

# Research on the Unemployment Insurance Issue for New Employment Forms from the Perspective of Institutional Theory

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**Abstract:** *With the rapid development of the Internet platform economy, the increasingly large scale of new employment pattern practitioners has impacted the traditional, employment population-based social insurance system. Based on institutional theory, this paper collects data through market research and empirically examines the impact of institutional pressures on the unemployment insurance scheme of new business enterprises using structural equation modelling. It is found that three aspects of institutional pressure, namely regulatory pressure, normative pressure and cognitive pressure, profoundly affect entrepreneurs' decision-making and have a significant positive impact on the unemployment insurance scheme of new business enterprises.*

**Keywords:** *Institutional pressure; Digital economy; New employment pattern; Unemployment insurance*

## 1. Introduction

With the deepening of the reform of the market economic system and the rapid development of the digital economy, the Internet is used as a platform to link traditional employment content with new employment methods, resulting in a "new employment pattern" (referred to as the new industry) [1]. With the characteristics of diverse forms of work, flexible working time and location, optional work content, diversified income, etc., the new industry has attracted more and more employers and has become an important part of the employment pattern [2-3]. However, due to the flexible and diverse ways of employment, the labour relationship between the new industry enterprises and the practitioners gradually presents the characteristics of ambiguity, virtualization and multiplicity, which directly affects the signing rate of the labour contract, and due to the characteristics of the practitioners' flexible work and mobility, which makes it difficult to determine the nature of their unemployment, and the unemployment insurance is based on the prerequisite of the participation in the labour relationship, and the involuntary unemployment as the condition for obtaining the insurance treatment based on the participation in the insurance. The nature of their unemployment is difficult to determine. Therefore, it is difficult for new industry practitioners to participate in insurance as employees when their labour relationship is unclear, and it is difficult for them to participate in insurance as self-employed persons due to the high cost of contributions caused by the mobility of their work. At the same time, to reduce operating costs, enterprises will also find ways to avoid the unemployment insurance problem of new industry workers [4]. In addition, due to the new mode of employment having new characteristics different from the traditional mode of employment, the relevant policies, laws and regulations can not be adapted [5]. In short, due to the difference from the standard employment population, the social insurance system of traditional employment is less applicable, and it is difficult to ensure unemployment insurance for new industry workers [6]. Therefore, based on the institutional theory, this paper constructs a structural equation model through a questionnaire survey and focuses on the impact of institutional pressure on the decision-making of new business managers in terms of employees' unemployment insurance scheme, to provide new perspectives for the study of unemployment insurance for new business workers, enrich the related theories of unemployment insurance for new business workers, and providing new perspectives for the study of unemployment insurance for new business workers. It also aims to provide new perspectives for the study of unemployment insurance for new industry practitioners, enrich the theory of unemployment insurance for new industry practitioners, and provide theoretical basis and policy references for the unemployment insurance scheme of new industry enterprises.

## **2. Theoretical foundation and research hypothesis**

Institutional theory is derived from political science and economics, emphasizing the important influence of institutions in corporate decision-making as well as behavioural performance [7]. Institutions include formal and informal institutions. Formal institutions are mainly embodied in national laws, regulations and other coercive means, legal sanctions and penalties for unlawful behaviours, which will lead to regulatory pressure on enterprises. Informal systems, on the other hand, refer to the constraints such as morality, culture, and customs that are gradually formed by people in the course of their daily interactions and are recognised by the majority of people. Popular expectations and media attention, as well as the need to maintain their legitimacy and social acceptance, create normative and cognitive pressures on businesses [8]. Scott (2000) divided institutional pressure into three components: regulatory, normative and cognitive pressure [9].

