

A theoretical assessment of causes of job insecurity in the construction industry

Lerato Mathebula^a, Mulenga Mukuka^b, Clinton Aigbavboa^{c*} and Wellington Thwala^d

Department of Construction Management and Quantity Surveying, University of Johannesburg, Johannesburg, 2028, South Africa

Abstract

The construction industry has been dealing with drastic changes over the past years, changes that result in a number of negative consequences one of them being job insecurity. These changes concern issues such as increased economic dependency between countries, rapidly changing consumer markets and escalated demands for flexibility within as well as between organisations. However, it is an organisations' responsibility to manage the changes accordingly to avoid issues such as job insecurity. Hence this paper theoretically discusses job insecurity in the construction industry. The study was conducted with reference to existing theoretical literature, published and unpublished research. The study is mainly a literature review/survey on job insecurity in the construction industry. Literature revealed that employment downsizing, financial crisis, lack of experience and training, technological changes, racism, gender and lack of education were the major causes of job insecurity in the construction industry. The current study is a theoretical assessment of job insecurity in the construction industry and the study contributes to the body of knowledge on the subject of job insecurity in the construction industry.

Keywords: Insecurity; job insecurity, construction industry, South Africa

1. Introduction

The construction industry has been dealing with drastic changes over the past years, changes that result in a number of negative consequences one of them being job insecurity. These changes concern issues such as increased economic dependency between countries, rapidly changing consumer markets and escalated demands for flexibility within as well as between organisations (Sverke, Hellgren and Naswall, 2006). However, it is an organisations' responsibility to manage the changes accordingly to avoid issues such as job insecurity. Job insecurity in the construction industry can be defined as being uncertain about your employment status due to a number of reasons in a construction company. Jobs in the construction industry and related sectors have fallen relative to other industries, resulting in high unemployment and idle capacity (Construction Industry Employment Trends, 2011). Job insecurity can be defined as the fear of losing your current potential job, due to a number of reasons within the company or organisation in which you are employed. Landsbergis, Grzywacz & LaMontagne (2012) further states that job insecurity can be defined as a psychosocial stressor at the job level, caused by employment conditions and work organisation, and reflecting a worker's perceptions of fear of loss or job instability. This study adopts the definition by De Witte, De Cuyper, Vander Elst, Vanbelle and Niesen, (2012) which states that job insecurity implies discrepancy between what workers wish for (security about the future of their present employment) and what they "get" (the perception that the present job is insecure). Therefore, this study is a theoretical evaluation of the causes of job insecurity in the construction industry.

* Corresponding author. Tel.: +27-11-559-6398; fax: +27-11-559-6630.
E-mail address: caigbavboa@uj.ac.za

2. Causes of Job insecurity in the construction Industry

2.1 *Employment Downsizing*

The most commonly used tactics in reorganisations is the practice of downsizing (Sverke, Hellgren & Näswall, 2006). Richtner and Ahlstrom (2006:1) further states that companies implementing a downsizing strategy aiming at increasing cost efficiency and operational effectiveness may face the fact that their innovative ability is hampered. Due to the tight schedule and budget in most local construction companies it is expected of one to worry about their employment status once the word “downsizing” starts flying around. Employment downsizing has become a fact of working life as companies struggle to cut costs and adapt to changing market demands (Leung, 2009: 1). More downsizing is not always the solution to controlling job insecurity (Jeon and Shapiro, 2007:2). The construction industry also facilitate downsizing as a coping strategy, Construction Employment Industry Trends (2011:4) state that the construction industry facilitates downsizing when demand falls, but also allows rapid expansion during recovery.

2.2 *Financial Crisis*

Martinez, De Cuyper & De Witte (2010) states that job insecurity can be the economic situation in the country, a downsizing, and outsourcing in the company or changes in the organisational structure. Financial crisis in a company or an organisation is the worst threat of having to cut down costs due to loss of financial assets, which includes cutting down employees. When the country’s economic situation at certain moment changes the industry can get in a more “unsteady” position and then it becomes more likely that the workers face the possibility of losing their jobs or valued features (Martinez et al. 2010). With help from other companies or organisations most financial crisis are dealt with. However, it becomes devastating when the crisis is globally. These global changes have called for alterations in organisations and organisational practices in order for companies to be able to survive in this new context with increased competitiveness (Ritcher, 2011). The global financial economic crisis triggered sharp output contractions in almost all the industrialized economies in 2008 for the first time in the post Second World War era. This has a negative effect on the increasing number of job insecurity worldwide. The increased job insecurity due to recession has resulted in sustained and devastating impacts on individuals, families, households and their communities.

