JOB INSECURITY AND ORGANIZATIONAL COMMITMENT IN THE TIME OF COVID-19

by

Cori Ferguson

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Approved by:

Timothy J. Huelsman, Ph.D., Thesis Director

David Dickinson, Pd. D., Second Reader

Yalçın Açıkgöz, Ph. D., Second Reader

Jefford Vahlbush, Ph.D., Dean, The Honors College
Abstract

The COVID-19 pandemic had a great impact on the United States in 2020, leaving heightened disease safety measures, government shutdowns, and mass unemployment in its wake. My research aimed to investigate the extent to which service-industry workers experienced economic uncertainty during this time period, and whether or not a resulting feeling of job insecurity affected their job satisfaction or commitment to their organization. I surveyed 133 workers in a franchise wellness sector company, investigating perceived economic uncertainty as well as levels of job insecurity and organizational commitment. I found that economic uncertainty and job insecurity were strongly related. I found that economic uncertainty and organizational commitment (affective and continuance) were not strongly related. This study also investigated the extent to which job insecurity moderated the relationship between economic uncertainty and three outcome variables: affective commitment, continuance commitment, and job satisfaction. Only the moderating effect of the interaction of economic uncertainty and organizational survival insecurity yielded a significant result, such that when employees felt elevated levels of organizational survival insecurity on top of economic uncertainty, their levels of affective commitment were lower.

Key words: COVID-19, Economic uncertainty, Job insecurity, Organizational commitment
Job insecurity and organizational commitment in the time of COVID-19

In 2020, COVID-19 rapidly redefined life across the globe as social distancing, face masks, and shelter-in-place protocols became a new normal. The workforce was particularly transformed by government shutdowns of non-essential business and the resulting economic ramifications. This study intends to investigate the effects of these ramifications on workers in the United States service industry.

The COVID-19 Economy

In assessing the economic impact of the COVID-19 pandemic, Baker, Bloom, Davis, and Terry (2020) looked at the stock market, newspapers, and surveys measuring perceived economic uncertainty in businesses. Their report details the enormity of the shock factor COVID-19 has had on economic uncertainty, comparing the levels of insecurity to those of the 2008-09 financial crisis and the Great Depression of 1929-33. Though it is temporally easier to compare the current economic state of America to that of the 2008-09 recession, Baker et al. (2020) posit that our economic situation is actually much more comparable to the economy during the Great Depression.

Amidst government shutdowns of nonessential business, unemployment claims and economic uncertainty were prevalent during the COVID-19 pandemic. The unemployment rate hovered around 3-4% in February and March before skyrocketing up to 14.7% in April, and dropping down to 6.3-6.7% at the time I surveyed my sample. The current rate in March of 2021 has dropped even lower to 6.0% but still remains elevated from pre-pandemic levels (U.S. Bureau of Labor Statistics, 2021).
These statistics become more harrowing, however, when looking specifically at the service sector, on which my research will focus. The U.S. Bureau of Labor Statistics (2020) found the following for workers in the service industry:

People employed in service occupations were among the most likely to have been unable to work due to the pandemic. Of those employed in July, 1 in 5 service workers were unable to work at some point in the last 4 weeks because of employer closures or cutbacks due to the pandemic. Within service occupations, 33 percent of workers in personal care and service occupations and 24 percent of workers in food preparation and serving related occupations were unable to work because of pandemic-related closures or lost business (U.S. Bureau of Labor Statistics, July 2020).

These findings corroborate and are explained by a report by Fernandes (2020), which projected the service industry and hospitality industries are expected to bear the brunt of the negative economic impact caused by COVID-19. The report details a decline in discretionary spending, which has stalled spending in the service sector. Though consumers may postpone larger purchases in the short term, they will likely follow through with those purchases once the economy has stabilized which would help product-based industries recover. However, it is unlikely that service industries will see this sort of evening out: families will not eat out more to make up for lost meals, and individuals will likely not get their hair cut more frequently to make up for lost haircuts. Because of this, Fernandes (2020) hypothesized that many businesses in the service industry will struggle to recover financially and will therefore be forced to make cuts in personnel.
Economic Uncertainty

A recent poll conducted by ABC News and the *Washington Post*, in an attempt to gauge perceptions of the current economic climate, found that about a third of Americans polled reported job loss for themselves or an immediate family member and 92% of Americans who responded to the poll expect a recession (Langer, 2020). As March turned into April, one survey showed that people (70% of participants) started to hold back from spending money on larger purchases they had previously intended to make, and more and more people (58% of participants) were stockpiling food in preparation for perceived impending economic turmoil (Dietrich, A., Kuester, K., Müller, G. J., & Schoenle, R., 2020).

Due to the tumultuous economic climate, workers are experiencing a certain degree of uncertainty at whether or not they will maintain their jobs throughout the duration of the pandemic. With fluctuating unemployment rates, many workers are finding this harsh reality to be true (U.S. Bureau of Labor Statistics, 2020). One survey found in the month of March that 44% of participants were fearful they would lose their job due to the economic ramifications of the COVID-19 pandemic (Dietrich et al., 2020). In a more recent poll of over 12,000 people in 27 different countries between September and October of 2020, Ipsos found that 54% of workers fear job loss in the upcoming year due to COVID-19. Though this number dips down to 36% when looking specifically at the United States, a third of the U.S. population is no small amount (Ipsos, 2020).