### ***2.1. Impact of regulatory pressure on the unemployment insurance scheme***

Regulatory pressure mainly comes from national laws, policies market orders, etc. In this paper, the regulatory pressure perceived by enterprise managers refers to the mandatory constraints generated by various documents with legal authority, such as laws and regulations formulated by the government, industry associations, etc. for the industry. This paper argues that the regulatory pressure perceived by corporate managers has a positive influence on their decision-making in the worker unemployment insurance scheme. When managers perceive that their firms are under greater regulatory pressure, they must consider taking action to satisfy the source's expectations to maintain the firm's legitimacy [10]. The demand from the government or industry associations for firms to implement employee unemployment insurance schemes puts pressure on firm managers to pay attention to and promote their firms' employee unemployment insurance schemes. Accordingly, the following hypothesis is formulated.

H1: All other things being equal, regulatory pressure has a positive effect on the implementation of employee unemployment insurance schemes in new business enterprises.

### ***2.2. Impact of normative pressure on the unemployment insurance scheme***

Normative pressure mainly comes from social values, codes of conduct, etc., which are specific norms or informal rules formed through long-term historical precipitation. Normative pressure has a significant effect on the behaviour of enterprises, which regulates their behaviour and guides them to maintain organisational legitimacy in the process of accomplishing their goals [11]. In general, normative pressure influences the decision-making of new business managers on unemployment insurance schemes in two ways. On the one hand, communication tools such as newspapers, social media, film and television are utilized to convey to managers the public's expectations of their unemployment insurance scheme behaviour. On the other hand, the authority establishes applicable industry standards to discipline the firms to influence the implementation of the managers' unemployment insurance scheme. Accordingly, the following hypotheses are proposed.

H2: Other things being equal, normative pressure has a positive effect on the implementation of employee unemployment insurance schemes in new business enterprises.

### ***2.3. Impact of Cognitive Stress on Unemployment Insurance Schemes***

Cognitive pressure arises from individuals' and organisations' understanding and awareness of the external environment and emphasises the importance of collective identity. Firms that perceive significant changes in the social environment, market trends and peer behaviour will experience uncertainty and succumb to "best practices" to maintain organisational competitiveness, resulting in imitative behaviour and cognitive pressure [12]. In this paper, the cognitive pressure perceived by business managers mainly comes from imitation of competitors in the same industry, and they usually attribute the competitors' achievements to the decisions they make in the current environment. As a result, business managers often imitate the behaviour of successful competitors in the same industry and make decisions similar to theirs. Accordingly, the following hypothesis is formulated.

H3: All other things being equal, cognitive pressure has a positive effect on the implementation of employee unemployment insurance schemes in new business enterprises.

### 3. Data collection and analysis

#### 3.1. Data collection

This paper adopts a questionnaire to test the hypotheses. The target of the questionnaire is mainly the middle and senior managers of new business enterprises. This paper studies the implementation of the unemployment insurance scheme for employees of new business enterprises, middle and senior managers are in management positions in the enterprise, have greater freedom and power, and are more concerned about the national policy, industry conditions, competitors' behaviour and social ethics and morals, etc., and can participate in the decision-making of the enterprise's unemployment insurance scheme for employees with a certain degree of voice and decision-making power. A total of 220 questionnaires were collected in this study, excluding unqualified questionnaires such as too many duplicate options and missing options, 204 valid questionnaires were collected, and their sample characteristics are presented in Table 1 below.

Table 1: Description of sample characterisation features

Variant	Options	Frequency	Percent
Type of business	State-owned business	27	13.2%
	Private business	64	31.4%
	Foreign enterprise	53	26.0%
	Other types of enterprises	60	29.4%
Number of companies	Less than 100 people	59	28.9%
	101-500 people	74	36.3%
	501-1000 people	24	11.8%
	Over 1000 people	47	23.0%
Genders	Male	106	52.0%
	Female	98	48.0%
Job Classification	Top manager	47	23.0%
	Middle manager	157	77.0%
Working hours	Less than 5 years	31	15.2%
	5-10 years	102	50.0%
	10-20 years	58	28.4%
	Over 20 years	13	6.4%
Academic qualifications	High school and below	2	1.0%
	Junior college	29	14.2%
	Undergraduate	143	70.1%
	Master's degree and above	30	14.7%
	Total	204	100.0%

#### 3.2. Measurement of variables

To ensure the reliability of the scale as well as the comparability of the study, this paper borrowed the more mature Likert five-point scale for measurement from the previous authors and modified it according to the purpose of the study and the specific context, from 1 to 5 representing completely disagree, basically disagree, average, basically agree, and completely agree, respectively.

