

OPEN ACCESS

ISSN 2280-4056

*E-Journal of
International and Comparative*

LABOUR STUDIES

Volume 11 No. 03/2022



ADAPT
www.adapt.it
UNIVERSITY PRESS

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Volume 11 No. 03/2022

@ 2022 ADAPT University Press

Online Publication of the ADAPT Series
Registration No. 1609, 11 November 2001, Court of Modena
www.adaptbulletin.eu

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The Value of Job Security: Does Calling Matter?

Eitan Hourie, Miki Malul and Raphael Bar-El*

Abstract

This paper tests the influence of an occupation as a calling on the value of job security and its connection with wage levels. The sample includes 495 workers from 10 occupations in the public and private sectors. The results from a linear regression indicate that those with occupations that the literature has defined as a calling value job security less than those in ordinary occupations. Workers in such occupations are 68.5% less likely to regard job security as a major factor than those in regular jobs. In addition, the salary level has no effect on this relationship. Finally, those who work in occupations that are regarded as a calling have less status quo bias than those in ordinary employment.

Keywords: Calling; Tenure; Loss Aversion; Job Security; Status Quo Bias.

1. Introduction

Employment can be viewed in several ways: as simply a source of income whose main benefit is material rewards, as a career in which promotions are the main benefit, or as a calling, pushing people to work for fulfillment and self-realization¹. According to the last approach, people work to

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¹ Barry Schwartz, *The Costs of Living: How Market Freedom Erodes the Best Things in Life*, (Xlibris Corporation, 1994).

achieve a higher purpose such as making the world a better place² and regard their work as meaningful and purposeful³.

Do people vary in the value they place on job security based on their occupation being regarded as a calling? Do material rewards such as salaries affect this valuation? To answer these questions, we used an analytical model⁴. This study is the first to use behavioral factors from the behavioral economics literature and classic economics to analyze the relationship between an occupation regarded as a calling and the demand for job security.

2. Methodology

We considered several possible scenarios.

Moving from a tenured position to a non-tenured position

In this scenario, the respondents are asked to imagine that they have a tenured job and receive an offer to take a non-tenured job. All of the other conditions such as hours and benefits are the same.

Let us define I_p^* as the wage required in a non-tenured job such that an individual is indifferent about being employed in a tenured job with a wage of I_t^0 and being employed in a non-tenured job with a wage of I_p^* .

$$1) I_p^* = I_t^0 + U_t + SQ$$

Where U_t is the non-pecuniary utility from tenure and SQ is the status quo bias.

Moving from a non-tenured position to a tenured position

² Amy Wrzesniewski, 'Finding Positive Meaning in Work', *Positive organizational scholarship*, (2003).

³ Roy F Baumeister, *Meanings of Life*, (Guilford Press, 1991); Douglas T Hall and Dawn E Chandler, 'Psychological Success: When the Career Is a Calling', *Journal of Organizational Behavior*, 26 (2005).

⁴ Hila Axelrad, Israel Luski, and Miki Malul, 'Behavioral Biases in the Labor Market, Differences between Older and Younger Individuals', *Journal of Behavioral and Experimental Economics*, 60 (2016).

Eitan Hourie, Miki Malul, and Raphael Bar-El, 'The Value of Job Security: Does Having It Matter?', *Social Indicators Research*, (2017).

In this scenario, the respondents are asked to imagine that they have a non-tenured job and receive an offer to take a tenured job. All of the other conditions such as hours and benefits are the same.

Let us define I_t^* as the wage required in a tenured job such that an individual is indifferent about being employed in a non-tenured job with a wage of I_p^0 or being employed in a tenured job with a wage of I_t^* .

$$2) I_t^* = I_p^0 - U_t + SQ$$

Note that U_t might be different for each individual. However, for a given individual this value should be fixed and should not depend on the scenario we present to him or her.