Job Insecurity

Often accompanying times of economic uncertainty is job insecurity, a subjective measure of a worker’s uncertainty about the future of their job (De Witte, 1999). Levels of job insecurity depend heavily on a worker’s perceptions of precariousness in their place of
employment. Unlike actual job loss, which is a contrastingly succinct event, job insecurity presents a prolonged period of apprehension and uncertainty, which often weighs heavily on the worker (Sverke et al., 2002). In fact, job loss can even alleviate the consequences of job insecurity by giving the worker a reprieve from the overarching stress and worry of losing their job (Jacobson, 1991).

Prior to the COVID-19 pandemic, a large portion of the research surrounding job insecurity focused on the consequences of its chronic uncertainty on workers. In the professional setting, job insecurity is associated with a variety of work-related outcomes. In a meta-analytic review of the literature, Sverke et al. (2002) found job insecurity to be moderately, positively associated with turnover intention. Employees who felt uncertain about their future with the company were more likely to want to leave that organization. They also found a moderate, negative correlation with organizational commitment and a strong, negative correlation with organizational trust. Workers who felt that their future with the company was in peril were less likely to trust the organization and were also less likely to stay with that organization and work on its behalf. Finally, they found that job insecurity was strongly, negatively associated with job satisfaction (Sverke et al., 2002). Job satisfaction is defined as whether in the overall evaluation of their job, the employee finds it favorable or unfavorable (Locke, 1976). Employees who had higher levels of job insecurity were, unsurprisingly, less likely to find their current job favorable. However, job satisfaction tends to decline during times of economic crisis or uncertainty, and so this study will attempt to answer the question of what extent job insecurity plays in moderating that relationship between economic uncertainty and job satisfaction (Markovits et al., 2014).

Cheng and Chan (2008) reviewed these connections six years later in a meta-analysis of 133 studies that examined the relationship between job insecurity, job satisfaction, and
organizational commitment among other factors. They found that job insecurity was moderately, negatively correlated with job satisfaction, organizational commitment, and trust. Furthermore, job insecurity was moderately, positively associated with turnover intention, though that relationship was moderated by tenure. Employees who had been with the company longer tended to present with lesser turnover intention than those who had been with the organization for a shorter period of time (Cheng & Chan, 2008). Job insecurity also bleeds into the physiological realm, wreaking havoc on workers’ health. Sverke and associates (2002) found a small effect of job insecurity on physical health, noting that the effect of job insecurity on mental health was much stronger. In a study of 16 European countries, job insecurity was significantly associated with an increased risk of poor physical health in most of the countries studied (Lásló et al., 2010). Job insecurity was also positively correlated with higher levels of stress, anxiety, and worry and negatively with well-being (Cheng & Chan, 2008; Shoss, 2017).

Recent research connecting these ideas to times of economic uncertainty centers mostly around periods of economic recession. Drawing from four years’ worth of national employment data ranging from 1973-1977, Tausig and Fenwick (1999) found that the 1974-1975 economic recession was associated with increased aggregate levels of stress and job insecurity in American workers. Building on this research within the context of the 2008-2009 recession, Frone (2018) examined employees who remained employed with their company throughout the recession and found that, in times of a recession, job and employment insecurity increases while affective commitment decreases. Job insecurity tends to increase in response to the antecedent of rising unemployment and conversely tends to decrease when governments step in to protect workers from job loss in times of economic turmoil (Anderson & Pontusson, 2007). However, the country has yet to experience a serious economic recession resulting from a pandemic, bringing a
special set of circumstances and conditionals to the current economic state resulting from the COVID-19 pandemic (Wilson et al., 2020). Therefore, not only will my research expand on previous research to include additional facets of organizational commitment, the current study will also be among the first to assess levels of job insecurity in a pandemic-induced economic recession.

Organizational Commitment

One possible byproduct of job insecurity is job preservation motivation (Shoss, 2017). This occurs when employees fear losing their job and thus engage in behaviors that would cement their employment status and protect them from job loss. These behaviors take on a variety of forms, whether the employee is adhering to safety guidelines more diligently, making a case for the importance of their job, or staying out of sight and out of mind (Shoss, 2017). This job preservation motivation can also manifest in different types of organizational commitment.

Organizational commitment reflects a person’s intention to stay with an organization and work on its behalf (Meyer & Allen, 1997). It is a measure of the dedication workers feel to their organization (Kivak, 2020). Though many conceptual definitions exist, I will focus on the framework developed by Meyer and Allen (1990) that breaks organizational commitment into three dimensions. Affective commitment refers to the “desire to maintain membership in the organization that develops largely as the result of work experiences that create feelings of comfort and personal competence” (Meyer & Allen, 1991, p. 82). A worker strong in affective commitment regards the organization as a family or community and chooses to stay and contribute to the organization out of a predilection of the organization. Continuance commitment reflects “a need to remain, and results from recognition of the costs (e.g., existence of side bets, lack of alternatives) associated with leaving” (Meyer & Allen, 1991, p. 82-83). A worker with
higher continuance commitment knows that there are few opportunities outside of their current job, and therefore stays engaged with the organization to protect their employment status.

