INVOLUNTARY JOB LOSS AND OUTPLACEMENT:

An exploratory study of related attitudes, perceptions and reactions

Jo-Ann Farinha

Dissertation submitted to the Faculty of Arts, University of the Witwatersrand, Johannesburg, in partial fulfilment for the degree of Master of Arts (Industrial Psychology)

Johannesburg 1995
DECLARATION

I declare that this dissertation is my own unaided work. It is submitted for the degree of Master of Arts in Industrial Psychology at the University of the Witwatersrand. It has not been submitted before for any degree or examination in any other university.

Jo-Ann Farinha

January 1995
This dissertation is dedicated to Lisi and Chris.

I would like to thank Karen Ortlepp, my supervisor, for her guidance, input and assistance.

I wish to extend my gratitude to Mr Wood for his constant interest, advice and assistance. My thanks and appreciation also to those who participated in this research.

I am grateful to all my friends who were a great source of support, and especially to J P and Garth for their assistance and support.

"Work is a basic human need; it is a central and defining aspect of our lives. It meets both survival needs and psychological needs, for people need to be productive, creative, and valued members of society" (Schore, 1984, p.167).
This dissertation is dedicated to Lisi and Chris.

I would like to thank Karen Ortlepp, my supervisor, for her guidance, input and assistance.

I wish to extend my gratitude to Mr Wood for his constant interest, advice and assistance. My thanks and appreciation also to those who participated in this research.

I am grateful to all my friends who were a great source of support, and especially to J P and Garth for their assistance and support.

"Work is a basic human need; it is a central and defining aspect of our lives. It meets both survival needs and psychological needs, for people need to be productive, creative, and valued members of society" (Schore, 1984, p.167).
The present research investigates the experience of involuntary job loss in a sample of white-collar workers. In addition, their perceptions of, and attitudes towards a preventive intervention, namely, Outplacement, is explored. A review of the current literature on job loss and secondary formal interventions is discussed, which provides the basis for the present study. Findings support previous research, in addition to raising certain issues and providing suggestions which result in an expansion of present knowledge with regard to Outplacement.
TABLE OF CONTENTS

INTRODUCTION

CHAPTER 1 : LITERATURE REVIEW

1. INTRODUCTION .................................................. 3
2. THEORETICAL FRAMEWORK ................................... 4
3. OPEN-SYSTEMS MODEL OF JOB LOSS FROM A STRESS PERSPECTIVE
   3.1 Antecedents ............................................. 6
   3.2 Stressor - Job Loss .................................... 7
   3.3 The Stress of Job Loss ................................. 12
      3.3.1 Social Cognitive Approach ...................... 14
      3.3.2 Social Environmental Approach ............... 20
      3.3.3 Justice Theory ................................... 22
      3.3.4 Grief Theory ..................................... 24
   3.4 Mediating Variables .................................. 25
      3.4.1 Expectation of Finding a Job .................. 26
      3.4.2 Length of Unemployment ......................... 27
      3.4.3 Financial Strain ................................ 27
      3.4.4 Activity Level .................................. 28
      3.4.5 Social Support ................................... 28
         3.4.5.1 Informal Social Support .................. 29
         3.4.5.2 Formal Social Support ................. 31
   3.5 Consequences and Outcomes of Job Loss ............ 34
      3.5.1 Physiological Effects .......................... 34
      3.5.2 Psychological Effects .......................... 35
      3.5.3 Behavioral Effects .............................. 36
4. CONCLUSION .................................................... 36
5. RATIONALE FOR THE PRESENT RESEARCH .................. 37
TABLE OF CONTENTS

CHAPTER 2 : METHODOLOGY

1. RESEARCH DESIGN 38
2. SUBJECTS 39
3. MEASURING INSTRUMENTS 39
4. PROCEDURE 40
5. DATA ANALYSIS 41

CHAPTER 3 : FINDINGS

1. INTRODUCTION 43
2. PREVIOUS EMPLOYMENT 43
3. THE EXPERIENCE OF JOB LOSS 46
4. EFFECTS ON FAMILY 51
5. REEMPLOYMENT 52
6. SUPPORT AND OUTPLACEMENT 54

CHAPTER 4 : DISCUSSION

1. INTRODUCTION 63
2. PREVIOUS EMPLOYMENT 63
3. REASONS FOR TERMINATION 64
4. THE EXPERIENCE OF JOB LOSS 65
5. EFFECTS ON FAMILY 69
6. REEMPLOYMENT 70
7. INFORMAL SUPPORT 71
8. OUTPLACEMENT 72
   8.1 Reemployment 72
   8.2 Valuable Aspects 73
   8.3 Suggestions for Improvement 74
   8.4 Other Issues 76
9. CONCLUSION 78
### TABLE OF CONTENTS

**CHAPTER 5 : CONCLUSION**

1. RESEARCH LIMITATIONS ...................................................... 80
2. IMPLICATIONS FOR FUTURE RESEARCH .................................. 82
3. THEORETICAL AND PRACTICAL IMPLICATIONS ....................... 83
4. CONCLUSION ....................................................................... 84

**APPENDIX I** ....................................................................... 85

**APPENDIX II** ....................................................................... 88

**REFERENCES** ..................................................................... 90
INTRODUCTION

There is no doubt that job loss and subsequent unemployment represents a major problem in today's society. Terminations are common place for reasons including economic downturns, an excess of staff due to mergers and acquisitions, and the need to adopt general cost cutting st gies by weeding out marginal performers (Hoban, 1987). Although the incidence of involuntary job loss is exacerbated by the economic climate, terminations are still an unavoidable reality of organisational life.

A review of the literature has shown that job loss and ensuing unemployment generally results in a host of negative physiological, psychological and behavioral consequences for the displaced individual. However, if an open-systems perspective is adopted, it becomes apparent that the negative consequences are not by any means limited to the individual, but simultaneously impact on family members and family functioning, organisations, and society at large.

Outplacement is a formal social support intervention which has arisen out of a need to address moral and social issues for employees whose services have been terminated (Henriksen, 1982), and aims at reducing the deleterious effects of involuntary job loss. Most of the research into social support has focused on the impact of informal social networks on well-being (Rook & Dooley, 1985), with less attention being given to the role of formal social support interventions. Outplacement originated in the 1960's, and has gained momentum ever since (Birch, 1991). In the United States, Outplacement has gained acceptance as a human resource service, and has emerged internationally in countries such as Canada, Asia, Europe, Latin America and Japan (Morin & Yorks, 1990). Although Outplacement has subsequently emerged in South Africa, it is a relatively new concept and is limited to a handful of consultants.
INTRODUCTION

The broad objective of this research is to investigate the subjective experiences of people who lost their jobs, and to explore their perceptions of, and attitudes towards an outplacement intervention that they underwent subsequent to job loss. Research regarding attitudes towards outplacement has been largely neglected, and is mainly comprised of in-house papers written by consultants involved in this industry. A thorough literature search has shown that research of this kind does not exist in South Africa. The present study is an attempt to address this dearth of research, hereby contributing to present knowledge, and perhaps stimulating much needed further research in this area.
CHAPTER 1: LITERATURE REVIEW

1. INTRODUCTION

Outplacement refers to "a corporate service which helps an organisation to plan and accomplish the termination of an individual or a group of employees, and helps displaced employees to satisfactorily re-establish their careers" (Wood, 1993). The goal of Outplacement regarding the displaced employee specifically, is to offer support and counselling due to the negative consequences of termination (Burdett, 1988), and then to teach the individual skills which will enable him to find re-employment (Birch, 1991). Thus, Outplacement does not aim to secure employment for terenines, but rather to teach them skills enabling them to secure subsequent employment for themselves.

It is necessary to distinguish between involuntary job loss and unemployment. Involuntary job loss refers to those individuals who were employed and have lost their jobs involuntarily, and includes those who have been retrenched, been made redundant, or dismissed for whatever reason. However, this renders them essentially unemployed. Unemployment has been defined as "a state of worklessness experienced by people who see themselves or are seen by others as potential members of the work force" (Hayes & Nutman, 1981, p.2). Although unemployment is not necessarily due to involuntary job loss, it is often the case. There is, therefore, an overlap between unemployment and job loss. The focus of the present research is on the subjective experience of involuntary job loss and resultant unemployment. Relations among variables such as age, tenure, availability of social support, marital status, gender, financial stress, and perceptions of employability will be explored, by virtue of a qualitative design.

There is no doubt that the area of job loss and unemployment is an extremely complex issue which defies easy summary. There
are many different outcome variables, which all seem to be influenced by individual characteristics and environmental circumstances and situations. Although past research has established common trends, it would be erroneous to assume homogeneity in response to job loss and ensuing unemployment. It is an experience which is unique to each individual, resulting in a broad range of individual reactions (Hartley, 1980; Jahoda, 1982; Stokes & Cochrane, 1984; Swinburne, 1981; Tiggemann & Winefield, 1984). Reactions to job loss will be moderated by idiosyncratic personal characteristics as well as by differences in circumstances (Payne, 1988; Swinburne, 1981), and as a result of substantial differences in experience, it is vital to consider the factors which serve to mediate this experience (Warr & Jackson, 1984). Research findings have generated contradictory relationships between unemployment and mental health (Warr, 1983). In fact, some research has found that this is not a stressful experience, but rather results in positive consequences (Depolo & Sarchielli, 1986; Schlossberg & Leibowitz, 1980; Wanberg & Marchese, 1994).

2. THEORETICAL FRAMEWORK

There are three major frameworks which explain the psychological consequences of unemployment, namely, social cognitive, social environmental and agency restriction approaches (Mc Laughlin, 1992). In addition, other theories such as grief theory and justice theory shed additional light on the experience of job loss. However, in order to address the experience of job loss and ensuing unemployment in its entirety, these theories must be placed within an open-systems stress model. This allows for information flow between various sub-systems, for example, the family system and the organisational system. Job loss is usually a highly stressful life event, resulting in disruption and potentially negative physiological, psychological and behavioral consequences.
LITERATURE REVIEW

Systems theory represents a major shift in emphasis from the traditional linear medical model, to a dynamic, holistic perspective whereby man is seen within the wider context of his environment (Becvar, 1982). The central tenet of systems theory is that one cannot take man out of his wider context and look at him discretely. Thus, the shift has been from a limited, linear perspective to a cybernetic one (Broderick, 1993). A system may be defined as "an organised whole, a more or less well-structured set of ideas, assumptions, concepts and interpretative tendencies; pertaining to the whole rather than to any isolated part" (Reber, 1985, p.756). People function physiologically, individually, intrapsychically, dyadically as part of relationships, as workers, and as members of the community at large (O'Connor & Lubin, 1984). Because all living systems are open systems, the boundaries of each system are all, to some extent, permeable, allowing for information flow in and out, between and within systems (Miller, 1971). Thus, each system interacts with, and impacts on, every other system in a reciprocally causal manner. Each member of a system influences and is influenced by every other member within the system. Behaviour, therefore, does not exist in isolation, but is both caused and causative (Minuchin, 1978). The individual is seen as part of a dynamic network of interaction, and is inextricably woven into his whole environmental context.

Placing job loss within an open-systems model vastly strengthens the exploration, as one is able to consider inputs, throughputs, outcomes, mediating variables and the implications of the operation of a feedback loop. Only then can the dynamics of job loss be fully addressed.
LITERATURE REVIEW

3. OPEN-SYSTEMS MODEL OF JOB LOSS FROM A STRESS PERSPECTIVE

An antecedent is defined as "something which precedes a phenomenon in a manner which "invites" the inference of causality" (Reber, 1985, p.40). Thus, there are certain conditions or predispositions that exist prior to the occurrence of a stressful event, which will impact on the experience of that event, for example, age or gender. "Stressor" is defined as an objective environmental characteristic or event (Kahn, Wolfe, Quinn, Snoek & Rosenthal, 1964). In this case, the stressor is the actual job loss. Stress refers to the interpretation or experience of the stressor (Barling, 1990), and comprises the various theories and models in order to explain the cognitive process of the individual. Strain refers to the outcome or response to stress (Kahn, Wolfe, Quinn, Snoek & Rosenthal, 1964), which may be physiological, psychological or behavioral in nature. This process will be mediated by other factors, including individual and situational differences. Resulting outcomes or consequences

Figure 1: Open-systems stress model of job loss.
of job loss will serve as inputs back into the system due to the operation of the feedback loop.

3.3 ANTECEDENTS

As previously mentioned, certain antecedents or pre-existing conditions will influence the experience and reaction to job loss.

Warr and Jackson (1984) conducted a study of 954 unemployed working-class men, and found that middle-aged men showed greater psychological deterioration than did other age groups. Rowley and Feather (1987) compared two groups of unemployed people (fifteen to twenty-four years and thirty to forty-nine years) with regard to psychological distress and found that the older group were higher on psychological distress than the younger group. Turner and Whitaker (1973) found that older subjects (aged fifty-five to seventy) took twice as long as did their younger colleagues to secure reemployment. This implies that job loss and subsequent unemployment may be particularly severe for older people. Thus, some research supports the notion that job loss is different for older people.

However, research has also generated findings to the contrary. Estes (1973, cited in Kaufman, 1982) examined a group of unemployed professionals and found that the highest level of stress was experienced by people between the age of thirty and forty. In addition to this, when the employed were compared to the unemployed, there were no significant differences between stress levels for those over the age of fifty.

Fineman (1983) conducted an extensive longitudinal study of 100 unemployed white-collar workers over a period of four years, in order to measure the effects of a counselling intervention. The sample comprised predominantly married males, the majority of whom were between the ages of thirty and fifty, of which
over seventy per cent had not previously experienced unemployment. The majority of the sample had been unemployed for less than a year. Almost forty per cent of the sample were forced into compulsory redundancy; twenty-two per cent were dismissed. The majority of the sample consisted of managers and specialists. Data was gathered by virtue of qualitative and quantitative measures. Stress was measured using Goldberg’s (1972) General Health Questionnaire. Strain was measured using a checklist of eighteen strain symptoms which was drawn up by the researcher, and self-esteem was assessed using Rosenberg’s (1965) Self-Esteem Scale. With regard to age, there were no significant differences which affected stress, strain, self-esteem or level of anxiety. “The personal effects of unemployment were no more burdensome for the old than for the young” (Fineman, 1983, p.126). Thus, there appears to be a lack of consistent findings regarding age and the effects of job loss.

With regard to gender, research by Leana and Feldman (1990) supported differences in sex, whereby women in one sample showed significantly more emotional and physiological distress than did men. Comparisons between the sexes was not possible in the second sample, as it was male dominated. Stokes and Cochrane (1984) compared a group of unemployed to employed people and found no significant sex differences regarding the effect of unemployment. With regard to Fineman’s (1983) research previously mentioned, no sex differences were found. However, only eighteen per cent of the sample was female. Again, research findings regarding age and sex differences are inconsistent.

