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**Job insecurity, employee anxiety, and commitment: the moderating role of collective trust in management**

**Abstract**

This article examines the moderating effect of collective trust in management on the relation between job insecurity (both objective and subjective) and employee outcomes (work-related anxiety and organisational commitment). This is contextualized in the modern British workplace which has seen increased employment insecurity and widespread cynicism. We use matched employer-employee data extracted from the British Workplace Employment Relations Survey (WERS) 2011, which includes over 16,000 employees from more than 1,100 organizations. The multilevel analyses confirm that objective job insecurity (loss of important elements of a job such as cuts in pay, overtime, training, and working hours) are significantly correlated with high levels of work-related anxiety and lower levels of organizational commitment. These correlations are partially mediated by subjective job insecurity (perception of possible job loss). More importantly, collective trust in management (a consensus of management being reliable, honest and fair) significantly attenuates the negative impact of objective job insecurity on organizational commitment, and reduces the impact of subjective job insecurity on work-related anxiety. Theoretical and practical implications and limitations of these effects are discussed.

**Keywords:** job insecurity; employee anxiety; collective trust in management; organisational commitment; multilevel analysis

## **INTRODUCTION**

Workers increasingly feel job insecurity at most workplaces in the UK due to a combination of the 2008 economic crisis and subsequent long recession, shifts in technology that are creating new, while destroying old jobs, and the rapid deployment of casual employment contracts across the skill spectrum. Such insecurity is born out of both experiencing actual loss of parts of the job and from expectations of future job loss, and can result in greater levels of stress, reduced organisational commitment, and an overall reduction in worker performance. We seek to show that this tendency can be partly offset if, and only if, there is collective, as opposed to individual, employee trust in management.

Job insecurity has been theoretically and empirically tested as a stressor rather than as a motivator (for a review see De Witte, 2005; Sverke, Hellgren, & Näswall, 2006). However, the actual relationship between job insecurity on employee attitudes and behaviour has been empirically found to vary across studies, with significant negative, little or even positive relation (Furaker & Berglund, 2014; Hellgren, Sverke, & Isaksson, 1999; Loi, Ngo, Zhang, & Lau, 2011; Staufenbiel & König, 2010; Wong, Wong, Ngo, & Lui, 2005). Our argument is that genuine job insecurity leads to anxiety, distress, and ultimately impacts on workers' performance. The above controversial findings are partly due to the subjective job insecurity measurement used, which was found to be shaped by personal traits, types of contract, and work environments (De Witte, 2005; Lam, Liang, Ashford, & Lee, 2015). We endeavor to screen subjective 'noises' out through distinguishing objective job insecurity (real experiences of loss of job elements) from subjective job insecurity (perceptions of potential job loss).

Such differentiations allow us to disentangle the effect of job insecurity by nature (objective or subjective) and on that basis; we can explore organisational practices which may attenuate its negative impact on employee outcomes. Drawing on trust literature insights from both employment relations (Grey & Garsten, 2001) and the psychology of trust (Dirks & Ferrin, 2001), we examine the effect of Collective Trust in Management (CTM), a consensus of members of staff which reflects organizational management practices, on the relationship between job insecurity and employee outcomes. Methodologically, we follow an alternative approach that consists of aggregating individual perceptions of trust in management (Alfes, Shantz, & Truss, 2012; Innocenti, Pilati, & Peluso, 2011). Consistent ratings on management among employees reflect a value or principle of organizing (McEvily, Perrone, & Zaheer, 2003) and represent workplace practices (Kuenzi & Schminke, 2009), which is a property of an organization and can be used to differentiate organizations (Schreurs, Guenter, van Emmerik, Notelaers, & Schumacher, 2015). This study therefore expands the research into group level

trust within the organizational context (Dirks & Ferrin, 2001; Fulmer & Gelfand, 2012; Siebert, Martin, Bozic, & Bocherty, 2015).

This current study is located in the UK at a time when one in seven British workers has been laid-off since the 2008 economic crash (Peacock, 2013). These proposed relationships were tested with matched employee-employer data compiled from the British Workplace Employment Relations Survey (WERS) 2011. This is a national representative data set that has been designed to monitor employment relations in the UK since 1980 (Lai, Sarikakis, Blackburn, & Johnstone, 2015). The rest of the paper is organized as follows: first we present a review of job insecurity and employee outcomes before discussing the potential moderator of collective trust in management. There is then a description of the research methods before we present our empirical findings. Finally we discuss our findings, noting their theoretical and practical implications.