*Normative commitment* involves “an obligation to remain resulting from internalization of a loyalty norm and/or the receipt of favors that require repayment” (Meyer & Allen, 1991, p. 83). A worker who exhibits increased normative commitment stays with the organization out of a sense of duty.

Most of the research to date surrounding organizational commitment and concepts like economic uncertainty, job insecurity, and job satisfaction primarily focuses on one aspect of their framework: affective commitment. For example, when looking at the relationship between the status of the economy and affective commitment, Gelade et al. (2006) compared levels of affective commitment across 49 different countries found no evidence that affective commitment was associated with the strength of the economy. Another study examining levels of affective commitment in seasonal versus part time workers found higher levels of job insecurity in seasonal workers along with lower levels of affective commitment, suggesting a negative relationship between job insecurity and affective commitment (Ünsal-Akıbıyık et al., 2012). And various studies link higher job satisfaction to greater levels of affective commitment (Patrick & Sonia, 2012; Van Scotter, 2000).

Continuance commitment has yet to be studied to the same extent, so while theoretical frameworks of job preservation motivation, like the one mentioned above, line up with the definition of continuance commitment, further research is needed to validate this relationship (Shoss, 2017). My research will expand on this body of literature to look at affective commitment and continuance commitment side by side in an economically tumultuous time period. And while previous research has examined the role of organizational commitment as a
moderating factor of the relationship between job insecurity and turnover intention (Albalawi et al., 2019; Lee & Jeong, 2017), few studies have looked at this relationship in the negative context of a recession. In a time of economic turmoil and job insecurity, I expect to see significant effects on continuance commitment due to a lack of perceived alternatives to a worker’s current job (Meyer & Allen, 1991; Shoss, 2017). I predict levels of affective commitment will remain constant in the face of increased economic uncertainty or job insecurity, as the emotional attachment an employee has to an organization should be unaffected by economic turmoil (Alghamdi, 2018; Gelade et al., 2006). However, there is another possible outcome that predicts levels of affective commitment to decrease, as increased layoffs or job insecurity could present to employees high in affective commitment as a betrayal of the worker-organization relationship (Lee & Jeong, 2017; Tian et al., 2014).

**Purpose**

The current economic crisis caused by the pandemic presents a unique opportunity to examine feelings of job insecurity and organizational commitment immediately in the wake of major furloughs and layoffs. The timing of this research and the unique combination of perceived economic instability, job insecurity, and organizational commitment studied in part-time employees will make a novel contribution to the industrial-organizational psychology and human resource management literature. Additionally, research on organizational commitment rarely differentiates between affective and continuance types of commitment (Meyer & Allen, 1991). This study intends to investigate the relationship between economic uncertainty, as it is perceived by employees, tenure, and employee attitudes including job insecurity, organizational commitment, and job satisfaction.
In looking at these variables, I hypothesize that economic uncertainty will be positively correlated with continuance commitment and negatively correlated with job satisfaction. I hypothesize there will be no relationship between economic uncertainty and affective commitment. However, I predict these relationships will change when a moderating variable is introduced. With the moderating variable of job insecurity, I hypothesize that the positive association between economic uncertainty and continuance commitment will strengthen. I hypothesize that the negative association between economic uncertainty and job satisfaction will strengthen. Similarly, with the moderating variable of job insecurity, I hypothesize that significant, negative associations between economic uncertainty and affective commitment and job satisfaction will emerge.

Secondly, I examine job insecurity as two distinct factors: job loss insecurity and organizational survival insecurity. Research has yet to examine differences between these two components of job insecurity, but previous research shows a moderate, positive relationship between economic uncertainty and overall job insecurity. Thus, I hypothesize that economic uncertainty will be positively correlated with both factors.

Method

Participants

A total of 133 employees (82 women, 36 men, 15 did not answer) at a mid-sized franchise company operating in the preventative wellness industry voluntarily participated in this study between the dates of November 11, 2020 and January 12, 2021. Participants were recruited via messages on the company’s communication app with an initial message and a follow up message roughly one week later. The messages on the communication app were also followed up with a formal recruitment email about two weeks after. Twenty-two participants were removed
from the data set for incomplete responses; 2 Participants did not meet eligibility requirements and were also removed from the data set.

