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# **BEING MADE REDUNDANT AND MOVING ON: A NARRATIVE STUDY**

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## Abstract

This study explores the personal meanings of redundancy for professionals and managers who experienced being made redundant during a period of economic prosperity and have since moved on with their lives and careers. Managers and professionals made redundant between two and seven years prior to the study were interviewed about their experiences of redundancy. The respondent group was made up of seven females and five males from a range of professions and industries. None of the respondents experienced long periods of unemployment or financial hardship as a consequence of their redundancy.

Thematic narrative analysis was used to analyse the data and develop an interpretive life history model of being made redundant and moving on with life. A conceptual framework drawing on ideas from research into rites of passage and identity theory was developed to explain respondents' psychological adaptation to their experience of redundancy.

Respondents' narratives show that experiencing redundancy was a significant life event that altered their world view and career path. Respondents' redundancy experiences were interpreted as a status passage transition and categorised as a coercive separation rite of passage. The life history model of redundancy developed from the respondents' narratives suggests that the psychological experiences of adapting to redundancy have several phases. Respondents adapted to redundancy by reframing the personal experience of being made redundant and by shifting towards a more transactional mental model of work. This study concludes that redundancy can be a significant life event in the absence of unemployment and can lead to long term changes to professional and managerial workers relationships with employers and to the significance of work within their lives.

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## Chapter 1: Introduction

### 1.1 Introducing the research question

Restructuring is a natural part of an organisation's life cycle, occurring in times of economic recession and of growth (Dixon & Stillman, 2009). While restructuring may lead to improvement for organisations and even the wider economy, employees often pay the price of disruption, uncertainty and ultimately some may lose their jobs through redundancy. The aim of this research is to explore the personal meanings of redundancy for people who have experienced being made redundant and have moved on with their lives and careers. This chapter introduces the research question, explains my interest in this topic, defines the area of study and contextualises the study in the New Zealand workplace and economy.

The research question this study addresses is: *What are the personal meanings of redundancy for professionals who experienced being made redundant during the last economic upturn?*

This is a study of retrospective narratives from professional and managerial people who have experienced being made redundant. The study has been conducted to begin answering the above question. The phrase *being made redundant* has been used throughout this thesis; this was the phrase used by respondents to name their personal experience of redundancy. I have used this phrase to emphasise that the subject of this study is the personal meanings of being made redundant, as opposed to the meaning of redundancy as a broader social issue.

My interest in this topic developed from observations in early 2009 of news media reports on the impact from the global recession on workers as a result of business closures, downsizing and redundancies. Being made redundant during these times was described as an inevitable outcome of global recession and was associated with public sympathy. Reflecting on my own experience of being made redundant four years earlier, during a period of economic growth, high employment and skill shortages, a dramatic contrast of situations was obvious. Being made redundant was a significant event for me even though it was not surrounded by a cloud of economic uncertainty. I began to question what the long term effects of redundancy were on workers who are made



redundant in non-recessionary times and who do not suffer long-term unemployment or financial hardship due to low unemployment rates. I was also interested in the effects on professionals and managers as their redundancies appeared to be less public but occur frequently through organisational restructuring. The economic upturn of the early 2000s has provided an opportunity to explore the personal meanings of redundancy for people who had experienced being made redundant and moved on successfully with their lives and careers.

A brief search of academic literature on redundancy indicated substantial research on the effects of organisational change and restructuring on survivors in organisations. These survivors are the employees who still have employment after the completion of a period of restructuring. There was much less research of the effects of redundancy on employees who were required to leave the organisation due to restructuring activities; these people are often described as the victims of restructuring in management literature. The long term psychological impact of restructuring on survivors is called 'Survivor syndrome' (Noer, 1993). Survivor syndrome is defined as a long term psychological change to people who have experienced organisational restructuring which often remains and sometimes grows more powerful years after a downsizing experience. Survivor syndrome is characterised by increased feelings of job insecurity, concern about unfair processes and reduced intrinsic job motivation (Noer, 1993). Noer indicates these changes can also be observed in those who have lost their jobs through restructuring, although he does not provide any direct research evidence for this. Differences have been found in studies that compare the job satisfaction and wellbeing of survivors and re-employed victims of restructuring, with the victims being found to demonstrate higher levels of job satisfaction and wellbeing than their survivor counterparts (Devine, Reay, Stainton, & Collins-Nakai, 2003). The findings from these studies demonstrate the destructive effects of restructuring on a workforce and indicate that the effects on those who experience redundancy and become reemployed may be different from those on survivors of restructuring. These findings also highlight the danger of using labels such as 'victim' and 'survivor' to categorise people in a social process like organisational restructuring, and raise the question of who is a victim and who is a survivor? Throughout this research, I have avoided the use of the labels of 'victim' or 'survivor' as they are unhelpful categorisations.