### **JOB INSECURITY, WORK RELATED ANXIETY, AND ORGANIZATIONAL COMMITMENT**

Most job insecurity studies have focused on a subjective perception of job loss resulting from the threatening objective conditions in which people work, such as organisational downsizing and the prevalence of 'flexible' contracts (Ashford, Lee & Bobko, 1989; De Witte, 2005; Ellonen & Nätti, 2013; Keim, Landis, Pierce, & Earnest, 2014; Wang & Heyes, 2017). Hidden job insecurity has been overlooked although recognized (Greenhalgh & Rosenblatt, 1984) as the loss of 'valued job features' at the workplace. In spite of a lack of consensus on what are regarded as 'valued job features', researchers have generally agreed that deterioration in working conditions and pay are among core elements (Gallie, Felstead, Green, & Inanc, 2017; Sverke et al., 2006). For example Hellgren et al. (1999) developed the construct of qualitative job insecurity, that is to say, losing important aspects of one's job, in order to distinguish from subjective (quantitative) perception of job loss. The term job status insecurity has also been used to emphasize the perception of loss of core elements of a job (Gallie et al., 2017). Based on these extant literatures, the present study further develops objective job insecurity as the actual personal experience of losing important aspects of one's job: reduction in pay, working hours, overtime and training. Meanwhile, subjective job insecurity is also included to measure the *perceived* continuity (security) of the current job (Heany, Israel, & House, 1994, p.243).

According to mainstream HRM accounts there are positive links between engaged, highly-committed workers and high levels of organizational performance (Marchington, Wilkinson, Donnelly, & Kynighou, 2016; Truss, Mankin, & Kellinher, 2012). As a result, conventional wisdom is that subjective job insecurity is positively associated with work-based anxiety (Blom, Richter, Hallsten, & Svedberg, 2015; De Witte, De Cuyper, Handaja; Hellgren, Sverke, & Isaksson,

2010; Erlinghagen, 2008). It has been assumed that job insecurity delivers lower levels of organizational commitment and other negative attitudes towards work and the workplace (Ashford et al., 1989). However, contrary to these general beliefs, empirical studies have shown differing results. For example, Hellgren et al. (1999) found that both qualitative and quantitative subjective insecurity have no impact on job satisfaction and turnover intention when controlled for affectivity. A few studies even show a positive relationship between subjective job insecurity and organizational citizenship behavior (Furaker & Berglund, 2014; Wong, et al., 2005). Two possible reasons were proposed that may explain such apparently contradictory findings: firstly, job insecurity is predominately researched as a subjective perception in which personal traits (locus of control and negative affectivity) were found to play a significant part in the reported job insecurity instead of an adverse objective situation (decreased organizational profit report) (De Witte, 2005). Secondly, the popular definition used originated from Greenhalgh and Rosenblatt (1984, p.440), 'the perceived powerlessness to maintain the desired continuity in a threatened job situation', and may not apply with equal conviction to survey participants (Lam, et al., 2015). That is to say that a job insecurity event may not exist when surveyed, or that participants may voluntarily choose a temporary job which suits their present situation but which involves permanent feelings of powerlessness.

Nearly four million workers in the UK have been made redundant since the 2008 financial crash and subsequent long recession (Peacock, 2013). This makes the threat to job security a particularly compelling and timely focus of study. There is an additional threat for those still in work in the form of losing valued features of their jobs (Gallie, et al., 2017). Since 2009 two-thirds of employees have experienced a pay freeze (Gammell, 2012), and there have also been widespread reductions in overtime pay, working hours, training, non-wage benefits, and other terms and conditions of employment (Wang & Seifert, 2017). This has been made worse by the fact that some employees have been forced into debt as a consequence of enduring a pay freeze since 2008 (PSE, 2016). Job survivors have to do more with fewer resources (Burke & Cooper, 2002), and once exposed to downsizing, more cuts in job features tend to follow, triggering constant stress that is argued to have caused increasing reports of mental health problems (Klug, 2017, p.3). These 'sacrifices' have been empirically found to negatively correlate with employees' work attitudes, such as job satisfaction and organisational commitment leading to, *inter alia*, increased absenteeism and poor performance (Brown, Gray, McHardy, & Taylor, 2015). Redundancy and cost-cutting measures can be seen as intentional and deliberate (Cameron, Freeman, & Mishra, 1991). We therefore conjecture that:-

**Hypothesis 1a:** Objective job insecurity is positively correlated with work-related anxiety

**Hypothesis 1b:** Objective job insecurity is negatively correlated with organisational commitment

Subjective job insecurity is a perceptual phenomenon that varies in intensity even when employees are confronted by identical job threats (Greenhalgh & Rosenblatt, 1984; Hartley, Jacobson, Klandermans, & van Vuuren, 1991), and, as has been noted, is determined by personal, job, and organizational realities (Ashford et al., 1989). There is convincing evidence that the locus of control and negative affectivity are correlated with perceived job insecurity (for a review, see Sverke et al., 2006). Objective job insecurity, on the other hand, is the experience of losing valued elements of a job, and will therefore be positively correlated with subjective evaluations of job loss. In addition, since subjective job insecurity is determined by personal, work and other unobservable factors, when subjective job insecurity is included, it will reduce the impact of objective job insecurity on work-related attitudes. This leads to our Hypothesis 2.

