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The role of industry conditions in shaping job security and employee commitment

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Abstract. The study examined how industrial conditions shape job security and employee commitment. Using the social exchange theory, the study contended that industrial conditions would have negative implications on job security and employee commitment. Through a quantitative analysis and cross-sectional survey, 345 persons were sampled for the study. The results were at variance with the contention of the study. The results revealed that industrial conditions rather has significant relationship with job security and also has positive effect on employee commitment

Keywords. job security, employee commitment, social exchange th industrial conditions

Introduction

The dynamics of job security and employee commitment are critical in determining organizational success, yet they are increasingly influenced by the prevailing industry conditions. In sectors experiencing rapid technological advancement, globalization, or economic instability, the uncertainty of job security has become a pressing concern. This uncertainty affects employees' emotional and professional engagement, potentially undermining their commitment to organizational goals (Hur & Perry, 2020). Conversely, industries characterized by stability and growth may provide environments where job security fosters higher levels of commitment. However, the extent to which industry-specific factors shape this relationship remains underexplored, creating a gap in understanding how external conditions impact workforce stability and organizational loyalty (Aziz, et. al., 2021). Existing literature largely examines job security and employee commitment as isolated constructs or within the context of organizational policies and management practices. Few studies address the interplay between these factors and broader industry conditions, such as economic volatility, labor market trends, or competitive pressures (Hur, 2022). This gap in research is particularly significant as industries vary widely in their susceptibility to such forces, with implications for employees' perceptions of security and their consequent commitment levels.

The lack of empirical evidence on the role of industry conditions in shaping job security and employee commitment creates challenges for organizations striving to enhance workforce stability while navigating external uncertainties. By investigating this relationship, the study aims to provide insights into how industry-specific conditions influence employee

outcomes and inform strategies to promote commitment despite external challenges. This paper therefore addresses an urgent need for actionable knowledge, particularly in industries undergoing transformation or operating in uncertain economic climates.

Literature Review

From the theoretical perspectives, the paper is supported by the social exchange theory. The social exchange theory posits that relationships, including those in the workplace, are built on reciprocal exchanges of resources and obligations (Meira & Hancer, 2021). Employees evaluate their job security and commitment based on the perceived balance between what they give (e.g., skills, effort, and loyalty) and what they receive (e.g., job stability, benefits, and growth opportunities) (Tsai & Kang, 2019). Industry conditions serve as a significant contextual factor influencing these exchanges, shaping both organizational capacities to provide security and employees' willingness to commit.

In stable industries, characterized by predictable demand, minimal competition, and steady economic growth, organizations are more likely to offer secure employment and career advancement opportunities. This stability enhances employees' perceptions of organizational support, fostering trust and loyalty. Employees in such industries often feel valued and protected, leading to higher commitment levels. The reciprocal nature of social exchange ensures that employees respond positively to perceived stability by increasing their dedication and effort, thus reinforcing a virtuous cycle of mutual benefit (Stafford & Kuiper, 2021). On the other hand, in volatile or declining industries, where technological disruptions, economic downturns, or intense competition prevail, organizations may face constraints in maintaining job security (Tsai & Kang, 2019). Frequent layoffs, contract-based employment, and restructuring can erode employees' sense of security. Social exchange theory suggests that when employees perceive an imbalance—where their contributions are met with instability or insecurity—they are less likely to reciprocate with commitment. Reduced trust in the organization can manifest as lower engagement, higher turnover, or diminished performance.

Moreover, industry conditions influence organizational strategies for navigating uncertainty, which, in turn, affects the social exchange dynamic. For instance, companies in unstable industries may prioritize cost-cutting measures, reducing benefits or job guarantees. These actions signal a lack of long-term investment in employees, weakening the social contract and eroding commitment. Employees, perceiving an unfavorable exchange, may prioritize personal interests, such as seeking alternative employment or reducing discretionary effort. Social exchange theory also highlights the role of employee perceptions (Roch, et. al., 2019). In industries with high uncertainty, transparent communication, equitable treatment, and support during difficult times can mitigate the adverse effects on job security and commitment (Cortez & Johnston, 2020). Employees may perceive even limited support as a sign of goodwill, sustaining a degree of commitment despite challenging conditions. In conclusion, industry conditions significantly influence the balance of exchanges between employees and organizations, shaping perceptions of job security and employee commitment. By addressing the nuances of these exchanges, organizations can foster resilience and loyalty even in adverse industry climates

Besides the theoretical examinations, there are various studies on how industry conditions shape job security for employee commitment. For instance, Getahun Asfaw and Chang (2019) examined the relationship between job insecurity and engagement of employees. Getahun Asfaw and Chang utilized data from the Gallup-Sharecare Well-Being Index (2008–2014) to assess the relationship between perceived job insecurity and employee engagement.