It is also important to clarify that this is not a study of the effects of unemployment. Unemployment is recognised as having severe, negative effects on physical health and mental health and has been studied extensively (eg. Dooley, Fielding, & Levi, 1996; Jahoda, Lazarsfeld, & Zeisel, 1971; McKee-Ryan, Song, Wanberg, & Kinicki, 2005; Winefield, 1995). The effects of being made redundant are often confounded with the negative effects of unemployment in much of the available literature which considers job loss and unemployment to be a continuum (McKee-Ryan & Kinicki, 2002). Even though unemployment is one of the potential outcomes of redundancy it is not the most common. Most people who experienced redundancy or restructuring in New Zealand during the early 2000s did not experience long term unemployment or reduced income as a result (Dixon & Stillman, 2009). This research study explores the personal meaning of experiencing being made redundant without experiencing financial hardship or unemployment.

A distinction is often made in job loss literature between voluntary and involuntary job loss, with voluntary job loss being a personal choice to leave a job. Volunteering for redundancy has been linked to slightly lower levels of depression and greater engagement in job search activities when compared with those involuntarily made redundant (Waters, 2007). Voluntary redundancy has many of the same characteristics as involuntary redundancy, with the negative effects being dampened by individual perceptions of increased personal control (Clarke, 2007; Waters, 2007). Experiencing involuntary redundancy has been linked to lower job satisfaction on re-employment when compared with the voluntarily redundant (Waters, 2007). Voluntary redundancy must not be confused with leaving an employer due to personal free choice, as redundancy is often the best choice available to escape ongoing uncertainty due to organisational change (Clarke, 2007). Voluntary redundancy is still a stressful and disruptive life event, with the benefit of allowing employees to leave their organisation with dignity and a financial package (Clarke, 2007). Redundancy, voluntary or involuntary, results from organisational decisions and actions beyond the control of the affected worker. While the worker may exert control in electing to accept an offer of redundancy they only have limited control over the situation. The organisation and its agents ultimately hold the balance of power and decide if an employee is to be made redundant. For this reason, the distinction between voluntary and involuntary redundancy will not be drawn in this study.

Being made redundant and moving on with life is a personal journey well suited to being investigated through the collection and analysis of individual stories. For this reason the qualitative method of thematic narrative analysis has been chosen for this study. Narrative analysis is a qualitative analysis technique sensitive to the importance of time in developing an understanding of the personal meaning of an event within the context of personal history (Ezzy, 2002). The collection and analysis of narrative data is used in this study to develop an understanding of the personal meaning of being made redundant from people who have experienced redundancy.

## **1.2 New Zealand employment environment**

The data for this research was collected from interviews conducted in Auckland between 2009/2010 with professionals made redundant between 2002 and 2007. The period between 2002 and 2007 represented a period of high employment and significant economic growth in New Zealand, in contrast 2009 marks a period of economic downturn (Bascand, 2009). The respondents were all made redundant during a period of economic prosperity and were interviewed in a period of economic downturn. The differing economic conditions provide the contextual setting for the findings from this research.

Detailed figures on the numbers of people made redundant in New Zealand organisations are difficult to obtain as businesses are not required to report on redundancy and there are no official statistics (Public advisory group, 2008). Restructuring and downsizing has, however, been a pervasive feature of the New Zealand working environment since the early 1980s (Littler, 2000). At least two-thirds of the workforce are likely to have direct exposure to the restructuring activities of downsizing or redundancy during their careers, with a third of employees experiencing at least one redundancy (Macky, 2004a). New Zealanders who experience redundancy have been found to have reduced levels of job security and commitment to future employers (Macky, 2004a). These findings indicating the effects of redundancy are a matter of national importance, as the ongoing disruption in the workplace caused by restructuring may be having larger social and cultural implications that have not been fully explored.

Within New Zealand the most commonly understood definition of redundancy is derived from the repealed Labour Relations Act 1987, Section 184(5) (Public advisory group, 2008) which defined redundancy as:

*... a situation where ... [a] worker's employment is terminated by the employer, the termination being attributable, wholly or mainly, to the fact that the position filled by that worker is, or will become, superfluous to the needs of the employer.*(p. 9)

An important aspect of this definition is the emphasis on the role being superfluous to the organisation, meaning dismissal of an employee through redundancy is not the fault of the employee. The Employment Relations Act 2000 dictates that while employers have the right to determine their business structures, which may include making positions redundant, there is an overarching statutory obligation to act in good faith in all dealings with employees. For an employer to demonstrate they have acted in good faith in relation to restructuring activities they must engage affected employees in consultation, provide justification for redundancies and act with procedural fairness. These requirements have been interpreted and communicated to organisations and employees by the Department of Labour as a recommended fair process for restructuring and redundancy (Department of Labour, 2009). The requirements of the Employment Relations Act 2000 are an important contextual feature; however the application of these requirements is not the subject of this project.