Personal history and preexisting health problems may contribute to the outcome of the experience of job loss, with subsequent outcome symptoms therefore being erroneously attributed to consequences of job loss as opposed to antecedent conditions (Stokes & Cochrane, 1984). Thus, psychological state prior to
the experience of job loss could be a predisposing factor which may affect the degree of stress experienced. In addition to this, previous history of job loss experience may also influence reactions. According to Kaufman (1982) professionals who experienced a previous episode of unemployment showed increased stress when job loss recurred.

Reactions to job loss may be due to differences in personality and attitudes (Daves & Nutman, 1981). Locus of control was originated by Rotter (1966) who developed a scale to measure this construct. External locus of control refers to those individuals who believe they have little influence over life, but rather, are controlled by outside forces. Internal locus of control refers to those individuals who believe that they are in control of their destiny (Rotter, 1966). Although there is some research on locus of control and unemployment, it has not been thoroughly investigated. Parnes and King (1977) found that job loss resulted in reduced personal control. Similar findings were reported by O'Brien and Kabanoff (1979). It has been found that unemployed people had an external locus of control, while employed people had an internal locus of control (Searls, Braucht & Miskimins, 1974; Tiffany, Cowan & Tiffany, 1970). However, this provides no information concerning direction of causality. Was it due to job loss that the locus of control shifted, or were they unable to secure employment due to a preexisting external locus of control? In this way, locus of control may be seen as an antecedent as well as a potential moderator. According to Andrisani and Abeles (1976, cited in Kaufman, 1982), longitudinal studies have shown that locus of control is both an antecedent and a consequence of work experience.
LITERATURE REVIEW

However, there have been findings to the contrary, for example, Penta (1980) found no support for locus of control between employed and unemployed people. Frost and Clayson (1991) measured, amongst other factors, locus of control in a sample of 562 employed and unemployed blue-collar workers. Although the unemployed appeared to be more external than the employed sample, this difference was not statistically significant. Kaufman (1982) compared employed and unemployed professionals, and found similar insignificant results.

Financial status and economic dependence can be seen as both an antecedent and a mediating consequence of job loss. Most research has considered financial stress and strain as a consequence and will be discussed at a later stage. Research conducted on a group of professionals found that those who were financially secure at the time of job loss were better able to handle the stress of unemployment (Little, 1973, cited in Kaufman, 1982). Estes (1973, cited in Kaufman, 1982) found that professionals earning the highest incomes had the lowest stress levels, with the lowest professional earners showing the highest levels of stress. However, unemployed professionals still had significantly higher stress levels than employed professionals, indicating that although adequate financial resources may relieve the stress of unemployment, it certainly does not eliminate it (Kaufman, 1982). Financial status appears to be a predictor of responses to job loss (Leana & Feldman, 1990) with financially secure professionals showing the least stress symptoms. In addition, the need for economic security and therefore the need to work, may also affect the stress of job loss. Kaufman (1982) found a correlation between those who had to be employed in order to feel economically secure, and stress levels, with those who had security needs showing stress levels three times as high as those who had weaker security needs. With regard to financial strain, Estes and Wilensky (1978) found it to be highest among men with dependent children, which increased as the length of
unemployment increased (Warr & Jackson, 1984). Research has shown financial concerns to be a significant source of stress (Mallinckrodt & Bennett, 1992), to be significantly correlated with depression (Liem & Liem, 1988), and is a significant predictor of reactions to job loss (Leana & Feldman, 1990).

The issue of attachment to one's job has been given little attention. Feather and Bond (1983) found employment commitment to be an important moderator. Liem and Liem (1988) researched eighty-two blue- and white-collar workers who were involuntarily displaced. Commitment to previous job was measured qualitatively by virtue of personal interviews. They found that such attachment was related to the stress of unemployment. Leana and Feldman (1990) found in a sample of blue- and white-collar workers that previous attachment to the job (as well as financial distress) were the most significant predictors of job loss reactions. Kaufman (1982) found that those with low ego involvement with their jobs showed lower levels of stress, a. used the occurrence of job loss as an opportunity to start a new career. In a study of professionals, Little (1973, cited in Kaufman, 1982) found that almost half the sample did not experience job loss negatively, with the most common reason for this being that it provided them with the opportunity to change jobs or careers.

However, it is not only job loss that generally results in distress, but also the fear of job loss and feelings of insecurity which accompany it. Kasl, Gore and Cobb (1975) conducted longitudinal research of men who were made redundant. They were analysed at various stages of the job loss experience, including the anticipation phase. They found that the threat of impending job loss is at least as stressful as the job loss event itself. Job insecurity threatens job satisfaction and interpersonal functioning (Dreiss, 1983; Jenkins, MacDonald, Murray & Strathdee, 1982). Job insecurity seemingly applies to employed as well as unemployed people.
LITERATURE REVIEW

(Catalano & Dooley, 1983; Iversen & Sabroe, 1988). However, Hershey (1972) conducted research during the anticipatory period, and compared those who knew they were going to lose their jobs to those who knew they would not lose their jobs. He found no significant differences between the two groups regarding changes in absenteeism, lateness or production, using previous records as a normative measure indication.

Estes (1973, cited in Kaufman, 1982) found a relationship between marital status and unemployment stress in a sample of professionals. Single unemployed professionals had higher levels of stress than those who were married. This has been attributed to the fact that the spouse provides support and the opportunity to share the experience (Estes, 1973, cited in Kaufman, 1982). According to Kaufman (1982), wives of professionals are generally supportive of their husbands, and research has provided evidence that the experience of job loss can result in an improvement in the marital relationship (Briar, 1976, cited in Kaufman, 1982). However, perhaps low marital satisfaction prior to job loss may result in higher levels of distress as opposed to supportive preexisting marital relationships. According to Kaufman (1982), professionals in problematic marriage relationships were likely to show more stress than those who had a good marriage prior to the job loss. In this way, the quality of the marital relationship may be seen as both an antecedent as well as a potential moderator. Concerning dependents, Estes and Wilensky (1978) found that unemployed male professionals with children of school-going age showed greater stress than single professional unemployed men.
3.2 STRESSOR - JOB LOSS

Research has shown that various issues surrounding the actual job loss experience will influence employees' reactions.

Rousseau and Anton (1991) investigated beliefs concerning termination fairness and issues of implied contract obligation. Previous research showed that time on the job and formal commitments to long-term employment were significantly related to perceptions of termination fairness and employer obligation beliefs (Rousseau & Anton, 1988). Subsequent research has taken consideration of performance as a factor (Rousseau & Anton, 1991). The sample constituted 116 managerial and professional employees, with an average age of twenty-nine. Regarding perceptions of termination fairness, they found that present levels of performance overrode past performance and tenure in appraising termination fairness. However, as previously found (Rousseau & Anton, 1988), commitment to long-term employment on the part of the employer had an influence on obligation judgements. It may result in employees perceiving the employer as bound, even when performance levels vary. Although seniority or tenure impacts on implied contracts, present performance is still the primary consideration in attributions of termination fairness. However, in order to gauge termination fairness with some degree of accuracy, it is crucial that there is confidence in performance assessment measures.

Miller and Hoppe (1994) investigated whether the manner in which employees were dismissed or the reasons given for their terminations, accounted for variations in psychological distress during ensuing unemployment. The sample constituted 1016 married blue-collar men, aged twenty to forty-five. They found that men who had been fired experienced higher levels of stress than those who had been made redundant for economic reasons. This has implications for perceived termination
fairness - most of the men that were fired admitted that their own behaviour was central, but felt that it did not in itself justify termination. Rousseau and Anton (1988) found that when reasons for terminations were purely business decisions (for example, economic and technological issues), the termination was more likely to be perceived as fair.

Nevertheless, involuntary job loss generally represents a violation of the employment contract, and therefore a violation of employee trust (Leana & Feldman, 1990). It is possible to assume that involuntary job loss could result in lowered levels of organisational commitment, corporate loyalty and job involvement in the future. Furthermore, Leana and Feldman (1990) state that these issues could affect the displaced person's family and colleagues as well. There is a need for further research in this area.

3.3 THE STRESS OF JOB LOSS

The stress of job loss refers to the subjective interpretation of the stressor (Barling, 1990), namely, the job loss event. This is done by virtue of certain cognitive processes which result in perceptions of reality. A number of theories and approaches have explained these cognitive processes, such as, the social cognitive approach, social environmental approach, agency restriction approach, justice theory and grief theory.

3.3.1 SOCIAL COGNITIVE APPROACH

In terms of this approach, the psychological impact of unemployment is explained via traditional social psychological concepts. Theorists have mainly drawn on attribution theory, learned helplessness theory and expectancy-valence theory.

Attribution theory refers to a set of theoretical principles which account for how people draw causal inferences with regard
to behaviour (Tajfel & Fraser, 1987). It is concerned with social perception, and looks at the process by which an individual ascribes a characteristic to oneself or to another individual (Reber, 1985).

Heider (1944, 1958) originated attribution theory, assuming that people have a need to perceive the social environment as predictable, and therefore controllable. Heider (1958) was concerned with the manner in which observable behaviour is linked to unobservable causes. He postulated that in order for the individual to predict events, he looks for necessary and sufficient conditions for an event to happen (Tajfel & Fraser, 1987). Thought activity results in a distinction between internal and external causes. Internal causes refer to factors within the individual, for example, effort, ability and intention, with external factors residing outside the individual, for example, task difficulty and luck (Hewstone, 1983). He distinguishes between personal and impersonal causality, which both depend on the perception of intentionality. "True" personal causality refers to actions that are intentional or purposive, whereas unincended behaviour represents impersonal causality. Thus, intention is the discriminating variable. Whether or not a person will be seen as responsible for an action also depends on the extent to which the action can or cannot be attributed to impersonal or environmental factors (Tajfel & Fraser, 1978). Thus, intentionality is crucial to personal causality.

Jones and Davis (1965) extended Heider's (1958) basic notions, and attempted to explain the process by which individuals make inferences concerning a person's intentions, and therefore, their dispositions as causes. The individual must decide which effects of a given action were intended by the actor. According to Jones and Davis (1965), there are two fundamental criteria in judging intentionality, namely, knowledge, and ability of the actor. In order to assess intentionality, the
actor must know the consequences of his actions, and be perceived as capable of producing the observed effects (Hewstone, 1983). When this happens, the perceiver is said to have made a correspondent inference (Tajfel & Fraser, 1978). Their aim is "to construct a theory which systematically accounts for a perceiver's inferences about what an actor was trying to achieve by a particular action" (Jones & Davis, 1965, p.222).

Two additional factors influence the drawing of correspondent inferences, namely, "hedonic relevance" and "personalism" (Hewstone, 1983). "Hedonic relevance" relates to whether the perceiver regards the effects of the actor's choice as positive or negative. "Personalism" relates to the intention of the actor to cause harm or benefit to the perceiver specifically (Hewstone, 1983). Thus, Jones and Davis (1965) have attempted to show how perceived behaviour is translated into dispositions.

Kelley (1971) proposed a theory of covariation and configuration. He postulates that a perceiver's interpretation and judgement of an actor will change as a function of the following: 1) Stimuli (the person being observed); 2) perceivers (the person perceiving the other); 3) Time (when the observation took place); and 4) Modality (how the perceiver observed the actor). According to Kelley (1971), if certain criteria are violated, the perceiver will attribute the behaviour of the actor to an internal characteristic of the person. These are: 1) Distinctiveness - if one's interpretation of an actor is due to a characteristic of a stimulus, then one's interpretation will change if the stimulus is changed; 2) Consensus - if the person's interpretation of the actor is due to a characteristic of the actor, then other people should also have the same interpretation; 3) Consistency over time - if the perceiver's interpretation of the actor refers to the "true" nature of the actor, then
interpretations should remain stable over time, as dispositions are assumed to have stability; and 4) Consistency over modality - the perceiver's interpretation of the actor should not be dependent on the means by which the actor was observed (Tajfel & Frase, 1987).

According to learned helplessness theory, if an individual perceives his response as not moving towards goal attainment, this will result in a feeling or state of learned helplessness (Seligman, 1975). In terms of this theory, events are experienced as being uncontrollable, and independent of actions that the individual may undertake. There is, therefore, a lack of perceived contingency between personal actions and outcomes due to those actions (Hewstone, 1983). Ascribing to a belief in helplessness results in maladaptive behaviour, such as depression (Feather, 1982), learning and performance deficits, and low expectancy of success (Weiner, 1986). Failure will typically be attributed to external factors, such as bad luck or a depressed economy. This is essentially maladaptive, as these forces are uncontrollable. Should failure be ascribed to factors that are manipulable, such as lack of effort or knowledge, the situation is rendered controllable, resulting in a hopeful outlook for the future (Weiner, 1986). Therefore, a belief in learned helplessness may further serve to hinder attempts at securing reemployment, as factors are rendered out of the control of the unemployed person.

Prussia, Kinicki and Bracker (1993) have drawn on attribution theory in order to examine subsequent reemployment following job loss. Weiner's (1985) attribution model was used as a theoretical foundation in order to investigate mediating processes with regard to involuntary job loss and subsequent employment status (Prussia, Kinicki & Bracker, 1993). Their findings supported the model, in that internal and stable attributions for job loss had a negative influence on finding subsequent employment through expectations for reemployment.
Results showed that cognitive attributions play an important part in displaced workers' self-perceptions and expectations for reemployment. According to Kinicki (1980), these are critical components of motivation to find a future job. For this reason, Forsterling (1985) has stated that attributional training may be an important addition to intervention programmes.

Expectancy-valence theory refers to expectancies and values associated with outcomes of behaviour. "The strength of a tendency to act in a certain way depends on the strength of an expectancy that the act will be followed by a given consequence (or outcome) and on the value or attractiveness of that consequence (or outcome) to the actor" (Lawler, 1973, p.45). A person's actions are explained in terms of whether he perceives outcomes to be attractive or aversive. However, actions are mediated by beliefs of what is actually possible when taking into account personal capabilities and environmental factors (Feather, 1992). Thus, motivation for behaviour will be influenced by possible available outcomes as well as the likelihood of obtaining these outcomes (Weiner, 1986).

Feather (1990) has been particularly concerned with expectancy-valence theory as an explanation of the effects of unemployment. Feather and Davenport (1981) conducted research on a sample of 212 unemployed youths in South Australia. They hypothesised, on the basis of expectancy-valence theory, that those subjects who were more motivated to seek employment would be more adversely affected by failure to secure employment as compared to subjects who were less motivated. They found that those who were higher in motivation had higher ratings of depression, and that they were less likely to attribute this to internal characteristics, but rather, attributed blame to external factors, such as the economic climate (Feather & Davenport, 1981). These results are consistent with
expectancy-valence theory, which holds that motivation to seek employment relates to the expectation of success and the perceived attractiveness (valence) of employment. "An expectancy-valence analysis predicts that repeated failure to get a job will determine reduced expectations of success and decreases in the tendency to seek reemployment, assuming that the causes of failure are seen to be relatively stable and unchanging" (Feather & Davenport, 1981, p.430).

