

The Impact of Privatization on Employee Job Insecurity: The Case of the Healthcare Sector in Saudi Arabia

Mahmoud Ibrahim Fallatah¹ & Jawiriyyah Mohammed Halawani²

¹ College of Business, Umm Al-Qura University, Makkah, Saudi Arabia

² King Abdulaziz Hospital, Ministry of Health, Makkah, Saudi Arabia

Correspondence: Mahmoud Ibrahim Fallatah, College of Business, Umm Al-Qura University, Makkah, Saudi Arabia. E-mail: mifallatah@uqu.edu.sa

Received: August 2, 2023

Accepted: September 17, 2023

Online Published: September 28, 2023

doi:10.5539/ijbm.v18n6p65

URL: <https://doi.org/10.5539/ijbm.v18n6p65>

Abstract

Research has discussed several aspects of privatization in developed and developing countries. In this study, we build on the Psychological Contract Theory and the Human Capital Theory, as well as research on proactive behavior and self-concepts, to examine how understanding privatization impacts the quantitative and qualitative job insecurity of employees in the healthcare sector in Saudi Arabia during the privatization process. Using a sample of 136 employees, our results show that understanding the concept of privatization in general is negatively related to quantitative job insecurity, and knowing the nuances of privatization of the healthcare sector impacts quantitative, but not qualitative, job insecurity. This study makes several theoretical contributions to the literature on privatization, human resources, and organizational behavior. This study also provides useful practical implications for policymakers and managers.

Keywords: Privatization, Job insecurity, Saudi Arabia, healthcare, psychological contract theory, human capital theory

1. Introduction

Ample research has discussed how governments should restructure their service delivery (Warner & Hebdon, 2001). Specifically, many scholars have focused on privatization (Radic, Ravasi, & Munir, 2021), defined simply as the transfer of State-Owned-Enterprises (SOEs) ownership from state to private enterprises (Megginson & Netter, 2001; Radic et al, 2021; Savas, 1987; Savas, 2000; Starr, 1988). Such academic attention reflects the rapid increase of privatization by national governments. It was reported that governments raised about \$319.9 billion through privatization sales worldwide in 2015 (Megginson, 2017). A more recent report indicates that privatization revenues have more than doubled from around USD 110 billion in 2008 to USD 266 billion in 2016 (Organization for Economic Cooperation and Development (OECD), 2018). While privatization exists in most countries, it is more common among developing countries (Dharwadkar, George, Brandes, 2000; Megginson & Sutter, 2006).

For developing countries, privatization is driven mostly by the governments for economic, social, or political reasons (Radic et al, 2021). Thus, it is not surprising that few studies are centered on the impact of privatization on employees. Studying how employees are impacted by privatization is vital, given their importance as a source of competitive advantage (Pfeffer, 1995). While some research has found privatization to have positive impacts such as increasing employment (Gupta, 2011; Megginson et al., 1994), others have found the contrary. For example, Cunha and Cooper (2001) found that employees suffered mental and physical health issues post privatization. Similarly, research on employees at the French Telecom company found that 69 employees had committed suicide between 2008-2011, blaming managers for putting the interest of shareholders over those of employees (Chabrak, Craig, Russell & Daid, 2016).

In the healthcare sector, research in various countries produced some interesting findings. For example, in Turkey, where privatization of the healthcare system took place years ago, studies have found nurses to have a negative perception on the move (Harmanci Seren, & Yildirim, 2013). Another study on privatized healthcare institutions in the United States found that staff in privatized hospitals in New York deal with more stress and have a lower perception of rewards (Zullo & Ness, 2009). Similarly, Segal (2000) found that privatization led to

lower wages for health workers. Other research found that the impact of privatization on healthcare workers is very complex and hinges on the level of trust between the healthcare workers and their leaders (Engström & Axelsson, 2010).

In Saudi Arabia, and as part of vision 2030, a transformational strategic plan that aims to diversify the kingdom's economy, the government established a privatization program that sought to privatize many services delivery SOEs (Vision 2030, 2016). Chief among them is the privatization of the healthcare system. Generally, privatizing the healthcare system is common in both developed and developing countries (Harmanci Seren, & Yildirim, 2013). Like most nations, the decision by the Saudi government to privatize the healthcare system is a response to several socioeconomic challenges that the kingdom has faced (Rahman, 2020). Since the announcement, scholars started to discuss the issue from different angles, including highlighting the reasons behind privatization (e.g. Rahman & Alsharqi, 2019; Rahman, 2020), the impact of the privatization on access to medical care (e.g. Al-Jazaeri, Ghomraoui, Al-Muhanna, Saleem, Jokhadar & Aljurf, 2017; Alkhamis, 2017), and the opportunities and challenges associated with the privatization (Alkhamis, Miraj, AlQumaizi, & Alaiban, 2021), among others. What is really missing among recent studies is the managerial view that examines how employees would be impacted by the privatization of the healthcare sector in Saudi Arabia. Thus, the current paper aims to contribute to the lively academic discussion on privatization in developing countries by focusing on the privatization of the healthcare sector in Saudi Arabia. Importantly, we take a managerial approach to focus on the impact of privatization on employees' job insecurity.