**Hypothesis 2a:** Subjective job insecurity will partially mediate the relationships between objective job insecurity and work-related anxiety

**Hypothesis 2b:** Subjective job insecurity will partially mediate the relationships between objective job insecurity and organizational commitment

### **COLLECTIVE TRUST IN MANAGEMENT, JOB INSECURITY AND EMPLOYEE OUTCOMES**

Gould-Williams and Davies (2005) state that trust is an essential element of any positive exchange relationship and a necessary prerequisite for interaction in the face of uncertainty and vulnerability. This particularly matters when employees face job insecurity due to the power imbalance between management and employees. However, extant studies have revealed that the direct effect of trust on attitudinal outcomes is marginal and inconsistent (Dirks & Ferrin, 2002). A few moderating effect studies have focused on personal trust in supervisors. Investigations into the micro-level interactions between individual employees and their line managers are potentially problematic. First, supervisors act within a multilevel organizational context, their actions are permitted by the organizational setting; without understanding the organizational level of trust, investigations into the micro-level interactions between individual employees and their line managers are therefore rootless and unrealistic (Seibert, Martin, Bozic, & Docherty, 2015). Second, the assumption of equal power between workers and managers does not reflect the reality of the employment relationship (Seibert, et al., 2015). Instead the employment relationship is predicated on the principles of command and subordination (Kahn-Freund, 1954; Wedderburn, 1986), as this infers at best, deference (and fear of job loss), rather than trust.

This is particularly the case as the UK labour market has seen increased insecure employment and is characterized by a lack of alternative 'decent' jobs. Rubery (2015) highlights widespread patterns of distrust and broken promises as a consequence of job insecurity. This is underpinned by a wider climate of sustained downward pressure on both wages and pensions for many workers (ONS, 2015). Since 2010, many thousands of workers from across the public and the private sectors have been made redundant (Peacock, 2013), and this tends to make workers more cynical (Pugh, Skarlicki, & Passell, 2003). More generally, employer-led cost-cutting measures tend to be perceived negatively by employees and as a consequence they are less likely to exhibit trust, goodwill, and cooperation at work (Hudson, 2005).

Following Rousseau, Sitkin, Burt and Camerer (1998, p395), the view taken here is that trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another. In the organizational context, this so-called 'psychological contract' affects how employees assess the future behaviour of management, how employees interpret past management actions, and the motives underlying such actions (Dirks & Ferrin, 2001). In the employment relations context, trust is more accurately understood as being concerned with predictability in relation to the expected behaviour of management (Grey & Garsten, 2001), and to agree with the necessity to 'sacrifice' in hard times. This understanding and psychological state can be further strengthened by peer influence. The consensus of employees' evaluation of management's day-to-day labour management reflects the extent to which employees share a general judgment of management being predictable, reliable, and honest in their dealings and decision-making (McEvily et al., 2003). As Fox made clear, there is a close relationship between the ways in which work is organised as it shapes the workplace social relations that are subsequently characterised by 'patterns of trust and distrust generated by men's [*sic*] exercise of power over others in the pursuit of their own purposes' (1974:15). This trust gained over a long period of direct and indirect interactions between employees and the management team can reinforce the 'positive moral connotations' of 'good' management (Grey & Garsten, 2001). Therefore, collective trust in management reflects a general perception of management being predictable and fair. When sufficient members of staff share the same view in management, it mirrors organizational practices, and is the property that differentiates organizations (Schreurs, Guenter, van Emmerik, Notelaers, & Schumacher, 2015). Such a 'collective' measure reduces the importance of individual worker characteristics (age, gender, skill level, union affiliation, and seniority) on the formation of trust relations, and allows the emphasis to be on worker-centered reactions to actual management behaviour. In other words the decisions of senior managers as the collective expression of employer policy, *ceteris paribus*, impact equally upon all staff in terms of job

(in)security and therefore all staff will tend to share the similar attitudes towards relevant trust in management intentions.

When there are high levels of collective trust in management, employees have a shared belief that the management team's future behaviour is both predictable and positive (Dirks & Ferrin, 2001). This provides employees with a sense of control over the future of the workplace, and, therefore, it may reduce the impact of subjective job insecurity on work-related anxiety. For example, Mishra and Spreitzer (1998) explain that trust in management can reduce the extent of the assessment to which organizational downsizing is seen by employees to be a threat. Furthermore, when employees perceive that downsizing has been handled unfairly their responses are likely to be negative, which intensifies anxiety (Brockner, Spreitzer, Mishra, Hochwarter, Pepper, & Weinberg, 2004). Meanwhile, in workplaces with high levels of trust, when employees believe sacrificing cherished elements of one's job, objective job insecurity, is necessary for the survival of the organization and the related need to hoard skilled staff (Goodridge, Haskel, & Wallis, 2013), they may even support employers' decisions, thereby minimizing any negative impact on organizational commitment caused by such sacrifices. If employees collectively share a lower trust in management, they may become suspicious and cynical about adverse changes. In the case of objective job insecurity, it may be construed as management taking advantage of employees in a difficult economic climate; and any promises made by management to reinstate these benefits becomes uncertain. This may then worsen the impact of subjective and objective job insecurity on employees' outcomes.