### **1.3 Overview of the thesis**

This study found that being made redundant was a significant life event for most of the respondents that has altered their beliefs about work and the role it plays in their lives. Being made redundant is a socio-cultural coercive rite of passage, separating the person from the organisation and designating them with the status of redundant. Being made redundant symbolises a turning point in the respondents' personal beliefs about the world of work and a transition to cognitive adaptation to their different world view.

This thesis is presented in six chapters. The first chapter introduces the research question and the objectives of this study, contextualising the study in the New Zealand economy and work environment. Chapter Two summarises the literature on the effects of job loss and redundancy on employees, identifying literature relevant to the research question and gaps in the current body of knowledge. Chapter Three maps the conceptual

territory underpinning this study, introducing five key concepts instrumental in the interpretation of findings. Chapter Four presents the research methods used in this study and introduces the respondents. Chapter Five presents the findings, illustrated with quotes from the respondents and linked to relevant conceptual theory. Chapter Six discusses the findings and indicates possible implications for society, organisations and individuals. This chapter also discusses the strengths and weaknesses of this study and makes suggestions for further research.

## **Chapter 2: Redundancy, Job loss and Unemployment – Background Literature Review**

### **2.1 Introduction**

Chapter Two summarises the background literature on the effects of redundancy, job loss and unemployment. The review is focused on literature that is directly related to the research question and is not a comprehensive review of the unemployment and job loss literature. If the reader is interested in full reviews of unemployment and job loss literature from the recession of the late eighties and early nineties these are available (eg. Ezzy, 1993; Hanisch, 1999; Winefield, 1995).

To structure this chapter, the literature on redundancy, job loss and unemployment has been divided into three groups: macro-level research dealing with the generalised effects of job loss on populations, individual-level research, and relationships between job loss and situational factors. The final section of this chapter will draw together findings and theory and critique the literature in relation to the research question.

### **2.2 Macro-level research**

This research investigates the generalised effects of job loss on populations over a number of years. The studies in this section have been categorised as either economic or health focussed.

#### ***a) Economic***

Several macroeconomic studies of the long term effects of involuntary job loss by analysis of income levels and the identification of significant moderating variables have been conducted. Involuntary job loss has been found to have a long term negative impact on income. In the United States, workers were found to have lower incomes four years after a job loss, earning on average 10-13 % less than workers without an involuntary job loss in their career (Ruhm, 1991). A similar trend was found in Europe, where displaced workers had a worsened position in the labour market ten years after losing their job and had increased sensitivity to severe income losses occurring in subsequent financial downturns (Eliason & Storrie, 2006). Involuntary job loss has also been linked to lower job quality as measured by occupational status, job autonomy, authority and employer-offered benefits, with negative effects still apparent up to twelve years after the job loss (Brand, 2006). A British study found that workers made

redundant had reduced occupational prestige between two and six years later when compared with non-redundant workers. This trend was identified as a potential causal factor in the earnings lag experienced by redundant workers (Malo & Munoz-Bullon, 2008). Reductions in household consumption have also been observed up to five years after the main household earner experiences a job loss and are thought to be a household's reaction to the possibility of future job losses and reduced income (Stephens Jr., 2001).

Redundancy data from the New Zealand labour market is limited, however a recent study of the effects of redundancy due to plant closures in New Zealand found workers made redundant due to plant closures had, on average, sixteen percent lower earnings four years after a plant closure (Dixon & Stillman, 2009). This impact was greatest for employees of organisations with less than fifty employees, and the largest impact was on younger workers (Dixon & Stillman, 2009). This contrasts with findings in the U.S. and U.K. which found that older workers were more significantly affected financially (Brand, 2006; Malo & Munoz-Bullon, 2008).

To summarise, the macroeconomic literature indicates redundancy has had long term negative effects on workers and is associated with reduced future earnings, lower job quality and status along with reduced household consumption.

### ***b) Health***

Most research surrounding the health effects of job loss and unemployment is centred on mental health, with a recent meta-analysis finding 77% of correlations in this field are mental health-related (McKee-Ryan, et al., 2005). Unemployment is known to have a direct negative effect on mental health. The longer the individual is unemployed the more severe the impact on mental health (McKee-Ryan, et al., 2005). Most research in this area confounds the effects of job loss with the effects of unemployment, making it difficult to identify what health effects, if any, are attributable to experiencing redundancy without experiencing unemployment. The impact of redundancy on serious health events was investigated in a New Zealand study of meat workers, comparing mortality and hospital admissions over eight years (Keefe, et al., 2002). Meat workers made redundant in a plant closure were compared to those in another plant that remained open. Exposure to redundancy significantly increased the risk of hospital admission or death due to self-harm but did not act as a risk factor for any other health

conditions (Keefe, et al., 2002). Unfortunately, this study also confounds the effects of unemployment and job loss.