Studying job insecurity of employees is paramount. In fact, job insecurity has been identified by employees around the world as one of their major concerns (American Psychological Association, 2014; Oxford Economics, 2014). Research asserts that job insecurity has numerous negative outcomes, including poor well-being, diminished job attitudes, and lower performance (Cheng & Chan, 2008). Additionally, job insecurity has been found to decrease employees' creativity and increase organizational counterproductive work behavior (De Cuyper, Baillien, & De Witte, 2009). Others have also found job-insecure employees to be more likely to engage in presenteeism (Miraglia & Johns, 2016) and less likely to alert the organization to potential problems (Schreurs, Guenter, Jawahar, & De Cuyper, 2015). Thus, it is not surprising that job insecurity has been receiving much attention from organizational and management researchers (Shoss, 2017). As explained earlier, governments, as well as organizations, are faced with economic and social challenges that require restructuring of industries and shifting in policies and legislations (Hirsch & De Soucey, 2006). Many studies have emphasized the relationship between organizational restructure and employees' overall well-being (e.g. Benach et al., 2014; de Jong et al, 2016). Thus, privatization, as a form of such changes, could result in considerable uncertainty for employees about the future of their job.

In addressing the impact of privatization on employees' job insecurity, our contribution to the privatization literature is twofold. First, we provide a managerial view on privatizing the healthcare system in Saudi Arabia, departing from the common view that focused on the economic, social, and medical consequences of privatization. Second, we contribute to the human resource and organizational behavior literature by highlighting factors that should be considered when dealing with employees' job insecurity for workers. Put differently, we examine how education and awareness programs could help in reducing perceived job insecurity among healthcare workers.

The rest of the paper is structured as follows. The next section provides a brief description of the healthcare system in Saudi Arabia, highlighting its history and major components. We follow that with a theoretical background on job insecurity and provide arguments on how privatization is expected to impact job insecurity among employees. The methodology section comes next, where we describe our sample and data collection process, before discussing the analytical techniques and the results. The paper ends with the discussion of our findings and the conclusion section.

2. Job Insecurity: A Brief Overview

Job insecurity could be defined generally as the overall concern about the continued existence of the job in the future (De Witte, 1999; Hartley, Jacobson, Klandermans, & Van Vuuren, 1991; Shoss, 2017). Put differently, job insecurity describes a situation where employees face a threatening situation in which they feel powerless to maintain a job they desire (Greenhalgh & Rosenblatt, 1984). Conceptually, scholars divide job insecurity into two main components: cognitive and affective (Huang, Niu, Lee, & Ashford, 2012; Staufenbiel & König, 2011). Cognitive job insecurity represents the perceived threat to the continuity of one's employment and/or to features of the job (Huang et al, 2012), whereas the affective job insecurity describes the emotional reactions to the perceived threat to one's job (Huang, Lee, Ashford, Chen, & Ren, 2010).

Importantly for our study, we focus on cognitive job insecurity, and follow Greenhalgh and Rosenblatt (1984; 2010) in viewing it as a four-elements phenomenon. The first element is desired continuity, which asserts that employees must have the desire to remain in their current job, which is not always true as some employees might feel at ease with moving to a better job. The second element is threat, which requires that for an employee to be considered job-insecure, he/she must have some probability of violating his or her expectations of continuity. The third element involves work features at risk, which highlights that job insecurity should include not only the threat of losing a job, but also losing any desirable feature of the job, such as pay, position, or a preferred manager. Finally, powerlessness is the fourth element, which asserts that if a threatened employee has the power to resist the threat, then he would not be job insecure.

Taking it all together, and given the context of our study, we follow (Sverke & Isaksson, 1999) and conceptualize and measure job insecurity using the two dimensions of Greenhalgh and Rosenblatt. First, we use the term *quantitative job insecurity* to refer to the perceived threats to the continuity of the job itself. Second, we use the term *qualitative job insecurity* to capture the threat of losing important job features. Conceptualizing job insecurity using these two dimensions cover the elements of fear that workers in the health care industry in Saudi Arabia are dealing with, based on our initial in-person conversation with several of them.

When it comes to causes of job insecurity, research suggests that antecedents fall into three categories (Shoss, 2017). First, at the individual levels, some demographic variables (Låstad, Berntson, Näswall, & Sverke, 2014; Yang & Zheng, 2015) and personal traits of employees (Debus, König, & Kleinmann, 2014) are found to be related to job insecurity. Second, some organizational factors also have been found to signal a potential risk of job loss, including factors such as organizational performance and changes in top management as well as any changes in the organization's structure (Ellonen & Nätti 2015; Keim, Landis, Pierce, & Earnest, 2014). At the environmental level, increases in national unemployment rate contributes to more job insecurity among employees (Anderson & Pontusson, 2007), a trend that also has been found in association with any technological or economic change in the business environment (Jiang, Probst, & Sinclair, 2013; Lübke & Erlinghagen, 2014).

2.1 Job Insecurity during Privatization

According to the psychological contract theory (Argyris, 1960; Rousseau, 1989; 1995; 1998; 2001), employees believe there is a reciprocal implied contract with their employer based on previous interactions throughout the employment journey. Such contracts provide some security for employees in the long term, given the employees are performing well and doing their part. As discussed before, job insecurity is more likely to increase in response to economic changes, which usually requires organizational restructuring (Jacobson & Hartley, 1991; Shoss, 2017). Such changes in an organizational structure impacts the employee's perception about his/her work relationship with his/her employer. During privatization, which includes changes in ownership and management, and probably changes in the structure of the organization, employees job insecurity is expected to rise (de Jong et al, 2016; Hirsch & De Soucey, 2006). The fear of job-insecure employees stems from the uncertainty of their job status and the potential breach of their psychological contract with their employers, which eventually might lead to stress and health-related issues, as well as the loss of income (Burgard, Brand, and House 2009; Zhao, Wayne, Glibkowsli, & Bravo, 2007).

