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Exit, Voice and Loyalty Reactions to Job Insecurity in Sweden: Do Unionized and Non-unionized Employees Differ?

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Abstract

Although job insecurity has received growing recognition in connection with the transformation of working life, little is known about how unionization affects its consequences. Data from Swedish health care employees indicate that job insecurity is related primarily to coping strategies in the exit and voice domains. Union members were less inclined to make use of the exit and voice options compared with their non-unionized co-workers, and more typically expressed loyalty to the organization. The collective support derived from union membership may make individual voice expressions less important, a finding that has to be replicated in countries with lower unionization rates.

1. Introduction

The past decades have witnessed a strong and intense pressure for organizational change. This trend has been fuelled by factors such as the new information technology, intensified global competition and a recessionary climate. As a result, organizations in many countries have sought to improve organizational effectiveness and to reduce labour costs through downsizing or 'right-sizing' (Hitt *et al.* 1994) of their activities. Clearly, these changes have dramatic consequences for those who lose their jobs, but a growing body of literature also bears witness to the negative effects on those who remain in the organization (Latack and Dozier 1986). While a trend towards individual flexibility, increasing employability requirements and intensified demands to take responsibility for one's competence development all represent characteristics of the new working life (Howard 1995), the experience of employment uncertainty is perhaps the most dramatic consequence for the so-called survivors of organizational changes involving layoffs. The

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detrimental effects of such job insecurity for employee attitudes and well-being are well documented (Ashford *et al.* 1989; Barling and Kelloway 1996; Hartley *et al.* 1991).

Less is known, however, about the various alternatives employees may use in coping with job insecurity, and about how the choice of alternatives may differ between unionized and non-unionized employees. For instance, do unionized and non-unionized employees make use of divergent strategies to cope with job insecurity? In this paper we will depart from the exit, voice and loyalty framework (Hirschman 1970) and examine the extent to which employees utilize these alternative responses in their attempts to handle uncertain employment situations. Although employees may exit from the organization, use their voice (e.g. protest against organizational change) or express loyalty to the organization in order to reduce future insecurity, it is likely that union members and unaffiliated employees use different means to cope with their experiences of employment uncertainty. Without the collective support derived from union membership, it may be argued, an employee will have greater difficulty in coping with job insecurity (Dekker and Schaufeli 1995). On the other hand, those who stay outside the unions may trust their own capacity to redress insecurity (Rosenblatt and Ruvio 1996). These issues will be empirically addressed using questionnaire data from a sample of Swedish health care employees with a high degree of unionization.

2. A typology of job insecurity and union membership

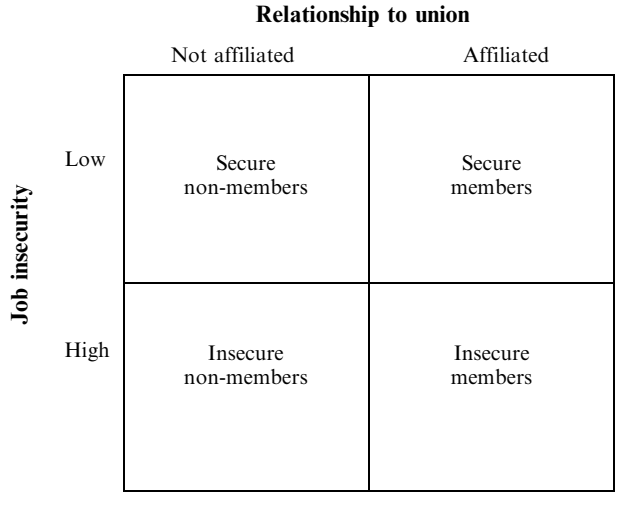
Job insecurity refers to a 'powerlessness to maintain desired continuity in a threatened job situation' (Greenhalgh and Rosenblatt 1984: 438). Because it is a subjective experience based on interpretations of the immediate work environment, job insecurity can be described as a discrepancy between preferred and experienced security in the employment situation (Hartley *et al.* 1991). Although the fear of losing one's job is likely to increase in connection with corporate retrenchment, this suggests not only that the same objective situation can evoke dissimilar experiences but also that job insecurity can be an important factor in seemingly unthreatened job situations (Rosenblatt and Ruvio 1996). We can expect, however, that employees whose work situation is strongly affected by organizational change and who see their co-workers losing their jobs are more likely to experience high job insecurity, while those who are relatively unaffected by the transformation process would experience lower levels of insecurity.