A twelve year study of Swedish workers made redundant due to business closures, found increased risk of hospitalisation for both men and women due to alcohol-related conditions (Eliason & Storrie, 2009). Men were found to have an increased risk of self-harm and traffic accidents which, Eliason and Storrie (2009) indicated, maybe linked to increased alcohol consumption. The Swedish study found no evidence of an increased risk of myocardial infarction or stroke related to job loss. This was in contrast with a longitudinal study of aging and retirement which found that American workers over fifty who lost their jobs, have a twofold risk of developing myocardial infarction and stroke than did those who remain employed, suggesting late career unemployment may have substantial health consequences (Gallo, et al., 2006). Both New Zealand and Sweden have social nets for the unemployed and centrally funded health care unlike the United States. Eliason and Storrie (2009) indicate the reduced financial stress on workers could partially explain why they did not see an increase in health risk. While these studies do not separate the effects of job loss from those of unemployment they demonstrate that negative health effects due to job loss relate to economic and social conditions.

Subjective wellbeing changes due to significant life events, specifically unemployment, marriage, divorce, widowhood, birth of a child and layoff were studied in Germany using large samples of panel data (Clark, Diener, Georgellis, & Lucas, 2008). The study measured life satisfaction over a period of five years before and after these major life events. Patterns of anticipation and adaptation were observed for each event.

Unemployment was the only event studied in which little or no adaptation was demonstrated, as life satisfaction remained significantly lower than baseline levels over a five year period for men with only minor adjustment in four years for women. This study separated the effect of a layoff (or redundancy) from unemployment, showing an anticipatory drop off in life satisfaction up to two years before the layoff and a return to baseline levels within one to two years of the layoff (Clark, et al., 2008). This study indicates that, two or more years after a layoff, emotional adaptation to the layoff is likely to have occurred. Separating the effects of redundancy from the effects of unemployment demonstrates that they have different effects on long term subjective



wellbeing and separate research into the effects of job loss in isolation of unemployment is warranted.

### **2.3 Individual level research and theory**

Individual level research and theories of job loss are those concerned with individual level behaviours, processes and outcomes. To structure this section, research and theory will be split across three general categories, a) transitions, b) unemployment approaches and theories and c) stress and coping.

#### ***a) Transitions***

Redundancy and involuntary job loss have been identified as the starting point for personal transitions. These transitions have been the subject of mostly qualitative research and the development of theories of job loss transitions. The job loss transitions literature can be divided into four groups: stage models, transition typologies, career transition and role transition theories. A sample of research and theory from each of these perspectives relevant to the research question is presented below.

#### *Stage approach*

The stage approach was the dominant concept of an individual's reaction to unemployment originating from research in the 1930s. The stage approach suggested that an individual's psychological well-being deteriorated through a series of stages over the time they were unemployed. Eisenberg and Lazarsfeld's (1938) stage model of coping with job loss, based on the qualitative study of unemployed workers in 1933 (Jahoda, et al., 1971), was the dominant model emerging from this time. Eisenberg and Lazarsfeld (1938) describe individual responses to job loss and unemployment as a series of discrete phases: shock, active job search, pessimism and resignation.

Eisenberg and Lazarsfeld's stages have been combined with the stages theory of grief in subsequent models, describing the transitions from job loss to unemployment. In particular, the Kubler-Ross (1969) stages of dying model has been influential in the development of a number of stage models of job loss and unemployment transitions (eg. Blau, 2006; Kaufman, 1982; Vickers, 2009). Stage models incorporating grief suggest that failure to overcome each grieving stage can lead to negative outcomes for the individual such as long term unemployment (Kaufman, 1982), reduced wellbeing (Kaufman, 1982), underemployment (Vickers, 2009), and intentions to sue the

organisation (Blau, 2006). Suitable re-employment is emphasised in stage models as the way to overcome the negative emotional impact of job loss and unemployment.

Stage models of coping with job loss have been criticised for being primarily descriptive and having little supporting evidence (eg. Ezzy, 2001; Fryer, 1985; Leana & Feldman, 1990; Winefield, 1995). One major argument against the grief-centred stage models is that grief-like reactions have been found to occur in only 27% of those who experience job loss, with attachment to the former employer acting as the strongest predictor of the likelihood of developing grief-like symptoms (Archer & Rhodes, 1993). The severity of grief reactions has also been found to be unrelated to the length of time since experiencing job loss, indicating that stage models are not valid predictors of behaviour due to job loss (Archer & Rhodes, 1993). They have also been criticised for attempting to treat all reactions to unemployment in a homogeneous manner and do not account for individual differences and situations (Ezzy, 1993; Fineman, 1987). In contrast, there is a body of evidence that recognises that some individuals may experience unemployment as a positive experience, particularly if it means an escape from unpleasant work conditions (Fineman, 1987). In a study of 100 unemployed professional and managerial workers, Fineman (1983) found a third of respondents saw their job loss as a positive opportunity to find better work situations.