Dealing with job insecurity, employees are more likely to find ways to counteract the situation (Burgard et al, 2009). One suggested way to counteract job insecurity is to reduce the uncertainty level associated with job insecurity (Hogg, 2007). We are informed by proactivity research that employees try to shape, affect, and temper the difficult situations they may face, instead of letting everything happen to them (Grant & Ashford, 2008). Proactive behaviors such as seeking information are critical in reducing uncertainty, as it enables employees to better understand the situation, predict the outcomes, and make more-informed decisions (Ashford, 1986; Chan & Schmitt, 2000). Thus, we argue that during privatization, employees should seek more information about privatization and how it impacts their job status. Specifically, employees should encounter the uncertainty that is associated with privatization by attempting to learn more about privatization, in general, and privatizing the healthcare sectors in particular.

The argument is also supported by research on self-concept and employability. To explain, self-concepts are defined as cognitive schema that organize memories about oneself and guide the processing of self-related information (Markus, 1977). In other words, self-concepts represent an overall view of oneself. In uncertain conditions, such as during privatization, employees' evaluations of their perceived employability are associated with cognitive schema that guide the processing of information about themselves because self-concepts are considered as a reference point for evaluating oneself (Rosenberg, 1979). Thus, it is essential to have positive self-concepts that include its major components of self-esteem, generalized self-efficacy, locus of control, and

emotional stability (Judge, Erez, & Bono, 2011), for employees to survive the uncertain period or privatization. Employees who have positive self-concepts are more confident about their employability and more job-secure (Campbell, 1990; Kim, Kim, & Lee, 2015). One way to enhance positive self-concepts is by learning.

Drawing from the human capital theory (Becker, 1993), research argues that learning increases employees' understanding of the degree to which they perceive their levels of employability (Kim et al, 2015). The more employees acquire information about privatization, the more they understand the phenomenon, which should help guide their behavior during this period of uncertainty. While privatization could result in involuntary turnover in many organizations, especially if it comes with downsizing (Ferrie, Westerlund, Oxenstierna, Theorell, 2007), research suggests that the situation is survivable (Arnold & Staffelbach, 2012). In fact, many studies have found positive impacts of privatization on employees, including higher wages (e.g. Earle & Shpak, 2019). Thus, employees with more knowledge about the positive outcomes of privatization are found to be more optimistic and more likely to remain on their jobs (Kim et al, 2015).

Consequently, we argue that employees are more likely to be job-secure if they acquire more knowledge about privatization. Specifically, we posit that employees with more understanding about privatizing the healthcare sectors and the consequences of such an event tend to have more positive evaluation about their job status. This should enable them to understand that privatization does not equal an automatic end to their employment. It also enables them to at least take proactive decisions to prepare themselves for post-privatization. Thus:

H1a: For workers in the healthcare industry in Saudi Arabia, there is a negative relationship between understanding the general concept of privatization and post-privatization perceived quantitative job insecurity.

H2a: For healthcare workers in Saudi Arabia, there is a negative relationship between understanding what privatizing the healthcare sector entails and post-privatization perceived quantitative job insecurity.

H1b: For workers in the healthcare industry in Saudi Arabia, there is a negative relationship between understanding the general concept of privatization and post-privatization perceived qualitative job insecurity.

H2b: For healthcare workers in Saudi Arabia, there is a negative relationship between understanding what privatizing the healthcare sector entails and post-privatization perceived qualitative job insecurity.

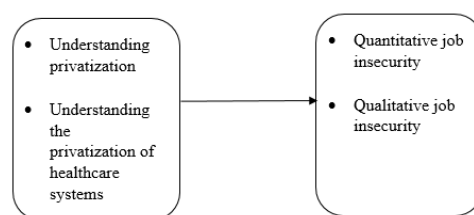


Figure 1. The relationship between understanding privatization and employee job insecurity

3. Method

3.1 Research Setting

Our research setting is the healthcare sector in the Kingdom of Saudi Arabia. Public health in Saudi Arabia goes back to 1925, and the Ministry of Health (MOH) was established in 1951, promoting general health and providing healthcare services freely to residents (MOH, 2022). The following decades have seen the establishment of ample health centers and hospitals, including military and specialists hospitals in all regions in the kingdom.

In this study, we drew our sample from health care workers in five major hospitals located in the holy city of Makkah. We collected data through surveys. The survey was translated from English to Arabic by the second author. To make sure the meanings of the questions remained the same (Brislin, 1986), the survey was back translated by the first author. As a final check, the survey was reviewed again by a Saudi working professional, who, just like both authors, is fluent in both languages. As the most popular communication mode, and as a major tool for doing business in Saudi Arabia (Saudi Arabia Social Media Statistics, 2020), WhatsApp was employed as a tool to send a link to the survey to potential respondents. This practice has been used previously by research in the Saudi Arabian context (e.g. Fallatah & Ayed, 2023; Perez- Nordtvedt & Fallatah, 2022).

The survey was administered during the summer of 2021. Employees were contacted directly by the second

author. We sent the survey to about 300 workers in the five hospitals. A reminder text was sent to potential respondents one week after the they received the link the first time. The total number of surveys completed was 136, a 45 percent response rate. In our sampled employees, 46% were officially employed by the government, while the rest were on a yearly contract. Also, 50.7 percent of our sample were males, 98% had at least three years of experience, and 56% had at least a bachelor's degree. Our sample included employees from all five hospitals, with the majority (48%) coming from one major hospital. There were 51.5% non-medical specialists, while the rest of the sample included administrative workers (25%), technicians (10%), nurses (8%), and physicians (6%).

Table 1. Summary of the sample

Variable	Measure	Frequency	Percentage
Gender	Male	69	50.7%
	Female	67	49.3%
Employment type	Official	63	46.3%
	Contract		53.773%
Hospital	Hospital 1	65	47.8%
	Hospital 2	9	6.7%
	Hospital 3	37	27.2%
	Hospital 4	17	12.5%
	Hospital 5	8	5.9%
Job	Doctor	8	5.9%
	Non-medical Specialist	70	51.5%
	Nurse	10	7.4%
	Technician	14	10.3%
	Administrative	34	25%
Education	PhD/Fellowship	8	5.9%
	Master/Residency	27	19.9%
	Bachelor	77	56.6%
	High school	16	11.8%
	Below high school	8	5.9%
Experience	More than 15 years	46	33.8%
	Between 10 and 15 years	24	17.6%
	Between 6 and 13 years	39	28.7%
	Between 3 and 6 years	24	17.6%
	Fewer than 3 years	3	2.2%

3.2 Measures

To measure the dependent variable, *job insecurity*, we used an adopted version of the scale developed by Sverke and Isaksson (1999), which has been commonly used in similar studies (e.g. Callea, Lo Presti, Mauno, & Urbini, 2019; Chirumbolo & Areni, 2010; Chirumbolo et al, 2015). For quantitative job insecurity, the scale included items such as “*privatizing hospitals will cause me to lose my job in the near future*” and “*privatizing hospitals will lead to workers losing their jobs.*” The measure was internally consistent with a Cronbach alpha value of 0.70. On the other hand, for qualitative job insecurity, the scale included items such as “*pay in the healthcare sector will increase in the near future as a result of privatization*” and “*my future career opportunities are favorable.*” The measure was internally consistent with a Cronbach alpha value of 0.73.

To measure the independent variable, *understanding privatization*, we employed an adopted version of the

previously validated scale developed by Harmanci Seren and Yildirim (2013), which included items such as “The privatization of public enterprises and public services serves the economic well-being of the public,” and “Public enterprises and public services put an economic burden on the state.” The measure contained 11 items and it was internally consistent with a Cronbach alpha value of 0.76.

On the other hand, to measure the other independent variable, *understanding privatization of the healthcare system*, we used an adopted version of the Harmanci Seren and Yildirim (2013) scale. The survey had 20 related items, which included items such as “With the privatization of public health institutions, hospitals will be run more efficiently,” and “The quality of the healthcare services will increase with the privatization of public health institutions.”. An evaluation of internal consistency showed a Cronbach alpha value of 0.90, which indicate that the measure was internally consistent. We also evaluated the reliability of the whole scale, which showed a Cronbach alpha value of 0.89, which is well above the cutoff point of 0.70 (Nunnally, 1978).

We have also controlled for many variables that might affect the relationships examined in our study. We controlled for *gender* as an important factor in job insecurity since males are more likely to be responsible for providing for their families. We also controlled for experience. Not only is experience correlated with age, but it also has some ramifications when it comes to job insecurity. On the one hand, more experienced employees could feel more job secure as they have more experience and are more likely to be retained by organizations after the privatization is complete. On the other hand, one could argue that experienced employees, especially older ones, might fear that they are expandable as organizations might favor younger employees that could be developed and serve the organization for longer periods. *Education* was also controlled for as a potential impactful variable as more educated employees are assumed to be more secure than less educated ones. We also controlled for the type of employment (*contract*) as contracted employees are usually less secure than employees officially employed by the government. Additionally, we controlled for *job title* because different positions have different levels of job security. Employees were categorized into medical doctors, non-medical specialist, nurses, administrative employees, and technical employees. Control variables also included the name of the hospital (*hospital*) as we sampled employees from five major hospitals.

4. Results

The robustness of the model was evaluated prior to testing the hypothesized relationships. First, to assess whether multicollinearity was a significant problem, the variance inflation factors (VIF) were calculated. Multicollinearity was not a significant issue in this study, as all VIF values were well below 10 (Hair *et al.*, 2014).

Additionally, to assess common method variance (CMV), we administered the survey following recommended steps such as changing the order of scale items, defining ambiguous terms, guaranteeing confidentiality, and using clear response guidelines (Podsakoff, MacKenzie, Lee, and Podsakoff, 2003). We also tested discriminant validity among the constructs, which indicated that the constructs measure different things. Overall, although a common method bias cannot be completely ruled out, the tests concluded that CMV was not a major problem in this study.

We used Ordinary Least Squares (OLS) regression analysis to test the hypotheses of our study. The results are presented in Table 2. Model 1 and 2 examined quantitative job insecurity, where model 1 included only the control variables, while the independent variables were included in model 2. Likewise, models 3 and 4 show the results for qualitative job insecurity, with the control variables only in model 3, and with the addition of both independent variables in model 4.

Table 2. Results of the OLS regression

Variables	Model 1	Model 2	Model 3	Model 4
Gender	-0.02* (0.08)	-0.02* (0.02)	-0.13* (0.06)	-0.01* (0.01)
Education	-0.05 (0.05)	-0.01 (0.01)	0.29** (0.04)	0.33** (0.01)
Experience	0.27** (0.03)	0.32** (0.01)	0.06* (0.04)	0.11** (0.00)
Job title2	-0.14 (0.13)	0.01 (0.04)	-0.13 (0.11)	0.00 (0.02)
Job title3	0.36* (0.13)	0.04* (0.04)	-0.34* (0.11)	0.01* (0.02)

	(0.18)	(0.06)	(0.15)	(0.02)
Job title4	-0.01	-0.04	0.01	-0.01
	(0.09)	(0.04)	(0.08)	(0.01)
Job title5	0.08	0.04	0.05	0.01
	(0.15)	(0.05)	(0.13)	(0.02)
Contract	-0.12	0.01	-0.11	0.00
	(0.08)	(0.02)	(0.06)	(0.00)
Hospital2	0.19	-0.06	0.20	-0.02
	(0.15)	(0.05)	(0.13)	(0.02)
Hospital3	0.17	-0.04	0.17*	-0.01
	(0.09)	(0.03)	(0.08)	(0.08)
Hospital4	0.24*	0.09*	0.16	0.03
	(0.12)	(0.04)	(0.09)	(0.01)
Hospital5	-0.04	0.08	-0.08	0.02
	(0.16)	(0.05)	(0.13)	(0.02)
General privatization		-0.25**		-0.42**
		(0.09)		(0.00)
Health privatization		-0.34**		-0.10
		(0.09)		(0.09)
Adjusted R2	0.43	0.46	0.44	0.52
F-value	9.38	57.73	9.7	76.11

Note. N=261. Estimates are unstandardized. * p <.05, ** p <.01.

Results of adjusted R² value in model 2 show that our proposed model of quantitative job insecurity explains 46 percent of total variance. The results also support hypothesis 1a ($\beta = -0.25$, $p < .01$), which predicts a negative relationship between understanding the general concept of privatization and post-privatization perceived quantitative job insecurity. Hypothesis 1b suggests a negative relationship between understanding the concept of privatizing the healthcare industry and post-privatization perceived quantitative job insecurity. The results in model 2 show that this hypothesis is supported ($\beta = -0.34$, $p < .01$).

Our model of qualitative job insecurity, represented in model 4, shows that the model explains 52% of total variance. The model supports hypothesis 2a ($\beta = -0.42$, $p < .01$), which hypothesizes that there is a negative relationship between understanding the general concept of privatization the healthcare industry and qualitative job insecurity. On the other hand, the model does not support hypothesis 2b ($\beta = -0.10$, $p < .05$), which suggests a negative relationship between understanding the concept of privatizing the healthcare industry and qualitative job insecurity.

To check the robustness of the model, we performed minor post hoc analyses, in which we ran different regression analyses with the elimination of some control variables in each model to improve the power of the regression test. In all models, the conclusions remained the same for all hypotheses.

4. Discussion

Privatization has become very common in emerging economies (Dharwadkar, George, Brandes, 2000; Megginson & Sutter, 2006). Governments tend to privatize state-owned enterprises for economic, social, or political reasons (Radic et al, 2021). In Saudi Arabia, one of the main objectives of vision 2030 is the privatization of several services that traditionally have been owned and provided by the government. One of the industries that is targeted by vision 2030's privatization program is the healthcare industry (Rahman, 2020). In this study, we ought to focus on employees by examining how understanding privatization in general as a concept, and specifically, understanding the nuances of privatizing the healthcare industry will impact their perceived job insecurity.

We used the psychological contract theory (Argyris, 1960; Rousseau, 1989; 1995; 1998; 2001) and the human capital theory (Becker, 1993) as our theoretical umbrellas. We also distinguished between quantitative and qualitative job insecurity, following earlier research (Greenhalgh & Rosenblatt, 1984; Sverke & Isaksson, 1999). This important categorization differentiates between the fear of losing the actual job itself and losing some features of the job.

First, our findings confirm that employees in the healthcare industry in Saudi Arabia would have higher levels of

quantitative job security when they are aware of the concept of privatization and its ramifications. Importantly, employees are more likely to feel safe about their jobs in the healthcare industry when equipped with enough knowledge about what privatizing the healthcare industry entails. Put differently, employees with a clear understanding of the antecedent and consequences of privatization are more likely to know that privatization is not necessarily dangerous for their careers. They also would be more prepared to handle the situation after privatization, whether by reducing the uncertainty level associated with job insecurity (Hogg, 2007), or by taking direct actions to affect the situation (Grant & Ashford, 2008).

Our findings are consistent with earlier research on self-concepts (Markus, 1977; Rosenberg, 1979), which highlights that having positive self-concepts, characterized by higher levels of self-esteem, generalized self-efficacy, locus of control, and emotional stability (Judge, Erez, & Bono, 2011), will help employees survive the uncertain period or privatization. Scholars have also emphasized that employees with positive self-concepts are generally more confident about their employability and are more job-secure (Campbell, 1990; Kim, Kim, & Lee, 2015). The findings of our study are also in line with the human capital theory (Becker, 1993), which assert that learning more about a phenomenon (e.g. privatization) will help employees assess their employability as it relates to the knowledge and skills they possess (Kim et al, 2015).

Second, as conceptualized and hypothesized in our study, employees could be threatened not only by losing their jobs, but also by losing some desired features of their job, such as financial benefits or any job-related prestige. In this regard, our findings on this phenomenon (i.e. qualitative job insecurity) affirm our suggestion and show that employees who better grasp the idea of privatization in general will be more job secure as their organizations go through the privatization process. A conclusion that is supported by the multiple theories as explained above.

Interestingly, the results of our findings do not provide support for the suggestion that employees would be more job secure when having better understanding of the consequences of privatizing the healthcare industry. One explanation for the unexpected finding could be that employees in the healthcare industry acknowledge that their overall income is already higher than their counterparts in other industries due to the special stipends and benefits they receive as they encounter the risks of interacting with patients who might have communicable diseases. Thus, they could believe that their income might dwindle post privatization. This argument makes more sense considering the financial programs that the kingdom has launched to improve spending efficiency (Vision 2030, 2016).

5. Theoretical Contributions, Limitations and Future Research

The extant study provides several contributions to the literature of privatization as it relates to employee-level outcomes. Prior research on privatization has focused mainly on the economic, social, and performance aspects, ranging from studying antecedent, challenges, and outcomes of privatizing previously state-owned enterprises. Instead, our study focuses on employee-level outcomes, examining perceived job insecurity among employees during the process of privatization. Thus, we look at privatization with the lens of management scholars, applying and contributing to the fields of organizational behavior and human resources, along the public policy domain. Third, our study contributes to the evolving and diverse literature on Saudi Arabia, an interesting context for studies related to emerging economies as the kingdom go through vision 2030 and its exciting programs.

While our study provides crucial contributions to different fields, some cautions should be taken due to some limitations. First, although we found no evidence of CMV, our results could still suffer from CMV given its cross-sectional nature. Researchers should examine our model with panel data in the future. Second, although our sample was drawn from five different hospitals, our results could suffer from the fact that all hospitals were from one city. The results could differ from one region to another, as larger cities with more hospitals, for example, could provide more job security for employees as their experience and skills are more likely to be needed even with the perceived danger of privatization. Third, while studying the phenomenon in the context of Saudi Arabia is intriguing, generalizing the results of this study should be treated with caution, as the Saudi economy is a strong one, which might provide some optimism for employees in general as job opportunities in the kingdom have typically been more than those of other developing countries. Hence, scholars might consider testing our model in different contexts, using samples from developed and developing countries.

Informed consent

Obtained.

Ethics approval

The Publication Ethics Committee of the Canadian Center of Science and Education.

The journal and publisher adhere to the Core Practices established by the Committee on Publication Ethics (COPE).

Provenance and peer review

Not commissioned; externally double-blind peer reviewed.

Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

Data sharing statement

No additional data are available.

Open access

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

References

- Al-Jazaeri, A., Ghomraoui, F., Al-Muhanna, W., Saleem, A., Jokhadar, H., & Aljurf, T. (2017). The impact of healthcare privatization on access to surgical care: cholecystectomy as a model. *World Journal of Surgery*, 41(2), 394-401. <https://doi.org/10.1007/s00268-016-3739-z>
- Alkhamis, A. A. (2017). Critical analysis and review of the literature on healthcare privatization and its association with access to medical care in Saudi Arabia. *Journal of Infection and Public Health*, 10(3), 258-268. <https://doi.org/10.1016/j.jiph.2017.02.014>
- Alkhamis, A., Ali Miraj, S. S., Al Qumaizi, K. I., & Alaiban, K. (2021). Privatization of Healthcare in Saudi Arabia: Opportunities and Challenges. *Handbook of Healthcare in the Arab World, 1865-1907*. https://doi.org/10.1007/978-3-030-36811-1_177
- American Psychological Association. (2014). *Work and well-being survey*. Washington, DC: Author.
- Arnold, A., & Staffebach, B. (2012). Perceived post-restructuring job insecurity: The impact of employees' trust in one's employer and perceived employability. *German Journal of Human Resource Management*, 26(4), 307-330. <https://doi.org/10.1177/239700221202600405>
- Ashford, S. J. (1986). Feedback-seeking in individual adaptation: A resource perspective. *Academy of Management Journal*, 29, 465-487. <https://doi.org/10.5465/256219>
- Becker, G. S. (1993). *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education*, National Bureau of Economic Research Chicago, The University of Chicago Press, Chicago, IL. <https://doi.org/10.7208/chicago/9780226041223.001.0001>
- Benach, J., Vives, A., Amable, M., Vanroelen, C., Tarafa, G., & Muntaner, C. (2014). Precarious employment: Understanding an emerging social determinant of health. *Annual Review of Public Health*, 35, 229-253. <https://doi.org/10.1146/annurev-publhealth-032013-182500>
- Campbell, J. D. (1990). Self-esteem and clarity of the self-concept. *Journal of Personality and Social Psychology*, 59(3), 538. <https://doi.org/10.1037/0022-3514.59.3.538>
- Chan, D. & Schmitt, N. (2000). Interindividual differences in intraindividual changes in proactivity during organizational entry: A latent group modeling approach to understanding newcomer adaptation. *Journal of Applied Psychology*, 85, 190-210. <https://doi.org/10.1037/0021-9010.85.2.190>
- Cheng, G. H. L., & Chan, D. K. S. (2008). Who suffers more from job insecurity? A meta-analytic review. *Applied Psychology: An International Review*, 57, 272-303. <https://doi.org/10.1111/j.1464-0597.2007.00312.x>
- Chirumbolo, A., & Areni, A. (2010). Job insecurity influence on job performance and mental health: Testing the moderating effect of the need for closure. *Economic and Industrial Democracy*, 31(2), 195-214. <https://doi.org/10.1177/0143831x09358368>
- Chirumbolo, A., Hellgren, J., De Witte, H., Goslinga, S., NäSwall, K., & Sverke, M. (2015). Psychometrical

- properties of a short measure of job insecurity: A European cross-cultural study. *Rassegna di Psicologia*, 3, 83-98.
- Debus, M. E., König, C. J., & Kleinmann, M. (2014). The building blocks of job insecurity: The impact of environmental and person-related variables on job insecurity perceptions. *Journal of Occupational and Organizational Psychology*, 87, 329-351. <https://doi.org/10.1111/joop.12049>
- De Cuyper, N., Baillien, E., & De Witte, H. (2009). Job insecurity, perceived employability and targets' and perpetrators' experiences of workplace bullying. *Work & Stress*, 3, 206-224. <https://doi.org/10.1080/02678370903257578>
- De Jong, T., Wiezer, N., De Weerd, M., Nielsen, K., Mattila-Holappa, P., & Mockaĸo, Z. (2016). The impact of restructuring on employee well-being: A systematic review of longitudinal studies. *Work & Stress*, 30, 91-114. <https://doi.org/10.1080/02678373.2015.1136710>
- Dharwadkar, B., George, G., & Brandes, P. (2000). Privatization in emerging economies: An agency theory perspective. *Academy of Management Review*, 25(3), 650-669. <https://doi.org/10.5465/amr.2000.3363533>
- Ellonen, N., & Nätti, J. (2015). Job insecurity and the unemployment rate: Micro- and macro-level predictors of perceived job insecurity among Finnish employees 1984-2008. *Economic and Industrial Democracy*, 36, 51-71. <https://doi.org/10.1177/0143831x13495720>
- Engström, A. K., & Axelsson, R. (2010). The double spiral of change—Experiences of privatization in a Swedish hospital. *The International Journal of Health Planning and Management*, 25(2), 156-168. <https://doi.org/10.1002/hpm.968>
- Fallatah, M. I. (2021). Innovating in the desert: A network perspective on knowledge creation in developing countries. *Journal of the Knowledge Economy*, 12(3), 1533-1551. <https://doi.org/10.1007/s13132-021-00755-4>
- Fallatah, M. I., & Ayed, T. L. (2023). "Entrepreneurizing" College Programs to Increase Entrepreneurial Intentions: A Mediation Framework. *Administrative Sciences*, 13(2), 50. <https://doi.org/10.3390/admsci13020050>
- Ferrie JE, Westerlund H, Oxenstierna G, Theorell T. 2007. The impact of moderate and major workplace expansion and downsizing on the psychosocial and physical work environment and income in Sweden. *Scandinavian Journal Public Health*, 35, 62-69. <https://doi.org/10.1080/14034940600813073>
- Grant, A. M., & Ashford, S. J. (2008). The dynamics of proactivity at work. *Research in Organizational Behavior*, 28, 3-34. <https://doi.org/10.1016/j.riob.2008.04.002>
- Greenhalgh, L., & Rosenblatt, Z. (1984). Job insecurity: Toward conceptual clarity. *Academy of Management Review*, 9(3), 438-448. <https://doi.org/10.5465/amr.1984.4279673>
- Harmanci Seren, A. K., & Yildirim, A. (2013). Nurses' perceptions about health sector privatization in Turkey. *International Nursing Review*, 60(3), 320-327. <https://doi.org/10.1111/inr.12037>
- Hartley, J., Jacobson, D., Klandermans, B., & Van Vuuren, T. (1991). *Job insecurity: Coping with jobs at risk*. London: Sage Publications. [https://doi.org/10.1016/0024-6301\(91\)90196-u](https://doi.org/10.1016/0024-6301(91)90196-u)
- Hirsch, P. M., & De Soucey, M. (2006). Organizational restructuring and its consequences: Rhetorical and structural. *Annual Review of Sociology*, 32, 171-189. <https://doi.org/10.1146/annurev.soc.32.061604.123146>
- Hogg, M. A. (2007). Uncertainty–identity theory. *Advances in Experimental Social Psychology*, 39, 69-126. [https://doi.org/10.1016/s0065-2601\(06\)39002-8](https://doi.org/10.1016/s0065-2601(06)39002-8)
- Huang, G., Lee, C., Ashford, S., Chen, Z., & Ren, X. (2010). Affective job insecurity: A mediator of cognitive job insecurity and employee outcomes relationships. *International Studies of Management and Organization*, 40(1), 20-39. <https://doi.org/10.2753/imo0020-8825400102>
- Huang, G., Niu, X., Lee, C., & Ashford, S. J. (2012). Differentiating cognitive and affective job insecurity: Antecedents and outcomes. *Journal of Organizational Behavior*, 33, 752-769. <https://doi.org/10.1002/job.1815>
- Jiang, L., Probst, T. M., & Sinclair, R. R. (2013). Perceiving and responding to job insecurity: The importance of multilevel contexts. In A. Antoniou & C. Cooper (Eds.), *The psychology of the recession on the workplace* (pp. 176-195). Cheltenham, UK: Elgar. <https://doi.org/10.4337/9780857933843.00020>
- Judge, T. A., Erez, A., & Bono, J. E. (1998). The power of being positive: The relation between positive

