Job Insecurity and Innovative Performance: The Mediating role of Knowledge Hiding in Organizations

Nosheen Sarwat, Institute of Management Sciences Bahauddin Zakariya University, Multan, Punjab, Pakistan
noshinsarwat@gmail.com

Dr. Shahzad Khurram, Associate Professor, Air University Islamabad, Pakistan, khurramjah2002@yahoo.co.uk

Anjela Khurram, Research Scholar, RITM, University of Paris Saclay, France, arsh.jah@yahoo.com

Seerat Fatima, Institute of Management Sciences Bahauddin Zakariya University, Multan, Punjab, Pakistan, sfseerat@gmail.com

Abstract- Using data from a diverse sample (n=194, paired samples based on data from employees and their supervisors) from various organizations across Pakistan, this study examined an emergent construct knowledge hiding (which we conceptualized as a silence behavior based on EVLNC, Exit, Voice, Loyalty, Neglect, Cynicism model) and its relation to innovative performance. Against knowledge hiding we also tested job insecurity and innovative performance. Data was analyzed using bootstrapping and regressions analysis. Results supported that knowledge hiding could be significantly predicted by employee’s reaction to job insecurity in organizations. Further our findings also indicated that when people feel insecure at their job they indulge in somewhat counterwork behaviors like hiding knowledge and which can negatively affect their innovative performance.

Key words: Knowledge hiding, Job Insecurity, innovative performance, silence behavior

I. INTRODUCTION

The emergence of the contemporary organization has brought about a myriad of changes in the work settings since the past couple of decades (Capelli, 1999). Mergers, Acquisitions, layoffs, compulsory retirements, economic conditions etc. have had a profound impact on organizations across the globe. These changes have also altered the employer expectations and employee's behaviors. Matters related to how these changes affect individuals and how they respond have always been of great interest to research scholars and practitioners. Considerable attention has been given by researchers to these matters and we can find extant literature of employee responses to issues like job insecurity (Ashford, Lee & Bobko, 1989; Huang, Niu, Lee & Ashford, 2012) and organizational injustice (Ambrose, Seabright & Schminke, 2002; Jones, 2009). The Exit, Voice, Loyalty, Neglect, Cynicism (EVLNC) model (Naus, Iterson & Roe, 2007) provides a comprehensive explanation as to what kind of general reactions people might exhibit to adverse behaviors like job insecurity, organizational injustice etc.

Of particular interest to this study is the silence behavior. It is important to note silence doesn’t necessarily mean the absence of speech. Silence pertains to “Intentionally withholding work-related ideas, information and opinions” (Dyne, Ang & Botero, 2003, p.1363). Employees can remain silent due to multiple motives in the perspective. For instance, when an employee is approached with a specific request for knowledge he may intentionally conceal it by procrastinating the request for knowledge, hide knowledge due to personal advantage or believe that the requested knowledge is of utmost organizational importance and hence should not be revealed. In the knowledge and creativity literature researchers have also identified that when the mere success and survival of an organization is dependent on its individuals sharing knowledge with each other, behaviors like knowledge hiding might have a devastating effect on the organization’s overall performance. Knowledge hiding has been coined as a kind of behavior in which the knowledge hider intentionally hides knowledge when requested from the knowledge seeker (Connelly, Zweig, Webster & Trougakos, 2012). Some researchers argue that knowledge hiding is not necessarily with the intention to harm the organization (Connelly et al., 2012) others alternatively pose that it is a kind of counterwork behavior (Cerne, Nesterad, Dysvik & Skerlavaj, 2012). Based on this understanding, this study makes an attempt to study knowledge hiding as a reaction to feelings of job insecurity in organizations.
Since knowledge hiding is an emerging concept of significant importance to organizations, there is a need for insights on certain contextual and dispositional factors that can predict knowledge hiding in organizations. Researchers till date have studied predictors which particularly focus on the complexity of knowledge and task related knowledge when studying knowledge hiding (Connelly et al., 2012). In this study, we, in addition insecurity, we also examine the outcome of knowledge hiding in its relation to innovative performance. Employees who hide knowledge from others in the organization necessarily do so because of distrust, which may lead to low levels of perceptions of collegiality since norms of reciprocity (Gouldner, 1960) demand that both trust each other and are ready to exchange (Blau, 1964) knowledge with each other and since knowledge is not being shared so the creativity of both the knowledge hider and seeker is also effected (Cerne et al., 2012) which can have a negative impact on the innovative performance of both of these individuals.