### *Transition typology*

Unemployment transition typologies attempt to categorise the different responses individuals demonstrate in response to job loss. This approach, unlike the stage models, acknowledges different people will experience job loss transitions in different ways, including the possibility of experiencing job loss as a positive life event. One typology of workers' responses to unemployment identified that a third of their respondents demonstrated a pattern of low stress adaptation to losing their jobs, with eleven percent reporting their job loss as a "*blessing in disguise*" (Jones, 1989). Positive evaluations of job loss were predominantly from respondents who were of higher occupational status, financially secure, or working in a career expected to have periods of unemployment (Jones, 1989). The remaining two thirds of the sample demonstrated a high stress adaptation to job loss. Jones's (1989) typology indicates different responses to job loss are possible and are related to both individual and situational variables.

Jones's (1989) typology was used as a starting point for a recent study of the role career exploration and planning play in re-employment quality following a job loss by Zikic and her colleagues (Zikic & Klehe, 2006; Zikic & Richardson, 2007). They found that positive outcomes to job loss reported by some older professional workers were linked to the opportunity job loss provides to explore changes in their work and personal lives. Zikic and Richardson (2007) explored the possibility that describing job loss as a "blessing in disguise" was cognitive dissonance, a state of psychological tension when an individual has two or more incompatible beliefs at the same time (Festinger, 1957). They discounted cognitive dissonance, as the evaluations recorded in their research occurred up to a year after the job loss and appear to be a considered response. The positive evaluations they observed were thought to be due to personal sense-making of the job loss as a result of deep personal exploration and internal motives, with aspects outside of the work arena contributing to the evaluation (Zikic & Klehe, 2006; Zikic & Richardson, 2007).

Ezzy (2001) used the retrospective narratives of unemployed people to develop a typology representing unemployment as a transitional phase occurring when an individual loses their job. Ezzy draws on the theories of status passage (Glaser & Strauss, 1971) and narrative identity (Ricoeur, 1988) to analyse the narratives of people experiencing unemployment, identifying reoccurring narrative patterns in their stories of unemployment. Narratives were categorised as either fitting tragic or romantic narrative patterns. These findings are quite abstract and descriptive but emphasise that job loss and unemployment is a personal experience, from which individuals make their own personal sense, and successful outcomes to job loss encompass more than just comparable re-employment. Ezzy's work also emphasises the importance of time and context in understanding the personal meaning expressed in job loss narratives.

### *Career transition*

The career transition model developed by Latack and Dozier (1986) presents a range of variables which could potentially moderate career transition outcomes following job loss. This model includes the possibility of experiencing involuntary job loss and achieving career growth as a result of a long transitional process continuing beyond re-employment in which they redefine and make sense of their experience of job loss. Career growth is defined as the ability to look back over past events and identify not

only losses but also gains; making the decision that, on the whole, the gains outweigh the losses. Stress at the time of job loss is hypothesised by Latack and Dozier to have the largest negative influence on achieving career growth. Three groups of characteristics potentially moderating job loss stress were identified: a) individual characteristics, including work attitudes, career stage and activity level; b) environmental characteristics, including financial resources, social support and family structure; c) characteristics of the job loss transition process, including a professional termination approach, resolution of anger and grief, and absence of long term unemployment. The model provides a framework to think about the long term consequences of a job loss experience, applying a holistic approach to examining the complex mix of variables influencing individuals' eventual appraisal of their experience. The purpose of Latack and Dozier's model is to identify significant mediators and moderators of stress responses to job loss in the hope of identifying which factors are most likely to minimise stress levels and turn job loss into career growth. A major limitation of this model is the definition of career growth which excludes personal growth in non-career areas and does not recognise a balanced appraisal of events as both negative and positive as a healthy outcome of job loss.

When the career transition model was tested, using a cross-sectional quantitative survey of re-employed professionals, avoidance of long-term financial impact was the most predictive variable of career growth; however only 25% of the variance in the data was explained by the model (Eby & Buch, 1995). Eby and Buch indicate unemployment may be an opportunity for career growth if accompanied by some form of structured activity, but do not specify what type of activity. My search of current literature was unable to find any further testing of the career transition model; however the idea of stress minimisation in relation to job loss has received considerable research attention and will be discussed later in this chapter in the stress and coping section.

### *Role exit*

Role exit is a group of transitional models drawn from the sociological concept of role theory (Biddle, 1979). These models have been developed to provide generalised explanations of a variety of exit transitions. Two models relating to job loss and unemployment are Ebaugh's (1988) model of role exit and Ashforth's (2001) speculative model of involuntary role exits.

Ebaugh (1988) developed a general theory of role exit and the development of an ex-role based on qualitative research of voluntarily exits from roles, including nuns, medical professionals, and spouses. Ebaugh (1988) observed role exits had four main phases: first doubts, seeking alternatives, the turning point and creating an ex-role. The “turning point” in the role exit process is the most important part of the role exit as the exit is announced to others and cognitive dissonance regarding their situation begins to be resolved for the individual. The turning point also activates social and emotional resources to support the individual through to their transition to an ex-role. Ebaugh (1988) identified in most of her respondents a period of time in their transition, mostly following the turning point, which she calls “a vacuum”, a period of uncertainty about the future and uncertainty about their identity. She described this as the “last glance backward to what he or she has been involved with in the past but knows is no longer viable” (p.143). A speculative model, based on Ebaugh’s (1988) model, was presented by Ashforth (2001) to adapt the role-exit model for involuntary role exits such as redundancy. This model suggested the turning point in an involuntary role exit might be better conceptualised as a rite of passage to incorporate the social and cultural forces involved in this type of transition.

These types of generalised role transition models have been criticised for being too general and abstract for useful application (George, 1993). They also do not allow for the diverse range of settings and context in which transitions occur and are known to influence the course of a transition, George favours the inclusion of a life history perspective in the consideration of personal transitions with a focus on the role of time. George (1993) suggests the development of situation-specific role transition models would be more useful in explaining and describing specific transition situations.

### ***b) Unemployment approaches and theories***

Partly in response to criticisms of the stage models of unemployment, a body of research has focused on trying to better explain the effects of unemployment. The bulk of this research occurred in the 70s and 80s with a focus on the economic and psychological importance of work to individuals. These models have been influential in guiding research in the area of unemployment and its effects on health and wellbeing (Winefield, 1995). Two dominant areas of research include social-environmental models (Jahoda, 1982; Warr, 1987) and agency restriction models (Fryer, 1985, 1992).

### *Social-environmental approach*

Deprivation theory, developed by Jahoda and her colleagues (Jahoda, 1982; Jahoda, et al., 1971) is a highly influential theory describing the psychological significance employment holds for workers. The core concept of deprivation theory is that work provides the individual with more than just an income. Work provides time structure, social contact outside of the family, imposes goals and purposes and defines status and identity (Jahoda, 1982). Deprivation theory predicts even a bad job will be better for the individual's psychological wellbeing than having no job at all. This prediction has been criticised as it has been found that bad employment can have similar effects to those of unemployment and for failing to explain choices such as retirement in response to job loss (Feldman, Leana, & Bolino, 2002; Kaufman, 1982; Leana & Feldman, 1995; Winefield, 1995). Jahoda's theory was, however, influential in introducing the idea that work has a broader function in peoples' lives than simply providing income, and it goes some way towards explaining why unemployment can have devastating effects on mental health.

Warr (1987) expands deprivation theory beyond mental health changes caused by employment and unemployment. Warr uses vitamins as a metaphor to explain how various environmental factors influence mental health. Like vitamins, some factors have an intake/benefit ceiling above which increased intake does not affect health, whereas other vitamins have an optimal intake band, negatively affecting health when intake is above or below this level. The environmental factors Warr identifies as having an intake/benefit ceiling are money, physical security and valued social position. Factors that have an optimal level are control, skill use, external goals, variety and clarity. While it is possible to apply the vitamin model outside of the employment arena the research surrounding it is focussed on employment and unemployment. Warr's (1987) vitamin model is based on a meta-theory that people are resilient systems that can be controlled by application of the right levels of certain variables and will return to their former state following events such as job loss under the right set of conditions. This approach does not account for long term changes that may occur to an individual under optimal situations.

### *Agency restriction approach*

Agency restriction theory emerged from Fryer's (1985) criticism of Jahoda's deprivation model. Fryer argues the negative psychological effects of unemployment are primarily due a loss of agency caused by financial deprivation and poverty. Fryer criticises the over-psychologised approaches to understanding the effects of unemployment provided by the deprivation and stage theories, arguing that they do not adequately incorporate the detrimental effects of poverty. Fryer's approach is based on the supposition that "people are socially embedded agents actively striving for purposeful self determination, attempting to make sense of, initiate, influence and cope with events in line with personal values, goals and expectations of the future in a context of cultural norms, traditions and past experience" (p. 270 in Fryer, 1995). Unemployment results in restriction of personal agency on many levels. Fryer links this to the psychologically destructive effects of unemployment, suggesting that unemployment prevents people from realising their expectations of the future. Agency restriction theory places more emphasis on people's need for personal control than the social environmental approaches of Jahoda and Warr (Winefield, 1995).

### **c) Stress and Coping**

Job loss stress and coping research represents a significant proportion of the individual-level literature. The stress and coping literature is based primarily on quantitative identification of factors mediating and moderating the impact of job loss on well-being and satisfaction. Job loss stress and coping research draws on the Lazarus and Folkman (1984) transactional model of stress and coping. Early research and models defined re-employment as the most desirable endpoint of the coping process (DeFrank & Ivancevich, 1986; Leana & Feldman, 1992), based on the assumption that any job was better than unemployment (Jahoda, 1982). As job loss stress and coping research developed the re-employment assumption became unsustainable as the negative effects of poor employment were identified (Dooley, 2003).

Underemployment occurs when a person is re-employed in work which is inferior to their previous job in aspects such as skill usage, status and pay. In some studies underemployed respondents showed higher levels of psychological distress and anxiety than respondents who were still unemployed (Feldman, et al., 2002; Leana & Feldman, 1995). In a large study by Feldman, et al (2002), underemployment of executives was

associated negatively with job satisfaction, organisational commitment, trust in the organisation, and positively related to careerist attitudes to work and continued job searching. These researchers found reduced skill usage was the leading factor in job dissatisfaction rather than reduced pay or status, with relative deprivation acting as a partial mediator in the relationship between underemployment and work attitudes. This indicates that re-employment quality plays an important part in how a person recovers from a job loss.

A process model of coping with job loss was developed by Latack, Kinicki and Prussia (1995). This identified the end point to coping with job loss as a return to equilibrium in the economic, social, psychological and physiological aspects of the individual's life. Equilibrium, in this model, has been achieved when an individual stops looking for further work (Latack, Kinicki, & Prussia, 1995). Coping strategies and resources are linked to length of unemployment and reemployment quality; for example, unemployed workers with high coping resources tended to engage in more emotion-focused coping than problem-focused coping and took longer to find employment, which tended to be of higher quality (Kinicki, Prussia, & McKee-Ryan, 2000). These researchers later expanded their model as they identified that coping with job loss was an ongoing, dynamic process even if the individual had ceased looking for further work (McKee-Ryan & Kinicki, 2002). They observed that both the subjective and objective evaluations of re-employment quality were important in assessing coping with job loss, with initial negative layoff appraisals linked to underemployment in the following year (McKee-Ryan, Virick, Prussia, Harvey, & Lilly, 2009).

The longer-term effects of job loss on individuals have not been fully explained by the coping models, as most studies on coping and stress look at a period of time less than two years after the job loss. A primary assumption of these models is that the individual is resilient and able to bounce back to their former state under the optimal set of conditions; however, these researchers have not been able to identify a model which describes these conditions adequately. Their more recent research indicates no clear end point to the disruption of a person's attitudes and feelings about work once they have experienced involuntary job loss.



#### **d) Summary**

The individual level unemployment and job loss literature reviewed captures some of the most dominant theories in this area of study; however, no one theory indicates what effects would be expected in professional and managerial workers who experience redundancy. The transition approaches fit well with the concept of narrative analysis; however the generalised models available in the literature have limited application for specific situations such as redundancy.

The unemployment literature provides a number of opposing meta-theories of human learning and behaviour. The socio-environmental models indicate work provides an important component of identity and that the loss of a job can affect identity outside of the scope of financial loss; however they also position the individual as resilient and capable of bouncing back from job loss unchanged under the right conditions. Agency theory (Fryer, 1995) emphasises the importance of personal agency and identifies how unemployment which limits agency can be the cause of long term negative psychological effects.

The coping and stress literature uses the meta-theory of personal resilience to job loss under the right conditions. The focus of this literature is on the return of the person who has lost work to comparable employment. However the research in this area has been unable to identify the conditions necessary for people affected by job loss to return to their previous state. The notion of total resilience is challenged by Fineman (1983, 1987) who found, in his research of unemployed professional and managerial workers, signs of a long term legacy from unemployment that was evident in a re-sampling six years after the initial job loss. The seeds for this legacy were set in the first six months after job loss and were characterised by long term concerns over job security and self preservation that influence ongoing employment behaviours.

### **2.4 Social and situational factors**

Bridging the macro and micro level literature is research examining the impacts of job loss and unemployment in relation to specific social and situational factors. The factors most relevant to this study are gender, age, family situation, professional support and money.

### **a) Gender**

Research into the effects of job loss by gender is reasonably recent due to social changes in women's role in the workplace and home. Most research has emphasised the similarity in responses of men and women to job loss and unemployment. The differences identified between men and women who have experienced job loss were related to social and situational factors rather personal characteristics. The negative psychological effects of job loss and unemployment experienced by both men and women have been found to be similar when non-employment, a choice not to return to work, is taken into consideration (Warr, 1987). Emotional trauma due to job loss has been found to occur at similar levels of intensity for both men and women, contrary to the stereotype that women react differently to men, as work may be a secondary priority (Leana & Feldman, 1991; Wooten & Valenti, 2008). A recent study of experiences of involuntary job loss and re-employment found little difference due to gender, which the authors heralded as a sign of progress towards greater gender equality (Zikic, Burke, & Fiksenbaum, 2008).