Even if innumerable layoffs have occurred in unionized work settings, very few studies have addressed downsizing in relation to unionization (Mellor 1992), and the issue of job insecurity has received scarce attention in the industrial relations literature (Bender and Sloane 1999). However, there is research to suggest that, on a general level, an individual emphasis on job security represents an important determinant of union membership

(Crockett and Hall 1987). It appears, for example, that both members and officers of labour organizations rank job security as perhaps their most important bargaining issue (Dworkin *et al*. 1988). Furthermore, union members seem to give job security a higher priority than non-members (Brown Johnson *et al*. 1992). While this suggests that unionized workers differ from their non-unionized counterparts in terms of the priority placed on job security as well as the appraisal of the degree of insecurity in the surrounding work situation, there is likely to be substantive variation also among union members — even if they are employed at the same workplace.

Figure 1 presents a typology of job insecurity and union membership. Combining high and low levels of insecurity with affiliation/non-affiliation results in four different groups. 'Insecure members' represent workers who belong to a trade union and feel that the subjective probability of job loss is relatively high. 'Insecure non-members' have similar experiences of job insecurity but are not affiliated to a union. The high level of job insecurity shared by individuals in these groups is likely to result in intense efforts to cope with the uncertainty, but it is possible that unionized and non-unionized employees differ in terms of how they react to job insecurity (Rosenblatt and Ruvio 1996). Not only may unionized employees receive support from their union, but members and non-members may also differ in terms of individual-level strategies to cope with insecurity. 'Secure members' and 'secure non-members' share similar perceptions of low job uncertainty, which suggests that they will be less inclined to be involved in coping efforts than insecure employees. They do differ with respect to formal relationships with labour organizations, however, something that could be manifested in

FIGURE 1
A Typology of Union Membership and Job Insecurity



their investments in strategies to cope in a relatively secure employment situation.

3. Exit, voice and loyalty

In his seminal book *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*, Hirschman (1970) provides a framework for understanding how various actors may respond to unsatisfactory conditions in a variety of institutional settings. He also shows that the activities these actors engage in represent a valuable means by which management finds out about its failures and can learn for the future. While Hirschman's arguments were developed to describe primarily how organizations respond to decline, industrial relations research undoubtedly has benefited from this framework; the result has been enhanced recognition and understanding of the wide range of reactions individuals may display to unsatisfying employment conditions (Farrell 1983; Withey and Cooper 1989). According to Hirschman (1970), discontented employees can find a better job and quit (exit), can work to improve the situation (voice), or can stay and support the organization (loyalty).

Exit is a major alternative when firms, organizations and states are in decline (Hirschman 1970). For instance, dissatisfied customers can switch to another supplier, and dissatisfied voters can decide to support a different political party. Similarly, employees who are dissatisfied with the degree of job security in their existing positions can choose to exit from the job or the organization (Hartley *et al.* 1991). Indeed, job insecurity has consistently been found to be associated with withdrawal responses as manifested in intensified turnover intentions (Arnold and Feldman 1982; Brockner 1988; Burke and Nelson 1998; Davy *et al.* 1997; Dekker and Schaufeli 1995; Hartley *et al.* 1991). In this respect, it has been argued (Greenhalgh and Rosenblatt 1984; Hartley *et al.* 1991; Hirschman 1970) that management may be more inclined to listen to the criticism of valuable employees, but also that such qualified workers will more easily find a new job and thus will be more likely to quit.