2.3 *Technological Changes*

Accelerating use and demand of technology is making life more effective, time consuming, money saving and creating efficiency in construction companies. Within industries, occupations, and education groups, computerisation is associated with reduced labour input of routine manual and routine cognitive tasks and increased labour input of non- routine cognitive tasks (David, Levy and Murnane, 2003). Technology will never replace man, moreover its use makes the need for man less demanding which can lead to employee cut offs. Increases in the productivity resulting from the investment in new technology induced firms to respond to periods of weak demand by firing workers as soon as they did not need them (Nikolaou, Theodossio and Vasileiou, 2005). Technological advances make it easier to take on specific job tasks, which simply means less workers are needed for the relevant task or responsibility. Recent economic and technological changes have reduced labour market frictions and thus made it easier for firms and workers to search for, and contract with alternative trading partners (Matouscheck, Ramezzanal and Nicoud, 2003).

Technological advancement and environmental or political legal changes and policies enable the companies to move in the direction routed by changing environment of the new era (Thomson, 2009). Thomson (2009) further adds that with rapid advances in information

technology and acute resources constraints across the globe, the business world has become more complex and fluid in recent times. It becomes challenging for people who are less technological advanced to take on some responsibilities. During the last decade a growing number of commentators in the public media have argued that recent economic and technological developments, such as increased international competition, labour market deregulation and the rise of internet, have increased job insecurity in developed countries and have thereby made some groups in society worse off (Matouschek, Ramezzana and Nicoud, 2003).

2.4 *Racism*

Much legislation has been passed, and many corporations now have explicit emphasis placed on the value of diversity (Batool and Batool, 2012). Despite decades of democracy in South Africa there still is unfairness with regard to skin colour on our construction site which particularly leaves one with unanswered questions about their position and growth at work. As diversity is a potential breeding ground for racism, organizations should strive to educate themselves on what racism entails and how to prevent it (Batool and Batool, 2012). The construction industry is perceived as a relatively low- status industry with hard working conditions, strictly defined working hours and a persisting “laddish” culture in a white, male-dominated environment (Caplan, Aujla, Prose and Jackson, 2009).

2.5 *Gender*

With all the difficulties experienced by women in construction it makes it challenging to stay positive and motivated at work, considering all the limited opportunities of growth or even keeping their jobs for longer periods. Women are under- represented in all construction occupations and professions (Sang and Powell, 2012). It is further alleged that women have access to fewer good- quality jobs within the formal economy than men and usually get more precarious work, such as domestic service and other care work. However, for the most part, men in developed economies have fared worse than women, as they are concentrated in those sectors most seriously affected by job insecurity particularly construction and the manufacture of durable goods. Men also experience job insecurity in relation to their gender, Sverke et al. (2006) adds that traditional values may prompt men to experience higher levels of job insecurity than women, since this role traditionally requires the man to be the breadwinner of the family. Men would then tend to be more vulnerable to the threat of job loss as it would not only threaten their source of income, but also their identity to a higher degree than it would for women (Sverke et al. 2006).

Perceived as male dominated industry

Women who work in male dominated occupations face challenges that differ from those who work in more gender- balanced and female- dominated occupations, these challenges affect their retention and career success (Martin and Barnard, 2013). There are individuals who still believe that some occupations are gender orientated. Martin and Barnard (2013) add that the challenges women face in attempting to penetrate successfully and persevere in historically male- dominated work environments emanate from traditional gender hierarchies and norms that prevail in the family and society. It is believed that organisations need to legitimise women’s characteristics, natural behaviours and values, and give them a platform in order to level the playing field for both genders (Martin and Barnard, 2013). Every employee should be given a fair chance at work despite their gender. South African research on gender issues at work from a woman’s perspective have studied specific pre- defined phenomena like: the life- role construction of career orientated women (Martin and Barnard, 2013). Another challenge to women who pursue success in male- dominated occupations relates to characteristics male- type behaviour expectations distinct to these occupations (Martin and Barnard, 2013).