Feather and O’Brien (1986) examined job-seeking behaviour in two groups of young unemployed people. They found that there was a significant positive correlation between frequency of job-seeking behaviour and job valence. These findings are consistent with the assumption that values influence valences and that repeated unsuccessful attempts would reduce expectations of success.

Feather (1992) applied expectancy-valence theory to two issues regarding unemployment, namely, the effect of unemployment on psychological well-being, and on job-seeking behaviour. He found that expectancy-valence theory was more applicable to job-seeking behaviour than to psychological well-being, and he maintains that an analysis of the psychological effects of unemployment requires theoretical input from other areas of psychology (Feather, 1992).

Prussia, Kinicki and Bracker (1993) investigated the mediating processes between involuntary job loss and employment status, using Weiner’s (1985) attribution model of achievement motivation. Consistent with this model, they found that securing employment through expectations was negatively influenced by internal and stable attributions for job loss.

Expectancy-valence theory has relevance for job-seeking behaviour. In terms of this theory, it would be expected that individuals who believed they could not perform well in an
LITERATURE REVIEW

interview, would eventually stop searching (McLaughlin, 1992). However, as this is an example of internal causal attribution, perhaps being taught interviewing skills would circumvent this. It is also to be expected that individuals who believe they will not secure reemployment due to the economic climate will also cease job searching (McLaughlin, 1992). This is due to an external causal attribution, and could possibly result in a feeling or state of learned helplessness, bringing with it maladaptive responses, such as depression.

3.3.2 SOCIAL ENVIRONMENTAL APPROACH

Jahoda (1979) is representative of this approach, whereby work is seen as a social institution, resulting in certain consequences. Her work has been extremely influential and widely quoted. Jahoda (1979) first researched unemployment in the 1930's when she investigated a small industrial community in Marienthal, Austria. Since then she has developed a theory of unemployment based on the notion of deprivation (Jahoda, 1982). Jahoda (1982) draws a distinction between work and employment, and defines employment as "work under contractual arrangements involving material rewards" (p.8). Jahoda (1979) looked at the psychological meaning of work, and has differentiated between the latent and manifest functions that work provides for the individual. Manifest functions refer to issues such as financial reward and working conditions, whereas latent functions relate to the psychological rewards of paid work. The latent functions of work are as follows:

* Work as an activity - According to Hayes and Nutman (1981) people prefer to be active and work enables them to be so.

* Time structure - Work defines time for the individual, both short- and long-term, and distinguishes between weekends, holidays and working days. Jahoda, Lazarsfeld and Zeisel (1972) found that the unemployed lost their sense of time.
LITERATURE REVIEW

* Purposefulness - Work provides the individual with a sense of purpose, enabling him to behave meaningfully and to master tasks in the environment. This results in a feeling of well-being as the worker feels a sense of being needed.

* Status - Work contributes to one's sense of identity, and occupation is often an indicator of one's status (Jahoda, 1982).

According to Jahoda (1982), the latent consequences of work naturally exist due to the structure of occupational life, with the worker becoming dependent on these consequences. To the extent that the latent and manifest consequences have become a psychological necessity, the unemployed person will experience negative feelings due to the deprivation of these consequences (Jahoda, 1982). This will occur unless the unemployed person has an alternative way of meeting the lost requirements.

Warr (1987) developed a similar model consisting of nine environmental factors which contribute to psychological well-being, namely, opportunity for control, to use skills, for social contact, provision of goals and task demands, variety, security and a valued social position. Warr (1987) also deals with the deprivation of such factors. Jahoda (1982) and Warr (1987) have emphasised the notion of deprivation and have both marginalised poverty in explaining the psychological consequences of unemployment.

In terms of this approach, it is evident that job loss is not simply a monetary loss, but also a loss of latent, intrinsic benefits. This approach is consistent with an open-systems stress model of job loss, as stress and dissatisfaction will be experienced due to the deprivation of latent and manifest consequences of work.

21
LITERATURE REVIEW

Both the social cognitive and social environmental approaches have placed less emphasis on the material deprivation that occurs with job loss and subsequent unemployment. The agency restriction approach arose in response to Jahoda's (1982) lack of emphasis on poverty or material deprivation.

3.3.3 JUSTICE THEORY

As previously discussed, the experience of job loss is related to beliefs on the part of the displaced employee regarding termination fairness and implied contract obligation (Rousseau & Anton, 1991). Perceptions of fairness depend on the subjective assessment of the situation. Various theories provide insight into the dynamics which give rise to perceived outcome fairness, namely, distributive justice, procedural justice and interactional justice theories.

Organisational justice has been defined as "the awareness of the degree of fairness associated with the disposition of resources in social situations" (Charlesworth, 1991 p.352). Perhaps at the very least one may assume that all employees want to be treated in a just and equitable manner. This need gains importance when consideration is given to the consequences of unjust treatment. According to Bies (1987), employees are likely to become angry and resentful in the event of perceived injustice, and should they choose to act on these feelings, could prove costly to the organisation. Research has shown that certain attitudes, including job satisfaction, organisational commitment, loyalty and work group cohesiveness are affected by justice perceptions (Lind & Tyler, 1988). There are implications that these may affect survivors of job loss as well, resulting in potential problems for the organisation.

Although there are many different approaches to distributive justice, the common thread throughout is the assumption that
people judge experiences in terms of received outcomes (Lind & Tyler, 1988). In terms of equity theory, an individual assesses fairness by initially comparing his inputs to the outcomes (Adams, 1963). There may be many inputs which the individual considers to be important in the exchange relationship between employer and employee. Research has found that tenure and seniority are important factors (Rousseau & Anton, 1988). These reflect past contributions made by the employee, as well as opportunity costs due to the continuance of working for one organisation for a long period of time (Azariadis, 1981; Mayers & Thaler, 1979). This was supported by further research which found that tenure was a major factor in attributions of termination fairness (Rousseau & Anton, 1988).

Procedural justice focuses on the perceived fairness of the procedure on the basis of which the outcome was decided (Ambrose, Harland & Kulik, 1991). Thus, there is a shift in emphasis from viewing fairness on the basis of the actual outcome, to viewing fairness on the basis of the decision-making process itself. In addition, keeping a promise is an issue of procedural justice. "Reneging upon a promise that an employee has relied upon can be construed as both unfair and unjust (for example, termination of an employee after making a formal commitment of long-term employment)" (Rousseau & Anton 1991, p.288). Past research has supported this, whereby failure to honour promises resulted in perceptions of unfairness in termination decisions (Rousseau & Anton, 1988). Rousseau and Anton (1988) found that when commitments of long-term employment were violated, this resulted in subjects perceiving the termination decision to be unfair.

Interactional justice constitutes the quality of interpersonal treatment received during a procedure or process (Bies, 1987). According to interactional justice theory, an individual would perceive injustice if the quality of interpersonal treatment
was bad, even though the outcome and procedure may be perceived as fair. In terms of this theory, it may be assumed that the manner in which the termination was conducted would have implications for justice perceptions.

3.3.4 GRIEF THEORY

Although Jahoda's (1982) deprivation theory explains the psychological loss involved with unemployment, she does not deal with the intrapsychic processes involved in the adjustment. Grief theory has been used in order to explore this process, and although it originated with regard to bereavement, it has been extended to other forms of loss, such as job loss. According to Bowlby (1980), the grief process constitutes four stages. Following bereavement the initial stage is shock, disbelief and denial; the second stage constitutes feelings of anxiety, anger and bitterness; the third stage is characterised by depression and social withdrawal; the final stage is one of readjustment and redefinition of the situation. However, there is a lack of empirical evidence to support this stage model of grief. Parkes (1970) conducted longitudinal studies of bereavement and found no conformity to a stage-like progression. Instead, he found grief to be characterised by episodic components.

Archer and Rhodes (1993) investigated the applicability of the term grief to the various consequences of job loss. The sample consisted of sixty men who had lost their jobs, aged twenty-five to sixty-three years. They were interviewed using a schedule developed in a previous pilot study, and the researchers also made use of scales measuring depression, anxiety and amount of attachment to previous job. Their findings showed that only twenty-seven per cent of the sample showed a grief-like reaction. However, there were many variables which were not controlled, namely, amount of warning before job loss, reasons for termination, previous emotional
LITERATURE REVIEW

history, family circumstances and amount of available social support. In addition, time since job loss within the sample varied from one month to eight years. It seems that future research needs to be done in this area.

An interesting finding, however, is that people do not necessarily recover from the loss of something significant (Archer & Rhodes, 1993). This parallels earlier qualitative studies which found residual effects of job loss even after subsequent reemployment. Kaufman (1982) found that low self-esteem persisted after reemployment, and maintains that these effects may be permanent. However, Shami' (1985, cited in Kessler, Turner & House, 1989) found that emotional recovery was dependent on the nature of subsequent employment, and that emotional recovery required that the new job be seen as at least as good as the job lost. Warr (1987) found the nature of subsequent employment important in alleviating emotional distress.

It is apparent that no single theory can address the experience of job loss. Instead what is needed is an eclectic approach whereby various theories are included within an open-systems perspective. This is largely due to the complexity surrounding job loss, with antecedents and mediating circumstances all contributing to the reactions towards job loss and subsequent coping and adaption.

3.4 MEDIATING VARIABLES

Although research has shown that job loss and subsequent unemployment results in negative psychological consequences, the impact will be mediated by a host of variables, such as age (Warr & Jackson, 1984), availability and quality of social support (Caplan, Vinokur, Price, & Van Ryn, 1989), expectation of finding a job (Kinicki, 1989), length of unemployment (Hepworth, 1980; Rowley & Feather, 1987; Warr & Jackson,
1984), financial stress (Leana & Feldman, 1990), and activity level (Feather, 1989), amongst others. Thus, although there are similarities, the experience of job loss will be different for different people, with some not experiencing any negative effects whatsoever.

3.4.1 EXPECTATION OF FINDING A JOB

Feather and Davenport (1981) found that those who had experienced involuntary job loss were particularly distressed when the expectation for obtaining desirable reemployment was low. These findings were supported by later research which found that low expectation of finding reemployment resulted in psychological distress (Baik, Hosseini & Priesmeyer, 1989). Kinicki (1989) found that those who had low expectancies for securing reemployment were those who were older, less educated, those with low self-esteem, and those who did not anticipate being displaced. It appears that these people are at high risk, as they also have the lowest levels of motivation to engage in job-seeking behaviour (Kinicki, 1989). However, perhaps the expectation of finding reemployment is related to current economic climate and the operation of certain management policies, such as affirmative action. Clearly certain people will be at higher risk than others regarding securing reemployment. Young (1963) found that during a recession people who had lost their jobs were unemployed for at least six months.

3.4.2 LENGTH OF UNEMPLOYMENT

A number of studies have considered the impact of length of unemployment following job loss on psychological well-being. Rowley and Feather (1987) studied two groups of unemployed men, one aged fifteen to twenty-four years, and the other thirty to forty-nine years. Correlations showed that there were higher levels of distress with increasing length of unemployment.
LITERATURE REVIEW

This was unrelated to age. Liem and Liem (1988) conducted longitudinal research whereby involuntarily displaced blue- and white-collar workers were interviewed two, four, seven and twelve months following job loss. At time one, there were higher levels of anxiety and depression. At time two (four months following job loss) they found a further increase in symptoms, which was stronger for blue-collar as opposed to white-collar workers. However, these symptoms did not worsen for the majority of the sample. According to Mallinckrodt and Bennett (1992), perhaps the largest effects are observed soon after job loss, and beyond a critical period, length of unemployment does not significantly add to already high stress levels. Results, however, have not been consistent. Research has also found there to be no significant relation between length of unemployment and further psychological distress (Liem & Liem, 1988; Mallinckrodt & Bennett, 1992).

3.4.3 FINANCIAL STRAIN

Although financial strain has generally been approached as a stressor, Kessler, Turner and House (1988) investigated the mediating effects of financial strain, and found it to have a highly significant mediating influence, explaining between forty-one per cent and 100 per cent of the effects of unemployment on health outcomes. This was supported by Feather (1989) who found a correlation between financial stress and strain, and psychological distress. This has implications for counselling interventions, whereby advice on financial planning could be of benefit (Mallinckrodt & Fretz, 1988).

3.4.4 ACTIVITY LEVEL

It is clear that, amongst other things, work provides the individual with the opportunity for meaningful activity. It then follows that it may be difficult for the unemployed to remain active subsequent to job loss (Bond & Feather, 1988) and
results have shown that difficulty in meaningful occupation of time is related to psychological distress (Feather, 1989). According to Swinburne (1981), activity fulfills three purposes, namely, it maintains mental alertness, fends off fears and doubt, and provides one with an objective sense of achievement. Feather and Bond (1983) found that higher levels of self-esteem and low levels of depression were related to purposeful activity. This was consistent with previous research findings (Hepworth, 1980). Swinburne (1981) found that there were two types of inactivity following job loss - those not knowing what to do, and those whose depression prevented them from being active. Brenner and Bartell (1983) found evidence for the occurrence of two processes concerning activity following job loss. Firstly, those who had the ability to reorganize their lives were therefore involved in higher activity rates, which worked as a buffer to psychological maladaptation. Secondly, poor psychological functioning may serve to lower the ability of the individual to occupy time. Thus, counselling interventions should aim to promote meaningful activity as soon as possible following job loss (Brenner & Bartell, 1983).

3.4.5 SOCIAL SUPPORT

Most research on unemployment and job loss has focused on the physical and psychological effects, with less emphasis being placed on the role of social support. Research on social support has distinguished between informal social support networks (such as family, relatives and friends), and formal social support (that is, secondary interventions).

3.4.5.1 Informal Social Support

Kasl and Cobb (1979) were the first to investigate informal social support. They conducted longitudinal research on a group of workers who had lost their jobs due to the closure of a plant. They found that high levels of perceived social
LITERATURE REVIEW

Support reduced illness and depression, and high levels of psychological distress was only evident in those who had low levels of social support. Gore (1978) compared unemployed men who had high social support, to unemployed men who lacked social support. Findings showed that those with low social support had higher cholesterol levels, increased physical illness symptoms and were higher on negative affect.

Marital status has often been used as some kind of index of support (Eaton, 1978). Research has found that although the presence of a spouse or significant other contributed to higher levels of self-esteem, it did not alleviate depression or perceptions of economic strain (Pearlin, Lieberman, Menaghan & Mullan, 1981). Generally, married people have a number of psychological and social advantages over unmarried people (Coyne & DeLongis, 1986). Vinokur, Caplan and Williams (1987) found that social support from the unemployed person's network, and primarily the spouse, resulted in a strong beneficial effect on emotional well-being. However, this depends on the quality of the marriage, as research has shown that people who are unhappily married may be worse off than single people with regard to physical health (Coyne & DeLongis, 1986) and psychological well-being (Gove, Hughes & Style, 1983). It is to be expected that unhappily married people will be stressed by their situation, and this could be exacerbated by stress in other areas of life, such as job loss. This has been supported by research (Schlossberg & Leibowitz, 1980).