3.3. Reliability and validity test

Table 2: Model fitness test

Targets	Reference standard	Actual result
CMIN/DF	1-3 is excellent, 3-5 is good	1.159
RMSEA	<0.05 is excellent, <0.08 is good	0.028
NFI	>0.9 is excellent, >0.8 is good	0.954
IFI	>0.9 is excellent, >0.8 is good	0.993
TLI	>0.9 is excellent, >0.8 is good	0.992
CFI	>0.9 is excellent, >0.8 is good	0.993
GFI	>0.9 is excellent, >0.8 is good	0.939
AGFI	>0.9 is excellent, >0.8 is good	0.913

In this paper, AMOS 24.0 was utilized to conduct a validation factor analysis to test the quality of fit of the data to the model through maximum likelihood estimation. The results of the model fit test are presented in Table 2 below. Where CMIN/DF=1.159, RMSEA=0.028, NFI=0.954, IFI=0.993, TLI=0.992, CFI=0.993, GFI=0.939, AGFI=0.913.

The measurement model of this study is presented in Figure 1, and the factor loadings of each latent variable with standardised estimation are greater than 0.7 and less than the critical value of 0.95. In summary, the model's fitness indexes and factor loadings are within a reasonable range and can be checked for reliability and validity.

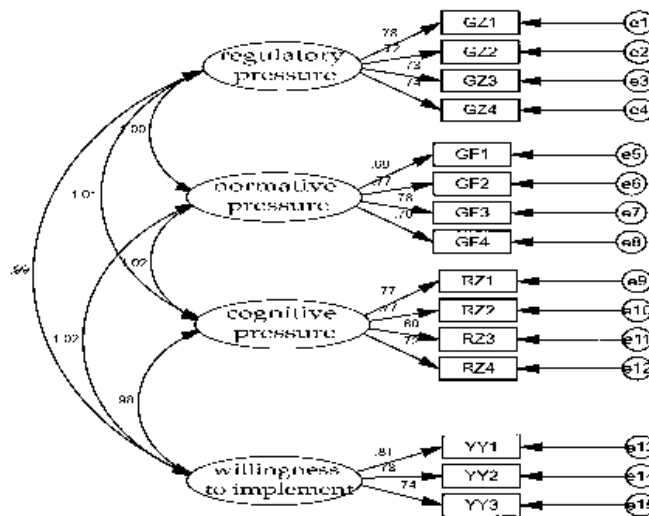


Figure 1: CFA model

(1) Reliability test, in this study, This paper analyses the internal consistency of each dimension through the method of Cronbach's coefficient reliability test. The Cronbach's coefficient takes the value between 0-1, the higher the value, the higher the reliability. The results of the reliability analysis are presented in Table 3, and the total scale reliability coefficients are all above 0.8, thus indicating that the scales used in this study all have good internal consistency and good reliability.

Table 3: Scale reliability analysis

Variant	Cronbach's coefficient	Counts
Regulatory pressure	0.832	4
Normative pressure	0.833	4
Cognitive pressure	0.851	4
Willingness to implement	0.818	3

(2) Validity test, in terms of content validity, the Regulatory Stress Scale, Normative Stress Scale, Cognitive Stress Scale, and Employee Willingness to Implement an Unemployment Insurance Programme Scale are all adopted from the more mature scales of previous researchers. Therefore, it can be considered that the content validity of the latent variables in this study is good. In terms of convergent validity, it is possible to observe the factor loadings on the items of each latent variable and its average extraction, as shown in Table 4, the factor loadings on the items are greater than 0.7 and not close to 1, and the average extraction is greater than the ideal value of 0.5, which can be regarded as a better convergent validity of each latent variable in this study.