Kernel to the above factors, the context in which knowledge hiding is being studied is also of great significance. Context may comprise of elements from the organizational climate to the national culture in which knowledge is being created. Since circumstances may differ across situations there is a strong reason to believe that an apparently ludicrous situation may be of significant importance and a seemingly important situation may appear to be mundane in its actual context. Therefore, understanding the context of the situation in which we are conducting our study is of utmost important (Johns, 2006). For knowledge creation a context is necessary, knowledge cannot be separated from the context in which it is created (Nonaka, Toyama and Konno, 2000). If in that very context people are not ready to share their knowledge and hoarding knowledge for certain reasons, one cannot expect individuals of that organization to be innovative. However as certain researchers (Michailova & Hutchings, 2006) propose in their study on Chinese and Russian cultures both of which are assumed as collectivist cultures, that individuals belonging here prefer ingroup face saving and so they share they knowledge so there is need to address this issue that whether people in Pakistan which is also believed to be a collectivist culture (Hofstede, 1983), do individuals hide knowledge and how it affects their innovative performance.

In doing so this paper presents a further conceptual clarity of this emergent concept of knowledge hiding, relates it to factors like job insecurity and innovative performance. In the end future research discussions and implications for practitioners have been discussed.

II. THEORY & HYPOTHESES

Job insecurity is a situation in which an individual fears that he may lose his job permanently or he may lose some significant features of his job (Greenhalgh & Rosenblatt, 1984). In recent years researchers have studied job insecurity through perspectives of cognition and affection. The cognitive and affective component of job insecurity has a profound influence on various psychological and behavioral outcomes of individuals (Huan, Niu, Lee & Ashford, 2012).

Researchers believe that there are a number of reasons for us to assume that people who feel insecure at their job may also hide knowledge. The first reason can be identified in the Ashford, Lee and Bobko (1989) study in which they found that due to job insecurity people lose their trust in their organization, Connelly et al., have argued that distrust is a significant predictor of knowledge hiding in organizations, so people who fear job loss develop feelings of distrust and will hide knowledge. Second Chirumbolo & Hellgren (2003) studied the consequences of job insecurity and reported that job insecurity was negatively related to job satisfaction and commitment. When people are not committed and satisfied with their jobs, we can't expect them to indulge in knowledge sharing behaviours which are useful for the organization, ultimately they will hide knowledge. Finally the literature on power and politics further enlightens this relation, since knowledge is considered to be an important strategic resource (Grant, 1997), when people are insecure on their jobs, they will hide knowledge to make themselves indispensable. (Webster et al., 2008). These arguments form the basis for our next hypothesis

**Hypothesis 1:**
Job insecurity will be positively related to knowledge hiding
Hypothesis 2:
Job insecurity will be negatively related to Innovative performance.

Knowledge Hiding and Innovative Performance

"Innovation is a process that begins with an idea, proceeds with the development of an invention and results in the introduction of a new product, process or service to the marketplace" (Edwards & Gordon, 1984, p:1). At the individual level, researchers have observed Innovative work behavior as "the intentional creation, introduction and application of new ideas within a work role, group, or organization, in order to benefit role performance, the group or the organization" (Janssen, 2004, p:202). This definition clearly states that for a person to be innovative at his work he needs to create and share new ideas and then he also has to apply these ideas in the work context. A number of researchers have studied the relationship of innovation with knowledge sharing on individuals (Kamask&Buluatl, 2010), in business units (Tsai, 2001) and observed positive relationships between the two constructs. The outcome of knowledge creation is innovation (Nonaka, 1996) and new knowledge is created in organizations when people share their knowledge with others. If people aren't sharing the knowledge when a specific request has been made for knowledge, it can be assumed that they are hiding knowledge for certain reasons.In this study we proposed a significant motive for hiding knowledge; when an individual faces insecurity at the job. A number of researchers argue that under this condition individuals become wary of their organizations and its members and involve in such behaviors which are not at the advantage of the organization and their self(Cohen-Charash& Spector, 2001). On the same line of thought one such behavior, we put forth in this study is knowledge hiding, due to which they develop negative perceptions of their colleagues and also as they don't share knowledge, the creativity of both the knowledge hider and seeker is also effected (Cerne et al., 2012) which can have a negative impact on the innovative performance of both of these individuals.