Vinokur and Caplan (1987) found that affirmation support by the significant other is an important form of social support which influenced subsequent job-seeking behaviour. Provision of care and concern played a mitigating role in averting undesirable mental health consequences of unsuccessful job seeking. In a later study, Mallinckrodt and Bennett (1992) examined six types of social support, namely, reliable alliance, attachment, guidance, opportunity for nurturance, social integration and
reassurance of worth. They found that reassurance of worth was a significant buffer to the stress of job loss, implying that displaced individuals react positively to others' acknowledgement of their competencies and abilities. Other research has also found support for the modifying effects of social support (Cohen & Wills, 1985; Kessler, Turner & House, 1988; Turner, Kessler & House, 1991), and those who do not have naturally available forms of social support will be at high risk of mental illness, and thus formal support systems available within the community will be crucial (Vinokur, Caplan & Williams, 1987).

Although research has generally found that social support alleviates the stress of job loss and unemployment, there are wide variations in size of this relationship, depending on the measures of support, nature of the samples, and the dependent variables measured, with a smaller relationship being found as sample size increases (Payne & Jones, 1987). Longitudinal studies carried out by Payne (1988) found little evidence that social support alleviates the negative consequences of job loss. Other research has found that the effects of social support will vary, depending on the kind of support and the outcomes (Gore, 1978; Wethington & Kessler, 1986).

Sarason, Sarason and Shearin (1986) maintain that social support should be seen as an individual difference variable. In terms of this approach, individuals make contributions to their social support networks due to their own personality variables. Their findings showed that amount of social support was positively correlated with extraversion and negatively correlated with neuroticism. Thus, personality may define the very existence of social support, as well as the quality thereof.
3.4.5.2 Formal Social Support

A review of the literature on formal support revealed that research has focused on three types of formal interventions, namely, self-help groups, support programmes within the organisation, and intervention programmes outside of the organisation. The present research has focused on outplacement, which is a source of formal support outside the organisation, and therefore discussion will focus on such findings.

Caplan, Vinokur, Price and Van Ryn (1989) conducted an extensive randomised field experiment in order to investigate the effects of an intervention on the negative consequences of job loss. They generated a preventive intervention aimed at a broad cross-section of people who had lost their jobs. The subjects had been unemployed for a period of less than four months. Their aim was to prevent poor mental health and loss of motivation to seek reemployment, and to promote high-quality reemployment. The intervention included training in job-seeking, with emphasis on inoculation against setbacks and positive reinforcement. The subjects were selected from four state employment compensation offices. The sample constituted three broad occupational classifications, namely, professional and managerial, service and clerical, and blue-collar workers. It was divided into a control and experimental group on the basis of whether they chose to undergo the intervention or not. They found that the experimental intervention produced higher rates of reemployment than the control condition. For the reemployed, quality reemployment was higher in the experimental condition than the control group. For the unemployed, motivation to engage in job-seeking and the efficacy thereof, was higher in the experimental than the control group. There were also consistent trends suggesting that this type of intervention may alleviate some of the negative health consequences of job loss among the unemployed.
LITERATURE REVIEW

Vinokur, Van Ryn, Gramlich and Price (1991) then conducted a long-term follow-up of the intervention, which provided strong evidence that for eighty-one per cent of the sample, the intervention did indeed prevent poor mental health. In fact, even the participants that remained unemployed showed reduced depressive symptomatology, higher levels of confidence with regard to job-seeking, and higher levels of job-seeking motivation than their control group counterparts. In addition, participants in the experimental group evidenced significantly higher amounts of remuneration than did members of the control group. The experimental group had significantly higher levels of employment, and had experienced less job changes. This provides strong evidence for the lasting beneficial effects of this secondary intervention.

Eden and Aviram (1993) conducted a field experiment in order to assess the impact of general self-efficacy training on job-search activity and reemployment. Their research is a replication of the Caplan, Vinokur, Price and Van Ryn (1989) study. The sample was obtained by placing a letter in an employment office which consisted of information regarding the workshop, and an invitation to participate. Eighty-eight people registered. The researchers then randomly assigned forty-three subjects to the experimental group, and forty-five to the control group. The experimental group participated in the two-and-a-half week workshop. The control group was obtained by informing the forty-five subjects that the workshop was full but that the researchers would try to include them in future workshops. Subjects in the control group were then requested to fill out a questionnaire.

Although this represents a stronger research design than that of Caplan, Vinokur, Price and Van Ryn (1989), it raises important moral and ethical issues - randomisation into a control and experimental group is problematic as it is not ethical to refuse subjects an intervention that they have
LITERATURE REVIEW

decided to undergo, for the purpose of creating a control group. Assigning subjects to experimental and control groups on the basis of their choosing or refusing an intervention is also problematic as the researcher does not know the basis upon which the choice was made, and it gives rise to problems associated with self-selection. Thus, experimental research concerning interventions is fraught with methodological and moral problems.

Eden and Aviram (1993) found that their intervention raised the level of general self-efficacy and increased job-search activity. The intervention increased the frequency of reemployment for those subjects who were initially low on self-efficacy, suggesting that interventions may be moderated by initial self-efficacy levels.

These findings provide strong evidence for the efficacy of interventions such as outplacement in addressing the negative consequences of job loss and promoting high-quality reemployment and loss of motivation in the unemployed.

3.5 CONSEQUENCES AND OUTCOMES OF JOB LOSS

It is evident that the experience and therefore consequences and outcomes of job loss will differ from person to person. Generally, however, job loss results in negative physiological, psychological and behavioral consequences. Due to the operation of the feedback loop, consequences will then become future inputs, acting as triggers for future job-seeking activity. This highlights the danger of unattended negative outcomes, as they play a crucial role in determining the securing of reemployment, and the quality thereof.
3.5.1 PHYSIOLOGICAL EFFECTS

Landmark research conducted by Kasl and Cobb (1970) demonstrated that employees who had lost their jobs showed greater physiological symptomatology than that of a control group. Brenner (1971) found that unemployment results in a decrease in physical health. Death rate due to heart disease increases as the rate of unemployment increases (Brenner, 1971). Cobb and Kasl (1971, 1977, cited in Kaufman, 1982) found that blue-collar workers who had lost their jobs showed an increase in hypertension, peptic ulcers, arthritis and sudden death from heart attacks. Additional studies of blue-collar workers found that employees facing job loss due to a plant shutdown showed increases in blood pressure, serum uric acid levels, and other physical symptoms (Kasl, Cobb & Brooks, 1968; Kasl, Gore & Cobb, 1975). Liem and Rayman (1982) found that job loss increases health risks and exacerbates latent physical problems. However, Kasl (1979, cited in Barrett) investigated the effect of job loss on physical and psychological health and found that the effects were negligible — when unemployed were compared to reemployed subjects, there were no differences in mental health, implying that job loss may not be as damaging to some as to others.

3.5.2 PSYCHOLOGICAL EFFECTS

Taken as a whole, past research has shown that job loss has a harmful effect on mental health and well-being, resulting in anxiety, stress and distress (Jackson, Stafford, Banks & Warr, 1983; Kasl, Gore & Cobb, 1975; Kinicki, 1985; Liem & Liem, 1988; Little, 1973; Taber, Cooke & Walsh, 1990; Turner, Kessler & House, 1991; Warr, 1978; Warr, 1984). Other effects include depression and lowered self-esteem.

Liem and Liem (1988) conducted a panel study of employed and unemployed blue- and white-collar workers, and found that the
unemployed showed higher levels of depression, as well as more negative mood than did the employed sample. The fact that job loss and/or unemployment results in depression has been well-documented (Feather & Davenport, 1981; Kessler, Turner & House, 1988; Mallinckrodt & Bennett, 1992; Mallinckrodt & Fretz, 1988; Turner, Kessler & House, 1991; Tiggemann & Winefield, 1984).

Research findings concerning the effects of job loss on self-esteem appear to be inconsistent. Although much research has found that job loss results in a decrease in self-esteem (Braginsky, 1975; Cohn, 1978; Dooley & Catalano, 1980; Hepworth, 1980; Warr, 1982; Warr, 1978), there are findings to the contrary. Cobb and Kasl (1977) conducted longitudinal research and found no significant changes in self-esteem due to unemployment. Similar findings have been documented (Frost & Clayson, 1991; Hartley, 1980). Findings have also suggested that repeated failure to find work results in lowered self-esteem (Turner, Kessler & House, 1991) which will then serve as an input for future behaviour.

A further outcome of job loss is job-seeking motivation, which has been found to differ significantly depending on participation in a formal intervention (Caplan, Vinokur, Price & Van Ryn, 1989). This lends credence to the role of formal support interventions. As previously discussed, job loss may certainly result in lowered levels of trust and organisational commitment (Leana & Feldman, 1990).

3.5.3 BEHAVIORAL EFFECTS

Support has been found for the relationship between increased alcohol abuse and job loss (Dooley, Catalano & Hough, 1992; Pearlin & Radabaugh, 1976; Power & Estaugh, 1990; Smart, 1979). In addition, it has been estimated that increased suicide rate is linked to job loss (Brenner, 1984; Hammermesh
LITERATURE REVIEW

& Soss, 1974; Pierce, 1967), as well as with higher suicide attempt rates (Van Ryn & Vinokur, 1992).

4. CONCLUSION

It is evident that job loss is a highly complex issue, characterised by a vast heterogeneity of responses and outcomes. This is largely due to the array of intervening factors which function to make it the unique experience that it is. It is further complicated by methodological difficulties, particularly with regard to the measurement of individual predispositions. One cannot, therefore, rule out the possibility that evidenced outcomes may have preexisted to a lesser or more degree.

This has implications for human service professionals involved in secondary intervention, as although strategies implemented should be based on general findings generated by past research, there must be commitment to an epistemology characterised by eclecticism and flexibility, so as to cater for the intrinsic heterogeneity of needs.

5. RATIONALE FOR THE PRESENT RESEARCH

Formal support interventions, such as Outplacement, have arisen in response to the plight of displaced members of the workforce. Extensive longitudinal research has provided strong evidence that interventions of this kind do address the negative consequences of job loss, and are instrumental in promoting adaptive behaviour (Eden & Aviram, 1993; Caplan, Vinokur, Price & Van Ryn, 1989; Vinokur, Van Ryn, Gramlich & Price, 1992). However, research has not explored attitudes towards an already established worldwide intervention, such as Outplacement. Rather, researchers have generated once-off interventions for the purpose of their research. Although their findings contribute enormous value to preventive
LITERATURE REVIEW

strategies, research also needs to focus on established interventions which are currently operational. The present research addresses this need by examining an existing on-going Outplacement intervention. In addition, the Outplacement intervention is different in emphasis to that of Caplan, Van Ryn, Price and Vinokur (1989), in that not only does it include job-teaching skills, but focuses strongly on support, introspection and counselling, as well as the provision of job-seeking facilities and services.

The need for research into attitudes towards intervention strategies gains importance when consideration is given to the differing needs of displaced individuals. Accepted approaches need to be regularly appraised and scrutinised, and if necessary, updated, revised or completely changed. This is vital to prevent stagnation and unquestioning acceptance of existing approaches, and will ensure that strategies are constantly aligned with the needs of participants.
CHAPTER 2: METHODOLOGY

1. RESEARCH DESIGN

As the research is exploratory in nature, qualitative research is the recommended methodology for data gathering and analysis (Van Maanen, Dabbs & Faulkner, 1982). Qualitative research "concentrates on qualities of human behaviour, that is, on the qualitative aspects as against the quantitatively measurable aspects of human behaviour" (Mouton, 1988, p.2). This kind of research seeks to uncover the meaning of social situations, and aims to explore the subjective point of view of the individual (Schurink, 1993). Qualitative research does not commence with hypotheses; rather it is concerned with the generating of hypotheses from the data obtained (Fielding & Fielding, 1986).

In addition, certain practical constraints and ethical concerns dictated a non-experimental approach. The outplacement intervention was not manipulable given time constraints and practical limitations, and in addition, this study holds that it is unethical to refuse subjects an intervention in order to create a control group. Furthermore, it is clearly unethical to provide one group with a "better" intervention than another. Thus, randomisation into a control and experimental group was problematic. Direct control was not possible, the intervention could not be manipulated, and random assignment into groups could not be done. According to Kerlinger (1986), when the above-mentioned problems are encountered, research must be non-experimental.

"Non-experimental research is systematic empirical enquiry in which the scientist does not have direct control of independent variables because their manifestations have already occurred or because they are inherently not manipulable. Inference about relations among variables are made, without direct intervention, from concomitant
METHODOLOGY

variation of independent and dependent variables" (Kerlinger, 1986, p.348).

2. SUBJECTS

The sample consisted of thirty white-collar males, with an average age of forty-nine, and a range of forty to sixty-one years of age. Eighty-seven per cent were married (26), with marital status of the remaining four being divorced (1), separated (1), engaged (1), and widowed (1). Thirteen per cent (4) reported having no dependents (Mean = 2.23; Range = 0 to 5).

Forty-seven per cent of the sample (14) earned between R70 000k and R150 000k per annum; Twenty-three per cent (7) fell into the R150 000k to R200 000k per annum; Twenty-three per cent (7) earned above R200 000k per annum.

All subjects had experienced involuntary job loss. The length of time since job loss ranged from three months to six years. Subsequent to job loss, the total sample underwent the outplacement intervention.

3. MEASURING INSTRUMENTS

Where possible, data was gathered by virtue of an intensive interview. According to Kerlinger (1986) the interview far overshadows other methods of data collection. Intensive interviews are characterised by an open-ended approach which aims to explore the person's perspectives, thoughts and feelings (Patton, 1980). The inherent strength of the interview is that it minimises the risk of misunderstanding (Williamson, 1991), and allows the researcher to probe certain issues by using alternate questions as is judged fit for particular respondents and questions (Kerlinger, 1986).
METHODOLOGY

However, it is crucial that the researcher creates rapport and a milieu of safety and trust. This can be accomplished by sound interpersonal skills as well as by assuring respondents of confidentiality. With regard to reliability and validity, the interview technique itself is a source of potential subjectivity and bias, whereby the interviewer may reinforce certain "desirable" responses in a subtle manner either by speech or by non-verbal behaviour (Fedder, 1986). In this way, the participation of the researcher may influence the participants' behaviour, resulting in reactive effects. There is also the problem of fabrications, deceptions, exaggerations and distortions.

The interview schedule (See Appendix 1) was constructed in order to generate factual and demographic information, census type information and problem information. It therefore includes factual information as well as opinions, attitudes and perceptions. Although the questions were standardised, alternative questions and probing were used where appropriate. The items were a mixture of both fixed-alternative (closed) and open-ended items. The issues covered in the interview schedule were derived from a thorough review of the literature concerning job loss and social support interventions.

Although participants were informed of the superiority of the interview technique, some chose to complete the abovementioned interview schedule and subsequently returned it by post (See Appendix 1). Where contact details were supplied, an interview was conducted. Thus, where possible, greater clarification of attitudes and experiences was obtained.
A large number of organisations were approached in order to ascertain the Outplacement specialists. An extensive national enquiry showed a total of three consultancies which were involved in Outplacement on an on-going basis. Access was gained to one of the three. Their policy was one of confidentiality, whereby the identity of people who had participated in the intervention was protected. For this reason the consultancy acted as an intermediary, whereby a letter devised by the researcher was posted to 145 people (See Appendix 2) who had undergone the Outplacement intervention.

Due to the policy of confidentiality, the subjects were invited to initiate contact with the researcher, and because of the sensitive nature of the research, were given the option of either an interview or completing the attached questionnaire anonymously and returning it by post. Eighteen respondents made contact and were then interviewed, and twelve respondents chose to complete the questionnaire on their own. In addition, a follow-up reminder letter was sent to the same 145 people, which generated further response.

Where interviews were conducted, they lasted between thirty minutes and two hours. Respondents were assured of absolute confidentiality and anonymity regarding their specific responses.

5. DATA ANALYSIS

The appropriate method of analysis gleaned by qualitative research techniques is content analysis. Content analysis has been defined as "a method of studying and analysing communications in a systematic, objective, and quantitative
METHODOLOGY

manner to measure variables" (Kerlinger, 1986, p.477). It involves identifying themes and patterns in the data (Patton, 1980).

Categorisation is the most important aspect of the analysis (Kerlinger, 1986), whereby important segments of information are identified and classified according to a corresponding category. Rules of categorisation must be adhered to, whereby the categories must be exhaustive and mutually exclusive (Holsti, 1969). Although frequency of the occurrence of an idea or theme may be assessed, it is by no means sufficient (Holsti, 1969). Content analysis must also be concerned with the appearance or non-appearance of issues in communication (De Sola Poole, 1959). With regard to issues of reliability and validity, content analysis has been criticised for being subjective and descriptive (Bryman, 1988). According to Kahn and Cannell (1957), the researcher may simplify, amplify or modify responses in order to slot responses into identified categories. In order to compensate for bias on the part of the researcher, a second person was used in the process of content analysis. With regard to the content analysis procedure, the research problem was defined in terms of categories, which adhered to the rules of categorisation, including exhaustiveness and mutual exclusivity. The units of analysis chosen were the word and the theme. According to Berelson (in Lindzey, 1959), more than one unit of analysis may be utilised. Concerning the system of enumeration, the researcher focused on the frequency of appearance and non-appearance of content issues.
CHAPTER 3: FINDINGS

1. INTRODUCTION

The following results represent findings generated by content analysis. Data consists of means, range and frequencies. Responses have been broken down into five areas, namely, previous employment, job loss experience, effects on family, reemployment, and support and Outplacement.

It must be noted that individuals generally contributed multiple responses to most items. For this reason, the cumulative total of item scores will not necessarily equal the sample size.

Present employment status is as follows:

<table>
<thead>
<tr>
<th>N = 30</th>
<th>UNEMPLOYED</th>
<th>REEMPLOYED</th>
<th>SELF-EMPLOYED</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>4</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td>PER CENT</td>
<td>13</td>
<td>70</td>
<td>17</td>
</tr>
</tbody>
</table>

TABLE 1.1: Current Employment Status.

2. PREVIOUS EMPLOYMENT

Tenure with previous employer ranged from two years to thirty-eight years and four months, with an average tenure of fifteen-and-a-half years (N = 30).

Consideration was given to the period of time the displaced person reported to their last superior before job loss. The rationale behind this item was to explore whether there was a relationship between job loss and new management. Only subjects who were employed by their previous company for a minimum of five years, and reported to a new person for a
FINDINGS

maximum of twelve months have been considered (See table 2.1).

FINDINGS

maximum of twelve months have been considered (See table 2.1).

<table>
<thead>
<tr>
<th>INT. NUMBER</th>
<th>TENURE (YEARS)</th>
<th>NEW SUPERIOR (MONTHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N = 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>11</td>
<td>27</td>
<td>3</td>
</tr>
<tr>
<td>14</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>18</td>
<td>27</td>
<td>12</td>
</tr>
<tr>
<td>20</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>21</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>30</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>MEAN</td>
<td>15.5</td>
<td>8.1</td>
</tr>
</tbody>
</table>

TABLE 2.1: Tenure and reporting to new superior.

Thirty per cent (9) of the sample with tenure greater than five years stated that they reported to a new superior for a maximum of one year prior to job loss.

In addition, the present research aimed to explore whether there was a relationship between previous company merger, buyout or acquisition, and resultant job loss. Forty per cent of the sample reported that their previous organisation went through this type of change (See table 2.2).
FINDINGS

<table>
<thead>
<tr>
<th>MERGER</th>
<th>ACQUISITION</th>
<th>OTHER</th>
<th>DO NOT SPECIFY</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

**TABLE 2.2:** Did your company go through a merger, acquisition or buyout?

Three subjects did not specify as to whether the company went through a merger, buyout, or acquisition, but answered only "yes". Other events refer to company or departmental shutdown (3) and technological change (1).

The relationship between tenure and length of time reporting to last manager, and whether the company underwent a merger, buyout or acquisition was examined. There was a relationship for one subject (Int. 11) (See table 2.1).

Although all subjects experienced involuntary job loss, the reasons given for terminations varied:

<table>
<thead>
<tr>
<th>REASONS FOR JOB LOSS</th>
<th>FREQUENCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrenchment / Redundancy</td>
<td>18</td>
</tr>
<tr>
<td>Restructuring</td>
<td>6</td>
</tr>
<tr>
<td>Co. / Dept. Closed Down</td>
<td>4</td>
</tr>
<tr>
<td>Early Retirement</td>
<td>2</td>
</tr>
</tbody>
</table>

**TABLE 2.3:** Reasons given for termination.

However, the reasons for termination are more complex than they appear to be in the above table. Two subjects felt that they were sidelined, whereupon mutual agreement regarding termination of services was reached. One subject felt that he was retrenched due to a personality clash. Four subjects felt
that they were actually fired due to company politics, perceived incompetence, and due to non-acceptance of suspect accounting practices. One subject felt that his termination was due to nepotism. One person was not given any reason at all.

3. THE EXPERIENCE OF JOB LOSS

The majority of the sample (70 per cent) reported that their job loss was completely unexpected (21). Five people (17 per cent) expected to lose their jobs, while four people (13 per cent) said that they "sort of" expected it.

Of those who reported having expected job loss, length of time ranged from knowing for six months to two years. The person who expected it for two years found it very disturbing and distressing, as he felt that he was "living on borrowed time" (Int. 19). Those who "sort of" expected job loss did so due to signs and signals within the company, such as the arrival of a new superior who wanted to restructure, or due to sudden changes in attitude towards the individual.

With regard to reactions towards job loss, thirteen per cent (4, N = 30) reported reacting positively, handling it well, and being "fine". Three subjects reported feelings of relief - of those, one had expected it, one had "sort of" expected it, and one had not expected it at all, but was relieved due to the inherent insecurity of his work environment.

Subjects reported a wide range of feelings in reaction to job loss (See table 3.1). Most responses related to feelings of anger and shock, as well as finding it a traumatic and upsetting experience. "Still today, it's knocked a lot out of me" (Int. 20). "It leaves psychological scars - one tends to
FINDINGS

compromise and be obedient" (Int. 27). "I felt "what have I done wrong?"" (Int. 6).

<table>
<thead>
<tr>
<th>REACTIONS TO JOB LOSS</th>
<th>FREQUENCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anger</td>
<td>14</td>
</tr>
<tr>
<td>Traumatic / Upsetting</td>
<td>12</td>
</tr>
<tr>
<td>Shock</td>
<td>8</td>
</tr>
<tr>
<td>Disbelief</td>
<td>4</td>
</tr>
<tr>
<td>Positive / Fine</td>
<td>6</td>
</tr>
<tr>
<td>Relief</td>
<td>3</td>
</tr>
<tr>
<td>Bitterness</td>
<td>3</td>
</tr>
<tr>
<td>Sickened</td>
<td>2</td>
</tr>
<tr>
<td>Unfairness</td>
<td>2</td>
</tr>
</tbody>
</table>

TABLE 3.1: Reactions to Job Loss.

Concerning physical complaints, sixty-seven per cent of the sample (20) reported experiencing physical complaints as a result of job loss (See table 3.2).

<table>
<thead>
<tr>
<th>PHYSICAL COMPLAINT</th>
<th>FREQUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insomnia</td>
<td>8</td>
</tr>
<tr>
<td>Hospitalised</td>
<td>2</td>
</tr>
<tr>
<td>Exhaustion</td>
<td>2</td>
</tr>
<tr>
<td>Colon Problems</td>
<td>2</td>
</tr>
<tr>
<td>Loss of Appetite</td>
<td>1</td>
</tr>
<tr>
<td>Weight Loss</td>
<td>1</td>
</tr>
<tr>
<td>Ulcer</td>
<td>1</td>
</tr>
<tr>
<td>Do not specify</td>
<td>3</td>
</tr>
<tr>
<td>No physical problems</td>
<td>10</td>
</tr>
</tbody>
</table>

TABLE 3.2: Physical Complaints following job loss.
FINDINGS

With regard to the positive and negative consequences of job loss, eighty-three per cent of the sample (25) reported both positive and negative consequences. Ten per cent (3) felt that there were only negative consequences, and seven per cent (2) reported only positive consequences.

Negative consequences of job loss were reported by ninety-three per cent (28) of the sample. These included practical, psychological and attitudinal consequences (see table 3.3). Loss of self-esteem and self-confidence was the most frequently reported negative consequence (43 per cent). Loss of income as a negative consequence was reported by twenty per cent of the sample, and twenty per cent said that job loss resulted in feelings of insecurity. Other reported negative effects can be divided according to Jahoda's (1982) latent and manifest consequences of work, as well as into practical and psychological outcomes:
### FINDINGS

<table>
<thead>
<tr>
<th>Latent</th>
<th>Loss of intellectual stimulation</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Loss of work as an activity</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Feeling unwanted and useless</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Severing of a life-long relationship</td>
<td>2</td>
</tr>
<tr>
<td>Manifest</td>
<td>Loss of financial security / benefits</td>
<td>2</td>
</tr>
<tr>
<td>Practical</td>
<td>Low probability of finding a job</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Blemished career path</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Dislocation of career</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Damage to retirement plans</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Unprepared for job loss</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Change of career path</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Having to start again</td>
<td>1</td>
</tr>
<tr>
<td>Psychological</td>
<td>Depression and withdrawal</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Negative effects on family</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Higher stress level</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Deterioration of the marriage</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Feelings of guilt</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Negative change in attitude</td>
<td>2</td>
</tr>
</tbody>
</table>

**Table 3.3: Some negative effects of job loss.**

Three subjects (10 per cent) reported no positive consequences of job loss. Positive responses of the remainder of the sample can be categorised into personal, interpersonal and work-related consequences (See table 3.4).
TABLE 3.4: Positive consequences of job loss.

The four subjects who are currently unemployed felt that their chances of securing reemployment were not good. Reasons for this slight chance included: "I'm fifty, white and male" (Int. 18) and "Well, I haven't found a job in six years" (Int. 2).

The relationship between age and length of unemployment was examined (See table 3.5). The average age of unemployed subjects was fifty-one, with an average of two-and-a-half years of being unemployed.
FINDINGS

<table>
<thead>
<tr>
<th>INT. NUMBER</th>
<th>AGE</th>
<th>LENGTH OF UNEMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50</td>
<td>3 months</td>
</tr>
<tr>
<td>2</td>
<td>61</td>
<td>3 years</td>
</tr>
<tr>
<td>17</td>
<td>45</td>
<td>1 year, 6 months</td>
</tr>
<tr>
<td>18</td>
<td>48</td>
<td>6 years</td>
</tr>
<tr>
<td>MEAN</td>
<td>51</td>
<td>2 years, 6 months</td>
</tr>
</tbody>
</table>

TABLE 3.5: Relationship between age and length of unemployment.

Of the five subjects who became self-employed (See table 1.1), one is now retired, and the other is semi-retired.

Financial pressure at the time of job loss was reported by thirty per cent (9) of the sample. Those who provided reasons as to the lack of financial pressure said that they received a good financial package on termination.

4. EFFECTS ON FAMILY

Fifty-seven per cent of the sample (17) were sole breadwinners at the time of job loss, with the remaining forty-three per cent being dual earners. Occupations of the spouse or significant other at the time of job loss included teachers, lecturers, receptionists, secretary, assistants, shop manager, accountant, theatre nurse and export controller.

Feelings associated with informing the spouse or significant other and/or family were typically of a negative nature. Twenty-seven per cent (8) of the sample stated that it was a difficult task. Seventeen per cent (5) found it to be easy, and twenty-three per cent (7) said that their family was aware of an impending situation all along. Feelings experienced when
FINDINGS

informing the family were unhappiness (6), depression (2), apprehension (4), embarrassment (1) and feelings of failure (4).

Generally subjects reported that the spouse or significant other was very supportive (19). Other reactions include anger at the previous employer (6), worry (5), understanding (3), shock (4), and relief (3). One person reported that his wife had difficulty in accepting the situation, and another said that his spouse did not show a reaction at all.

Twenty-seven subjects have children, and of those, twelve reported that job loss had a negative impact on them. Reactions included financial worry (3), feelings of insecurity (4), and feelings of loss of prestige (1). One child has become determined to excel at everything he does, and made the comment "it will never happen to me what happened to dad" (Int. 3). Another child holds a grudge towards her father's previous employer, even though he experienced job loss four years ago and has subsequently secured better reemployment (Int. 4). Other comments include: "My son says he won't work for a company. He will be self-employed" (Int. 5). "The children have become insecure due to having to move house and school" (Int. 14). "My job loss did have an effect on the children because when I found another job they cried" (Int. 21).

5. REEMPLOYMENT

As previously mentioned, twenty-one subjects (70 per cent) became reemployed, and five (17 per cent) became self-employed (See table 1.1). On average, it took 5.9 months to secure reemployment, and ranged from immediately to eighteen months. When asked to compare current employment to employment lost, sixty-nine per cent (18) rated it as better, twenty-seven per
FINDINGS

cent (7) as worse, and four per cent (1) said it was much the same.

The reasons as to why subsequent employment was rated as better are as follows:

<table>
<thead>
<tr>
<th>REASONS FOR BETTER REEMPLOYMENT</th>
<th>FREQUENCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher salary</td>
<td>7</td>
</tr>
<tr>
<td>Better work environment</td>
<td>5</td>
</tr>
<tr>
<td>Less stressful</td>
<td>3</td>
</tr>
<tr>
<td>Being one's own boss</td>
<td>3</td>
</tr>
<tr>
<td>Greater challenge</td>
<td>2</td>
</tr>
<tr>
<td>More autonomy</td>
<td>1</td>
</tr>
<tr>
<td>More in line with values</td>
<td>1</td>
</tr>
<tr>
<td>Good career opportunity</td>
<td>1</td>
</tr>
</tbody>
</table>

TABLE 5.1: Reasons for rating reemployment as better than previous job.