Table 1

Sample Demographics

<table>
<thead>
<tr>
<th>Factor</th>
<th>Counts</th>
<th>Factor</th>
<th>Counts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tenure</strong></td>
<td></td>
<td><strong>Managerial status</strong></td>
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</tr>
<tr>
<td>Less than 1 year</td>
<td>68</td>
<td>Manager</td>
<td>70</td>
</tr>
<tr>
<td>1 year</td>
<td>29</td>
<td>Non-manager</td>
<td>57</td>
</tr>
<tr>
<td>2 years</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 years</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 years</td>
<td>1</td>
<td>Corporate store</td>
<td>57</td>
</tr>
<tr>
<td>5 or more years</td>
<td>3</td>
<td>Franchise store</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Don’t know</td>
<td>8</td>
</tr>
<tr>
<td><strong>Employment status</strong></td>
<td></td>
<td><strong>Geographical location</strong></td>
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</tr>
<tr>
<td>Part-time</td>
<td>30</td>
<td>West</td>
<td>20</td>
</tr>
<tr>
<td>Full-time</td>
<td>98</td>
<td>Midwest</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Southwest</td>
<td>52</td>
</tr>
<tr>
<td><strong>Race/ethnicity</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Asian/ Pacific Islander</td>
<td>7</td>
<td>Northeast</td>
<td>11</td>
</tr>
<tr>
<td>Black/ African American</td>
<td>6</td>
<td>Southeast</td>
<td>38</td>
</tr>
<tr>
<td>Hispanic/ Latinx</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Native American/ Alaskan Native</td>
<td>1</td>
<td>Gender</td>
<td></td>
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<tr>
<td>White/ Caucasian</td>
<td>90</td>
<td>Male</td>
<td>36</td>
</tr>
<tr>
<td>Multiracial/ Biracial</td>
<td>5</td>
<td>Female</td>
<td>82</td>
</tr>
<tr>
<td>Race/ ethnicity not listed</td>
<td>1</td>
<td>Prefer not to answer</td>
<td>10</td>
</tr>
<tr>
<td>Prefer not to answer</td>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Participants**: 133

**Measures**

The survey measured five domains: organizational commitment, perceived economic uncertainty, job insecurity, job satisfaction, and general demographic information. The first page
of the survey contained all research measures in a randomized order, while the second page contained all demographic questions in a set order. For a copy of the survey, see Appendix A.

**Organizational Commitment.** To assess organizational commitment, I drew questions from Allen and Meyer’s (1990) Organizational Commitment Questionnaire. I altered this scale to include questions only from the affective and continuance question sets. As recommended, participants responded on a seven-point Likert-type scale (*Strongly disagree* = 1 to *Strongly agree* = 7). Internal consistency among the subscales used for our study was found to be acceptable, with alpha reliability coefficients of .81 for affective commitment and .72 for continuance commitment.

**Economic Uncertainty.** To measure economic uncertainty, I used three questions from The University of Michigan’s (2015) Survey of Consumers questionnaire. As recommended, participants responded by selecting one of three unique answer choices, and participant response options varied by question. Authors of the instruments provided no information regarding reliability and validity. Internal consistency among the questions used for our study was found to be acceptable, with an alpha reliability coefficient of .45.

**Job Insecurity.** To measure job insecurity, I altered O’Neill and Sevastos’s (2013) Job Insecurity Measure. Drawing from the two subsets of job loss insecurity and organizational survival insecurity, I selected a sample of questions. Participants responded on a seven-point Likert-type scale (*Very inaccurate* = 1 to *Very accurate* = 7). I found internal consistency in these subscales acceptable, with alpha reliability coefficients of .78 for job loss insecurity and .75 for organizational survival insecurity.

**Job Satisfaction.** To measure job satisfaction, I used a single-item measure of job satisfaction from Dolbier et al. (2005). Dolbier et al. (2005) used the correction for attenuation
formula to discover that the measure had a minimum reliability of .73, and a probable reliability measure of .90, acceptable for use in this research. The concurrent validity was established by correlating the single measure with a 15-question measure of job satisfaction, in which the correlation was significantly positive ($r = .82$). Participants responded on a seven-point Likert-type scale (Extremely dissatisfied = 1 to Extremely satisfied = 7).

**Results**

**Descriptive Statistics**

Means, standard deviations, Cronbach’s coefficient alphas, and Pearson correlation coefficients for all study variables are displayed in Table 1. My threshold in evaluating strength of correlations is drawn from work by Funder and Ozer (2019) who posit that a Pearson’s $r$ of 0.1 is weak, 0.2 is moderate, and 0.3 is strong.

Table 2

**Descriptive Statistics and Correlations for Study Variables**

<table>
<thead>
<tr>
<th></th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Uncertainty</td>
<td>1.93</td>
<td>2.97</td>
<td>5.80</td>
<td>5.73</td>
<td>3.84</td>
<td>5.77</td>
</tr>
<tr>
<td>Job Loss Insecurity</td>
<td>.32***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Survival Insecurity</td>
<td>.26**</td>
<td>-.39***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affective Commitment</td>
<td>-.19*</td>
<td>-.30***</td>
<td>.48***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuance Commitment</td>
<td>.01</td>
<td>.25**</td>
<td>-.06</td>
<td>.15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>-.31***</td>
<td>-.42***</td>
<td>.53***</td>
<td>.67***</td>
<td>.01</td>
<td></td>
</tr>
</tbody>
</table>

Note: *p < .05, **p < .01, ***p < .001

**Moderated Multiple Regression Analyses**

I conducted a series of moderated multiple regressions (MMRs), regressing both affective commitment and continuance commitment on economic uncertainty and either job loss insecurity or organizational survival insecurity for Step 1. Step 2 added the economic uncertainty
and insecurity interaction. In total, I conducted 6 separate MMRs (see Tables 2-5 below). The Moderation analysis regressing affective organizational commitment on economic uncertainty, moderated by organizational survival insecurity (Table 2) was the only analysis that yielded statistically significant results in the moderation. The simple slopes plot of this analysis (Figure 1) is included below and showcases the relationships between economic uncertainty and affective commitment for different levels of organizational survival insecurity. The plot showcases the portion of the sample that was one standard deviation (SD) above the mean, the portion that was one standard deviation below the mean, and the portion of the sample that had average levels organization survival insecurity.

