095 adjusted R² = 0,093

Analyses are controlled for age, sex, income, and year of survey



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Personnel Review

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Table 3: The relationship between job security and employability

	<i>Basic employability</i>			Exp(B)	<i>Aspiring employability</i>			Beta	<i>Employer-supported training</i>			
	B	SD			B	SD	Beta		B	SD	Beta	
Temporary contract	-1,17	***	0,13	0,31	0,42	***	0,05	0,09	-0,12	**	0,05	-0,03
Subjective job security	0,69	***	0,03	1,99	-0,09	***	0,01	-0,08	0,23	***	0,01	0,25

* p < 0.05 ** p < 0.01 *** p < 0.001

Analyses are controlled for age, sex, income, and year of survey. Basic employability is analyzed using logistic regression; aspiring employability and support are analyzed using linear regression.

Analyses are performed separately for temporary contracts and subjective job security

Personnel Review