Summing equations 1 and 2 allows us to estimate the value of the status quo bias (VSQ).

$$3) VSQ = I_p^* + I_t^* = I_t^0 + I_p^0 + 2SQ$$

The gap between equations 1 and 2 allows us to estimate the non-pecuniary value of tenure (VJS).

$$4) VJS = I_p^* - I_t^* = I_t^0 - I_p^0 + 2U_t$$

The framework assumes that the status quo bias is the same for both directions⁵. The status quo bias in our model depends on the characteristics of the individual. Those who are strongly influenced by this bias will respond to this influence whether they are in a tenured or non-tenured position. We will first estimate the value of VJS and VSQ. Then, using a regression analysis we will estimate the correlation between an occupation regarded as a calling and the values of VJS and VSQ.

3. Empirical Estimation

The Sample

Our sample consists of 495 workers in Israel from 10 occupations in the public sector, who are assumed to have a relatively high level of job

⁵ Hila Axelrad, Israel Luski, and Miki Malul, 'Behavioral Biases in the Labor Market, Differences between Older and Younger Individuals', *Journal of Behavioral and Experimental Economics*, 60 (2016), 23-28.

security, and the private sector, who are assumed to have less job security or none at all. These 10 occupations are social workers, lecturers, lawyers, administration workers, accountants, high school teachers, bank workers, high-tech worker, nurses and psychologists.

Of these 10 occupations, four were classified as occupations that previous research has identified as having a sense of calling: **teachers**⁶, **social workers**⁷, **psychologists**⁸ and **nurses**⁹. We classified those in the other six groups as "regular" occupations.

⁶ William Buskist, Trisha Benson, and Jason F Sikorski, 'The Call to Teach', *Journal of Social and Clinical Psychology*, 24 (2005); Dwayne Huebner, 'The Vocation of Teaching', *Teacher renewal: Professional issues, personal choices*, (1987); Ditzta Maskit and Tamar Tal, 'The Choice of Men and Women in Preschool Education: The Timing of the Choice and Its Motives', in *A variety of shades - discourse and research*, (2016); Lawrence Blum, 'Vocation, Friendship, and Community: Limitations of the Personal-Impersonal Framework', *Identity, Character and Morality: Essays in Moral Psychology*, (1993); Carolyn P Swen, 'Talk of Calling: Novice School Principals Narrating Destiny, Duty, and Fulfillment in Work', *Educational Administration Quarterly*, (2019).

⁷ Bryan J Dik and Ryan D Duffy, 'Calling and Vocation at Work: Definitions and Prospects for Research and Practice', *The counseling psychologist*, 37 (2009); Sarah Banks, 'Professional Ethics in Social Work—What Future?', *The British Journal of Social Work*, 28 (1998); Cynthia Bisman, 'Social Work Values: The Moral Core of the Profession', *The British Journal of Social Work*, 34 (2004); Meir Hovav, Eli Luntal, and Yossi katan, 'Social Work in Israel', in *Red Line*, (2012); Hall and Chandler; Sarah Banks, *Ethics and Values in Social Work*, (Macmillan International Higher Education, 2012).

⁸ William E Henry, John H Sims, and S Lee Spray, *The Fifth Profession: Becoming a Therapist*, (Jossey-Bass, 1971); A Burton, 'Twelve Therapists: How They Live and Actualise Themselves', (San Francisco: Jossey-Bass, 1972); Barry A Farber and Louis J Heifetz, 'The Satisfaction and Stresses of Psychotherapeutic Work: A Factor Analytic Study', *Professional Psychology*, 12 (1981); Blum; Barbara Kramen-Kahn and Nancy Downing Hansen, 'Rafting the Rapids: Occupational Hazards, Rewards, and Coping Strategies of Psychotherapists', *Professional Psychology: Research and Practice*, 29 (1998); John C Norcross and Barry A Farber, 'Choosing Psychotherapy as a Career: Beyond "I Want to Help People"', *Journal of Clinical Psychology*, 61 (2005); Travis G Worrell, Gary E Skaggs, and Michael B Brown, 'School Psychologists' Job Satisfaction: A 22-Year Perspective in the USA', *School Psychology International*, 27 (2006); Shuki Sadeh, 'Psychologists Work with a Sense of Mission, but Are Treated Like the Cashiers in the Supermarket', *TheMarker*, (2016).