Table 3

*Moderation analysis regressing Affective Organizational Commitment on Economic Uncertainty, moderated by Job Loss Insecurity*

<table>
<thead>
<tr>
<th></th>
<th>Constant</th>
<th>B EU</th>
<th>B JLI</th>
<th>B EU \times JLI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Model: ( R^2 = .093, F_{3, 128} = 4.38, p = .006 )</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1: ( \Delta R^2 = .090, \Delta F_{2, 129} = 6.38, p = .002 )</td>
<td>5.75</td>
<td>-.21</td>
<td>-.18**</td>
<td>-</td>
</tr>
<tr>
<td>Step 2: ( \Delta R^2 = .003, \Delta F_{1, 128} = .422, p = .517 )</td>
<td>5.77</td>
<td>-.20</td>
<td>-.17*</td>
<td>-.07</td>
</tr>
</tbody>
</table>

*Note:* *p < .05, **p < .01, ***p < .001

Table 4

*Moderation analysis regressing Affective Organizational Commitment on Economic Uncertainty, moderated by Organizational Survival Insecurity*

<table>
<thead>
<tr>
<th></th>
<th>Constant</th>
<th>B EU</th>
<th>B OSI</th>
<th>B EU \times OSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Model: ( R^2 = .285, F_{3, 127} = 16.9, p = &lt;.001 )</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1: ( \Delta R^2 = .243, \Delta F_{2, 128} = 20.6, p = &lt;.001 )</td>
<td>5.75</td>
<td>-.12</td>
<td>-.45***</td>
<td>-</td>
</tr>
<tr>
<td>Step 2: ( \Delta R^2 = .042, \Delta F_{1, 127} = 7.49, p = .007 )</td>
<td>5.80</td>
<td>-.07</td>
<td>-.39***</td>
<td>-.32**</td>
</tr>
</tbody>
</table>

*Note:* *p < .05, **p < .01, ***p < .001
Figure 1

*Simple Slope Plot of the moderation analysis regressing Affective Organizational Commitment on Economic Uncertainty, moderated by Organizational Survival Insecurity*

Table 5

*Moderation analysis regressing Continuance Organizational Commitment on Economic Uncertainty, moderated by Job Loss Insecurity*

<table>
<thead>
<tr>
<th></th>
<th>Constant</th>
<th>$B_{EU}$</th>
<th>$B_{JLI}$</th>
<th>$B_{EU \times JLI}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Model: $R^2 = .068, F_{3,127} = 3.11, p = .029$</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Step 1: $\Delta R^2 = .067, \Delta F_{2,128} = 4.66, p = .011$</td>
<td>3.85</td>
<td>-.22</td>
<td>.30**</td>
<td></td>
</tr>
<tr>
<td>Step 2: $\Delta R^2 = 5.38e-4, \Delta F_{1,127} = .073, p = .787$</td>
<td>3.84</td>
<td>-.22</td>
<td>.29**</td>
<td>.05</td>
</tr>
</tbody>
</table>

*Note: *p < .05, **p < .01, ***p < .001*

Table 6

*Moderation analysis regressing Continuance Organizational Commitment on Economic Uncertainty, moderated by Organizational Survival Insecurity*

<table>
<thead>
<tr>
<th></th>
<th>Constant</th>
<th>$B_{EU}$</th>
<th>$B_{OSI}$</th>
<th>$B_{EU \times OSI}$</th>
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<tbody>
<tr>
<td>Full Model: $R^2 = .01, F_{3,126} = .404, p = .750$</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1: $\Delta R^2 = .003, \Delta F_{2,127} = .207, p = .813$</td>
<td>3.84</td>
<td>-.01</td>
<td>.08</td>
<td></td>
</tr>
<tr>
<td>Step 2: $\Delta R^2 = .006, \Delta F_{1,126} = .798, p = .373$</td>
<td>3.87</td>
<td>.02</td>
<td>.11</td>
<td>-.18</td>
</tr>
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</table>

*Note: *p < .05, **p < .01, ***p < .001*
Table 7

*Moderation analysis regressing Job Satisfaction on Economic Uncertainty, moderated by Job Loss Insecurity*

<table>
<thead>
<tr>
<th>Step 1: ΔR² = .207, ΔF₁₂₉ = 16.9, p = &lt;.001</th>
<th>Constant</th>
<th>B EU</th>
<th>B JLI</th>
<th>B EU x JLI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2: ΔR² = .006, ΔF₁₁₂ = 1.04, p = .311</td>
<td>5.77</td>
<td>-.42</td>
<td>-.31</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>5.81</td>
<td>-.42</td>
<td>-.29</td>
<td>-.12</td>
</tr>
</tbody>
</table>

*Note: *p < .05, **p < .01, ***p < .001

Table 8

*Moderation analysis regressing Job Satisfaction on Economic Uncertainty, moderated by Organizational Survival Insecurity*

<table>
<thead>
<tr>
<th>Step 1: ΔR² = .312, ΔF₁₂₉ = 29.0, p = &lt;.001</th>
<th>Constant</th>
<th>B EU</th>
<th>B OSI</th>
<th>B EU x OSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2: ΔR² = .011, ΔF₁₁₂ = 1.99, p = .160</td>
<td>5.77</td>
<td>-.39</td>
<td>-.54</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>5.80</td>
<td>-.36</td>
<td>-.50</td>
<td>-.18</td>
</tr>
</tbody>
</table>

*Note: *p < .05, **p < .01, ***p < .001

**Discussion**

My hypotheses centered around three outcome variables: affective organizational commitment, continuance organizational commitment, and job satisfaction. The discussion of the results of these variables is outlined below, but there were a few other notable results to discuss as well.

*Affective organizational commitment*

I hypothesized that there would be no relationship between economic uncertainty and affective commitment. The data did not support my hypothesis that affective commitment would have no notable relationship with economic uncertainty, as the relationship between these variables was moderately negative. This contradicted a previous study that found no relationship between the overall stability of the economy and affective commitment (Gelade et al., 2006). I
initially hypothesized that levels of affective commitment would remain constant throughout an economic recession because emotional attachments to organizations have little to do with economic turmoil (Alghamdi, 2018; Gelade et al., 2006). However, it seems that this study gave credence to the other outcome I predicted: that workers could view the results of higher economic uncertainty (increased layoffs or job insecurity) as a betrayal of the worker-organization relationship (Lee & Jeong, 2017; Tian et al., 2014). In another notable relationship, affective commitment was quite strongly and negatively correlated with job insecurity, similar to previous findings (Patrick & Sonia, 2012; Van Scotter, 2000; Ünsal-Akbiyik et al., 2012). Affective commitment also had a non-significant relationship with continuance commitment, indicating the two variables were measuring completely separate concepts. The replication of these results from a greater body of literature show that the results are not unique to our sample and thus aid in validating my work. Looking at sample means, within our sample, the levels of affective commitment were notably higher than levels of continuance commitment. This could be the result of sampling bias, where employees already high in affective commitment may have felt comfortable enough to contribute positive feedback to the organization. Again, future research should look closely at sample means of commitment to see how, if at all, they differ.

Of the two moderated multiple regressions predicting affective commitment, only the regression of affective organizational commitment on economic uncertainty and organizational survival insecurity yielded a statistically significant moderation effect (see Table 4 and Figure 1). In this analysis, for low and average levels of organizational survival insecurity, economic uncertainty is not associated with affective organizational commitment. Only the slope of the high organizational survival insecurity line was statistically significant. So, for high levels of insecurity, greater levels of uncertainty are associated with lower levels of affective commitment,
as a new, negative relationship between economic uncertainty and affective commitment emerged with the presence of a moderating variable. Further research could investigate the one-sided nature of this moderating effect.

**Continuance organizational commitment**

I hypothesized that economic uncertainty would positively correlate with continuance commitment. However, the data did not support my prediction that economic uncertainty and continuance commitment would be positively correlated, as continuance commitment had a non-significant correlation with economic uncertainty. Continuance commitment did, however, have a moderately positive correlation with job loss insecurity, confirming the theoretical framework of job preservation motivation outlined by Shoss (2018). Notably, the relationship between continuance commitment and organizational survival insecurity was not statistically significant, which lines up with the definition of continuance commitment outlined by Meyer and Allen (1991). Had levels of organizational survival insecurity been high, this would have indicated a worker perception that the company would not survive (i.e., going bankrupt and having to shut down). In this case, levels of continuance commitment would be null because in addition to a lack of outside alternatives for employment, a worker’s current place of employment would no longer be a viable option. Therefore, any increased work performance resulting from their continenence commitment would not yield the desired results of maintaining employment.

Again, the second hypothesis stated that if employees had increased levels of job loss insecurity or organizational survival insecurity in addition to feelings of economic uncertainty, the interaction would strengthen the relationship between economic uncertainty and continuance commitment. The data did not support this hypothesis, however, as none of the MMRs regressing economic uncertainty and insecurity on continuance commitment yielded significant
results. This could be the result of the sample, where organizational survival insecurity was much more prevalent than job insecurity, as is discussed further on in the paper.