Those who rated their current job as worse than the previous one said that they were earning less (4), were in a worse working environment (3), occupied a position of lower status (3), and were faced with less of a challenge (2). This resulted in feelings of frustration (2), insecurity (1), and financial worries (1).

Concerning remuneration, forty-two per cent of the sample (11) enjoy higher earnings than before, and were happy with this situation. Fifty-four per cent (14) earn less than they did previously. Some said that they could accept this situation, as there were other positive aspects which made up for the drop in earnings (6). Four people were unhappy with earning less, and reported feelings of bitterness, worry, and difficulty in accepting the situation.
FINDINGS

6. SUPPORT AND OUTPLACEMENT

The largest source of support (See table 6.1) outside of the Outplacement intervention was the family (17). Friends were a source of support for seven people. Generally, organisations were not found to provide support, but this may be due to the fact that they utilised the services of the Outplacement consultancy in this regard. One person considered himself a loner, and said that the intervention was the only form of support that he had (Int. 20).

<table>
<thead>
<tr>
<th>TYPES OF SOCIAL SUPPORT</th>
<th>FREQUENCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>17</td>
</tr>
<tr>
<td>Work Colleagues</td>
<td>2</td>
</tr>
<tr>
<td>Outplacement</td>
<td>30</td>
</tr>
<tr>
<td>Extended Family</td>
<td>3</td>
</tr>
<tr>
<td>Friends</td>
<td>7</td>
</tr>
<tr>
<td>Church</td>
<td>3</td>
</tr>
<tr>
<td>Previous Organisation</td>
<td>2</td>
</tr>
</tbody>
</table>

TABLE 6.1: Sources of Support.

Outplacement is typically offered by the company to the displaced employee as part of the financial settlement, with the company bearing the cost. This was true for eighty-three per cent (25) of the sample. Seven per cent (2) had heard about Outplacement, and approached their previous employers, who agreed to bear the financial cost. Ten per cent (3) approached the consultancy independently, and paid for it themselves.

Of the thirty subjects, two (7 per cent) resided outside the Transvaal, which proved to be problematic. They received Outplacement by virtue of telephonic contact (2), and periodic
FINDINGS

6. SUPPORT AND OUTPLACEMENT

The largest source of support (See table 6.1) outside of the Outplacement intervention was the family (17). Friends were a source of support for seven people. Generally, organisations were not found to provide support, but this may be due to the fact that they utilised the services of the Outplacement consultancy in this regard. One person considered himself a loner, and said that the intervention was the only form of support that he had (Int. 20).

<table>
<thead>
<tr>
<th>TYPES OF SOCIAL SUPPORT</th>
<th>FREQUENCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>17</td>
</tr>
<tr>
<td>Work Colleagues</td>
<td>2</td>
</tr>
<tr>
<td>Outplacement</td>
<td>30</td>
</tr>
<tr>
<td>Extended Family</td>
<td>3</td>
</tr>
<tr>
<td>Friends</td>
<td>7</td>
</tr>
<tr>
<td>Church</td>
<td>3</td>
</tr>
<tr>
<td>Previous Organisation</td>
<td>2</td>
</tr>
</tbody>
</table>

TABLE 6.1: Sources of Support.

Outplacement is typically offered by the company to the displaced employee as part of the financial settlement, with the company bearing the cost. This was true for eighty-three per cent (25) of the sample. Seven per cent (2) had heard about Outplacement, and approached their previous employers, who agreed to bear the financial cost. Ten per cent (3) approached the consultancy independently, and paid for it themselves.

Of the thirty subjects, two (7 per cent) resided outside the Transvaal, which proved to be problematic. They received Outplacement by virtue of telephonic contact (2), and periodic
visits (1). For the remaining ninety-three per cent (28), the intervention was conducted on an individual, one-on-one basis. The intervention included counselling, discussions, teaching of job-search strategies, use of facilities, and administrative support. Of interest is that this particular consultancy was involved in counselling the wives of dislocated employees as well. Ten per cent (3) of the sample reported this. However, this may be an underestimate as the instrument did not ask this question specifically. Rather this information was volunteered by three subjects.

When asked how they found the Outplacement intervention, the vast majority responded very positively. However, as no categories were provided (for example, good, average or bad), not all subjects explicitly stated it as good, but rather, provided responses such as useful, encouraging, professional, etcetera (See table 6.2). For this reason the researcher has chosen not to consider discrete categories, as this would provide an inaccurate description. Generally, the majority found it to be of great value, even though suggestions have been made. These suggestions will be discussed at a later stage. The two subjects who found it to be less valuable than the remainder of the sample did so because they reside outside of the Transvaal, and therefore were not exposed to Outplacement at the same level of intensity. They did, however, find some value in Outplacement. Certainly a powerful indicator of how the intervention was found lies in the fact that when asked whether Outplacement comes with their recommendation for displaced employees, all thirty subjects answered yes. Two of these responses were conditional: "Yes, but only if there's an amicable parting. Outplacement doesn't help if you've been fired" (Int. 5), and "Yes, but only if you live in the same city" (Int. 14).
TABLE 6.2: Descriptions of Outplacement.

When asked whether Outplacement served to speed up the securing of reemployment, seventy-three per cent (19) said yes, and twenty-seven per cent (7) said no (N = 26). However, it is important to look at the reasons why twenty-seven per cent reported to the contrary, as it may not necessarily be a reflection on the Outplacement intervention. Two subjects who returned questionnaires by post did not provide reasons as to why Outplacement did not speed up the securing of reemployment. Two subjects residing outside the Transvaal felt that, due to the lack of exposure to the intervention, it was not instrumental in speeding up reemployment. One subject felt that Outplacement could not change the harsh realities of life, which hindered him from finding reemployment - "It couldn't change the reality of being fifty-three and having spent twenty-seven years with one company" (Int. 11). Two subjects felt that they already knew what they wanted to do, but that they did find Outplacement useful.
FINDINGS

In response to the most valuable aspects of Outplacement, the following responses were evident:

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning about yourself</td>
<td>10</td>
</tr>
<tr>
<td>Advice and discussions</td>
<td>13</td>
</tr>
<tr>
<td>Support</td>
<td>9</td>
</tr>
<tr>
<td>Provided a focus</td>
<td>6</td>
</tr>
<tr>
<td>Generated alternatives not previously considered</td>
<td>5</td>
</tr>
<tr>
<td>Not to take the first job offered</td>
<td>2</td>
</tr>
<tr>
<td>Proactive attitude</td>
<td>1</td>
</tr>
<tr>
<td>Use of facilities</td>
<td>13</td>
</tr>
<tr>
<td>Counselling</td>
<td>10</td>
</tr>
<tr>
<td>Job-search skills</td>
<td>7</td>
</tr>
<tr>
<td>Interview strategies</td>
<td>5</td>
</tr>
<tr>
<td>Drawing up of a curriculum vitae</td>
<td>10</td>
</tr>
<tr>
<td>Role plays</td>
<td>1</td>
</tr>
<tr>
<td>Self-marketing</td>
<td>2</td>
</tr>
<tr>
<td>Networking</td>
<td>1</td>
</tr>
</tbody>
</table>

TABLE 6.3: Most valuable aspects of Outplacement.

Aspects that were reported as less valuable appear to be related to the specific needs of individuals. Those that had decided not to look for reemployment found job-search strategies, interviewing skills, drawing up of a curriculum vitae, and the use of the facilities to be of less value.

Ninety-three per cent of the sample (28) felt that Outplacement did address the negative consequences of job loss. The following reasons were reported:
FINDINGS

<table>
<thead>
<tr>
<th>Built up self-confidence and self-esteem</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offered support</td>
<td>9</td>
</tr>
<tr>
<td>Being with others in the same situation</td>
<td>5</td>
</tr>
<tr>
<td>Resolved bitterness</td>
<td>1</td>
</tr>
<tr>
<td>Promoted optimism</td>
<td>1</td>
</tr>
</tbody>
</table>

**TABLE 6.4:** In which ways did Outplacement address the negative consequences of job loss?

Two subjects felt that Outplacement did not address the negative consequences, as one subject said that he did not make much use of the assistance available, and the other stated that it was due to residing outside of the Transvaal.

Forty-three per cent (13) of the sample reported that Outplacement could not be improved. Ten per cent (3) felt unable to comment: "It is difficult to say as each case is different" (Int. 10); "I can’t comment as I didn’t pursue it strenuously" (Int. 13), and "I can’t say - I would need to be in the same city" (Int. 14). The remaining forty-seven per cent (14) felt that the intervention could be improved in the following ways:
FINDINGS

| More focus on interpersonal problems and counselling | 7 |
| More structure / deadlines | 3 |
| More interaction | 2 |
| Link with employment agencies | 2 |
| More administrative support | 2 |
| Speed up the process | 1 |
| Establish a local agent | 1 |
| Extend the kind of courses available | 1 |
| Formalise certain aspects (i.e. motivation) | 1 |

TABLE 6.5: How can the intervention be improved?

As Outplacement aims to empower dislocated employees as opposed to finding them subsequent employment, it stands to reason that individuals may reap significant personal change as a result. This was evident in the present research (See table 6.6). The following table indicates significant change due to Outplacement:
FINDINGS

<table>
<thead>
<tr>
<th>Belief in self</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grown as a person</td>
<td>8</td>
</tr>
<tr>
<td>Become more competent</td>
<td>5</td>
</tr>
<tr>
<td>Become positive</td>
<td>4</td>
</tr>
<tr>
<td>Become self-employed</td>
<td>3</td>
</tr>
<tr>
<td>Able to take risks</td>
<td>2</td>
</tr>
<tr>
<td>Change of career</td>
<td>1</td>
</tr>
<tr>
<td>Substantial financial gain</td>
<td>1</td>
</tr>
<tr>
<td>Learned how to become proactive</td>
<td>1</td>
</tr>
<tr>
<td>Not to give up</td>
<td>1</td>
</tr>
</tbody>
</table>

TABLE 6.6: What significant changes have you experienced as a person as a result of the Outplacement process?

Other comments include a high level of involvement in sport (1 2), and gaining wide and varied experience, such as working with the handicapped (Int. 5).

However, when asked what had been learned from the job change experience, responses were very negative, indicating that involuntary job loss leaves indelible scars (See table 6.7). Research generated the following responses:
FINDINGS

Loyalty gets you nowhere 9
Job security does not exist 8
Importance of being self-reliant 7
Difficulty with trust 5
Aware of how competitive the market is 4
Not to spend too long with one company 3
Nothing is permanent 2
To be cautious 2
Should have become self-employed much sooner 2
Has become negative 2
Did me a favour 2
That politics plays a big role in organisations 2
Has become more empathic to dislocated employees 1
To avoid specialisation 1

TABLE 6.7: What have you learned from the job change experience?

Comments include:
* "Rather be committed than loyal" (Int. 4).
* "Loyalty lasts from one salary cheque to the next" (Int. 5).
* "Don't trust your boss, even if promises have just been made, because he has to dance to his boss' tune" (Int. 10).
* "Loyalty and dedication come second to the ambitions of someone in higher authority, and personal greed transcends rewards for good work done" (Int. 11).
* "A job is security for thirty days. Real security comes from managing one's own earning process" (Int. 13).
* "Be aware of other opportunities and don't be a narrow-minded loyalist" (Int. 15).
FINDINGS

* "Never trust anyone with power and little knowledge" (Int. 24).
* "Corporate loyalty does not exist" (Int. 18).
* "I should have pursued my career and not remained locked into and loyal to the company" (Int. 25).
CHAPTER 4: DISCUSSION

1. INTRODUCTION

The present research aimed to explore perceptions of, and attitudes towards the experience of job loss and Outplacement. Responses generated reflect a wide range of issues, which will be discussed in order to contextualise the present findings within past research. Although the vast majority of the sample found Outplacement to be extremely beneficial, of particular value are the suggestions provided for improvement. Although one intervention was assessed, these suggestions may be of value to other Outplacement consultants in the industry.

2. PREVIOUS EMPLOYMENT

The issue of attachment to one's job and employment commitment has been given some attention (Feather & Bond, 1983; Leana & Feldman, 1990; Liem & Liem, 1988). Certain responses indicated attachment to previous job: "It broke a life-long and family-like relationship. I was highly dedicated and had grown with the company. I contributed vastly to the increase in turnover, and guided it into the top ten of the Sunday Times top 100 companies" (Int. 11). "I was not very happy. I had to get used to it for the first year" (Int. 2). "I had to leave behind a familiar environment and friends, and a job that had become personal to me" (Int. 14). Some subjects reported that job loss dislocated their career paths and damaged retirement plans, suggesting that attachment to one's job may be related to the experience of job loss.

Average tenure in the sample was fifteen-and-a-half years. Although this is not necessarily an indication of attachment to one's job, it may be, as evidenced by the following comment: "The longer you stay with a company, the more you become dependent on them - like living in a trench" (Int. 4).
DISCUSSION

addition, time on the job and formal commitments to long-term employment were significantly related to perceptions of termination fairness and employer obligation beliefs (Rousseau & Anton, 1988). In addition, research has found that tenure and seniority are important factors in terms of justice perceptions (Rousseau & Anton, 1991).

Findings showed that thirty per cent of the sample with tenure greater than five years reported to a new superior for a maximum of one year prior to job loss. The research investigated whether there was a relationship between the instatement of new management and whether the company had undergone structural changes in the form of a merger, buyout or acquisition. This was only true for one subject. Thus, for the majority of the sample, there was no relation between structural changes and the implementation of a new manager or superior.

3. REASONS FOR TERMINATION

Reasons given for termination include early retirement (2), company or department closed down (4), restructuring (6) and retrenched or made redundant (18). Those that experienced early retirement responded in a negative manner, with one subject having to be hospitalised. Concerning reasons due to company or departmental closure, there was a variety of reactions, with this category having the most positive responses. Of those that lost their jobs due to restructuring or internal reorganisation, two subjects took it personally, and had difficulty in accepting it as a management decision. Of the seventeen that were given retrenchment as a reason for termination, nine subjects felt that there were actually other reasons for the retrenchment. These include: being fired, due to incompetency, nepotism, non-acceptance of suspect accounting practices, due to politics, sidelined, and due to a personality clash. Although there was a variety of reactions and
DISCUSSION

responses, it appears that this category responded in the most negative way. Comments include: "I felt raped", and "the one word to describe it would be sick. I felt completely sickened" (Int. 21). "I felt bitter because I feel I’ve been made a scapegoat to prove a point" (Int. 22). "I was in complete shock and lived in a dream-like state" (Int. 5). "I don’t want to work for another boss as I don’t want to be retrenched again" (Int. 8). "Nothing in life is permanent. Loyalty and dedication come second to the ambitions of someone in higher authority, and personal greed transcends rewards for good work done" (Int. 11).

These findings indicate that reasons for termination do impact on reactions to job loss, and may have implications for perceived fairness of termination. It does appear that there was a difference in magnitude of response between the categories, which relates to previous research which found that retrenchedes experienced significantly lower levels of distress than those who were fired (Miller & Hoppe, 1994). In addition, Rousseau and Anton (1988) found that tenure and breach of the employment contract resulted in perceptions of unfairness. It appears that the hardest hit were those who were put onto early retirement, as well as those who were retrenched for reasons excluding economic downturns.

4. THE EXPERIENCE OF JOB LOSS

Past research has shown that the expectation of job loss will impact on the job loss experience. Present findings show that those who did not expect to lose their jobs were most shocked and had difficulty believing it to be true. Those who had "sort of" expected it appeared to be particularly bitter, and sought out to show the company that they would be fine: "At first I was angry. But then I set out to prove that I didn’t need them by finding another job" (Int. 30). "I put up a front
DISCUSSION

even though I was very upset underneath" (Int. 3). However, those who had expected job loss did not, by any means, react positively.

There appears to be a relationship between expectation of job loss and reasons for termination. Those that were less shocked did not necessarily react in a more positive manner. When the expectation of job loss was coupled with unfairness perceptions of termination, the reaction was not positive: "Petty politics triumphed over solid achievements, even at the expense of putting a qualified experienced manager into unemployment when over fifty years old" (Int. 13). Two subjects expected job loss in the form of company closure. They tended to react more positively: "I reacted in a positive way" (Int. 23), and "I was angry, but then I became joyful because I could get out of a bad situation" (Int. 7). This highlights the fact that expectation of job loss cannot be looked at discretely, but rather, cognisance must be taken of reasons for termination.

An interesting issue has come to the fore - one subject was treated very well by his previous company, and was kept on until he was able to find reemployment, which took eighteen months (Int. 19). According to this person, the advantage of this was purely financial, as he experienced feelings of ambiguity and divided loyalty, as a consequence of having dual commitment to present and future job, and feelings fluctuated between thinking he would stay on with the company, and knowing that job loss was inevitable. He expected job loss for a period of two years, and found it very disturbing and distressing due to a feeling of "living on borrowed time". Thus, perhaps it is not always advantageous to stay on with a company for an indefinite amount of time. However, it may also not be optimal to be told to leave with immediate effect: "Take your money and good riddance" (Int. 10). Knowing of the possibility of impending job loss well in advance may also be problematic, as evidenced by the following comment: "I was
DISCUSSION

told fifteen months before that I was "on a list". But then it drifted over and things went well. Then it came from out of the blue" (Int. 30). Future research needs to be done whereby optimal time periods of work before leaving the organisation can be established.

How employees come to know of impending job loss appears to play an important role in the job loss experience: "It was traumatic. I found out via a consultant who wasn’t even permanently employed with the company. I felt sick and angry, as the company was not living out their values" (Int. 19). "I could read the signs about three months before. Then strongly about ten days before. It was sickening - I’m ashamed and embarrassed for the organisation that they allowed it to happen in the way that it did" (Int. 21). "I knew something was going on, but I didn’t always think I would be involved. I was very insecure" (Int. 3). This relates to interactional justice theory, whereby the manner in which the termination was conducted will have implications for justice perceptions (Bies, 1987). Feelings of relief appear to be due to being able to escape from an insecure work environment, as well as to being related to the expectation of job loss.

The majority of the sample reported physical complaints as a result of job loss. This supports previous research conducted by Kasl and Cobb (1970) who demonstrated that displaced employees showed greater physiological symptomatology than that of a control group. In addition, Brenner (1971) found that unemployment resulted in a decrease of physical health. However, this research failed to ascertain whether any of these physical complaints were evident before job loss. This is difficult to measure as an insecure work environment could also contribute to physical ailments.

Findings showed that eighty-three per cent of the sample reported both negative and positive consequences of job loss.
DISCUSSION

It is clear that many issues may contribute to this finding, including the experience of Outplacement, as it was shown to engender a positive attitude and to result in personal growth. Of interest is the relationship between those who reported only negative consequences (3), and subsequent employment status. Two of the three are currently unemployed, lending support to the notion that reemployment serves to address the negative consequences of job loss. This is supported by previous longitudinal research which has found that reemployment improves well-being (Kessler, House & Turner, 1987; Vinokur, Caplan & Williams, 1987). It stands to reason that the loss is still evident, and because it has not been replaced by subsequent employment, there are therefore no positive consequences. However, support has been found for quality of reemployment, as one person who reported only negative consequences felt that his current job was worse than the one lost, even though he is earning more money. This lends support to Jahoda’s (1982) latent consequences of work, whereby the intrinsic qualities of employment may also be important.

The four subjects who are currently unemployed felt that their chances of securing reemployment were slight. Two subjects provided reasons for this perception, which appear to be attributed to factors which cannot be controlled: "I’m fifty, white and male" (Int. 18), and "well, I haven’t found a job in six years" (Int. 2). This relates to learned helplessness theory, whereby if an individual perceives his response as not moving towards goal attainment, this will result in events being experienced as uncontrollable, and independent of the actions that an individual may undertake (Seligman, 1975). Although a positive approach appears to be instrumental in securing reemployment, one also needs to be realistic. Those that are given a false sense of hope may repeatedly fail to secure reemployment. Past research has shown that this has a particularly negative effect, possibly exacerbating an already negative situation (Turner, Kessler & House, 1991). Although
it is beneficial to cultivate a positive outlook, it must be grounded in realism. This has implications for Outplacement candidates who need to be reality-focused. A number of respondents felt that the reality-focused attitude of the present Outplacement intervention was extremely beneficial.

5. Effects on Family

Findings showed that having to inform the spouse and/or family was a difficult task for the majority of the sample. For most, the family and/or spouse was very supportive. According to Kaufman (1982), wives of professionals are generally supportive of their husbands, and past research has provided evidence that the experience of job loss can result in an improvement in the marital relationship (Briar, 1976, cited in Kaufman, 1982). However, the existence of family or marital support may be dependent on the quality of the marital relationship, as one subject who reported that his spouse did not show a reaction at all, also reported a deterioration in the marital relationship as a consequence of job loss (Int. 21). In addition, one subject reported that his spouse left him due to the loss of his job (Int. 2). Thus, job loss may add to the stress of a pre-existing problematic marital relationship. This has been supported by previous research, whereby those who are unhappily married will be stressed by their situation, which could be exacerbated by stress in other areas of life, such as job loss (Schlossberg & Leibowitz, 1980).

In addition, reactions of the spouse also included anger at previous employer, worry, shock, and relief. Of the twenty-seven subjects who have children, forty-four per cent reported that job loss resulted in negative consequences. The child of one subject still holds a grudge towards her father’s previous employer, even though he experienced job loss four years ago, and has subsequently secured better reemployment (Int. 4). Not only does this parallel earlier qualitative research which
DISCUSSION

found residual effects of job loss for the displaced individual even after subsequent reemployment, but raises the issue of residual effects on children of displaced individuals. This suggests that job loss cannot be considered as an occurrence only affecting the individual, hereby supporting an open-systems framework:

"Within a family, a change or stressor in one member affects all other members and the family as a whole. Such a reverberating effect in turn impacts the first person, and so forth, in a continuous series of circular loops or recurring chains of influence" (Wilson, Larson & Stone, 1993, p.75).

5. REEMPLOYMENT

Findings support previous research which states that although reemployment initially serves to reduce distress, that sub-optimal employment may eventually detract from well-being (Turner, Kessler & House, 1991). However, perceptions and judgements are of a highly personal nature, whereby people place different importance on different aspects of employment. The present research found that for some, the latent consequences of reemployment (such as less stress and a better work environment) made up for a reduction in manifest consequences (such as remuneration). However, for some, lowered earnings (manifest consequences) was more important than the latent outcomes, resulting in feelings of bitterness, worry, and difficulty in accepting the situation. It appears that quality of reemployment has important effects on the displaced employee.

However, again the dilemma of accepting or not accepting sub-optimal reemployment is a difficult issue and a personal decision. This puts the Outplacement consultant in a delicate situation, as although their aim is to promote higher quality
reemployment, they may have to guide those low in employability to become more negotiable concerning reemployment. This may result in the displaced worker perceiving there to be a conflict in ideology on the part of the Outplacement practitioner, which could lead to further problems.

Although those who reported higher earnings following reemployment were generally happy with that fact, this did not necessarily result in rating reemployment as better than the job lost. This highlights the role that values play in this process, and the need for Outplacement practitioners to give consideration to value structures in order to promote the best reemployment options for each particular person.

**7. INFORMAL SUPPORT**

Findings showed that sources of informal support included family, colleagues, extended family and friends. The family was the most frequently reported source of informal support. Those who do not have informal support networks available to them may be particularly vulnerable. This relates to research conducted by Gore (1978) who found that unemployed men with low social support had higher cholesterol levels, increased physical illness symptoms, and were higher on negative affect. For them, formal services within the community will be important. It appears that both formal and informal support is desirable: "There was a lot of formal support from ___, but there was much more support from home. Both supports are needed" (Int. 4). Some reported that both types of support are different, and that it was valuable to have formal support even though they received a lot of support from the spouse.

Past research has considered personality as an independent variable in relation to the availability of social support, whereby certain personality traits may serve to increase or diminish the existence of informal social support (Sarason,
DISCUSSION

According to Sarason, Sarason and Shearin (1986), social support correlates positively with extraversion and negatively with neuroticism. This was reflected in one respondent whereby when questioned as to support available to him, he replied that he was a loner and said that Outplacement was the only source of support available to him. Therefore, there could be a relationship between personality and the availability of social support. Further research needs to be done in this area.

8. REEMPLOYMENT

8.1 REEMPLOYMENT

The majority of the sample stated that Outplacement served to speed up the securing of reemployment, providing support for the efficacy of the intervention. However, of interest is the response of one subject who felt that Outplacement could not change the harsh realities of life, such as age and previous experience, which prevented him from finding reemployment. Thus, again there seems to be an expectation that Outplacement will result in subsequent employment. Although Outplacement does contribute enormously to reemployment, it would be erroneous to assume that this is an inevitability of the process, and failure to secure reemployment cannot necessarily be attributed to a deficiency in the intervention. As previous research has stated, a problem remains for people who are low in employability such as the less educated, older and minority groups (Kinicki, 1985). "Depending upon their age, the unemployed may need help in accepting a permanent downward movement in status or even in finding meaning and fulfilment in involuntary leisure" (Dooley, Catalano & Rook, 1988, p.120). Kessler, Turner and Hous (1989) found that those who were most adversely affected by job loss were the most likely to be reemployed at the follow-up interview. However, this may indicate that the most distraught may be inclined to take the
DISCUSSION

first job offered to them. Although this serves to reduce
distress initially, sub-optimal employment may eventually
However, it may not always be appropriate to hold out,
especially for those low in employability. This places the
human service professionals in an awkward position, as they may
have to lower the expectations of some displaced employees by
emphasising the need for a flexible approach to job-hunting
(Turner, Kessler & House, 1991). The person low in
employability may become very successfully self-employed as
opposed to reemployed. However, this is a very delicate issue
which needs to be handled by experts.

8.2 VALUABLE ASPECTS

Those aspects of the Outplacement intervention that were
considered to be of value included actual skills that were
taught, advice and discussions, as well as the opportunity for
self-exploration and growth. However, the present findings
showed that judgements of value were related to the specific
needs of each individual. In fact, all aspects were found to
be valuable by different respondents, depending on their own
personal needs. This highlights the utility of screening
participants prior to the intervention as to their needs and
requirements. It stands to reason that an individual who has
decided to become self-employed would not need to learn about
job-seeking skills. However, he may need support, counselling
and advice instead.

Ninety-three per cent of the sample felt that Outplacement
addressed the negative consequences of job loss. Twenty one
subjects felt that it built up their confidence and self-
estee, providing support for the role of secondary
interventions as a form of social support. Past research found
that the affiliative interaction of people in similar
situations may aid in coping with the financial strain of job
loss (Turner, Kessler & House, 1991). The present research showed that respondents found solace in being with others in the same situation: "The sharing of joy and camaraderie when you got an interview was very valuable" (Int. 6). "It was nice to know that there were others in similar situations" (Int. 28).

In addition, thirteen subjects reported the value of having access to facilities and services. Responses were a mixture of the value of practical assistance (such as typing services), as well as the psychological effect of having somewhere to go: "They offered us an office which compensated for that lack of physical belonging" (Int. 27). "It was great to have somewhere to go when you wake up" (Int. 29). This relates to Jahoda's (1982) latent consequences of work, whereby, to the extent that consequences have become a psychological necessity, the unemployed person will experience negative feelings due to the deprivation of these consequences. This will occur unless the unemployed person has an alternative way of meeting the lost requirements. The provision of a professional office environment by the Outplacement consultancy addresses this need.

8.3 SUGGESTIONS FOR IMPROVEMENT

Forty-seven per cent of respondents stated that the intervention could be improved. Certain suggestions are consistent with previous research, while other suggestions highlight the fact that the job loss experience is a unique one, resulting in different needs. The most frequently stated limitation of the present intervention is that there was not enough focus on counselling with regard to interpersonal problems. Given the overwhelming evidence that job loss results in negative psychological consequences, it stands to reason that some will be in need of additional counselling, whether it be short-term crisis counselling, or long-term
DISCUSSION

Psychotherapy. It appears that respondents who were in need of this, expected it to be provided by the Outplacement service. Although it is important that counselling be made available, how this will be done is largely a policy decision on the part of the Outplacement practitioner. It could be provided for in-house, or alternatively, certain individuals could be referred out specifically for therapy, in conjunction with other services offered by the Outplacement intervention. However, due to problems associated with self-selection, it may be that those that participated in this research could have done so as a result of the need for additional counselling.

Ten per cent of the sample felt that the whole service should be more structured, and that the consultant should mete out certain activities with imposed deadlines. This may be a function of both personality traits, as well as the experience of having come out of the corporate environment, where some are used to being managed and having structure imposed on them by virtue of the nature of organisational life.

Seven per cent of the sample felt isolated, and suggested the need for more interaction. These individuals may find group work particularly helpful. Perhaps those interested in this could organise themselves into groups and work out a strategic plan together with the consultant. Alternatively, the consultancy could initiate on-going self-help groups which would be run by the participants themselves.

One respondent suggested that a wider variety of courses should be available. He spoke specifically about financial advice. This has been supported by previous research, whereby some people may require nontraditional types of intervention, such as financial counselling or time management counselling (Wanberg & Marchese, 1994). Thus, a number of workshops should be available which focus on a variety of issues, from which each individual has a choice to participate in. According to
DISCUSSION

Sweet (1989), most Outplacement interventions have focused on job-search strategies exclusively. Research has shown that this is far from adequate. In addition, one subject suggested the formalisation of certain aspects of Outplacement, motivation workshops in particular, whereby a formal course is given as opposed to listening to tapes or reading up at one’s own pace.

One respondent felt that the process should be speeded up. This respondent had most recently experienced job loss (one month prior to the interview), which may reflect his urgency of securing reemployment, as he wanted to be able to draft a curriculum vitae immediately, prior to counselling.

