



A STUDY ON JOB INSECURITIES AND ITS IMPACT ON EMPLOYEES

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Abstract:

Many people are facing job insecurity worldwide. Job insecurity gradually increased after the pandemic. In India, more than 81% of employees are feeling insecure about their jobs. Job insecurity is always connected with the performance of the employees. Job and economic recession in a country often lead to a high rate of job insecurity and unemployment. There are other various threats to labor such as termination of a job, de-promotion, decreasing salaries, etc.

This article explains the impact of Job insecurity on work and health of the employees and types of job insecurity. The main focus of this article is to understand the health issues and problem faced by employees due to long working hours, extra work but less payment, advantages and disadvantages of working as employees in different sector of jobs, stress, and pressure from higher officials. This article also analyses that how peoples are affected economically during pandemic (covid-19), distinction between unemployment vs recruitment and Retrenchment vs. layoff, this study gives a brief explanation on how job insecurity affects family and marital relationships and what are the reasons for job insecurity, it also explains the difference between the Entrepreneur vs. Employee.

Finally, the article gives remedies to reduce the harmful effects of job insecurity.

Keywords:

Job insecurity, Health, Unemployment, Covid-19, Employee, Entrepreneur, Recruitment.

1. Introduction:

Job insecurity causes fear in the mind of employees about losing their jobs. Job Insecurity also affects health and causes mental pressure on employees. There are various health problems faced by employees during this period of fear. ¹The above-quoted topics are briefly explained below:

¹ Hans De Witte, Tinne Vander Elst and Nele De Cuyper, research gate, job insecurity (2015)

2. Impact of job insecurity:

Job insecurity is a serious cause in worldwide today. It makes the people feel that they should be employed in government jobs as government jobs are secured and employees cannot be removed from the jobs easier. In other sector of jobs such as IT, or private companies- employees feel that they are not secure with their jobs and they may lose their job at any time. The job insecurity population is higher than unemployed persons. Technological development also causes fear in employees as day-by-day technology increases and machinery are introduced and developed which helps the company to use machinery instead of human resource. Machinery is a one-time investment whereas human resources should be provided with salaries incentives and bonuses often. So, we can say that technological development makes people lose their jobs. (Hans De Witte, 2015)

Examples of Job insecurity:

- ❖ Mobile apps such as amazon, Flipkart, Meesho, and Limeroad are online shopping and these apps helps customer to get their product delivered at their doorstep which in turn affects the retail dress shop dealers.
- ❖ Introducing GPS device in cars affect the dealers of old electronic gadgets such as radio, DVD and CD player.
- ❖ Nowadays, producing goods from raw materials is done by machines so only minimum laborers are employed.
- ❖ Job recessions in foreign countries like the US, Australia, and Canada affect the IT employees in India as they are working for abroad clients.

3. Types of job insecurity:

- Acute
- Chronic

Acute Job insecurity:

When an employee is not satisfied with his / her own work and suspects that he/she is going to be terminated from their company or management then he experiences acute job insecurity.

Chronic Job insecurity:

When an employee works satisfactorily and though his higher officials are satisfied with his work but when his colleagues/co-workers are getting terminated from the company because of their lack of skill or knowledge or lack of performance he feels that this job is insecure. This type of insecurity is known as chronic job insecurity. (Doyle, 2021)

4. Health and Mental pressure:

Job insecurity brings in various health issues and disorders.

Some of them are mentioned below:

- Psychological disorders
- Cardiovascular disorders
- Musculoskeletal disorders
- High blood pressure
- High Blood Sugar
- High Cholesterol
- Digestive problems
- Anxiety
- Depression

It also brings changes in the behaviour and attitudes of persons such as:

- Alcohol addiction
- High use of drugs
- Smoking
- Excessive Coffee or tea consumption

5. More work but less pay:

In most of the company, employees are not sufficiently paid. Employees of India are working harder compared to foreign employees. IT companies usually recruit Indian employees because they can be paid low. Indian employees are forced to work more but they are paid low income so they prefer of employing Indians instead of foreign employees as foreign workers work only for limited time and demand high pay which is a loss for the company.