We therefore propose that:

**H3a:** Collective trust in management (CTM) can moderate the positive correlation between objective job insecurity and work-related anxiety, such that the positive correlation is weaker when CTM is higher.

**H3b:** Collective trust in management (CTM) can moderate the positive correlation between subjective job insecurity and work-related anxiety, such that the positive correlation is weaker when CTM is higher.

**H4a:** Collective trust in management (CTM) can moderate the negative correlation between objective job insecurity and organizational commitment, such that the negative correlation is weaker when CTM is higher.

**H4b:** Collective trust in management (CTM) can moderate the negative correlation between subjective job insecurity and organizational commitment, such that the negative correlation is weaker when CTM is higher.

## **METHOD**

### **Data and Sample**

The matched employer-employee data, extracted from the 2011 Workplace Employment Relations Study (WERS, 2014) in the UK, is used as the basis for this study. WERS2011 is the sixth in a series of national surveys on employment relations at the British workplace. It collects data from employers and employee representatives through face-to-face structured interviews and up to 25 employees per organization through a self-completion survey on paper or online in a representative sample of workplaces.

The WERS2011 dataset comprises 21,981 employee respondents with a maximum 25 each from the associated 2,680 organizations. We only include organizations with more than 10 valid responses of permanent contracted employees. This former criterion was considered to be more appropriate to measure group members' shared perceptions at the organizational level (Drexler, 1977; Whitener, 2001), and the latter ensures that only employees who have contractual job security were included. This final sample was thus reduced to 16,574 valid respondents, representing 1,149 organizations. The average number of respondents per organization is 16 (range=10-25).

### **Measures**

**Job insecurity** includes measurement of both Subjective and Objective Job Insecurity (SJI and OJI). The former gauges the personal perception of the likelihood of losing one's job measured by the rating with regard to the extent that these permanently contracted employees feel their employment is secure (reversely coded as 1= strongly agree; 5 =strongly disagree) (Heany, et al.,1994). The latter is measured by personal experience of cuts in a number of 'valued job features' (Gallie et al., 2017; Hellgren et al., 1999; Sverke, Hellgren, & Naswall, 2006) including restricted access to training, paid overtime, wages being frozen or cut, and reduced working hours during the recent recession(0=not at all; 4=a great deal). OJI and SJI have a ICC(1) of 0.17 and 0.23 respectively, indicating members of the same organisation face similar job threatening practices and share this similar perception to a considerable extent.

**Work related anxiety** was assessed by using items (Warr, 1990) that reflect the frequency of six job-related emotional states: tense, depressed, worried, gloomy, uneasy and miserable in the WERS data (Wood, Van Veldhoven, Croon, & de Menezes, 2012). This measure has a Cronbach's alpha of 0.85. Anxiety is the mean of these six items reported by individual team members.

**Organizational commitment.** In line with other empirical work based on WERS data (Brown, McHardy, McNabb, & Taylor, 2011; Brown, et al., 2015; Saridakis, Munoz, Torres, & Johnstone,



2013), this construct was assessed using three items which show the extent to which employees share the same values of the organization, feel loyal to, and proud of working for the organization. The measure had a Cronbach's alpha of 0.77. Organizational commitment is measured by the mean score on these three items.

### **Collective Trust in Management (CTM)**

Following other empirical studies based on WERS data (Bryson, 2001; Timming, 2012), individual trust in management was assessed by using three items asking respondents to rate the degree to which management can be relied upon to keep their promises, deal with employees honestly, and treat employees fairly (1=strongly disagree to 5=strongly agree). This measure has a Cronbach's alpha of 0.90. The mean of these three items was used to measure individual perceptions of trust in management. Collective trust in management (CTM) was treated as a conceptual organizational variable and assumed to significantly differ across organizations. It involves the aggregated degree of trust shared with sufficient consensus among members in an organization (Fulmer & Gelfand, 2012; Jiang and Probst, 2015). Aggregation statistics were computed to validate this measure. The Average Deviation (AD) index obtained was less than 0.38, which was below the threshold of 0.87 (Burke & Dunlap, 2002). The  $r_{wg(j)}$  >0.72 was above the conventional accepted value 0.7 (James, Demaree, & Wolf, 1993), together with the values of ICC(1) and ICC(2) being 0.16 and 0.72, respectively. These indices provided sufficient justification that this aggregation can be used to reflect organizational practices in general and to differentiate organizations (Schreurs, et al., 2015).

**Control variables.** Individual factors were included since they were empirically reported to affect perceptions of job insecurity, employee anxiety and attitudes toward one's organization, such as gender, age, job tenure, and managerial role (Ashford et al., 1989; Sverke et al., 2002). Over 40% respondents in the sample are male workers, the average age is 44, and almost one third of the sample has a managerially related role. The average job tenure in the sample is 8 years. The average age of organizations in the sample is 45, and 40% of employees are from the public sector.