2.6 *Lack of Experience and Training*

Less or minimum contribution to a workers' role in a construction project as a team member will constitute to low production, one needs to be aware of the new standards and effective ways of performing their tasks. Batool and Batool (2012) state that successful and effective job trainings largely impact the productivity of employees during their present jobs. Factors as the level of professional development, age, etc might influence the perception the workers have about the events of job insecurity (Martinez et al. 2010). It is a challenge to get a new job with no experience or some sort of training hence higher concern of job insecurity, Sverke et al. (2006) states that it is nevertheless reasonable that an individual who feels that she could easily obtain a new job does not react as negatively to job insecurity perceptions as someone who feels she is unable to acquire new employment. The major purpose of training is to upgrade the employee's abilities to cope with specific situations and performance of various specific situations and performance of various specific tasks with a certain level of simplicity (Olofsson and Rashid, 2009).

Organisations are facing problems of staff turnover, due to lack of motivation and low employee's satisfaction level, these two factors could be addressed through extending opportunities of learning, developing and importing on- hand training and workforce experience (Batool and Batool, 2012). Training keeps an employee in line with the new systems or new ways of performing their tasks, at the same time gaining experience. Employee training also gives one confidence in their work and keeps them motivated. The modes and methods of training have begun to differ from the past and new techniques are being approached in the present, training is becoming more hands- on in order to make it more practical for the employees (Batool and Batool, 2012).

2.7 *Lack of education*

The highly educated employees can understand the situation and assess it positively as they possess persistence, rationality and thinking power (Sageer, Rafat and Agarwal, 2012). Furthermore, an uneducated employee will start panicking due to less knowledge of what the organisation is experiencing. Hence, the basic assumption is that subjective expected job insecurity influence risk perception, people with a less secure employment situation will perceive risks as comparably higher than people with a more secure employment situation, regardless of gender and ethnicity (Olofsson and Rashid, 2009). Lower status jobs are often also associated with lower levels of education, resulting in fewer coping strategies (Sverke et al. 2006). Having the right skills is also important, Sverke et al. (2006), further adds that organisational strivings for functional and numerical flexibility have resulted in demands for new type of skills as well as in changes in employment contracts.

Learning ability and education shall be given importance upon selection of employees (Batool et al. 2012). Qualifications guarantees employees a better chance of being selected for a job position. New technology- learning methods are arising due to modern-day revolutionisation in the economic, labour and technological world of workforce (Batool et al. 2012). Batool et al. (2012) further adds that apart from the basic theories, skills such as critical thinking, information assessment, drawing up work- plans and coordination of resources have risen on the demand graph for future trainees. Education also increases and facilitates workers, and thus lead towards success and continues betterment in business (Batool et al. 2012:63).

3. Methodology

The research was conducted with reference to existing theoretical literature, published and unpublished literatures. The study is mainly a literature survey/review and looks at the literatures relating job insecurity in the construction industry. This is because the concept of job insecurity in the construction industry has attracted much attention in recent years and that public and private sectors, researchers and research bodies, be it corporate or government who

wish to find measures of mitigating job insecurities should start with an understating of their causes. The current methodology falls within the qualitative research methodology.

4. Lesson learnt

The consequences related to job insecurity cover a broad spectrum including illness and poor well-being as well as negative job attitudes and undesirable behaviour. The growth and success of an organisation is reliant on the type of workers involved in the organisation and their ability to perform at their level best, with no uncertainties about their job. These consequences may directly affect the productivity and the development of the organisation, not only because workers might reduce their performance but also because valuable workers may take a drastic decision and look for other jobs with better prospects. The study further, revealed that the construction industry has been dealing with a number of changes in the past years which concern issues such as increased economic dependency between countries, rapidly changing consumer markets and escalated demands for flexibility within as well as between organisations which lead to job insecurities in the industry. Furthermore, literature showed that employment downsizing, financial crisis, lack of experience and training, technological changes, racism, gender and lack of education were the major causes of job insecurity in the construction industry.

5. Conclusion

The current study examined literature relating to job insecurity in the construction industry. Literature showed that jobs in the construction industry and related sectors have fallen relative to other industries leading to job insecurities in the industry. Job insecurity brings about great concern in the construction industry which affects the workers negatively. The study further revealed that employment downsizing, financial crisis, lack of experience and training, technological changes, racism, gender and lack of education were the major causes of job insecurity in the construction industry.

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