6. Difference between Job insecurity and Unemployment:

FACTORS	JOB INSECURITY	UNEMPLOYMENT
Definition	Job Insecurity is the fear which causes in the mind of employees in losing their jobs because of various reasons such as dissatisfied performance, mentally unstable, etc.	Unemployment is a person, who is not recruited for a job or considered he is not an abled person to work in a job or a person who lost his job.
Health Impact	Low risk of health impacts compared to unemployment.	High risk of health issues.
Level	Low level of psychological and physical complaints.	Higher levels of psychological and physical complaints.
Skill and performance	Job insecurity due to insufficient performance and mental instability	Unemployment due to lack of skills or knowledge in a specified field.

7. Impact of job insecurity on marital & family relationships:

Job insecurity impacts not only the company's employees but also his family members. If a person loses his job any time, it breaks down the entire family financially. If a person does not have a permanent job many families are hesitating to marry that person for their daughter. So, he also faces marital issues. If a person suddenly loses his job he becomes incapable to face his day-to-day expenses, personal expenses.² He also feels difficult to pay off his children's school or academic fees and feels difficult to meet medical expenses if any.

8. Reasons for job insecurity:

- Mergers and acquisitions
- Change in work practice
- Due to the increased pressure of globalization
- Reconstruction of existing company
- Winding up of company
- Conflict between employee and management

² Juliet Hassard, Kevin Teoh and Tom Cox, Job insecurity (2017)

- Strikes and lockouts
- Reducing employee's financial savings in a company
- Downsizing
- Outsourcing positions
- Conflict between partners of the company (Juliet Hassard, 2017)

9. Lay-off of employees/laborers during the pandemic (Covid-19):

Layoff means the temporary discharge of employees or workers. Many companies have terminated employees/workers during the pandemic period. During covid-19, the lockdown was implemented by the central government of India to avoid the spread of the deadly virus. This caused a big loss to the companies belonging to different sectors. Hospitals and grocery stores are the sectors that earned profits in this covid-19 too. So, the economical lives of doctors, nurses, and retail/wholesale sellers of groceries are not affected. But there are many other companies which are affected and faced financial troubles during this period.

During the lockdown, all the industries were shut and no operation was taken place. So, the owners of the company suffered a lot to pay the salaries and also to make the industrial / factory expenses such as electricity, maintenance charges, water supply, taxes, etc.³ Companies due to their financial losses in business started terminating employees in the company. This was an illegal termination. While coping with the loss of job of co-workers/colleagues, other workers are being afraid of termination from the job. In February 2020, a total of 5 million jobs have been lost due to pandemic worldwide. So, this covid-19 caused more fear of job insecurity in the mind of workers. This also caused mental pressure, anxiety, and health issues for employees.

The sudden termination of employees from the company caused economical breakdowns in the families.

According to the Industrial disputes act, of 1947 no employee can be terminated without prior notice of the information and there are also certain essential conditions only under which an employee can be terminated.

The essential conditions are:

- If a person refuses to work
- There was a failure caused in the work because of a particular employee.
- If a person is unstable to work.
- Breakdown of the machinery or natural calamity
- When winding up a company
- When the work of the employee does not satisfy the needs of the industry etc. (Asma Begum, 2022)

10. Layoff vs Retrenchment

Basis of distinction	Lay-off	Retrenchment
Meaning	Layoff means the temporary or permanent discharge of an employee from a work contract because of business-related reasons.	Retrenchment means the permanent termination of an employee for any reason whatsoever.
Provision	Section 2(kkk) of the Industrial disputes act, of 1947 defines the term "lay-	Section 2(oo) of the Industrial Disputes act, 1947 defines Retrenchment as –

³ Begum, A., Shafaghi, M. and Adeel, A., 2022. Impact of Job Insecurity on Work–Life Balance during COVID-19 in India. Vision, p.09722629211073278.