### **Methods of Analysis**

To test the interaction effect hypothesized, a moderated mediation modelling was applied following simplified steps outlined by Langfred (2004). Since employees are nested within each organization with the assumption that organizational practices and workplace environment characteristics influence an individual's subjective perceptions, we therefore applied a hierarchical multilevel modelling approach which takes into account the dependent nature of

the measurements at both individual and organizational levels (Hox, Moerbeek, & Van de Schoot, 2010; Jiang & Probst, 2015). We used STATA 13 to estimate models (one for each outcome variable). The between-organization variance explained by the variables and the deviance statistics (-2 Log likelihood) were reported (Snijders & Bosker, 2012).

## **RESULTS**

### **Preliminary analyses**

Table 1 provides means, standard deviation, ICC values when appropriate, and correlations. ICC (1) for organizational commitment and anxiety is 0.16 and 0.07 respectively, denoting considerable variance in employees' organizational commitment determined at the organizational level; while individual characteristics largely attribute to reported anxiety. To check for multi-collinearity, Variance Inflation Factor (VIF) scores are less than 2 (not exceeding the threshold value of 4), suggesting that multi-collinearity is not a concern for the regression.

**Insert table 1 here**

### **Empirical results**

There are two moderated mediation models in this study to examine determinates of work-related anxiety in Table 2 and organizational commitment in Table 3. These models are tested through a series of hierarchical multilevel linear regressions based on the simplified steps recommended by Langfred (2004) and Jiang and Probst (2015). Since the mediator regression is the same for both models, it is only included in Table 2.

The objective of "Mediation step 1" is to establish the relationship between OJI and employee outcomes in the absence of SJI (the mediator), in the same manner that CTM and OJI should interact when SJI is not included. Step 1 of "Mediation step 1" in both tables shows that OJI is significantly and positively correlated with individual reported anxiety ( $b=0.19$ ,  $p<0.001$ ), but negatively and significantly correlated with organizational commitment ( $b= -0.14$ ,  $p<0.001$ ). This provides empirical evidence to support **hypotheses** 1a and 1b.

"Mediation Step 2" in Table 2 shows that OJI is positively and significantly correlated with SJI ( $b=0.23$ ,  $p<0.01$ ). The association between OJI and anxiety was reduced from ( $b=0.18$ ,  $p<0.01$ ) in Step 2 of "Mediation Step 1: Anxiety" to ( $b=0.12$ ,  $p<0.01$ ) in Step 1 of "Mediation Step 3&4: Anxiety" when SJI is included. In the same manner in Table 3, the association between OJI and organisational commitment was reduced from ( $b=-0.13$ ,  $p<0.01$ ) in Step 2 of "Mediation Step 1: Organisational commitment" to ( $b=-0.07$ ,  $p<0.01$ ) in step 1 of "Mediation Step 3&4: Organisation commitment" when SJI is included. Furthermore, the Sobel test shows that the mediation effect of SJI was statistically significant with approximately 40% of the total effect of

OJI on anxiety and 53% of the total effect of OJI on organisational commitment. Overall, this provides support for **Hypotheses 2a and 2b**.

**Hypothesis 3a** predicts a negative moderating effect on the relationship between objective job insecurity and anxiety. This is tested in Step 3 of “Mediation Step 1: Anxiety” in Table 2 where the interactive item of OJI and CTM shows an insignificant effect. **Hypothesis 3b** is tested by interacting SJI and CTM in step 2 of “Mediation step 3&4: Anxiety”, where the result shows a significant moderating effect ( $b=-0.05$ ,  $p<0.01$ ) when controlling for CTM. Step 3 of “Mediation step 3&4: Anxiety” is to establish whether the effect of the interaction of OJI and CTM is reduced when controlling for the interaction item of SJI and CTM, or vice versa (Langfred, 2004). The results show the moderating effect of CTM on the relationship between SJI and anxiety remains the same when including the interaction between OJI and CTM. This supports the moderating effect of **hypothesis 3b**.

In the same manner, we tested **Hypothesis 4a and 4b** in Table 3, and it shows there is a significant moderation effect of CTM, ( $b=0.04$ ,  $p<0.05$ ), on the relationship between OJI and organizational commitment in Step 3 of “Mediation Step 1: organizational commitment”; but there is no such effect on the relationship between SJI and organizational commitment in Step 2 of “Mediation Step 3&4: organizational commitment. The former is not changed when the interactive item between SJI and CTM is included in Step 3 of “Mediation Step 3&4: organizational commitment”. This provides evidence to support the **hypothesis 4a**.

**Insert Table 2&3 about here**

To examine the interaction of hypothesis 3a and 3b fully, a simple slope test was carried out and graphically presented in Figures 1 and 2. Figure 1 shows that employees’ evaluation of work-related anxiety increases, *ceteris paribus*, with the increased perception of SJI. However, it is smaller in organizations with high levels of CTM. The difference in anxiety between organizations with high levels of trust and those with low levels of trust is statistically significant ( $t=4.24$ ,  $p<0.001$ ). Figure 2 shows that reported organizational commitment declined with increased OJI. The extent of deterioration, however, is much smaller in organizations characterized as having high levels of CTM than in those organizations with lower levels of CTM and the difference is statistically significant ( $t=3.35$ ,  $p<0.001$ ).