Table 4: Convergent validity and combined reliability tests

Pathway relationship			Estimate	AVE	CR
GZ1	<---	Regulatory pressure	0.779	0.553	0.831
GZ2	<---	Regulatory pressure	0.723		
GZ3	<---	Regulatory pressure	0.730		
GZ4	<---	Regulatory pressure	0.740		
GF1	<---	Normative pressure	0.687	0.560	0.836
GF2	<---	Normative pressure	0.769		
GF3	<---	Normative pressure	0.778		
GF4	<---	Normative pressure	0.757		
RZ1	<---	Cognitive pressure	0.773	0.587	0.850
RZ2	<---	Cognitive pressure	0.766		
RZ3	<---	Cognitive pressure	0.800		
RZ4	<---	Cognitive pressure	0.723		
YY1	<---	Willingness to implement	0.810	0.600	0.820
YY2	<---	Willingness to implement	0.776		
YY3	<---	Willingness to implement	0.736		

In terms of discriminant validity, this study was conducted by comparing the square root value of AVE with the correlation coefficient between the variables, and if the square root value of AVE is greater than the correlation coefficient between the variables, the discriminant validity between the variables is considered to be better. The square root of AVE, and correlation coefficients between variables in this study are presented in the table below. From Table 5 below, the square root of AVE for regulatory pressure is 0.744, which is greater than the correlation coefficient between regulatory pressure and willingness to implement unemployment insurance of 0.515. The square root of AVE for normative pressure is 0.748, which is greater than the correlation coefficient between normative pressure and willingness to implement unemployment insurance of 0.544. The square root of AVE for cognitive pressure is 0.766, which is greater than the correlation coefficient between cognitive pressure and willingness to implement unemployment insurance of 0.515. The AVE square root value of cognitive stress is 0.766, which is greater than the correlation coefficient between cognitive stress and willingness to implement unemployment insurance 0.515. Therefore, the discriminant validity of the latent variables can be thought to be good.

In addition, correlation analysis helps preliminaries judge the reasonableness of the model and hypotheses constructed in the previous paper, this paper carries out exploratory analysis by Pearson correlation analysis of the correlation between the variables, according to the results of the analysis it can be seen that the three sub-dimensions of institutional pressure and the willingness of the employees to implement the unemployment insurance scheme are all positively correlated (0.515\*\*, 0.544\*\*, 0.515\*\*), and all are significant at the 0.01 level, providing initial data support for the hypothesis testing in this paper. Therefore, hypothesis 1, all other things being equal, regulatory pressure has a positive effect on the implementation of employee unemployment insurance scheme by new business enterprises; hypothesis 2, all other things being equal, normative pressure has a positive effect on the implementation of employee unemployment insurance scheme by new business enterprises; hypothesis 3, all other things being equal, cognitive pressure has a positive influence, is tentatively established.

Table 5: Matrix of correlation coefficients

Variant	Regulatory pressure	Normative pressure	Cognitive pressure	Willingness to implement
Regulatory pressure	(0.744)			
Normative pressure		(0.748)		
Cognitive pressure			(0.766)	
Willingness to implement	0.515**	0.544**	0.515**	(0.775)

\*\* significant correlation at the 0.01 level (two-tailed).

### 3.4. Descriptive statistics and normality test

Table 6 below shows the results of descriptive statistics analysis and normality test of the current status of factors used in this study. According to the results of the analysis of descriptive statistics, it can be observed that the mean scores of each variable are between 3-4, which indicates a good consistency of the results. The normality test of each measurement question item is tested using skewness and kurtosis, and it is generally believed that if the absolute value of the skewness coefficient is within 3 and the absolute value of the kurtosis coefficient is within 8, the data can be considered to meet the requirements of an approximately normal distribution. According to the analysis results in Table 4, it can be observed that the absolute values of skewness and kurtosis coefficients of each measurement question item in this study are within the standard range. Therefore, it can be said that the data of each measurement question item satisfies the approximate normal distribution.