	off” as the instability, failure, or refusal of the employer to employ a workman whose name is mentioned in the muster roll of his industrial establishment.	the termination by the employer of the service of a workman for any reason whatsoever, otherwise than as a punishment inflicted by way of disciplinary action.
Termination	Termination is temporary.	Termination is permanent.
Function	In lay-off, the industrial establishment stops functioning or operation	In retrenchment, the industrial establishment continues its functions or operations.
Appointment	A workman who is terminated from the company can be appointed back based on their needs.	A workman cannot be appointed after termination.
Relationships	The relationship between employee and employer continues once he is appointed back. ⁴	The relationship between employee and employer ends soon after termination. (Surbhi.S, 2017)

11. Some of the consequences of job insecurity:

The consequence of job insecurity affects mental well-being and causes harm to physical health of employees. Some of them are:

- a. Anger
- b. Weight gain
- c. Heart attacks
- d. Strokes
- e. No deep sleep
- f. Unable to manage stress
- g. Clinical depression
- h. Attempt to suicide
- i. Damage personal relationships
- j. Frustrations
- k. Loneliness
- l. Expressing stress and anger to family members

12. Advantages and disadvantages of being an employee vs. entrepreneur:

- Employees no need to worry about salaries as they will be credited to their account every month whereas the Entrepreneur is liable for debiting salaries to the employees, providing incentives, bonuses, etc every month without any delay.
- Employees have fixed time of working hours whereas Entrepreneurs will have to work overnight sometimes to complete or to finish their projects.
- Employees are provided with the benefit of life insurance, provident fund, compensation if any damages are caused while working, retirement payments, pensions, etc whereas Entrepreneurs do not get any kind of such benefits as they are ones who own the company and they have to take care of their expenses by their own.
- Employees are not responsible for the legal/social issues that arise against the company but the Entrepreneur has to face the legal/social issues face-to-face.

⁴ Surbhi.S, Difference between layoff and retrenchment, (2017)

- Entrepreneurs are the ones who frame the rules and regulations of the organizations whereas employees are the ones who have to obey those rules and regulations.
- Entrepreneurs can enjoy the whole profits which are remaining after spending all the expenses whereas employees will have only a fixed income.
- Entrepreneurs have different jobs such as monitoring the performance of the employees, managing the finance of the company, getting outside links such as media, etc, interacting with clients, etc whereas employees do the same work every day which they feel bored.
- Entrepreneurs will be responsible ⁵for the failure of the product, and they sacrifice more for the success of the business whereas employees need to focus only on their respective areas of work. (Entrepreneur vs. Employee pros and cons, 2018)

13. Some of the ways/remedies to reduce job insecurity:

If an employee has the fear of job insecurity, then the employee should focus or work on these below mentioned qualities:

- Improve the communication skills
- Give the best performance
- Maximize utilization of knowledge and skill
- Get more interacted with the employer or manager
- Try to understand every nook and corner of the work
- Obey the rules and regulations of the management
- Don't ever show your anxiety or pressure towards the company, management or employer
- Try to avoid conflicts between colleagues and employers
- Create team bonding with colleagues
- Don't show your emotions or feelings
- Focus on your ⁶work ⁷ (Wooll, 2021)

Conclusion:

This article helps the reader understand aspects related to job insecurity. It defines what is job insecurity, what are the pros and cons of working as an employee etc. From this article, we can understand the difficulties and problems faced by employees in the workplace and in day-to-day life. The economic crisis faced by the company as well as the employees has also been defined.⁸ This article has also stated the consequence and the health and mental disorders faced by the employees because of job insecurity. Job insecurity had a negative effect on the well-being of the employees' family. There are various remedies or methods which can be adopted to reduce job insecurity. As we all know a job is one of the important factors which plays a vital role in our day-to-day financial world. The person who is unemployed in this world is disrespected by society. So, it is very important to work effectively just to maintain or withstand in the company or organization. If we work harder for the achievement of the company, company in turn will never think of terminating us as it will be a huge loss to their company/organization.

⁵ Ent18, Entrepreneur vs. Employee pros and cons (2018)

⁶ Wooll Maggie, How fighting job insecurity can help employees overcome fear (2021)