Like exit, voice is a reaction that may bring about change. Both exit and voice are liable to make management rethink the dissatisfying conditions and possibly rectify their origins, especially if these reactions are exhibited by highly valuable employees. It is also conceivable that, in reacting to unfavourable job situations, employees may attempt to change the source of dissatisfaction prior to choosing the exit option (March and Simon 1958). In contrast to the more economical nature of exit, however, voice is a political response. Hirschman (1970: 30) described voice as 'any attempt at all to change rather than to escape from an objectionable state of affairs', something that is likely to be characteristic of individuals with substantial involvement in the organization. Voice can be conceived of as interest articulation, and it has been operationalized for instance as union membership (Freeman

and Medoff 1984), but it also may involve other actions and protests. In Sweden, with an average rate of unionization of around 85 per cent (Kjellberg 1998), union membership is part of everyday life and cannot in itself be described as a manifestation of voice. Therefore, we decided to investigate other forms of voice, such as expressions of discontentment with a process of change and its goals.

While both exit and voice represent rather dramatic, active and overt reactions to dissatisfaction with the employment situation, loyalty can perhaps best be described as a more passive form. According to Hirschman (1970), loyalty is the product of various factors that bind the individual to the organization and thus make exit costly and voice troublesome. In this vein, loyalty may be the reaction of employees with lower status or less crucial skills in the firm in their attempts to redress job insecurity. Loyalty can be manifested in improved performance or high levels of commitment to the organization, for example.

However, both theoretical and empirical research on job insecurity calls this argument into question. It has been found, for instance, that job insecurity typically is associated with impaired organizational commitment (Ashford *et al*. 1989; Brockner *et al*. 1992) or is unrelated to the construct (Barling and Kelloway 1996). The issue of impaired loyalty as an inherent consequence of job insecurity or enhanced loyalty as a manifestation of attempts to redress uncertainty therefore merits further empirical scrutiny.

An important issue, which has hardly received attention in the literature, concerns the role of unionization in employee reactions to job insecurity. On a general level, it can be assumed not only that unions may reduce job insecurity perceptions by providing protection (Greenhalgh and Rosenblatt 1984), but also that the collective support derived from union membership will make members' reactions different from those of non-unionized workers (Dekker and Schaufeli 1995). For instance, a study that included the mere presence of union membership as an external coping resource (Shaw *et al*. 1993) found positive relationships between union membership and expressions of both loyalty (organizational commitment) and absence of voice (positive attitudes towards the organizational change), but no interaction effects of job insecurity and union membership on these reactions. Dekker and Schaufeli (1995) reported that social support derived from union membership, co-workers and colleagues did not moderate the effects of job insecurity on employee well-being. Most importantly, it has been argued that unions lend stability to careers by binding members to the employing organization (Bender and Sloane 1999; D'Amico 1984).

Given that social support is generally seen as an important factor in the relationship between the stress induced by job insecurity and its outcomes and that union membership is a potentially important source of support in this context (e.g. Dekker and Schaufeli 1995; Hartley *et al*. 1991; Lim 1996), one major objective of the present research is to examine whether unionized and non-unionized employees who express differing levels of job insecurity also differ in terms of how they cope with perceptions of employment

uncertainty. Following Freeman and Medoff's (1984) reasoning, it can be predicted that insecure non-members will be more inclined to leave the organization, while insecure members tend to remain and instead express their dissatisfaction with the insecure situation through various voice mechanisms. More specifically, our goal is to evaluate whether, and to what extent, union membership has direct effects on the coping strategies and moderates the effects of job insecurity.

4. Data

The empirical material for the study comes from a questionnaire survey among all staff members of a Swedish emergency hospital undergoing transformation. In 1994, the hospital was formed into a municipal corporation with the aim of providing better health care at a lower cost. In connection with this, personnel and activities of an adjacent hospital that was closed down were taken over, which meant a 35 per cent increase in patients and a 10 per cent increase in work hours. In the following two years, the staff was reduced from 1450 to 1200 employees by natural attrition, outsourcing, reorganizations and layoffs. Starting in 1996, the political leadership of the county council under which the hospital is organized decided to reduce costs in the health care services by 17 per cent in the three succeeding years. These cost reductions affected the ten or so emergency hospitals in the area differently, and there was great freedom and flexibility for the hospital to obtain the savings.