Hypothesis 3:
Knowledge hiding will be negatively related to Innovative Performance.

Hypothesis 4:
Knowledge hiding will mediate the relation between Job Insecurity and Innovative Performance

![Figure 1: Predictors and Outcomes of Knowledge Hiding](image-url)
III. Method

Sample and Data Collection Procedures
Fear of losing a job, can be expected in any organization, profit or non-profit. Hence, we collected data from a number of organizations which included three private banks, two insurance companies and two organizations from the telecom sector from three large cities of Pakistan. We targeted professional employees and managers, expecting that they would be conveniently able to respond to the questionnaire in English. Various studies conducted in Pakistan have conducted research using questionnaires in English and have reported reliable and valid results (cf Sarwat & Shahzad, 2017; Qureshi et al., 2020). Since we required data from both the employee and supervisor, so the authors administered the data collection activity. The employees were asked to complete the self-report version comprising of items on job insecurity and knowledge hiding. The supervisors were then asked to fill in the questionnaire about the employee's innovative performance. The supervisors and employees did not have access to each other's responses and the supervisor knew each of their subordinates. Further it was also mentioned on the questionnaire that participation would be voluntary and data would be kept confidential.

We distributed 250 questionnaires and received 211 responses. However, due to missing data we had to exclude 17 questionnaires. Hence our final self-report responses were 194 paired responses (194 employees and 194 supervisors) thereby making our response rate to 72%. The majority of respondents (77.6%) were males with an average age of 32 years ($SD = 6.3$). The sample included 20% frontline supervisors, 70% middle managers and 8% senior managers. Average experiences was 5.40 ($SD = 1.7$) years. About 69% of the respondents had a master's degree 31% held MS and equivalent degrees (see Table 1).

Measures
All the constructs of this study were measured using self-reported instruments. Only innovative performance was supervisory rated. Job insecurity and knowledge hiding were assessed on a 7-point likert scalewhere 1=not at all to 7= to a great extent.

Job Insecurity. To measure overall job insecurity we used a fourteen-item scale used by Huang, Niu, Leee & Ashford based on Huang et al. (2010) and Caplan, Cobb, French, Van Harrison, and Pinneau (1975). Sample items included "The lack of job security in this company makes me feel nervous". "I am certain that opportunities for promotion and advancement will exist in the next few years". Cronbach alpha was (0.81).

Knowledge Hiding. A twelve-item scale by Connelly et al., (2012) was used to measure three dimensions (playing dumb, evasive hiding and rationalized hiding) of knowledge hiding. A few sample items are in a specific situation I "Pretended that I did not know the information" (playing dumb) "Told him/her that I would help him/her out later but stalled as much as possible" (evasive hiding), Explained that I would like to tell him/her, but was not supposed to (rationalized hiding). Cronbach alpha for this scale was (0.84).

Control variables. We conducted a one-way ANNOVA comparing innovative performance and collegial support across age, qualification, experience and gender. The results depicted significant differences for qualification ($F = 1.50, p < .05$) and experience ($F = 4.02, p < .001$), hence we entered them as our control variables. Post hoc analyses revealed no significant differences, since all organizations were from the service sector and private.

Assessing Common Method Variance. Apart from innovative performance, all our scales were self-report, so as observed by Podsakoff et al. (2003), one possible way to detect common method bias is to conduct a exploratory factor analysis and allow all measurement items to load on a single factor without any rotation. When we loaded all items on a single factor, the total variance explained was less than 17% indicating that common method variance isn't threatening the internal validity of our scales.
IV. RESULTS

Mediation Analysis. To understand the mechanism through which an independent variable effects a dependent variable, researchers have often used the multiple steps approach guidance provided by Barron & Kenney (1986). Methodologists like Shrout & Bolger (2002) have questioned the first step provided by Barron & Kenney (1986), which states that the predictor variable should correlate with the outcome variable. Even some researchers believe that this step isn’t even required (Kenny, Kashy and Bolger, 1998). The relaxation of this condition really seems viable in some situations specifically when the direct effect of X on Y is minimal due to other links in the chain (Shrout & Bolger, 2002). Keeping in view these potential shortcomings in the multiple step approach by Barron and Kenney (1986), bootstrapping is recommended, as it also aids in overcoming the shortcomings associated with non-normal sampling distributions in mediation analysis. In this study we used the macro provided by Preacher & Hayes (2013) to assess mediation.