**Insert Figure 1 &2 about here**

## **DISCUSSION AND CONCLUSIONS**

With really existing objective job insecurity rooted in the weak labour market, our analysis of the data confirms the detrimental impact of genuine job insecurity at the workplace as a

stressor not a motivator (Lam et al., 2015; Sverke et al., 2006). Objective job insecurity leads to higher levels of subjective job insecurity; any cost-cutting measures do have an impact on perceived job insecurity, and therefore may result in lower cooperation (Hudson, 2005). Based on the above findings, we further reveal the value of collective trust in management (CTM) during hard times. Specifically, organisational commitment is less affected by objective job insecurity, such as pay cuts, reduction in working hours, training and benefits, in organizations with high levels of CTM than those with low levels of CTM; and work-related anxiety caused by subjective job insecurity was smaller in organizations with high levels of CTM than those with low levels of CTM.

These different moderating mechanisms of CTM on the relationship between job insecurity and employee outcomes reflect the different impacts on employees of the nature of job insecurity. Objective Job Insecurity (OJI) is genuine threat (entails financial costs) while Subjective Job Insecurity (SJI) is personal perception of job loss. When employees experience OJI, it tends to lead to high levels of anxiety due to financial pressures they shoulder on behalf of the organisation. For example, employees have been pushed into debt because of pay cuts in the public sector in the UK (PSE, 2016), and this fact cannot be masked even in organisations with high level of CTM. However, in organizations with a high level of CTM, employees tend to believe that OJI measures undertaken by the management are necessary and these employees may even be prepared to sacrifice certain elements of their job, such as pay, pay related elements (reduction in working hours or overtime) and other benefits, in order to help the organization, (Wang & Seifert, 2017). Their intention is to stay and to work with the organisation during hard times. Therefore, CTM has a stronger moderating effect on the relationship between OJI and organisational commitment than on anxiety.

On the other hand, SJI is largely influenced by personality traits and other individual characteristics (De Witte, 2005; Hellgren et al., 2010). Our study lends empirical support to this position, as noted in Step 2 in Table 2. When individuals perceive job loss, this will lead to job search activities. Their intention is to leave, thus organisational commitment will be low even under high levels of CTM. However, CTM can reassure employees that management are predictable and are acting fairly when things go wrong, as for example in the case of a redundancy. In such circumstances high levels of CTM may help to attenuate the anxiety caused by perception of job loss. Therefore, CTM has a stronger moderating effect on the relationship between SJI and anxiety than on organizational commitment.

Our findings therefore add to the body of knowledge concerned with exploring productive roles of organisational capital (Tomer, 1987): a higher level of trust within organizations. We have

endeavoured to capture this type of organisational capital through a consensus among employees of management being viewed as reliable and predictable. This is derived from the value and principle of organizing by trust (McEvily et al., 2003). The value of high levels of trust is examined through the different moderating effects of collective trust in management on the relationship between job insecurity (by nature) and employee outcomes.

There are several limitations to note that also provide the basis for future research. First, it is possible that trust and perceptions of job security in large organizations may be heavily influenced by formalized, institutional arrangements, for example, formal dismissal and redundancy procedures, and the power of employees' representative bodies. Future studies could usefully seek to differentiate trust *in management* from trust *in organizations or systems* to investigate its antecedents and potential impact on employee outcomes. Third, our data is more likely to represent SMEs in terms of collective trust, with an upper limit of 25 respondents from each organization. In order to more accurately measure a collective perception in large organizations, more respondents from the same organization would be needed. It also has to be noted that for the purposes of our study subjective job insecurity is only measured by one item as a consequence of the way WERS data is collected. This leaves future studies to develop more sophisticated measurements that may further test the relationship proposed here.

We would suggest that our analysis raises important practical implications. It shows that when managers behave consistently, honestly, and fairly in their treatment of the workforce, then, and only then, will collective trust become part of the fabric of the organization's employee relations systems (Schilke & Cook, 2013). This seems to be an important cue in workplaces which experience hardship. With high levels of collective trust in management, management was perceived as reliable, honest and fair. As a result, adverse changes threatening job security such as pay cuts, reduced benefits, and working hours have less impact on employees both in terms of work-related anxiety and commitment. This denotes a less pronounced effect on employees both mentally and attitudinally, and thus has a lower adverse effect on productivity. These findings are of particular relevance for SMEs whereby employers showed commitment to employment security (Lai et al., 2015). We suggest therefore that the results confirm the medium-term value of managers investing in their own strategic behaviour towards labour management issues such as worker-perceived consistency, fairness, and reliability. Whatever may occur at the national level of the economy, this study shows that micro-level firm behaviour can moderate the impact of negative practices on staff performance.

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**TABLES**

**Table 1 Statistics and correlations on main variables in WERS2011**

Variables	Mean(S.D)	ICC(1)	ICC(2)	1	2	3	4	5	6	7	8	9
1 Gender	0.44 (0.49)			1								
2 Age	44(12)			0.03**	1							
3 Having Supervisory duty	0.33(0.46)			0.05**	0.04**	1						
4 Job tenure	7.98(5.46)			0.03**	0.40**	0.11**	1					
5 Objective job insecurity	0.67(0.85)	0.17	0.84	0.05**	0.04**	0.07**	0.14**	1				
6 Subjective job insecurity	2.53(1.10)	0.23	0.81	0.04**	0.05**	-0.05**	0.06**	0.25**	1			
7 Trust in management	2.96(0.53)	0.17	0.72	-0.21**	-0.03**	0.03**	-0.07**	-0.14**	-0.20**	1		
8 Org. commitment	3.74(0.88)	0.16	0.72	-0.08**	0.00	0.17**	-0.02**	-0.14**	-0.32**	0.22**	1	
9 Work related anxiety	2.04(0.82)	0.07	0.51	-0.04**	-0.04**	0.05**	0.05**	0.20**	0.32**	-0.17**	-0.33**	1

Note: \*\* p<0.01, \*p<0.05

Table 2 Hierarchical Linear Regression on Anxiety

Fixed effect (level 1)	Mediation Step 1: Anxiety			Mediation Step 2: subjective job insecurity	Mediation Step 3: Anxiety		
	Step 1	Step 2	Step 3		Step 1	Step 2	Step3
Intercept ( $\beta_{01}$ )	2.04***(0.03)	2.88***(0.07)	2.85***(0.07)	2.14***(0.03)	2.15***(0.03)	1.78***(0.11)	1.78***(0.11)
Age( $\gamma_{10}$ )	-0.00***(0.00)	-0.00***(0.00)	-0.00***(0.00)	0.00**(0.00)	-0.01***(0.00)	-0.01***(0.00)	-0.01***(0.00)
Male worker( $\gamma_{20}$ )	0.04***(0.01)	0.02(0.01)	0.02(0.01)	0.07***(0.01)	0.00(0.01)	0.00(0.01)	0.00(0.01)
Tenure	0.01***(0.00)	0.01***(0.00)	0.01***(0.00)	0.00(0.00)	0.01***(0.00)	0.01***(0.00)	0.01***(0.00)
Management position( $\gamma_{30}$ )	0.19***(0.01)	0.07***(0.01)	0.07***(0.01)	-0.17***(0.01)	0.11***(0.01)	0.11***(0.01)	0.11***(0.01)
Firm size		-0.01(0.01)	-0.01(0.01)	0.03***(0.01)	-0.01(0.01)	-0.01(0.01)	-0.01(0.01)
Firm age		-0.03***(0.01)	-0.02***(0.01)	-0.04***(0.01)	-0.02**(0.01)	-0.02**(0.00)	-0.02**(0.00)
private sector		0.06***(0.02)	0.06***(0.02)	0.27***(0.03)	0.00(0.02)	0.01(0.02)	0.01(0.02)
Collective Trust in Management(CTM)		-0.24***(0.01)	-0.23***(0.01)		-0.17***(0.01)	-0.04(0.03)	-0.04(0.03)
Objective job insecurity		0.18***(0.01)	0.22***(0.01)	0.23***(0.01)	0.12***(0.01)	0.14***(0.05)	0.14***(0.05)
Subjective job insecurity					0.22***(0.01)	0.37***(0.03)	0.36***(0.03)
CTM *subjective job insecurity						-0.05***(0.01)	-0.05***(0.01)
CTM *objective job insecurity			-0.01(0.02)				-0.01(0.01)
Level 2 (intercept)( $\mu_1$ )	0.04	0.03	0.03	0.20	0.03	0.02	0.02
Level 1 (residual)( $\gamma$ )	0.66	0.66	0.66	0.89	0.60	0.60	0.60
-2*Log likelihood	19084.27*2	18751.32*2	18750.32*2	21242.44*2	17497.97*2	17489.11*2	17488.11*2
Explained variance		25%	-		25%	33%	-
Number of organizations	1149	1089	1089	1089	1089	1089	1089
Number of employees	16090	15307	15307	15006	14755	14755	14755