⁹ Hege Forbech Vinje and Maurice B Mittelmark, 'Community Nurses Who Thrive: The Critical Role of Job Engagement in the Face of Adversity', *Journal for Nurses in Professional Development*, 24 (2008); DM Rinaldi, 'The Lived Experience of Commitment to Nursing: As Perceived by Nurses in Their Nursing Environment', *Columbi: Columbia University Teachers College*, (1989); Blum; Karolyn White, 'Nursing as Vocation', *Nursing ethics*, 9 (2002); Douglas T Hall and Dawn E Chandler, 'Psychological Success: When the Career Is a Calling', *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 26 (2005); Dik and Duffy; Yudi Cao

We distributed the questionnaires between April and June 2013. Note that in April 2013, the last data Published by the Israeli Bureau of statistics regarding wages were from 2011. the paper uses the previous three-year average (2009-2011) to indicate the standard salary in each occupation. Table 1 below presents the details of the sample. The salaries are in new Israeli shekels (NIS), each equal at that time to about 25 American cents.

Table 1: Descriptive statistics of the sample

Occupation	N		Median monthly gross wage NIS
	Non-Calling	Calling	
Administration workers	101		5,500
Managers	26		7,000
Bankers	72		8,000
Psychologists		22	10,000
Social workers		107	10,000
Lecturers	21		10,000
Teachers		84	8,000
Lawyers	39		10,000
Nurses		8	7,500
Hi-tech workers	15		16,000
Total	274	221	

About 45% of the respondents were employed in occupations regarded as a calling.

and others, 'The Mediating Role of Organizational Commitment between Calling and Work Engagement of Nurses: A Cross-Sectional Study', *International Journal of Nursing Sciences*, (2019).

4. Results

Statistical tests

In light of the fact that wages vary even in the same occupation, we normalized the data, so that the values of job security and the status quo were translated into a percentage of the base wage. For example, on average the percent of VSQ of the base wages for all occupations is 22.9% and the percent of VJS is 28.8%.

Table 3 presents the descriptive statistics for the value of job security and the status quo bias for occupations depending on whether or not it is regarded as a calling.

Table 3: Comparison of % job security value (VJS), and % status quo value (VSQ) between the occupations

	Variable	
	% VSQ	% VJS
Regular occupation – average N=212	0.290 (0.660)	0.229 (0.337)
Occupation as a calling – average N=193	0.280 (0.724)	0.229 (0.369)
Total workers – average N=405	0.288 (0.69)	0.229 0.352

The descriptive statistics revealed that the value of job security is about 23% of the base wage and the value of the status quo bias is about 28%. In order to compare the values for occupations regarded as callings and those that are not, we built an econometric model as described below.

Regression Results

Several equations were estimated where the dependent variables were the value of job security (VJS) and the value of the status quo bias (VSQ). The explanatory variables were:

- I. **Calling** - an occupation characterized by a sense of vocation and calling, measured as a dummy variable (1 - calling occupation, 0 - normal occupation)
- II. **Tenure** - whether the respondent had a tenured or non-tenured position, a dummy variable (0 - non-tenure, 1 - tenure).

- III. **Risk aversion** - the respondents' level of risk aversion, measured using a questionnaire that came with the regular survey of the PSID in 1996 and in the survey of the Bank of Israel¹⁰. This is a continuous variable whose value ranges from 0 to 5. A high value indicates a high level of risk aversion.
- IV. **Loss aversion** - the respondents' level of loss aversion. To estimate the degree of loss aversion in risky choices, we used the simple lottery¹¹. This is a continuous variable whose value ranges from 0 to 6. A high value indicates a high level of loss aversion.
- V. **Age** - the respondents' age, measured as a continuous variable.
- VI. **Gender** - the respondents' gender, measured as a dummy variable (0 – women, 1 - men).
- VII. **Children under 18** - whether the respondents had children under the age of 18, measured as a continuous variable.
- VIII. **Mastery** - perceptions of control or fatalism - the respondents' subjective feelings that they can control the significant events in their lives, measured as a continuous variable (ranging from 0 to 5) using the index of Pearlin and Schooler¹². A low value indicates a perception of a high degree of control (a low level of fatalism).
- IX. **Lsalary banch** – Log gross wages based on the median wage for 2009-2011, which we used as the base wage for the respondent.
- X. **Degree** - holder of an academic degree, measured as a dummy variable (1 - holder of academic degree, 0 - no academic degree).

The results of the regression model presented in Table 4 indicate that workers employed in an occupation regarded as a calling estimate the non-pecuniary value of job security as **49.5%** ($e^{-0.685} - 1$)¹³ less than workers

¹⁰ Idit Yotav-Solberg, 'Technological Changes, Risk Aversion and Wage Development', *Bank of Israel, Research Department*, 04.01 (2004).

¹¹ Ernst Fehr and Lorenz Goette, 'Do Workers Work More If Wages Are High? Evidence from a Randomized Field Experiment', *The American Economic Review*, (2007).

¹² L.I. Pearlin and C. Schooler, 'The Structure of Coping', *Journal of health and social behavior*, (1978).

¹³ Robert Halvorsen and Raymond %J American economic review Palmquist, 'The Interpretation of Dummy Variables in Semilogarithmic Equations', 70.(1980)

Peter E %J American Economic Review Kennedy, 'Estimation with Correctly Interpreted Dummy Variables in Semilogarithmic Equations [the Interpretation of Dummy Variables in Semilogarithmic Equations]', 71.(1981)

employed in regular occupations. These findings are consistent with findings in previous research¹⁴.

we found that employees who are tenured place a higher value on job security.

Table 4: Econometric results

Variable	VSQ	VJS
Constant	-0.012	-20.191***
Calling	-0.06**	-0.685**
Tenure	0.069**	0.838**
Risk aversion	0.016**	-0.047
Loss aversion	0.008*	0.095
Age	0.002*	0.014*
Gender	0.013	-0.152
Children under 18	0.000	0.143*
Mastery	-0.001	0.057
Lsalary_banch	1.066***	2.853***
Degree	0.079***	-0.181
N	311	311
Adjusted R square	0.628	0.080
F	53.25***	3.6***

Dependent variables are in the form of Ln

*Significant at the 0.1 level

**Significant at the 0.05 level

***Significant at the 0.01 level

¹⁴ Lee Hardy, *The Fabric of This World: Inquiries into Calling, Career Choice, and the Design of Human Work*, (Wm. B. Eerdmans Publishing, 1990); Wrzesniewski.

As expected, the control variables (age, having young children, tenure and the level of median wage in the occupation) have a positive impact on the value of job security.

There is no interaction between the occupation being regarded as a calling and the base salary. This lack of a relationship implies that the effect of regarding an occupation as a calling on the value of job security does not change with the wage level. We used the Kruskal-Wallis test to illustrate this result. We found no significant difference in the value of job security at different base wage levels (Table 5).

Table 5: Kruskal-Wallis Test results – VJS

Profession	N	Mean Rank
Psychologist	22	103.7
Social worker	102	96.29
Nurse	8	76.44
Teacher	61	98.47
Total	193	
Kruskal-Wallis	H	1.472
Asymp. Sig.		0.689

Regarding an occupation as a calling is correlated negatively with the status quo bias effect. Thus, those in such occupations have about a 6% less status quo bias than those in regular occupations. As expected, the control variables (age, tenure, risk aversion, loss aversion and the level of median wage in the occupation) have a positive impact on the value of the status quo bias.

5. Discussion

Our study is the first we know of to use behavioral factors from the behavioral economics literature and classic economics to analyze the relationship between an occupation regarded as a calling and job security. We show that workers in such occupations are **-68.5%** less likely to regard job security as a major factor than those in regular jobs. Previous

studies¹⁵ established that workers employed in the public sector are more likely to value job security than those employed in the private sector. Therefore, we would expect that those in occupations regarded as a calling to value job security more or at least similar to the value of job security for those in regular jobs. However, our results suggest that, when controlling for having tenure, working in an occupation regarded as a calling has a negative effect on the value of job security. The results of this paper might call for a rethinking regarding the form occupations regarded as a calling should be employed, i.e., tenure vs. non-tenure.

¹⁵ Justin B Bullock, Jesper Rosenberg Hansen, and David J Houston, 'Sector Differences in Employee's Perceived Importance of Income and Job Security: Can These Be Found across the Contexts of Countries, Cultures, and Occupations?', *International Public Management Journal*, 21 (2018).

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