Two subjects felt that the service could be improved by linking up with employment agencies. Again this reflects the perception of participants that Outplacement should result in reemployment. However, these people may register with employment agencies independently. Perhaps if Outplacement did link with employment agencies or provided such an in-house service, the displaced employee would place more responsibility on the consultancy to secure reemployment. Thus, the onus might shift from the displaced employee to the consultancy, which would further disempower retrenchedees. As one person stated: "Outplacement is only the catalyst. I stress that it is still up to the individual to get himself reemployed" (Int. 10). Other suggestions include more administrative support, and the establishment of a local agent.

8.4 OTHER ISSUES

Although all thirty subjects stated that they would recommend Outplacement for displaced employees, one respondent felt that Outplacement does not help for those who have been fired (Int. 5). However, given the circumstances of termination and the economic climate, as well as pre-existing antecedents such as
DISCUSSION

age, perhaps not all displaced individuals will be successful in securing reemployment, whether fired or not. Whether or not Outplacement would be useful is largely a function of the goal of Outplacement as well as perceptions of these goals held by the displaced person. The goal of Outplacement is not only to provide job-teaching skills and motivation, but also to provide support and counselling. Thus, although the above-mentioned respondent stated this, he also said that he grew as a person and was very happy in his own business. This highlights the need for the goals of Outplacement to be understood, as Outplacement is not entirely equated with subsequent corporate employment. The respondent who was fired is now extremely happy, and attributes his self-employment to the Outplacement process. Perhaps Outplacement is even more vital for those who have been fired, as they may not have the option of rejoining a company, and therefore need more input and assistance in order to generate other alternatives. Future longitudinal research would be very beneficial in shedding more light on this issue.

This issue of where the loyalties of Outplacement practitioners lay has been raised by one respondent who felt that he may have been a victim of an unfair labour practice. When seeking advice from the consultancy, he became suspicious as to their loyalties. Again, this is a difficult issue, as evidenced by the following comment: "It must be remembered that the firm who got rid of me employed the Outplacement agency, and "he who pays the piper calls the tune" (Int. 11). Perhaps legal issues of this kind are best handled and belong with independent legal professionals.

Although it is to be expected that a service which aims to empower people should result in personal growth, the present findings were quite remarkable in this regard (See table 6.6). Most of the responses pertained to significant growth as a person and that Outplacement resulted in a strong belief in
oneself. It is evident that some people are functioning at a higher level than ever before, which highlights the importance of formal social support interventions which aim to empower people in need. In keeping with an open-systems framework, positive changes in the individual will feed back into other areas of life, such as the family. In fact, although a causal link cannot be drawn due to methodological limitations, two respondents reported an improvement in the marital relationship. In addition, Outplacement was considered to be instrumental in generating alternative options and broadening the scope of experience, for example, becoming self-employed, a high involvement in sport and working with the handicapped.

However, the trauma of the whole experience cannot be underrated. "People underrate the trauma. I was all choked up. It was really upsetting. I was very upset under the cheery façade" (Int.3). When asked what respondents had learned from the experience, most have come out with hard lessons learned (See table 6.7), many pertaining to issues of trust and loyalty. This parallels previous research, whereby job loss resulted in lowered levels of trust and organisational commitment (Leana & Feldman, 1990). It seems that the experience of job loss is a traumatic experience for most, and appears to leave permanent scars and enduring negative effects. This is consistent with previous research which has found that job loss results in permanent negative effects (Archer & Rhodes, 1993).

9. CONCLUSION

As job loss is an unavoidable reality of life, one can only rely on secondary preventive strategies, that is, providing assistance when job loss, or the threat thereof, already exists. Based on past research, key factors for interventions need to be identified by human service professionals. In addition, much research has found that the best cure for
unemployment is reemployment (Kasl, Gore & Cobb, 1975). Thus, interventions should be based on strategies that assist the displaced person to deal with the accompanying emotional trauma. Furthermore, they should be based on knowledge of the determinants of job-seeking behaviour (Vinokur & Caplan, 1987). An effective intervention should therefore aim to minimise the harmful effects of job loss, while promoting persistence (Van Ryn & Vinokur, 1992), and providing skills necessary to secure reemployment (Vinokur & Caplan, 1987). According to Brenner and Bartell (1983), the intervention should take place as soon after job loss as is possible. Consideration should also be given to informal social support networks, whereby support from a spouse or significant other is encouraged (Vinokur & Caplan, 1987).

However, this is no straightforward task. As previously discussed, although past research has identified general trends, job loss remains a unique experience, with many variables interacting with and mediating the job loss experience. Thus, few predictions can be made unequivocally. It stands to reason, then, that interventions cannot focus on one particular strategy. Instead, they need to be eclectic and flexible enough to address the heterogeneity of reactions, consequences, and needs which will differ significantly from one person to another (Taber, Cooke & Walsh, 1990).
CHAPTER 5: CONCLUSION

1. RESEARCH LIMITATIONS

There are two essential differences between experimental and non-experimental research: in non-experimental research, direct control is not possible and experimental manipulation and random assignment cannot be used (Kerlinger, 1986). Due to the consultancy having to protect the identity of those who had participated in Outplacement, it was not possible to draw subjects at random. Thus, subjects selected themselves into groups. "Self-selection occurs when the members of the groups being studied are in the groups, in part, because they differentially possess traits or characteristics extraneous to the research problem, characteristics that possibly influence or are otherwise related to the variables of the research problem" (Kerlinger, 1986, p.349). The implication of self-selection is that the respondents that chose to participate may have done so for particular and different reasons. For example, perhaps those who had particularly good or particularly bad experiences may have decided to participate. Likewise, those in need of additional interpersonal counselling may have participated. The problem with non-experimental research is this lack of direct control.

In addition, qualitative research is problematic with regard to reliability. "There is concern about the subjectivity of the technique and a feeling that any given result might have been different with different respondents, a different moderator, or even, a different setting" (Calder, 1977, p.351). Qualitative research typically involves a small sample, with respondents providing descriptive information with regard to their personal thoughts and feelings. The implication of this is that the findings cannot be easily generalised to the population as a whole (Dillon, Madden & Firtle, 1987), that is, the population of all those who have experienced involuntary job loss and have undergone an Outplacement intervention.
CONCLUSION

The interview technique itself is a source of potential subjectivity and bias, whereby the interviewer may reinforce certain "desirable" responses in a subtle manner either by speech or by non-verbal behaviour (Fedder, 1986). In this way, the participation of the researcher may influence the participants' behaviour, resulting in reactive effects. There is also the problem of fabrications, deceptions, exaggerations and distortions regarding communications. This may occur as a result of the respondent wanting to be seen as attractive in the eyes of the interviewer.

Content analysis has been criticised for being subjective and descriptive (Bryman, 1988). According to Kahn and Cannell (1957), the researcher may simplify, amplify or modify responses in order to slot responses into identified categories. It is for this reason that a second rater was used.

Although every effort was made to gain access to a number of outplacement consultancies, it proved to be impossible. There are only three companies in South Africa that are predominantly involved with outplacement on a regular basis, and the researcher was only able to gain access to one. This is problematic with regard to generalisability, as the research took place within one organisation, and for this reason, findings cannot be generalised to the population as a whole. In addition, the small sample size could not be improved (further than sending out the reminder letter), due to practical and ethical constraints, which further serves to affect generalisability.

A further problem was that of length of time since job loss and outplacement. A number of subjects had experienced this a few years ago, and this may affect memory. Retrospective data is a methodological flaw (Thomas, McCabe & Berry, 1980). Due to the problem of differing time periods since job loss and
CONCLUSION

differing present employment status, the researcher was unable to include a quantitative measure, as it was hereby rendered redundant. According to Kerlinger (1986), research is strengthened by combining qualitative and quantitative measures.

2. IMPLICATIONS FOR FUTURE RESEARCH

It is apparent that exploratory research of this nature does not set out to prove hypotheses or to draw causal connections. Rather it serves to explore issues which are in need of further investigation. These include:

* Is there any benefit in counselling the spouse of the displaced employee?

* Do personality traits serve to influence the existence and quality of informal social support?

* Is there a relationship between variables such as reason for termination and personality traits, and the kind of outplacement services needed?

* Add ional research needs to be conducted regarding perceptions and experiences relating to termination fairness, as well as to interactional justice perceptions.

* Is it of benefit to stay on with a company until reemployment is secured, or is there an optimal cut-off time, or is it different for different people and under different circumstances?

* Are there enduring psychological effects on the children of displaced parents?
3. Theoretical and Practical Implications

The findings have provided support for an open-systems stress model, whereby the experience of job loss was found to impact on other areas of functioning, such as the family system. In addition, the experience resulted in a change in world view for many of the respondents, such as a lowering of trust. These perceptions then become realities for respondents, which result in a change in attitude towards the future employer. In addition, support was found for justice theory with regard to termination fairness and issues of interactional justice, whereby bitterness and anger was evident where terminations were considered to be unfair and where subjects were uninformed of impending job loss, or informed via incorrect channels. The present research also supported Jahoda’s (1984) latent and manifest consequences of work and unemployment. This was evident in reactions to job loss which focused on manifest issues (such as loss of financial rewards) and latent issues (such as feelings of uselessness).

With regard to practical implications, suggestions have been provided which may prove useful for the particular organisation. These pertain to issues such as more focus on interpersonal counselling, more structure and deadlines, a higher level of interaction, providing an employment service, extending the kind of courses available, and formalising certain aspects of the intervention. In addition, it provides the consultancy with feedback as to which aspects of the process were of value.

Furthermore, organisations may benefit from these findings in terms of gaining insight into the experience of job loss for the displaced employee. This has implications for the manner in which the entire retrenchment process is conducted, whereby employees expect to be terminated for good reason, and would
CONCLUSION

like to be informed by their superior rather than suspecting it, or finding out from improper sources.

Lastly, the largely positive effects of Outplacement for displaced employees provides support for the efficacy of formal secondary interventions, and for Outplacement as an effective intervention tool.

4. CONCLUSION

It is evident that involuntary job loss is a traumatic and stressful life event for the majority of people. Job loss is an unavoidable reality of life which will be exacerbated by the economic climate. This necessitates the existence of preventive secondary interventions. Outplacement has been shown to address these negative consequences, even though useful suggestions have been made. It is vital that additional and continual research concerning Outplacement is conducted in order to answer questions raised by the present research, as well as to ensure that strategies of the intervention are continually aligned with the needs of its participants.
APPENDIX I

QUESTIONNAIRE / INTERVIEW FORMAT

1. What is your age?

2. Sex?

3. What is your marital status?

4. Number of Dependents?

5. Income Bracket - Less than R70k per annum
   - R70k - R150k
   - R150k - R200k
   - R200k or above

6. When did you experience job loss?

7. For what period of time were you with the particular company?

8. How long did you report to your last manager before losing your job?

9. Did your last company go through a merger, buyout or acquisition?

10. What was your occupation or job title? Elaborate on functions.

11. What was the reason for your termination?

12. Was the loss of your job expected at all?

13. How did you react to the loss of your job?
14. Did you experience any physical complaints due to the stress of your job loss? (For example, insomnia, migraines, ulcers, etc.).

15. Describe both the positive and negative consequences of the loss of your job.

16. How did you feel when breaking the news of your job loss to your spouse or family?

17. What was the reaction of your spouse or partner to the news of your job loss?

18. If you have any children, what age are they? Are they at school, university or independent? Did the loss of your job have any effect on them at all?

19. Was there any kind of support or assistance from the organisation or from sources outside the organisation available to you at the time of your job loss? If so, describe who, what and how.

20. Was your spouse or partner working at the time? In which occupation?

21. Were you under any kind of financial pressure at the time of your termination?

22. If still unemployed, what do you think your chances are of finding employment?

23. If reemployed, how long did it take you to find a job?

24. Do you think that outplacement assistance improved or speeded up the securing of a new job? Why?
APPENDIX I

25. How would you rate and compare your current job to the job that you lost? (Better, same or worse). Elaborate on specifics.

26. Is your present package more, the same or less than your previous package? How do you feel about this?

27. How do you feel about your current position?

28. In which ways did the Outplacement service contribute to your experience of finding reemployment?

29. How did you find the Outplacement intervention?

30. Give a brief description of the Outplacement intervention you underwent. Was it done on an individual or group basis?

31. What made you go for the Outplacement option?

32. What aspects of Outplacement were valuable to you, and which were less valuable, and why?

33. Could the intervention be improved?

34. In which ways did the Outplacement address the negative consequences of job loss?

35. Would you recommend Outplacement for employees that have lost their jobs?

36. What have you learned from the job change experience?

37. What significant changes have you experienced as a person as a result of the Outplacement process?
38. Is there anything else you would like to add?
APPENDIX II

24 October 1994

Dear Sir/Madam,

RESEARCH FOR MASTER OF ARTS DISSERTATION
(INDUSTRIAL PSYCHOLOGY)

I am an Industrial Psychology Masters student at the University of the Witwatersrand. The topic that I have chosen for my dissertation is Outplacement. I would very much like to interview people who have experienced involuntary job loss, and who have undergone an Outplacement intervention. I intend to explore perceptions of and attitudes toward job loss and Outplacement.

I assure you of complete confidentiality at all times. Feedback will comprise a report of emergent general trends gleaned from interviews. Under no circumstances will information on any one participant be disclosed, and no names will appear on any documentation.

I am fully aware of the sensitivity of this kind of research. I am twenty-nine years of age and have had previous work experience where I gained exposure to the consequences of job loss and unemployment experienced by other people. In addition to this, I am a qualified crisis counsellor, and am under the close supervision of a team of psychologists at Wits. There is little formal research on Outplacement world-wide; this dissertation will be the first of its kind in South Africa. In addition to stimulating further research in this area, it could also provide Outplacement organisations with pertinent feedback on the basis of which modifications may be made thereby contributing to the industry at large. However, I am fully dependent on your participation.

Your participation is entirely voluntary, and may be terminated at any time. Should you wish to remain anonymous, an interview could be conducted telephonically. Alternatively, a pseudonym may be used within the context of a personal interview. Should this be problematic, I would be grateful if you would fill out the attached questionnaire and return it to me as soon as possible. I do feel, however, that an interview of some kind would be far more beneficial to my study.
Please call me on receipt of this on (011) 442-6539 – all hours including weekends. Your participation is invaluable to me, and greatly appreciated. If there is anything further that I could do to gain your participation, please let me know. Interviews, whether personal or telephonic, will be done at your convenience and at my expense.

Thank you for your consideration.

Yours sincerely

JO-ANN FARINHA
B A (Honours) (Clin)
REFERENCES


REFERENCES


REFERENCES


REFERENCES


REFERENCES


REFERENCES


REFERENCES


REFERENCES


REFERENCES


REFERENCES


REFERENCES


101
REFERENCES


REFERENCES


REFERENCES


REFERENCES


105
REFERENCES


REFERENCES


REFERENCES