Table 6: Descriptive statistics and normality tests

Dimension	Subjects	Mean value	Standard deviation	Skewness	Kurtosis	Total M	Total SD
Regulatory pressure	GZ1	3.882	1.341	-1.070	-0.151	3.735	1.361
	GZ2	3.647	1.351	-0.788	-0.639		
	GZ3	3.764	1.326	-0.905	-0.432		
	GZ4	3.647	1.426	-0.811	-0.775		
Normative pressure	GF1	3.716	1.385	-0.960	-0.443	3.720	1.409
	GF2	3.632	1.441	-0.802	-0.805		
	GF3	3.755	1.424	-0.965	-0.483		
	GF4	3.779	1.384	-1.026	-0.285		
Cognitive pressure	RZ1	3.725	1.314	-0.967	-0.313	3.750	1.342
	RZ2	3.750	1.372	-0.996	-0.335		
	RZ3	3.853	1.346	-0.991	-0.367		
	RZ4	3.667	1.334	-0.853	-0.499		
Willingness to implement	YY1	3.720	1.345	-0.939	-0.405	2.798	1.023
	YY2	3.725	1.362	-0.932	-0.444		
	YY3	3.735	1.386	-0.940	-0.458		

## 4. Model and Hypothesis Testing

### 4.1. Model fittest

In this paper, AMOS 24.0 was used to fit the data to the model using the maximum likelihood method (MLS), and the structural equation model after the run is given in Figure 2 below.

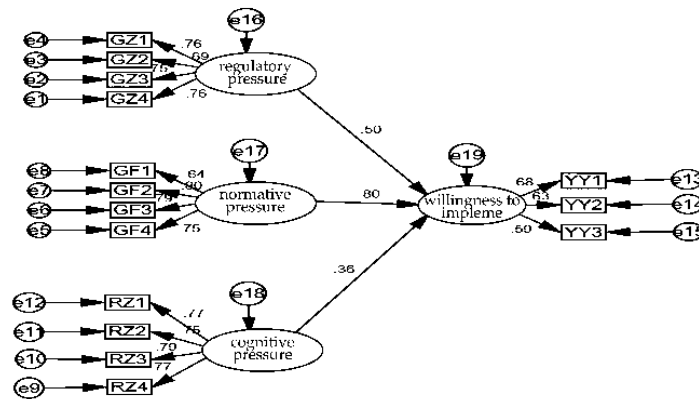


Figure 2: SEM model

The results of the model fitness test are shown in Table 7 below. The results of the model fitness test are shown in Table 7 below. Where CMIN/DF=1.699, RMSEA=0.025, NFI=0.885, IFI=0.914, TLI=0.852, CFI=0.912, GFI=0.947, and AGFI=0.851. In summary, the structural equation model constructed in this study has a helpful comparative fitness.

Table 7: Model fitness test

Targets	Reference standard	Actual result
CMIN/DF	1-3 is excellent, 3-5 is good	1.699
RMSEA	<0.05 is excellent, <0.08 is good	0.025
NFI	>0.9 is excellent, >0.8 is good	0.885
IFI	>0.9 is excellent, >0.8 is good	0.914
TLI	>0.9 is excellent, >0.8 is good	0.852
CFI	>0.9 is excellent, >0.8 is good	0.912
GFI	>0.9 is excellent, >0.8 is good	0.947
AGFI	>0.9 is excellent, >0.8 is good	0.851

#### 4.2. Hypothesis testing

The path coefficients of the model are extracted, organised and summarised as shown in Table 8 below. Regulatory pressure has a significant positive shadow (Std.=0.504, 0<P<0.001) on the implementation of employee unemployment insurance schemes in new business enterprises, so hypothesis 1 is valid. Normative pressure has a significant positive shadow (Std.=0.798, 0<P<0.001) on the implementation of employee unemployment insurance schemes in new business enterprises, so hypothesis 2 is valid. Cognitive pressure has a positive effect (Std.=0.356, 0<P<0.001) on the implementation of employee unemployment insurance schemes in new business enterprises, so hypothesis 3 is valid.