Table 2 provides the result for hypotheses 1, 2, 3 and 4. Job insecurity was positively associated knowledge hiding ($B = 0.13$, $t = 2.13$, $p < .05$) and negatively related with innovative performance ($B = -0.14$, $t = 2.67$, $p < .001$). Knowledge hiding was negatively related with innovative performance ($B = -0.75$, $t = 5.15$, $p < .001$). Our mediation hypothesis was also supported. Bootstrap results were (see Table 2), with a bootstrapped 95% CI around the indirect effect not containing zero ($-0.15$, $-0.03$).

Table 1 shows the mean, standard deviations, correlations and alpha reliabilities

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Age</th>
<th>Gender</th>
<th>Education</th>
<th>Experience</th>
<th>Job Nature</th>
<th>Job Insecurity</th>
<th>Knowledge Hiding</th>
<th>Innovative Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>32.09</td>
<td>6.3</td>
<td>4</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Gender</td>
<td>1.23</td>
<td>1.23</td>
<td>4</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Education</td>
<td>2.1</td>
<td>1.4</td>
<td>-0.088</td>
<td>0.145</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Experience</td>
<td>5.40</td>
<td>1.7</td>
<td>0.759</td>
<td>-0.215</td>
<td>-0.097</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Job Nature</td>
<td>1.91</td>
<td>1.3</td>
<td>-0.380</td>
<td>-0.126</td>
<td>-0.06</td>
<td>0.362</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Job Insecurity</td>
<td>4.61</td>
<td>0.6</td>
<td>-0.132</td>
<td>0.12</td>
<td>0.203</td>
<td>0.145</td>
<td>-0.083</td>
<td>(0.81)</td>
<td>(0.192)</td>
<td>(0.92)</td>
</tr>
<tr>
<td>Knowledge Hiding</td>
<td>4.76</td>
<td>0.8</td>
<td>-0.096</td>
<td>-0.028</td>
<td>0.028</td>
<td>0.097</td>
<td>0.064</td>
<td>0.378</td>
<td>(0.84)</td>
<td>(0.92)</td>
</tr>
<tr>
<td>Innovative Performance</td>
<td>4.66</td>
<td>1.4</td>
<td>0.208</td>
<td>-0.112</td>
<td>-0.228</td>
<td>0.231</td>
<td>0.215</td>
<td>0.136</td>
<td>-0.192*</td>
<td>(0.92)</td>
</tr>
</tbody>
</table>

Note: Internal consistency estimates in parentheses. *p<.05; **p<.01.
Fear of losing jobs can cause substantial strains on employees. Till date numerous studies have studied the devastating effects of such pressures on employees. The findings of the research conducted in this study provide us with ample empirical evidence to support the behavioral outcomes due to job insecurity based on depictions of the EVLNC model (Naus, Iterson & Roe, 2007), but in the form of a somewhat different outcome termed as knowledge hiding which was characterized as evasive hiding, rationalized hiding and playing dumb. We found significant support of this behavior which we conceptualized as a mode of silence in organizations as a consequence of insecurity which employees may encounter in their organizations.

Alongside employee silence, there is also another group of people who wishes to use their voice (Morrison & Milliken, 2003).

First we tested for the effects of job insecurity on knowledge hiding. We found a positive association of job insecurity with knowledge hiding as hypothesized. At the kernel of job insecurity is the element of fear due to lack of trust in the organization. In an environment of distrust people don’t indulge in voluntary behaviors like sharing of knowledge, they would rather hoard knowledge or hide knowledge when requested (Connelly et al., 2012). Based on the tenets of the conservation of resource theory (Hobfoll, 2011), we can articulate that this fear of loss of job may lead to individuals trying to hide one of the most important strategic resources i.e. ‘knowledge’ (Grant, 1997) which can make them indispensable as a coping mechanism to avoid further losses and sustain their positions in organizations. Some rationale for these results is that since evasive hiding involves deception and provision of incorrect information, perhaps people consider it socially undesirable, even when they are in situations of losing their jobs. On the other hand fear of loss may coerce individuals to involve in hiding knowledge which can be logically denied (rationalized hiding) or for a knowledge request which they can simply claim to be ignorant of (playing dumb) and since insecurity has generated a feeling of distrust in the organization for which they are hiding knowledge.