- self-concept and job performance. *Human Performance*, 11(2-3), 167-187. https://doi.org/10.1207/s15327043hup1102&3_4
- Keim, A. C., Landis, R. S., Pierce, C. A., & Earnest, D. R. (2014). Why do employees worry about their jobs? A meta-analytic review of predictors of job insecurity. *Journal of Occupational Health Psychology*, 19, 269-290. <https://doi.org/10.1037/a0036743>
- Kim, S., Kim, H., & Lee, J. (2015). Employee self-concepts, voluntary learning behavior, and perceived employability. *Journal of Managerial Psychology*. <https://doi.org/10.1108/jmp-01-2012-0010>
- Låstad, L., Berntson, E., Näswall, K., & Sverke, M. (2014). Do core self-evaluations and coping style influence the perception of job insecurity? *European Journal of Work and Organizational Psychology*, 23, 680-692. <https://doi.org/10.1080/1359432x.2013.800678>
- Lübke, C., & Erlinghagen, M. (2014). Self-perceived job insecurity across Europe over time: Does changing context matter? *Journal of European Social Policy*, 24, 319-336. <https://doi.org/10.1177/0958928714538215>
- Markus, H. (1977). Self-schemata and processing information about the self. *Journal of Personality and Social Psychology*, 35(2), 63-78. <https://doi.org/10.1037/0022-3514.35.2.63>
- Meggison, W. L. (2017). Privatization Trends and Major Deals in 2015 and 2016, in *Privatisation Barometer*. <https://doi.org/10.2139/ssrn.2944287>
- Meggison, W. L., & Netter, J. M. (2001). From state to market: A survey of empirical studies on privatization. *Journal of Economic Literature*, 39, 321-389. <https://doi.org/10.1257/jel.39.2.321>
- Meggison, W. L., & Sutter, N. L. (2006). Privatization in developing countries. *Corporate Governance: An International Review*, 14(4), 234-265. <https://doi.org/10.1111/j.1467-8683.2006.00505.x>
- Miraglia, M., & Johns, G. (2016). Going to work ill: A meta-analysis of the correlates of presenteeism and a dual-path model. *Journal of Occupational Health Psychology*, 21, 261-283. <https://doi.org/10.1037/ocp0000015>
- OECD. (2018). Privatization and the Broadening of Ownership of SOEs: Stocktaking of National Practices. <https://www.oecd.org/daf/ca/Privatisation-and-the-Broadening-of-Ownership-of-SOEs-Stocktaking-of-National-Practices.pdf>
- Oxford Economics. (2020). 2014 Workforce Retrieved from <https://ler.illinois.edu/wpcontent/uploads/2015/01/LERSlides-Bringing-the-Future-into-Focus.pdf>
- Pérez-Nordtvedt, L., & Fallatah, M. I. (2022). Social innovation in Saudi Arabia: The role of entrepreneurs' spirituality, ego resilience and alertness. *Journal of Small Business Management*, 60(5), 1080-1121. <https://doi.org/10.1080/00472778.2022.2041199>
- Pfeffer, J. (1995). Producing sustainable competitive advantage through the effective management of people. *Academy of Management Perspectives*, 9(1), 55-69. <https://doi.org/10.5465/ame.1995.9503133495>
- Rahman, R. (2020). The privatization of health care system in Saudi Arabia. *Health Services Insights*, 13, 1178632920934497. <https://doi.org/10.1177/1178632920934497>
- Rahman, R., & Alsharqi, O. Z. (2019). What drove the health system reforms in the Kingdom of Saudi Arabia? An analysis. *The International Journal of Health Planning and Management*, 34(1), 100-110. <https://doi.org/10.1002/hpm.2584>
- Rousseau, D. M. (1995). *Psychological contracts in organizations: Understanding written and unwritten agreements*. Thousand Oaks, CA: Sage. <https://doi.org/10.4135/9781452231594>
- Rousseau, D. M. (1989). Psychological and implied contracts in organizations. *Employee Responsibilities and Rights Journal*, 2, 121-139. <https://doi.org/10.1007/bf01384942>
- Rousseau, D. M. (1998). The 'problem' of the psychological contract considered. *Journal of Organizational Behavior*, 665-671. [https://doi.org/10.1002/\(sici\)1099-1379\(1998\)19:1+<665::aid-job972>3.0.co;2-x](https://doi.org/10.1002/(sici)1099-1379(1998)19:1+<665::aid-job972>3.0.co;2-x)
- Rousseau, D. M. (2001). Schema, promise and mutuality: The building blocks of the psychological contract. *Journal of Occupational and Organizational Psychology*, 74(4), 511-541. <https://doi.org/10.1348/096317901167505>
- Savas, E. (2000). *Privatization and public-private partnerships*. New York, NY: Chatham House.

- Schreurs, B., Guenter, H., Jawahar, I. M., & De Cuyper, N. (2015). Speaking up when feeling job insecure. *Journal of Organizational Change Management*, 28, 1107-1128. <https://doi.org/10.1108/jocm-02-2015-0027>
- Segall, M. (2000). From cooperation to competition in national health systems and back?: impact on professional ethics and quality of care. *The International Journal of Health Planning and Management*, 15, 61-79. [https://doi.org/10.1002/\(sici\)1099-1751\(200001/03\)15:1<61::aid-hpm573>3.0.co;2-4](https://doi.org/10.1002/(sici)1099-1751(200001/03)15:1<61::aid-hpm573>3.0.co;2-4)
- Starr, P. (1988). The meaning of privatization. *Yale Law & Policy Review*, 6, 6-41.
- Staufenbiel, T., & König, C. J. (2011). An evaluation of Borg's cognitive and affective job insecurity scales. *International Journal of Business and Social Science*, 2, 13-26.
- Witte, H. D. (1999). Job insecurity and psychological well-being: Review of the literature and exploration of some unresolved issues. *European Journal of work and Organizational psychology*, 8(2), 155-177. <https://doi.org/10.1080/135943299398302>
- Yang, S., & Zheng, L. (2015). Perceived job insecurity of white and black workers: An expanded gap in organizations with layoff prevention commitment. *Sociological Spectrum*, 35, 483-503. <https://doi.org/10.1080/02732173.2015.1064797>
- Zhao, H. A. O., Wayne, S. J., Glibkowski, B. C., & Bravo, J. (2007). The impact of psychological contract breach on work-related outcomes: a meta-analysis. *Personnel Psychology*, 60(3), 647-680. <https://doi.org/10.1111/j.1744-6570.2007.00087.x>
- Zullo, R., & Ness, I. (2009). Privatization and the working conditions of health care support staff. *Intl Journal of Public Administration*, 32(2), 152-165. <https://doi.org/10.1080/01900690802492121>

Copyrights

Copyright for this article is retained by the author(s). with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).