

Derived Effects of Management of Globalization on Job Insecurity: A Multilevel Study

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BACKGROUND

This study focuses on the relationships between globalization, dynamic capability management and job insecurity among Danish companies and employees during the height of the financial crisis. The basis for our analyses is the assumption that the pace in which the economy is globalized has accelerated exposing companies to an increasing transition pressure.

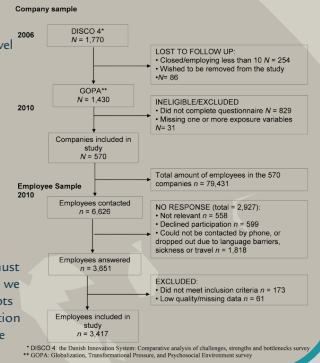
Economies like the Danish where companies largely operate within relatively traditional product areas with a limited market growth especially stress the ability to respond to market signals via organizational flexibility. Implementation of organizational changes and learning organization to make companies more flexible are management initiatives to alleviate the pressures of globalization. However, we propose that they may also be associated with increase in job insecurity.

We analyze for associations between job insecurity and globalization both directly as external conditions and indirectly through companies' management efforts to respond to transformational pressure and fluctuation in world economy.

SAMPLE & STATISTICS

Statistical Analyses: Due to the multilevel structure of the data, we used linear regression mode based on generalized estimating equations (GEE) allowing for correlated measurement errors within companies (exchangeable correlation structure). In the GEE analyses we assumed a Gaussian error with an exchangeable correlation structure, i.e. all observation within each company are equally correlated.

Due to the theoretical construction of our variables, and large span across industry types and company sizes in our sample, the results must be regarded as primarily explorative. Therefore, we have chosen to present the results in forest plots as the confidence intervals, and generally direction of the association are more important, than the actual point estimate in this regard



VARIABLES

Outcome: Job insecurity

Job insecurity was measured using three items from the Copenhagen Psychosocial Questionnaire (Pejtersen 2010) and two questions specifically designed for this study. The job insecurity scale goes from 0-100, with 0 representing the highest degree of job insecurity. The medium job Insecurity was 75 (interquartile range 60-90).

Exposure: Globalization & management

The management questionnaire was inspired by questions used in the OECD's Oslo Manual (1997) and the MEADOW guidelines (2010). Response categories were formulated as bipolar Likert rating scales. A theory-driven approach was used to generate the indicators. 4 globalization variables and 10 management variables were generated as presented in the correlation matrix.

CONCLUSION

The most consistent findings across all models is that national collaboration has a beneficial effect on job insecurity and numerical flexibility has a negative effect on job insecurity. The rest of the results imply a larger degree of situational complexity in the possible association to job insecurity. Other types of management aimed at alleviating the effects of globalization may be associated with job insecurity; however, these effects are not consistent across industry type and company size. The fact that we find overall associations between management of globalization and job insecurity validates the need for further studies, yet the impact of industry type and company size should be taken into account as our results indicate that these variables differentiate the associations considerably.

RESULTS

Distribution

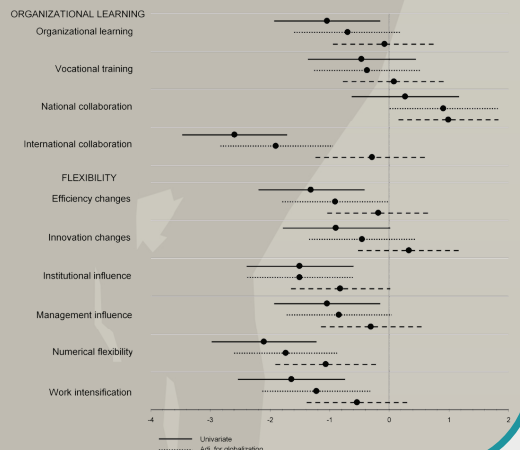
	Small (<50)		Company size				Large (100+)		Total	
	Companies	Employees	Companies	Employees	Companies	Employees	Companies	Employees	Companies	Employees
1. Industry, quarrying and supply	59 (27)	327 (28)	48 (32)	302 (32)	84 (42)	585 (44)	191 (34)	1,214 (36)		
2. Construction and maintenance	28 (13)	122 (10)	16 (11)	84 (9)	16 (8)	91 (7)	60 (11)	297 (9)		
3. Trade and transport	94 (43)	494 (42)	45 (30)	264 (28)	52 (26)	321 (24)	191 (34)	1,079 (32)		
4. Information, communication, finance and insurance	10 (5)	61 (5)	20 (13)	138 (15)	21 (10)	151 (11)	51 (9)	350 (10)		
5. Real estate, rental business, service and other	27 (12)	162 (14)	22 (15)	148 (16)	28 (14)	167 (13)	77 (14)	477 (14)		
Total	218 (100)	1,166 (100)	151 (100)	936 (100)	201 (100)	1,315 (100)	570 (100)	3,417 (100)		

Correlations

Variables	Globalization				Learning Organization				Flexibility					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Competition	1													
2. Liberalization	.43***	1												
3. Technology	.43***	.42***	1											
4. Market conditions	.26***	.15*	.04	1										
5. Organizational learning	.21***	.16*	.24***	.01	1									
6. Vocational training	.06	.07	.20***	.03	.48***	1								
7. National collaboration	.20***	.15*	.22***	.06	.20***	.23***	1							
8. International collaboration	.35***	.34***	.22***	.15*	.26***	.16*	.30***	1						
9. Efficiency changes	.18***	.04	.16*	.08	.38***	.29***	.21***	.20***	1					
10. Innovation changes	.19***	.08	.18**	.09	.40***	.30***	.22***	.28***	.82***	1				
11. Institutional influence	.02	.15*	.10	-.03	.28***	.24***	.12	.12	.14	.17**	1			
12. Management influence	.14*	.07	.19***	.00	.42***	.37***	.12	.20***	.32***	.35***	.30***	1		
13. Numerical flexibility	.16**	.09	.15*	.08	.35***	.29***	.14	.15*	.27***	.22***	.23***	.23***	1	
14. Work intensification	.20***	.10	.20***	.11	.30***	.26***	.16**	.22***	.33***	.34***	.13	.30***	.25***	1

Note: N = 570; *p<.05. **p<.01. ***p<.001. Bonferroni adjusted.

GEE coefficients



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