In consequence, two clinical departments were sold out and there were closures and mergers of wards, although layoffs *per se* were relatively infrequent. The changes took place in a period of high demand for health-care personnel and a favourable situation for such employees on the labour market. Great measures were taken by the management to minimize the negative impact on the personnel while human resource management interventions were selected so as to meet organizational demands. The local unions at the hospital were actively involved in the change process, and, in general, the climate between management and unions was co-operative.

Sample

In 1998 questionnaires were mailed to the homes of all 1270 employees (including temporary workers), accompanied by a letter describing the general purpose of the research, explaining that participation was entirely voluntary, and assuring recipients that their responses would be treated in confidence. Approximately three weeks after the first mail-out, a reminder postcard was sent to those who had not returned their questionnaires. A total of 736 employees responded to the survey, for a response rate of 58 per cent. The present study is based on 635 employees with complete data on all study variables. The average age of the sample was 41 years (SD = 10),

with the youngest participant being 18 and the oldest 67. Females constituted 79 per cent of the respondents, who had worked for the hospital for an average of 10 years (SD = 9).

Questionnaire

Apart from union membership and demographics, which were assessed using single questions, the study variables were measured using multiple indicators and responses were given on Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree). Indices were constructed by averaging over the relevant items after negatively phrased items had been reverse-coded.

(a) Union membership and job insecurity

Participants indicated to which union they belonged (90.4 per cent) or that they were not union members (9.6 per cent). For the purpose of the present study, a dummy variable was constructed such that unaffiliated employees were coded 0 while membership in any of the unions operating at the hospital was coded 1. The assessment of job insecurity was based on Ashford *et al.*'s (1989) scale which reflects perceived threats to the total job, and the ten questions were redrafted into statements (e.g., 'It is likely that I may be laid off permanently'). The scale demonstrated adequate internal consistency (alpha = 0.83) and is similar in operationalization to other established measures of job insecurity (Caplan *et al.* 1975; Hartley *et al.* 1991; Kuhnert and Vance 1992; Roskies and Louis-Guerin 1990).

The job insecurity measure was bifurcated at its mean value ($M = 1.79$), and individuals reporting higher levels were coded as high in job insecurity while those scoring below the mean were treated as low in job insecurity. Combining this bifurcated measure with the dichotomous union membership variable enabled us to operationalize the typology of union membership and job insecurity: insecure members ($n = 240$), secure members ($n = 334$), insecure non-members ($n = 32$) and secure non-members ($n = 29$).[1]

(b) Exit variables

We assessed two forms of exit — organizational withdrawal and job withdrawal — each measured by three items. Each of these variables is based on a well established conceptualization of turnover intention (Mobley *et al.* 1979) which has been operationalized to reflect the specific tendencies to turnover from the organization and the job, respectively (Cohen 1998). Sample items were 'I am actively looking for jobs outside this hospital' (organizational withdrawal) and 'I am actively looking for another assignment' (job withdrawal). The reliability estimate was satisfactory for both organizational (alpha = 0.87) and job withdrawal (alpha = 0.80).

(c) Voice variables

In previous research, voice has been the most problematic aspect of the Hirschman (1970) framework in terms of operationalization, which has been

reflected in low reliability (see e.g. Withey and Cooper 1989). Our strategy to avoid such problems was to operationalize individual voice based on an attitudinal framework and, where possible, to rely on established measures. Disengagement in the downsizing goal was assessed using Hollenbeck *et al.*'s (1989) eight-item goal commitment scale (e.g., 'Quite frankly, I don't care if I achieve the goals of the hospital's cost savings or not'). The items were slightly modified (i.e., 'this goal' was throughout replaced by 'the hospital's cost savings') and the scale was reverse-coded in order to reflect disengagement (alpha = 0.81). Protest against the downsizing process was measured using six items specifically developed for the present study (e.g., 'The measures that have been taken to save money in the hospital are not acceptable'). The scale was internally consistent (alpha = 0.81).

(d) Loyalty variables

Organizational commitment was assessed using a four-item measure (Sjöberg and Sverke 1996) based on items from different commitment scales (Allen and Meyer 1990; Cook and Wall 1980; Guest and Dewe 1991; Mowday *et al.* 1979). The items reflect affective attachment to the organization (e.g. 'I really feel as if this hospital's problems are my own') and the scale demonstrated internal consistency (alpha = 0.72). A second form of loyalty — work intensity — was operationalized using a five-item scale (e.g. 'When there's a job to be done, I devote all my energy to getting it done') developed by Brown and Leigh (1996). The internal consistency for this scale was 0.76.

5. Results

Table 1 reports descriptive statistics and intercorrelations for all study variables. Union members typically were older than non-members, and 'insecure' employees comprised a larger proportion of women than their more 'secure' co-workers. There was no statistically significant relationship between job insecurity and union membership, indicating that members and non-members overall do not differ in perceptions of job insecurity. Job insecurity was positively related to both exit variables and both voice variables; and, while negatively related to organizational commitment, it was unrelated to the other loyalty variable (work intensity). These bivariate relationships thus indicate that job insecurity is related primarily to coping strategies within the exit and voice dimensions. Union membership status was found to relate negatively to both the exit and the voice attributes and positively to the loyalty variables. This suggests that union members are less prone to withdraw from the organization and the job, less inclined to protest against the changes (voice), but tend to express more loyalty to the organization than the non-affiliated employees.

To test for direct and interaction effects of job insecurity and union membership on the three different coping dimensions (exit, voice and loyalty),

TABLE 1
Descriptive Statistics and Correlations for the Study Variables.

Variable	*M*	*SD*	*Alpha*	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
1. Job insecurity[a]	0.43	0.50	—									
2. Union membership[b]	0.90	0.30	—	−0.06								
Exit												
3. Organizational withdrawal	2.10	1.21	0.87	0.21	−0.13							
4. Job withdrawal	2.56	1.19	0.80	0.24	−0.10	0.72						
Voice												
5. Disengagement in the downsizing goal	2.78	0.70	0.81	0.17	−0.15	0.39	0.34					
6. Protest against the downsizing process	3.19	0.78	0.81	0.16	−0.10	0.27	0.26	0.70				
Loyalty												
7. Organizational commitment	2.88	0.81	0.72	−0.09	0.15	−0.42	−0.33	−0.51	−0.38			
8. Work intensity	4.53	0.48	0.76	−0.04	0.10	−0.19	−0.15	−0.17	−0.02	0.27		
Covariates												
9. Age	41.04	10.20	—	0.03	0.18	−0.12	−0.21	−0.18	−0.16	0.21	0.08	
10. Sex[c]	0.79	0.41	—	−0.11	0.08	−0.17	−0.11	−0.07	−0.04	0.03	0.13	−0.01

$N = 634$; for correlations ≥ 0.09, $p < 0.05$.
[a] Low insecurity = 0, high insecurity = 1.
[b] Non-members = 0, members = 1.
[c] Male = 0, female = 1.

we relied on a multivariate analysis of variance procedures (MANCOVA). Age and sex were used as covariates to avoid biased conclusions on the effects of job insecurity and union membership. The MANCOVA generated significant overall effects of job insecurity (F [6,623] = 2.65, $p<0.01$) and union membership (F [6,623] = 2.19, $p<0.01$) on the coping variables, but there was no significant multivariate interaction between job insecurity and union membership (F [6,623] = 0.99, n.s.). While these results suggest that, overall, both job insecurity and union membership are related to the coping strategies chosen, they also indicate that union membership does not moderate the effects of job insecurity. The covariates were related to the set of dependent variables as reflected in significant multivariate effects of both age (F [6,623] = 8.52, $p<0.001$) and sex (F [6,623] = 3.88, $p<0.01$).

The results of the follow-up univariate tests are presented in Table 2 along with mean values in the coping strategies for the four groups. Among the exit variables, there was no significant effect of job insecurity on the intention to withdraw from the organization; on the other hand, job withdrawal was significantly affected by job insecurity (F [1,628] = 8.23, $p<0.01$). There was a significant univariate effect of union membership on organizational withdrawal (F [1,628] = 4.60, $p<0.05$), but not on job withdrawal. While the mean values in the exit variables were below 3 on the five-point scale for all four groups, thus suggesting that exit is not a preferred alternative for any of them, some important differences are apparent. Not only is considering exit from the job more frequent in the groups characterized by higher levels of job insecurity, but also, the results indicate that non-unionized employees are more prone to withdraw from the organization than their unionized counterparts.

In terms of the voice variables, job insecurity displayed significant univariate effects on both disengagement in the downsizing goal (F [1,628] = 7.50, $p<0.01$) and protest against the downsizing process (F [1,628] = 9.47, $p<0.01$). Thus, voice reactions are more frequent among employees reporting high job insecurity. Union membership evidenced a significant effect on disengagement in the downsizing goal (F [1,628] = 8.14, $p<0.01$) but not on protest against the downsizing process. Hence, compared with non-affiliated employees, union members expressed lower mean values in one of the voice variables.

The MANCOVA revealed no significant effects of job insecurity on any of the loyalty variables. In contrast, there were significant univariate effects of union membership on both organizational commitment (F [1,628] = 6.99, $p<0.01$) and work intensity (F [1,628] = 4.17, $p<0.05$). While these results suggest that groups distinguished by high and low insecurity do not differ substantially with respect to the levels of organizational commitment or work intensity reported, they also implicate that unionized employees are more prone than non-unionized employees to make use of the loyalty option in an effort to cope with job insecurity and a changing organizational reality.

TABLE 2
Mean Values in Exit, Voice and Loyalty Reactions, and Tests for Direct and Interaction Effects of Union Membership and Job Insecurity

	Insecure members	*Secure members*	*Insecure non-members*	*Secure non-members*	*Effects (F)*			*Covariates (F)*	
					Insecurity	*Union*	*I × U*	*Age*	*Sex*
Exit									
Organizational withdrawal	2.37	1.85	2.44	2.46	2.63	4.60*	2.99	8.56**	13.57***
Job withdrawal	2.89	2.29	2.90	2.63	8.23**	1.27	1.12	30.32***	4.64*
Voice									
Disengagement in the downsizing goal	2.88	2.65	3.17	2.90	7.50**	8.14**	0.05	17.26***	1.41
Protest against the downsizing process	3.20	3.07	3.55	3.15	9.47**	2.49	0.67	14.59***	0.21
Loyalty									
Organizational commitment	2.83	2.96	2.49	2.72	3.01	6.99**	0.18	22.92***	0.10
Work intensity	4.53	4.55	4.36	4.44	0.53	4.17*	0.26	2.65	9.29**

* $p<0.05$, ** $p<0.01$,*** $p<0.001$; d.f. = 1,628.

6. Discussion and conclusions

The results of this study indicate that perceptions of job insecurity derived from organizational transformation and retrenchment are related primarily to coping strategies in the exit and voice domains, but not to loyalty reactions. In our data, employees who reported high levels of insecurity were more inclined than less insecure workers to exit from the job but not from the organization. This finding partly replicates previous studies that have found support for a relationship between job insecurity and turnover intentions (e.g. Brockner 1988; Davy *et al.* 1997). It also expands previous research by suggesting that insecure employees do not necessarily consider leaving the organization, but rather may look for a more secure position within the organization. Clearly, this finding also argues for the meaningfulness of a conceptual distinction between different forms of withdrawal cognitions (cf. Cohen 1998).

Our results also expand previous research on the outcomes of job insecurity by suggesting that employees with high insecurity are more prone to protest against downsizing implementations and to express disengagement in their goals than their less insecure co-workers. The finding that the level of job insecurity did not evoke dissimilar loyalty reactions is interesting. While the theoretical framework derived from Hirschman (1970) suggests that high insecurity would lead to enhanced loyalty reactions in order to redress one's attractiveness in the organization (thereby possibly remedying insecurity), empirical research typically has found job insecurity to be associated with impaired loyalty to the organization. The results of our study take a position in between and, taken together with other studies that have not found empirical support for a relationship between insecurity and, for instance, organizational commitment, clearly suggest that the effects of insecurity on various loyalty reactions merit further theoretical as well as empirical investigation.

The most notable finding of the present study, however, concerns the relationships between union membership and employee coping strategies. There seem to be substantial differences between unionized and non-unionized employees in terms of how they react to job insecurity. In contrast to what might perhaps be expected, our results suggest that non-affiliated workers tend primarily to engage in exit and voice coping, while those employees who belong to a trade union are rather more prone to cope with job insecurity by expressing their loyalty to the organization. Non-unionized workers displayed higher mean values than union members in organizational withdrawal and disengagement in the downsizing goal. On the other hand, affiliated employees reported higher levels of loyalty as operationalized by organizational commitment and work intensity.

These results are congruent with the Shaw *et al.* (1993) study, which found union membership to be positively related to organizational commitment (i.e. loyalty) and positive attitudes towards an ongoing organizational restructuring (i.e. low levels of voice). They are also in accordance with

previous research which has suggested that unionized workers are more inclined than their non-unionized counterparts to remain with the organization (Bender and Sloane 1999; D'Amico 1984). One potential explanation of these results, derived from research on dual commitment to company and union, is that a co-operative industrial relations climate — a characteristic of the Swedish industrial relations system — will facilitate employee expressions of loyalty to both the union and the employer (cf. Angle and Perry 1986; Magenau *et al.* 1988). Thus, a most interesting finding of the present study, which also receives support from the work of Freeman and Medoff (1984) and Hirschman (1986), is that union membership not only may reduce exit but also may lead to increased loyalty (and productivity). Such beneficial consequences of union presence have obvious practical implications for management.

With respect to the finding that unionized employees, in contrast to the non-members, were less inclined to use the voice option by expressing disengagement in the downsizing goal, it could be that our operationalization failed to capture the essence of voice. Given the difficulties in assessing voice experienced in previous studies (e.g. Withey and Cooper 1989), more research is needed to uncover how best to capture individual voice. A more substantial explanation to our finding, however, is that affiliated employees benefit from collective forms of voice expressed by their unions, and hence feel less need to engage in individualized forms. Freeman and Medoff (1984) argue that the presence of a union on the workplace (a voice function in their framework) generally has a positive effect on organizational productivity by putting 'pressure on management to tighten job-production standards and accountability in order to preserve profits in the face of higher wages' (p. 14). In what may be termed the 'organizational success of unionism' argument, they maintain:

> Economic theorists of all persuasions have increasingly recognized that unions' ability to enforce labor agreements, particularly those with deferred claims, creates the possibility for improved labor contracts and arrangements and higher economic efficiency. (Freeman and Medoff 1984: 11)

It should be recalled, however, that, even though we found support for positive effects of union membership, this variable did not moderate the effects of job insecurity. While the absence of such a buffering effect of union support has been observed also in a study that predicted employee well-being (Dekker and Schaufeli 1995), it is possible that the non-significance of the interaction between job insecurity and union membership is a statistical artifact rather than a substantial finding. The small number of individuals in the non-member groups indicates that the present study had little power to identify a significant interaction effect — even if there were in fact a substantial one.[2]

Nevertheless, whether as a moderator of job insecurity or as a direct predictor of coping strategies, union membership appears to have some crucial consequences. Regardless of their level of job insecurity, union

members were less inclined to make use of the exit and voice options than their non-unionized co-workers, and they more typically expressed loyalty to the organization. Given that there exist hardly any studies on the potential differences in terms of job insecurity reactions between unionized and non-unionized employees, our results could be taken as preliminary evidence for such positive effects. However, the high degree of unionization in Sweden calls the generalizability of this issue into question. Clearly, therefore, our results need replication in other industrial relations contexts before any firm conclusions can be drawn regarding the positive effects of union membership on how employees cope with job insecurity.

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Notes

1. It may be argued that it is the median value rather than the mean that should be used as cutoff point. However, research indicates that mean and median splits tend to produce similar results (Sverke and Sjöberg 1994), and all results reported in this paper remain essentially the same using a median split (median = 1.60).
2. This reasoning applies to all findings of the present study. While the conservative MANCOVA procedures minimize the risks of obtaining significance for true non-relationships (type I error), the small proportion of non-unionized employees in the sample, combined with the conservative statistical analyses, involve a risk of not identifying true relationships (type II error).

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