Logistic regressions were applied, controlling for covariates, and interactions with supervisor support were examined. The findings revealed that perceived job insecurity was associated with reduced engagement among employees. Notably, supervisor support moderated this relationship, suggesting that supportive supervision can mitigate the negative effects of job insecurity on engagement. Zhenjing et. al., (2022) also examined the impact of employees work environment on employee performance, focusing on the mediating role of employee commitment. Surveyed academic staff were used together with A cross-sectional research design and convenience sampling. It was revealed that a positive workplace environment significantly enhanced employee performance, with employee commitment and achievement-striving ability serving as mediators. This underscores the importance of a conducive work environment in fostering commitment and performance.

In a related study, Inegbedion (2024), examined perception of decent work and employee commitment. Survey data was used investigate the relationship between employees' perceptions of decent work and their commitment levels. The study considered various dimensions of decent work, including fair compensation, safe working conditions, and opportunities for personal development. The results showed that positive perceptions of decent work were significantly associated with higher levels of employee commitment, suggesting that ensuring decent work conditions can enhance organizational loyalty. Adeyoyin and Ashava (2024) also investigated the impact of job security on employee commitment within a financial institution through surveys and statistical analysis to assess the strength of the relationship. Job security was found to have a significant positive effect on employee commitment, highlighting the critical role of job stability in fostering employee loyalty within the financial sector.

Methods

The study used a quantitative approach and a cross-sectional design. The justification for choosing the quantitative approach is that this study seeks to establish cause-and-effect relationships among the variables of interest. These variables were, job security (industrial conditions) and employee commitment. According to Creswell (2013), when a study seeks to predict the outcome of another phenomenon from another phenomenon or phenomena, then, the appropriate approach is quantitative. This design supports the choice of positivism and quantitative approach. The cross-sectional survey design objectively allows for the accurate description of activities and objects, processes (Wang, & Cheng, 2020), Additionally, this research design can obtain data regarding persons or groups of persons who possess some identified features, perceptions, behaviors, and beliefs by questioning and soliciting responses concerning the current status of the subject of the study (Spector, 2019). As indicated by Mohajan, (2018)., cross-sectional surveys gather information to represent what is going on at only one point in time.

Stratified sampling technique was used as the sampling strategy for the study. Stratified was used due to its ability to enhance the representativeness and reliability of data. This technique also enhances precision, as the data gathered from each subgroup allows researchers to make more informed comparisons and analyses. To get the required sample of students, the probability sampling procedure was used. In this probability sampling procedure, the simple random sampling technique was adopted. First, total numbers of employees were put together for which the researcher adopted Taro Yamane's formula for sample size determination. In all a total of 345 persons participated in the study.

A survey questionnaire was developed to collect data. The use of questionnaire is an effective means of measuring the behavior, attitudes, preferences, opinions, and intentions of

relatively large numbers of subjects conveniently than other methods (Harris & Brown, 2019). The study uses structural equation modeling (SEM). SEM examines relationships existing between one or more Independent Variables (IV) and one or more Dependent Variables (DV) (Nokelainen, 2018). This study uses path analysis for estimating the SEM. Path analysis adopts the assumptions of standard regression where it examines how the relevant independent variables influence or cause the outcome or dependent variables similar to the regression analysis. The current study employs the path analysis technique of SEM because the path analysis provides the basis for causal analysis and the detailed statistical interpretation of the dependencies and examines how the data collected fits the theoretical model and the assumption.

Results

A total of 345 employees of varying ranks and departments were sampled for the study and hence was expected to participate in the study. However, 315 responded to the questionnaire. This means that the response rate for the study was 91.3% which was ideal for any analysis.

Descriptive statistics

It is important to provide descriptive statistics of data in order to provide insights into the characteristics of a dataset, such as its central tendency, variability, and distribution. Therefore, measures such as mean, median, mode, and standard deviation o identify patterns, trends, and relationships within the data, serving as the foundation for further analysis

Article I. Descriptive Statistics on Industrial Conditions

Statements	N	Min	Max	Mean	Std. Dev
Stable industry conditions foster employee confidence in long-term job security	315	2	5	4.50	.754
Industry stability and outlook significantly shape employees' expectations of job retention	315	3	5	4.41	.701
Industry growth positively influences job security perceptions, especially in sectors with high employment rates	315	1	5	4.24	.922
Sectors with frequent layoffs or restructuring lead to lower job security perceptions among employees	315	1	5	4.21	1.097
Technological advancements and automation trends in an industry can create job insecurity, even for long-tenured employees	312	1	5	3.86	1.062