Notes: \* p<0.1; \*\* p<0.05;\*\*\* p<0.01

Table 3 Hierarchical Linear Regression on Organisational Commitment

Fixed effect (level 1)	Mediation Step 1: Organisational commitment			Mediation Step 3&4:Organisational commitment		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step3
Intercept ( $\beta_{01}$ )	3.74***(0.05)	3.78***(0.05)	2.77***(0.09)	3.43***(0.09)	3.43***(0.09)	3.43***(0.09)
Age( $\gamma_{10}$ )	0.00***(0.00)	0.00***(0.00)	0.00***(0.00)	0.00***(0.00)	0.00***(0.00)	0.00***(0.00)
Male worker( $\gamma_{20}$ )	-0.11***(0.01)	-0.09***(0.01)	-0.09***(0.01)	-0.07***(0.01)	-0.07***(0.01)	-0.07***(0.01)
Tenure	-0.00***(0.00)	-0.00***(0.00)	-0.00***(0.00)	-0.00***(0.00)	-0.00***(0.00)	-0.00***(0.00)
Management position( $\gamma_{30}$ )	0.31***(0.01)	0.31***(0.01)	0.32***(0.01)	0.27***(0.01)	0.27***(0.01)	0.27***(0.01)
Firm size		-0.00(0.01)	-0.00(0.01)	-0.00(0.01)	-0.00(0.01)	-0.00(0.01)
Firm age		0.03***(0.01)	0.04***(0.01)	0.03***(0.01)	0.03***(0.01)	0.03***(0.01)
private sector		-0.05***(0.02)	-0.06***(0.02)	-0.00(0.02)	-0.00(0.02)	-0.00(0.02)
Collective Trust in Management(CTM)		0.31***(0.02)	0.29***(0.02)	0.24***(0.02)	0.20***(0.02)	0.19***(0.02)
Objective job insecurity	-0.14***(0.00)	-0.13***(0.00)	-0.21***(0.00)	-0.07***(0.01)	-0.07***(0.01)	-0.18***(0.01)
Subjective job insecurity				-0.21***(0.01)	-0.25***(0.01)	-0.24***(0.01)
CTM *subjective job insecurity					0.01(0.01)	0.01(0.01)
CTM *objective job insecurity			0.04**(0.01)			0.04**(0.01)
Level 2 (intercept)( $\mu_1$ )	0.09	0.05	0.05	0.05	0.05	0.05
Level 1 (residual)( $\gamma$ )	0.63	0.62	0.62	0.62	0.56	0.56
-2*Log likelihood	19132.67*2	18882.15*2	18880.32*2	17434.44*2	17433.07*2	17431.44*2
Explained variance	-	44%	-	44%	-	-
Number of organizations	1089	1089	1089	1089	1089	1089
Number of employees	15591	15591	15307	15006	15006	15006

Notes: \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$

**FIGURES**

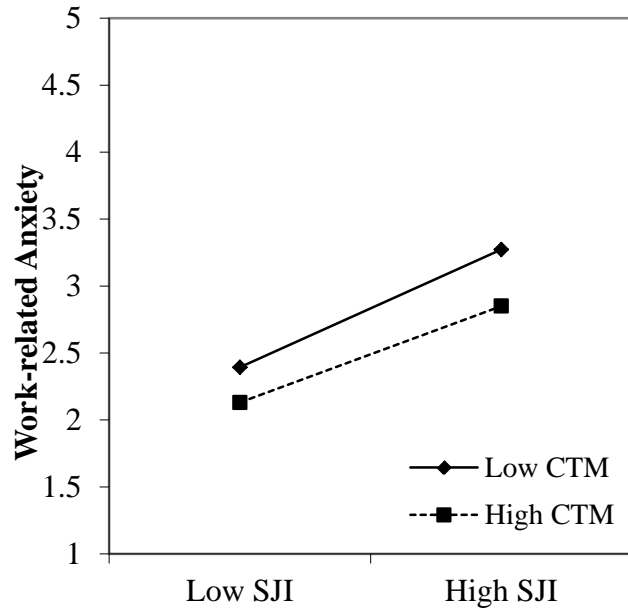


Figure 1 Subjective job insecurity by CTM on Work-related anxiety

High trust:  $y=0.21x+1.42$

Low trust:  $y=0.27x+1.87$

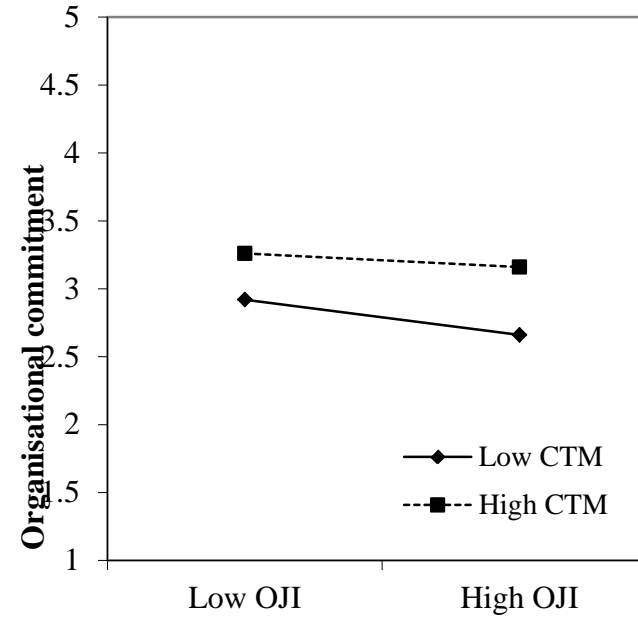


Figure 2 Objective job insecurity by CTM on Organisational commitment

High trust:  $y=-0.04x+4.24$

Low trust:  $y=-0.09x+4.04$