Table 8: SEM path relationship test results

Pathway relationship			Std.Estimate	S.E.	C.R.	P
Willingness to implement	<---	Regulatory pressure	0.504	0.051	6.675	***
Willingness to implement	<---	Normative pressure	0.798	0.065	8.574	***
Willingness to implement	<---	Cognitive pressure	0.356	0.048	5.252	***

Notes: \*p<0.05, \*\*p<0.01, \*\*\*p<0.001

## 5. Discussion of Results

The findings of this paper have certain practical significance for new business managers in the implementation of the unemployment insurance programme for their employees. First, to clarify the utility of regulatory pressure, enterprises should pay attention to relevant government policies in real time, respond to the government's call promptly, and safeguard the unemployment insurance needs of employees under the new employment pattern. Second, the utility of normative pressure, and actively undertaking corporate social responsibility. Unemployment insurance for employees of new forms of enterprises has become a hot social issue, and employees are eager to protect their rights and interests. Enterprises should take the initiative to assume social responsibility, respond to industry norms, and actively implement unemployment insurance programmes for employees, to maintain a long-term good relationship with employees and stakeholders, thereby improving the social reputation and brand competitiveness of enterprises and promoting the growth of corporate interests. Third, pay attention to the role of cognitive pressure. Enterprises should always pay attention to the external environment, as well as the behaviour of peers or competitors, when industry leaders or competitors make new major decisions, pay attention to the benefits of this decision, and if the result is a more satisfying gain, business managers should actively learn and apply to practice promptly.

### 5.1. Research Conclusion

This paper explores the antecedents of the influence of new business managers on the implementation of the unemployment insurance scheme for their employees based on the perspective of institutional theory, collected 204 valid questionnaires through the distribution of questionnaires, conducted empirical analyses using structural equation modelling and tested the research hypotheses, which not only enriches the relevant theoretical research but also finds a new perspective for the unemployment insurance issue of new business practitioners. Specifically, this paper examines the impact of three institutional pressures, namely regulatory pressure, normative pressure and cognitive pressure, on the unemployment insurance scheme of new business enterprises. The results show that regulatory, normative and cognitive pressures all have a significant positive impact on the implementation of employee unemployment insurance schemes in new business enterprises.

### 5.2. Research Value 5.3. Research Limitations and Prospects

This paper systematically explores three aspects of the mechanism of institutional pressure on the implementation of the unemployment insurance scheme for employees of new business enterprises, but there are still some shortcomings: in terms of data collection, this paper only collects cross-sectional data through the form of questionnaires, and it is not possible to judge whether the relationship of the influence between institutional pressure and the unemployment insurance scheme of new business enterprises will change with the migration of time and the possible changes in the extent. In future research, the respondents can be fixed to collect longitudinal data, to have a more accurate and clearer understanding of the driving effect of institutional pressures on unemployment insurance schemes. In terms of research content, this paper investigates the effect of three institutional pressures, namely regulatory pressure, normative pressure, and cognitive pressure, on the role of new business managers in their decision-making on the implementation of the employee unemployment insurance scheme; however, the market environment, the industry direction, the leadership style, and the company culture are also important factors affecting the decision-making of enterprises. Future research can consider the mechanism of the role of these factors on the employee unemployment insurance programme, and compare the degree of influence of different factors on the implementation of the employee unemployment insurance programme in the new industry.

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