*Job satisfaction*

I finally hypothesized that economic uncertainty would positively correlate with job satisfaction. The data supported my hypothesis, as well as previous research (Cheng & Chan, 2008; Markovits et al., 2014), that economic uncertainty would be negatively correlated with job satisfaction. Job satisfaction had a strong, negative correlation with economic uncertainty. This indicates that in our sample high levels of uncertainty about the economy were accompanied by very low levels of job satisfaction. Job satisfaction was also very strongly correlated with job loss insecurity, which again makes sense and mirrors previous research on the relationship (Sverke et al., 2002). However, job satisfaction was strongly, positively correlated with organizational survival insecurity, which contradicts said research and merits further investigation. Job satisfaction was also strongly, positively correlated with affective commitment, once again validating previous research (Patrick & Sonia, 2012; Van Scotter, 2000). Notably, there was no significant relationship with continuance commitment. This parallels previous findings when studying the relationship between job satisfaction and continuance commitment (Ahmad & Oranye, 2010; Kaplan et al., 2012), and further research could examine this relationship specifically.

I also predicted an increase in the strength of the relationship between economic uncertainty when insecurity acted as a moderating variable. I ran two MMRs regressing job satisfaction on economic uncertainty and both insecurity scales and found that neither analysis produced a statistically significant moderation effect. One limitation in this analysis was the nature of our job satisfaction measure. With only a single item, the measure presents a lack of
variance that could have impacted our results. Future research should investigate this moderated relationship with a more comprehensive job satisfaction measure.

*Job insecurity*

In other notable results beyond the three hypothesized outcome variables, the data supported previous research (Cheng & Chan, 2008), that economic uncertainty would be positively correlated with job insecurity, as both subscales had strong, positive correlations with economic uncertainty. I also sought to investigate the differences between the two subscales of job insecurity: job loss insecurity and organizational survival insecurity. I hypothesized that each variable would function similarly to overall job insecurity when correlated with economic uncertainty, and as mentioned above, both variables correlated similarly to economic uncertainty with strong, positive correlations. Job loss insecurity and organizational survival insecurity also both correlated strongly with job insecurity, which is to be expected with three variables that are related but measuring slightly different concepts. However, job loss insecurity and organizational survival insecurity were negatively, strongly correlated, which while initially puzzling is easily explained by contrasting concepts in the questions for the respective measures. In looking at the levels of job insecurity, the average overall level for organizational survival insecurity was more than double the average level of job loss insecurity. This indicates that employees in this organization were much more concerned about the business going under than they were about losing their individual job.

*Limitations and Future Directions*

As mentioned earlier, one limitation this study presents is the lack of variance in the job satisfaction measure, and future research could rectify this by using a more comprehensive measure. Another limitation is the timing of the data collection. Data were collected over a two-
month period from mid-November of 2020 to mid-January of 2021, and this wide range of data collection could present a temporal confound. The elongated data collection period featured varying levels of unemployment and company initiatives, all of which could have impacted levels of economic uncertainty or job insecurity. Additionally, data were collected months after the pandemic started, which could have also impacted levels of perceived economic uncertainty and job insecurity. Thus, future research looking at these concepts during times of economic uncertainty could address these confounds by shortening the data collection period and collecting data closer to the beginning of the event that prompts economic uncertainty. Another possible direction is to take the research down to a smaller scale and focus on the individual through longitudinal research that looks at the relationships over time or more idiographic research that looks within person at how the variables are related over time. There is also the possibility of sampling bias, where only employees who were already high in affective commitment opted to take the survey. Finally, the context of this research is both a strength and a weakness. This study looked at economic uncertainty, job insecurity, and commitment, and satisfaction under the conditions of not just an economic crisis, but a public health crisis as well. However, while the research circumstances are unique, the public health crisis and economic crisis could potentially confound each other. It is imperative to look at the results of this paper not as a replication of previous uncertainty research, but rather as a nuanced extension of the ramifications of a public health crisis.

Conclusion

This research filled a gap in the literature that failed to address the variation in larger concepts like organizational commitment and job insecurity. Learning that these different subscales measure different aspects of these larger variables is an important step in the world of
Industrial-Organizational psychology and Human Resources of pinpointing what is going on with workers and finding solutions to address problems in the workplace. While it may be a while before the next pandemic-induced economic recession, the reality is that an economic recession will happen again soon. And it is important for managers, I-O psychologists, and human resources professionals to understand what their employees are feeling in terms of insecurity and commitment in order to mitigate any negative feelings. Future research in this area has both potential and practical applications and will go a long way in improving the worker-organization relationship in future times of economic uncertainty.
References


Ipsos. (2020, October 19). *Job loss is a concern for half of workers across the world.* Ipsos.


https://doi.org/10.1016/j.ijhm.2014.03.005


https://www.bls.gov/eag/eag.us.htm


Appendix A

Copy of Thesis Survey

Hello, and thank you for your participation!
In collaboration with <your organization>, we are examining your perceptions of the economy and how you feel about your job.

We will ask you to accurately and honestly answer 24 questions; this will take about 3 minutes. This survey is anonymous.

Your participation is completely voluntary, and you may choose not to answer any survey question or stop the survey at any time.

By participating in this study, you acknowledge that you are at least 18 years old, have read the above information, and agree to participate.

If you have questions about this study, you may contact Dr. Tim Huelsman (huelsmantj@appstate.edu) or Cori Ferguson (fergusonce@appstate.edu).

Instructions: You will be presented with a series of questions. Respond to each question using the options provided and your identity will not be revealed or associated with any responses you provide.