Further our results also supported the mediating role of knowledge hiding between job insecurity and innovative performance. Enough empirical evidence is available on the wreackages job insecurity can cause including job performance, but innovative performance is a behavior that surpasses the normal work requirements of mere job performance. Innovative performance is possible at work when individuals exchange ideas. A number of researchers have studied the relationship of innovation with knowledge sharing on individuals (Kamask & Bulutlar, 2010), in business units (Tsai, 2001) and found these two constructs to be significantly related to each other. The outcome of knowledge creation is innovation (Nonaka, 1996) and new knowledge is created in organizations when people do not hide their knowledge from others.
Implications for Practice
In this study there are a number of practical implications for the managers of contemporary organizations, where every employee understands the strategic importance of his/her personal asset i.e. knowledge. In addition to this, in the kind of ambiguous environments in which these organizations operate, creative ideas from their employees are perquisites for survival and growth (George, 2007). Job insecurity is thought to produce counterwork behaviors like hiding knowledge in organizations. When managers in these organizations are faced with the dilemma of addressing insecurity for mitigating their harmful effects by encouraging knowledge hiding and reducing the innovative performance of people at work, then our results support that job insecurity may have more devastating effects. In developing countries and even countries around the globe, job insecurity is an equally important phenomenon and as our results suggest that when individuals feel insecure at work they may hide knowledge which in turn lowers their innovative performance, hence it is imperative that organizations introduce mechanisms through which employees can socialize with each other so that an environment of trust is built which may help improve performance at work.

Strengths and Limitations
The metaphor “three-edged sword” can apply to the strategies playing dumb, evasive hiding, rationalized hiding, used for knowledge hiding in organizations. Our study has provided support for presence of knowledge hiding and its reasons in non-western settings, where it is generally believed that people belonging to such collectivist cultures may prefer maintaining relations with members of their in-group or out-group by sharing knowledge with them rather than indulging in such behaviors as hiding knowledge. Second our study added to the understanding of the EVLN model (Naus, Iterson& Roe, 2007) by conceptualizing a relatively new construct knowledge hiding in terms of the silence behavior. Since all measures except for innovative performance, were self-report so we used multiple tests to rule out common method variance.

A number of limitations are also worth mentioning, like the data was collected in one shot. With extensive research on the negative outcomes of job insecurity, this study tested its relationship with a positive outcome i.e. innovative performance. Finally though we accounted for common method variance but a longitudinal study would have provided valuable insights, like if certain mechanisms are introduced in the organization as a result of which employees who might have been fearing job loss, suddenly got promoted, thereby stabilizing their positions then would they still hide knowledge, or would it bring about any improvisation in their innovative performance.

Suggestions for Future Research Trajectories
In future studies, researchers could also check for other elements of the EVLN model (Naus, Iterson& Roe, 2007) like withdrawal intentions and cynicism and their relationship with knowledge hiding, to identify that whether a behavior on which individuals become silent, may lead to their exit from the organization, or can make them cynical in the long run. Instead of innovative performance, researchers can also use in-role and extra-role performance (Anderson, 1991) as outcome variables and check for direct and mediating effects of knowledge hiding on these behaviors. In addition to this, future researchers can also investigate the relationship between knowledge hiding and individual knowledge creation ability (Sarwat & Abbas, 2020). Similarly researchers should also improve their understanding of knowledge hiding behaviors by separately studying, knowledge hiders and knowledge seekers. Since there are three strategies identified for knowledge hiding, researchers can also check for the positive or negative effects of various interpersonal mediators and moderators on each of these strategies separately, integrated with contextual factors like in organizations which provide ample opportunities for socialization, it’s possible that rationalized knowledge hiding is more common as compared to playing dumb or evasive hiding.

VI. Conclusion
With the over-whelming emphasis on the knowledge-based economy and changing paradigms at the workplace, this study contributed to our understanding of the various behaviors which individuals may depict in organizations. Particularly we focused on the knowledge hiding behavior and its different facets, since each of the type of knowledge hiding can have different motives and different outcomes. Our study has presented some valuable findings, in understanding the complex behaviors individuals my adopt depending
on their personalities and the kind of treatment they receive in organizations giving managers insights on to expect more of their employees then the stereotyped reactions.

REFERENCES:


