The Effect of Job Insecurity on Employee Task and Contextual Performance among Employee of Fidelity Bank Katsina

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The study investigated the effect of job insecurity on employee task and contextual performance among employee of Fidelity Bank Katsina. To achieve the objectives of the study, the researchers made use of research questionnaire, which was designed and distributed to the respondents. SPSS and SmartPLS were used to analyze the data collected. The finding shows that job insecurity has a significant negative effect with task and contextual performance. In view of the above findings, the study recommends that: (1) managers should introduce other ways to increase employees’ satisfaction and commitment in preventing job insecurity which reduced employee task and contextual performance. This can be achieved by proving clear organizational communication or by employees’ participation in to decision making. (2) It is crucial to organization to communicate with workers about major changes that may or may not happen in the banking industry.

Keywords: Job insecurity, task performance, contextual performance, Fidelity Bank Katsina

INTRODUCTION

Many countries have been affected by the financial crisis, consumer wealth declined, key businesses failed, and the housing market suffered, leading to evictions, foreclosures and increased unemployment (Mahalingam & Selvam, 2014). People have become more aware of the risk of losing their jobs (De Witte, Vander Elst, & De Cuyper, 2015), which is also defined as perceived job insecurity (De Witte, 1999).

These transformations have changed the nature of work and caused feelings of uncertainty, stress and anxiety for many workers about the existence and the features of their job (Sverke, Hellgren,
Näswall, Chirumbolo, De Witte & Goslinga, 2004). In the past decade, research has generated wide empirical evidence about the negative impact of job insecurity on a number of aspects related both to individuals’ wellbeing and to organizational functioning.

With regards to the antecedents of organizational consequences job insecurity, job insecurity were associated to lower organizational commitment and job satisfaction (De Witte, & Näswall, 2003), reduced organizational trust (Ashford et al., 1989), intention to quit the job and organization (Chirumbolo & Hellgren, 2003), proactive job search (Lim, 1996), absenteeism, tardiness and task avoidance (Probst, 2002), lower job performance (Probst, 2002), higher levels of workplace injuries and accidents among workers (Probst & Brubaker, 2001).

Therefore, the purpose of this study is to investigate further the relationship between job insecurity and employee job performance among employee of Fidelity Bank Katsina Branch.

**Statement of the Problem**

There are different effects of job insecurity on employee performance in different organizations (Probst & Brubaker, 2001), the significant difference is just because of different strategies of the organization and core objectives of the organizations and it has impact on task and contextual performance. Job insecurity has been related to higher levels of burnout and reduced work engagement. Consequences of job insecurity can include injuries and accidents in the workplace or while carrying out job tasks. This poses a high threat to employees as well as people around them and can ultimately become very costly for the organization (Probst & Brubaker, 2001).

This paper has many important implications for the Organization to increase their employee performance. Employee feels fear in the field to lose his/her job, which increases their stress and reduces job performance (Probst & Brubaker, 2001). They also feel insecure to miss their targets especially in the banking industry in Nigeria, because if he/she loses their target he will lose their job which might likely result to unethical sales to save their jobs.

Due to strict tracing system they are always in hustle and think their basic human rights are overlooked. Based on the above problems, the study aims at investigating the effect of job insecurity on employee task performance and contextual performance with a view of finding positive strategies of solving the problem.

The study objectives are to:

1. Examine the relationship between job insecurity and employee task performance among employee of Fidelity Bank.
2. Examine the relationship between job insecurity and contextual performance among employee of Fidelity Bank.

Research Hypotheses

\( H_{01} \): There is no effect between job insecurity and employee task performance among employee of Fidelity Bank.
\( H_{02} \): There is no effect between job insecurity and contextual performance among employee of Fidelity Bank.

LITERATURE REVIEW

Job Insecurity

Job insecurity as a subjective perception is generally considered to be a powerful source of stress (Sverke and Hellgren, 2002). The literature on stress has extensively shown that reactions to stressors largely depend on how people perceive, assess and cope with the situation they are facing (e.g. Hart and Cooper, 2001; Lazarus and Folkman, 1984). Thus, the way individuals cognitively perceive, process and interpret a situation is a crucial factor in whether they consider it as stressful. At the same time, it is also essential to take into account the internal resources (such as individual differences and dispositions, e.g. coping strategies, hardiness, optimism) and the external resources (such as material or social resources, e.g. money, social and organizational support) that individuals can rely on to cope with stress (see Parkes, 1994; Stroebe and Stroebe, 1995).

Job Insecurity, Employee Task Performance and Contextual Performance

In the field of work and organizational psychology, the conceptualization of performance has received relatively much importance. According to Borman and Motowidlo (1993), the entire work performance domain can be encompassed by the comprehensive dimensions of task performance and contextual performance. They describe task performance as behaviours that directly contribute to the organization’s technical core, and contextual performance as behaviours that support social and psychological environment in which the technical core must function. Examples of the latter are the organizational citizenship behaviours. Task activities usually vary among different jobs, whereas contextual performance is common to many jobs.

In the literature on job insecurity there is plenty of evidence suggesting its negative effects on worker health and attitudes; on the contrary, the insecurity-performance relationship is still unclear. In their meta-analysis, Sverke and colleagues (2002) found no main effect but they point out that job insecurity could lead to enhanced performance in certain contexts and to decreased performance in other. Also studies that examined the association with organizational citizenship
behaviours (OCB) have provided contrasting results. For example, Bultena (1998) found that job insecurity was related to lower levels of OCB. Also in recent research conducted by Reisel, Probst, Chia, Maloles, and König (2010) among 320 U.S. managers, the results showed that employees reduced their OCBs as their job insecurity increased. On the contrary, in the study of Feather and Rauter (2004) among temporary teachers, however, the opposite effect occurred: they found that OCBs were positively related to feelings of insecurity.

**Theoretical Framework**

In order to understand the relationship between job insecurity on task and contextual performance, Social Exchange Theory is used to underpin the relationship.

According to social exchange mechanism (Blau, 1964), one party’s receipt of a benefit obligates the other party to reciprocate the favour. Continued reciprocation creates increasing obligations between the parties in an exchange relationship (Blau, 1964). In the workplace, employer and employee are in a social exchange relationship: employees are expected to perform adequately in exchange for fair rewards and continuous employment. However, if the organization fails to fulfill its usual obligations and consequently the employees perceive a violation of their psychological contract (as in the case of job insecurity), they will in turn reduce their work effort and commitment. In particular, employees could be most likely to withhold their extra-role behaviours from the organization, because this does not imply a high risk: in fact, OCBs are forms of behaviours which go beyond that dictated by organizational policy and one’s job description.

On the other hand, rational choice theory (Coleman, 1990) assumes that social interactions are guided by the individual rational choice after a careful calculation of the benefits and costs. Consequently, employees tend to display certain behaviours if they expect to receive some desirable outcomes. This theory is consistent with some motivation theories in the management literature. For instance, the various needs theories of motivation state suggest that employees would engage in behaviours leading to the satisfaction of their own needs (e.g., McClelland and Burnham, 1978). With regard to insecure workers, they may increase productivity if they believe that it serves to maintain the job.

**RESEARCH METHODOLOGY**

**Research Design**

For this study, the survey research design was adopted. The choice of the design was informed by the objectives of the study. This research design provides an efficient and accurate means of assessing information about a population of interest.
Population of the Study

The population for this study was the employee of Fidelity Bank Katsina Branch. The total population was thirty five (35) employee of the Bank from which the sample was determined.

Sample and Sampling Techniques

The researcher used Taro Yamane’s formula to determine the sample size from the population. Taro Yamane’s formula is given as;

\[
 n = \frac{N}{1 + (e)^2}
\]

Where

- \( N \) = Population of the study (35)
- \( n \) = Sample size (?)
- \( e \) = Level of Significance at 5% (0.05)
- \( I \) = Constant

\[
 n = \frac{35}{1 + 35 (0.05)^2}
\]

\[
 n = \frac{35}{1 + 0.0875}
\]

\[
 n = \frac{35}{1.0875}
\]

\[
 n = 32
\]

Research Instruments

Job Insecurity

Job insecurity was measured with five items on employees’ perceptions and worries about the continuity of their current job. A sample item was “I worry about keeping my job.” Versions of this scale have been extensively used in previous studies conducted in European countries and exhibited good validity and reliability (Sverke et al., 2004). Participants were asked to rate the statements on a Likert response scale (from 1 strongly disagree to S strongly agree). The Cronbach’s \( \alpha \) was 0.84.