JS1 "Taking everything into consideration, how do you feel about your job as a whole?"
   Extremely dissatisfied (1)
   Dissatisfied (2)
   Somewhat dissatisfied (3)
   Neither satisfied nor dissatisfied (4)
   Somewhat satisfied (5)
   Satisfied (6)
   Extremely satisfied (7)

JLI1 The possibility of losing my job occupies my thoughts constantly.
   Very inaccurate (1)
   Inaccurate (2)
   Somewhat inaccurate (3)
   Neither accurate or inaccurate (4)
   Somewhat accurate (5)
   Accurate (6)
   Very accurate (7)
JLI2 No matter how hard I work there is no guarantee that I am going to keep my job.
Very inaccurate (1)
Inaccurate (2)
Somewhat inaccurate (3)
Neither accurate or inaccurate (4)
Somewhat accurate (5)
Accurate (6)
Very accurate (7)

JLI3 The probability of being laid-off is high.
Very inaccurate (1)
Inaccurate (2)
Somewhat inaccurate (3)
Neither accurate or inaccurate (4)
Somewhat accurate (5)
Accurate (6)
Very accurate (7)

OSI1 Senior management is really trying to build this organization and make it successful.
Very inaccurate (7)
Inaccurate (6)
Somewhat inaccurate (5)
Neither accurate or inaccurate (4)
Somewhat accurate (3)
Accurate (2)
Very accurate (1)

OSI2 Management appears to be preparing in advance and planning for the future.
Very inaccurate (7)
Inaccurate (6)
Somewhat inaccurate (5)
Neither accurate or inaccurate (4)
Somewhat accurate (3)
Accurate (2)
Very accurate (1)

OSI3 This organization seems to have clear goals and a definite strategy for achieving them.
Very inaccurate (7)
Inaccurate (6)
Somewhat inaccurate (5)
Neither accurate or inaccurate (4)
Somewhat accurate (3)
Accurate (2)
Very accurate (1)
AOC1 I feel 'emotionally attached' to this organization.
   Strongly disagree (1)
   Disagree (2)
   Somewhat disagree (3)
   Neither agree nor disagree (4)
   Somewhat agree (5)
   Agree (6)
   Strongly agree (7)

AOC2 This organization has a great deal of personal meaning for me.
   Strongly disagree (1)
   Disagree (2)
   Somewhat disagree (3)
   Neither agree nor disagree (4)
   Somewhat agree (5)
   Agree (6)
   Strongly agree (7)

AOC3 I feel a strong sense of belonging to my organization
   Strongly disagree (1)
   Disagree (2)
   Somewhat disagree (3)
   Neither agree nor disagree (4)
   Somewhat agree (5)
   Agree (6)
   Strongly agree (7)

COC1 Right now, staying with my organization is a matter of necessity as much as desire.
   Strongly disagree (1)
   Disagree (2)
   Somewhat disagree (3)
   Neither agree nor disagree (4)
   Somewhat agree (5)
   Agree (6)
   Strongly agree (7)

COC2 I feel that I have too few options to consider leaving this organization
   Strongly disagree (1)
   Disagree (2)
   Somewhat disagree (3)
   Neither agree nor disagree (4)
   Somewhat agree (5)
   Agree (6)
   Strongly agree (7)
COC3 One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.
  Strongly disagree (1)
  Disagree (2)
  Somewhat disagree (3)
  Neither agree nor disagree (4)
  Somewhat agree (5)
  Agree (6)
  Strongly agree (7)

EU1 Would you say that at the present time business conditions are better or worse than they were a year ago?
  Better now (1)
  About the same (2)
  Worse now (3)

EU2 A year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?
  Better a year from now (1)
  About the same (2)
  Worse a year from now (3)

EU3 Regarding people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?
  More unemployment (3)
  About the same (2)
  Less unemployment (1)

demo1 How long have you been working for <your organization>?
  less than a year (1)
  1 year (2)
  2 years (3)
  3 years (4)
  4 years (5)
  5 or more years (6)

demo2 What is your employment status at <your organization>?
  Part-time employee (1)
  Full-time employee (40 hrs/week) (2)

demo4 What is your position at <your organization>?
  Manager (1)
  Non-managerial Employee (2)
demo5 Do you work at a corporate or franchise store?
   Corporate store (1)
   Franchise store (2)
   I do not know (3)

demo6 In what region do you work?
   West (AZ, CA, CO, ID, OR, UT, WA) (1)
   Midwest (IL, KS, MI, MN, MO, OH) (2)
   Southwest (AR, OK, TX) (3)
   Northeast (CT, MA, NJ, NY, PA) (4)
   Southeast (FL, GA, MD, NC, SC, TN, VA) (5)

demo7 What is your gender?
   Male (1)
   Female (2)
   Non-binary (3)
   Prefer not to answer (4)

demo8 Which of the following best describes you?
   Asian or Pacific Islander (1)
   Black or African American (2)
   Hispanic or Latinx (3)
   Native American or Alaskan Native (4)
   White or Caucasian (5)
   Multiracial or Biracial (6)
   A race/ethnicity not listed here (7)
   Prefer not to answer (8)