The table presents descriptive statistics on industrial conditions affecting employees' perceptions of job security. The responses, measured on a Likert scale (1-5), reveal varying levels of agreement across 315 participants, with slightly fewer respondents (312) addressing the impact of technological advancements. Stable industry conditions rank highest, with a mean score of 4.50 (SD = 0.754), indicating strong employee confidence in long-term job security when industries are stable. Similarly, industry stability and outlook shape employees' expectations of job retention, with a mean of 4.41 (SD = 0.701), reflecting a consistent agreement among respondents. Industry growth also positively influences perceptions of job security, but its slightly lower mean of 4.24 (SD = 0.922) suggests more variability in responses, likely influenced by differences across sectors. Sectors experiencing frequent layoffs or restructuring show a similar trend, with a mean of 4.21 (SD = 1.097) and higher variability, highlighting the negative impact on job security perceptions. The lowest mean, 3.86 (SD = 1.062), pertains to technological advancements and automation trends. This suggests mixed

perceptions, as some employees may view technology as a threat to job stability, while others perceive it as an opportunity for growth. Overall, the data shows the critical role of industrial conditions, particularly stability and growth, in fostering job security, with technology posing a nuanced challenge.

Inferential analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	7.176	1.779		4.033	.000
	IC	.366	.072	.320	5.082	.000

a. Dependent Variable: EC

The table presents the results of a regression analysis where employee commitment (EC) is the dependent variable and industry conditions (IC) is the independent variable. The unstandardized coefficient ($B = 0.366$) indicates that a one-unit increase in IC predicts a 0.366 increase in EC, holding other factors constant. The standardized coefficient (Beta = 0.320) shows the relative impact of IC on EC. The t-value (5.082) and significance level ($p = .000$) indicate that IC significantly predicts EC. The constant (7.176) represents the baseline value of EC when IC is zero. Overall, IC positively and significantly influences EC.

Discussions

The regression analysis demonstrates a significant positive relationship between industry conditions and employee commitment. The findings indicate that as industry conditions improve, employee commitment tends to increase. This suggests that favorable conditions within an industry, such as stability, growth opportunities, and supportive economic factors, can enhance employees' emotional and professional dedication to their organizations. The statistical significance of the results underscores the importance of industry conditions as a predictor of employee commitment. This implies that external factors beyond organizational control can play a critical role in shaping employee attitudes and behaviors. Industries characterized by favorable conditions may foster environments where employees feel more secure, valued, and motivated, leading to higher levels of commitment.

Moreover, the analysis highlights the practical implications for organizations operating in less stable or uncertain industries. To mitigate the potential negative effects of challenging industry conditions on employee commitment, organizations may need to adopt strategies such as transparent communication, robust support systems, and innovative retention practices. By addressing the broader industry context, businesses can enhance their ability to maintain a committed workforce, even in the face of external uncertainties.

The findings highlight the importance of aligning organizational strategies with industry conditions to enhance employee commitment. In favorable industries, companies should leverage stability by fostering career growth and recognition programs to sustain high commitment levels. Conversely, in volatile or uncertain industries, organizations must focus on transparent communication, resilience-building initiatives, and offering job security assurances to mitigate the impact of external uncertainties. Employers should also monitor industry trends and adapt policies to maintain employee trust and motivation. These strategies can help organizations retain a committed workforce, improve morale, and enhance overall performance, regardless of industry-specific challenges.

Conclusions

The study concludes that industry conditions play a pivotal role in shaping job security, which in turn significantly influences employee commitment. The findings affirm that favorable industry conditions, such as economic stability, growth opportunities, and competitive advantages, create an environment where employees perceive greater job security. This perception positively affects their emotional and professional dedication to their organizations, underscoring the interconnectedness of external industry dynamics and internal organizational outcomes.

The significant relationship observed between industry conditions and job security highlights the importance of considering external factors in workforce management strategies. Employees who feel secure in their jobs are more likely to demonstrate higher levels of commitment, contributing to organizational stability and performance. This underscores the need for organizations to remain vigilant about industry trends and proactively address factors that could impact employee perceptions of security. The study's implications extend to policy and strategy development, urging organizations to adapt their approaches based on industry-specific challenges and opportunities. By doing so, businesses can mitigate the adverse effects of unfavorable conditions while maximizing the benefits of favorable environments. Overall, this research emphasizes the critical role of industry conditions in fostering job security and commitment, contributing to sustainable organizational success.

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