Task performance

Task performance scale had five items adapted from Kraimer and Wayne (2004). The sample items included “my subordinate meets performance standards to organizational level of expectations”, and “I am happy with my subordinates technical competence”. The Cronbach’s alpha was 0.975. Five point Likert-type scale ranging from 5 (strongly agree) to 1(strongly disagree) was used.
**Contextual Performance**

Contextual performance was measured with scale developed by Elsenberger, Karagonlar, Stinglhamber, Neves, Becker, Gonzalez-Morales, and Steiger Mueller, (2010). Two items were selected (Cronbach’s α = 0.90) and a 5-point Likert type response format has been used. Sampled item is: “I encourages coworkers to try new and more effective ways of doing their job.”

**Method of data collection**

Questionnaires were distributed on a self-administered manner by the researcher to Fidelity bank employee. Respondents were informed that participation was voluntary and that anonymity would be held in confidence.

**Method of data analysis**

Data were analyzed using the Statistical Package for the Social Sciences (SPSS) version 22 and Smart PLS were used.

**RESULTS**

**Demographic Description of the Respondents**

Table 1 presented the Descriptive Statistics of the respondents. With regards to the Gender, 16 were male while 17 are female. The mean age of the respondents is 30 years while the mean experience is about 6.5 years. The demographic statistics showed that majority has BSC certificate (48.5%).

<table>
<thead>
<tr>
<th>Table 1 Descriptive Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Experience</td>
</tr>
<tr>
<td>Age</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>16</td>
</tr>
<tr>
<td>Female</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Education</strong></th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECONDRY Certificate</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>DIPLOMA</td>
<td>8</td>
<td>24.2</td>
</tr>
<tr>
<td>BSC</td>
<td>16</td>
<td>48.5</td>
</tr>
<tr>
<td>MASTERS</td>
<td>7</td>
<td>21.2</td>
</tr>
<tr>
<td>OTHERS</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>
**Results of the Measurement Models**

In this study, structural equation modeling (SEM) using SmartPLS was used to examine the approximate of the theoretical model (Hair et al., 2013). The justification of using SmartPLS in this study is because of the small sample size (Hair et al., 2013). Individual items reliability is assessed based on the factor loadings (standardized) of individual items on their individual variable. Normally, standardized loadings ought to be at least 0.7. In this study, almost all individual items of the measurement models load above 0.7 on their respective variable. Only four items show loadings marginally below 0.7, but still above 0.6 which deems to be acceptable since they belong to different variable and other loadings of these variables show loadings well above the suggested threshold (Barclay, Higgins, & Thompson, 1995) (Figure 1).

![Figure 4.1](image)

Internal consistency reliability is measured by composite reliability. Chin (1998) recommended a minimum of 0.7 as requirements. Table 2 shows that all variable in this study exhibits adequate levels of internal consistency. With regards to the Convergent validity, Hair et al. (2013) suggested that convergent validity could be determined through composite reliability (CR), loading and average variance extracted (AVE). As reported in Table 2 below were each construct composite reliability (CR) is greater than 0.7 and loading is greater than 0.6 as recommended by Nunnally (1978), Average variance extracted (AVE) is above 0.5 as recommended by Fornell and Larcker (1981) (refer to Table 4.2).
Table 2
Factor loadings, composite reliability and average variance extracted.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Loadings</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contextual Performance</td>
<td>CP1</td>
<td>0.915</td>
<td>0.798</td>
<td>0.667</td>
</tr>
<tr>
<td></td>
<td>CP2</td>
<td>0.705</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Insecurity</td>
<td>JIS1</td>
<td>0.886</td>
<td>0.910</td>
<td>0.718</td>
</tr>
<tr>
<td></td>
<td>JIS2</td>
<td>0.759</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JIS3</td>
<td>0.863</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JIS4</td>
<td>0.876</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task Performance</td>
<td>TP2</td>
<td>0.865</td>
<td>0.855</td>
<td>0.598</td>
</tr>
<tr>
<td></td>
<td>TP3</td>
<td>0.811</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TP4</td>
<td>0.728</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TP5</td>
<td>0.675</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: AVE = Average variance extracted CR = Composite reliability

The HTMT ratio was examined as this criterion is regarded to be a more reliable criterion for evaluating discriminant validity (Henseler, Ringle, & Sarstedt, 2015). The HTMT criterion in this study shows that discriminant validity is achieved. The highest correlation found is between Task Performance and job insecurity 0.825 (refer to Table 3), which is within the conventional yardstick of 0.85 (Henseler et al., 2015).

Table 3
Heterotrait-Monotrait Ratio (HTMT)

<table>
<thead>
<tr>
<th></th>
<th>Contextual Performance</th>
<th>Job Insecurity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contextual Performance</td>
<td></td>
<td>Job Insecurity</td>
</tr>
<tr>
<td>Job Insecurity</td>
<td>0.724</td>
<td></td>
</tr>
<tr>
<td>Task Performance</td>
<td>0.523</td>
<td>0.825</td>
</tr>
</tbody>
</table>

Structural model

To examine the significance of the path coefficients, a bootstrapping procedure was employed using 5000 subsamples (Hair et al., 2013). The model explains 47% of the task performance variance and 27% of contextual performance which indicated by the R2 values (refer to figure 1). The model predictive relevance was assessed using the Stone–Geisser test (Geisser, 1974). The Q2 greater than zero indicate adequate predictive relevance of a model (Geisser, 1974). The results confirm that the Q2 value for the two dependent variables is acceptable (Refer to Table 4). Another important criterion is the effect-size. Cohen (1988) classified effect-size of 0.02, 0.15 and 0.35 as small, medium, large respectively. The effect sizes (f2) in this study shows acceptable range mainly large based on Cohen (1988) classification (refer to Table 5).
Table 4
Construct Crossvalidated Redundancy

<table>
<thead>
<tr>
<th></th>
<th>SSO</th>
<th>SSE</th>
<th>Q² (=1- SSE/SSO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contextual Performance</td>
<td>66.000</td>
<td>56.314</td>
<td>0.147</td>
</tr>
<tr>
<td>Task Performance</td>
<td>132.000</td>
<td>101.408</td>
<td>0.232</td>
</tr>
</tbody>
</table>

Table 5
Effect Sizes

<table>
<thead>
<tr>
<th></th>
<th>Contextual Performance</th>
<th>Task Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Insecurity</td>
<td>0.367</td>
<td>0.878</td>
</tr>
</tbody>
</table>

The findings indicate that a negative relationship exists between Job Insecurity and Contextual Performance ($\beta = -0.518; t = 5.014; p = 0.000$) (refer to Table 6 and Figure 2), thereby supporting Alternate hypothesis. H1i: There is relationship between job insecurity and employee task performance among employee of Fidelity Bank Katsina Branch.

The results also show that a negative relationship exists between Job Insecurity and Task Performance ($\beta = -0.684; t = 12.895; p = 0.000$). Thereby supporting Alternate hypothesis. H12: There is relationship between job insecurity and contextual performance among employee of Fidelity Bank Katsina Branch.

Figure 2

Table 6
Structural model assessment direct effect

| Relationships                  | Beta Value | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|--------------------------------|------------|-----------------------------|----------------|----------|
| Job Insecurity -> Contextual Performance | -0.518     | 0.103                       | 5.014           | 0.000    |
| Job Insecurity -> Task Performance    | -0.684     | 0.087                       | 7.860           | 0.000    |
SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

The purpose of this study was to assess the effect of job insecurity on employee task performance and contextual performance. Two hypotheses were formulated to guide the researcher. The objectives of the study were to: 1. Examine the relationship between job insecurity and employee task performance. 2. Examine the relationship between job insecurity and contextual performance. The report of this study as expected found job insecurity has a significant negative relationship with both task and contextual performance.

Conclusion

Findings suggest that job insecurity has a negative influence on job performance. At that time job insecurity also provoke employee to boost the effort because increase in performance may be perceived as a security against being terminated. Therefore, the managers who think that increase in job insecurity is a beneficial strategy should advise not to ignore negative effect of job insecurity on employee performance.

Job insecurity reduced work attitude which leads to poor performance of the employee. Study oppose job insecurity have direct effect on employee performance and turnover intention. Many theorists assume negative effect on employee performance but it also have positive effect because due to job insecurity employee have fear to lose his job and work with full attention. Organization should have to motivate their employees by increasing their reward system and motivate their employees to remove fear from employee mind. Not only fear of losing the job as a whole (i.e. quantitative job insecurity) influences performance outcomes, but also the fear of losing valued job characteristics like wage or location (i.e. qualitative job insecurity).

Recommendations

1. These results suggest that managers should introduce other ways to increase employees’ satisfaction and commitment in preventing job insecurity from resulting in reduced performance. For example, this can be achieved proving clear organizational communication or by allowing for employees participation.
2. It is crucial that organizations communicate with workers about major changes that may or may not happen: the aim is to reduce perceptions of threat and feelings of loss of control related to the unknown.
3. Implementing interventions or offering positive consequences (e.g., monetary compensation, outplacement service) contingent on performance will prompt employees to maintain or even improve organizational outcomes.
REFERENCES