The major gender differences identified in the literature relate to situational and social conditions such as economic climate and social stereotypes of female workers. Economic conditions have a significant influence on the reemployment of women following job loss. During periods of economic growth women found reemployment in a similar time frame to men, whereas in times of recession women typically took longer than men to find work (Perrucci & Perrucci, 1997). Employer bias was identified as a potential cause of this gender difference, with employers being found to hold stereotypes of the ideal employee, resulting in a queuing effect of candidates with those most closely aligned to the stereotype receiving the job (Perrucci & Perrucci, 1997). Women who were white collar workers, unmarried, and in fulltime work when displaced were significantly more likely to be rapidly re-employed than women who did not fit this criteria during recessionary times. These researchers also reported women's earnings loss percentage was similar to men on reemployment although more women reported financial strain due to their initially lower pay rate prior to being laid off. At the time of writing it is not known if this trend has continued during the current period of economic recession.

There is evidence of small gender differences in coping strategies with women using more emotion focused coping strategies such as social support and men applying more

problem focused coping such as job search through networking (Leana & Feldman, 1991; Malen & Stroh, 1998; Zikic, et al., 2008). Sources of stress due to job loss were compared for men and women in a study of unemployed managers which found women suffered from a greater number of sources of stress than men and had less access to effective moderators of stress (Fielden & Davidson, 2001). Male workers reported factors such as ageism and financial strain as major sources of stress, whereas women reported greater concern over the stigma attached to losing a job, problems of occupational stereotypes and severe financial hardship as major sources of stress (Fielden & Davidson, 2001). Most men in the study were married while the females were single and as such they did not have access to the stress moderating effect of having a spouse. Fielden and Davidson (2001) demonstrated that increased stress felt by women was due to social and environmental factors rather than personal coping approaches.

Together these studies indicate job loss and unemployment is a traumatic and potentially destructive event for both male and female workers. The gender-specific differences identified are attributable to situational and social variables rather than differing dispositional characteristics of women and men.

### **b) Age**

The risk of experiencing job loss increases with age, as does the likelihood of experiencing sustained negative impacts on earnings (Lippmann, 2008). Age is related to both life phases and the social context of birth cohort and is therefore notoriously difficult to research due to confounding of age and birth cohort (Erber, 2005). Birth cohort was found to be a better predictor of post job loss employment outcomes than age, as workers who entered the workforce prior to concepts of employment flexibility becoming prevalent were the most negatively affected by job loss (Lippmann, 2008). Reduced earnings were identified in older workers, which Lippmann (2008) suggested may reflect decisions to take early retirement or to change career priorities, combined with changes in lifestyle due to paid-off mortgages and children leaving home reducing the need for income.

Ageism has also been identified in a number of studies as a factor hindering reemployment for workers over fifty (Fielden & Davidson, 2001; Mendenhall, Kalil, Spindel, & Hart, 2008; Root & Park, 2009). Results from studies in the US are

influenced by the American system of worker insurance in which the greater insurance risk attached to older workers can act as a barrier to employment (Mendenhall, et al., 2008; Root & Park, 2009). However a UK study indicated that ageism is likely to be faced by older workers even though the UK does not have the same insurance issue (Fielden & Davidson, 2001). The barrier of ageism in re-entering the workforce has been found to cause older unemployed professionals to de-professionalise their skills and understate their experience to get job interviews (Fielden & Davidson, 2001). A recent New Zealand study found the financial impact of job loss was greatest for young workers in New Zealand (Dixon & Stillman, 2009). However, age is a factor in the effects of job loss as it relates to the risk of experiencing a redundancy and a potential barrier to reemployment. Economic factors such as the state of the employment market appear to influence age-related effects.

### ***c) Family situation***

Family situation is a variable frequently linked to individual coping within the job loss literature and job loss has been found to have a range of effects on families. Being married is reported in a number of studies to act as a buffer from the distress of job loss for both males and females (Fielden & Davidson, 2001; Leana & Feldman, 1991). Emotional support provided by a spouse, family and friends has been positively related to re-employment quality (Zikic & Klehe, 2006). However, involuntary job loss also significantly increases the likelihood of marital break-down, to a greater extent than sudden disability and job loss due to plant closures, even though all three impose similar financial strain on a household (Charles & Stephens Jr., 2004).

Involuntary job loss has been found to have significant effects on dependent children. A recent study of Australian children, whose parents had been made redundant, found the children were aware of strategies their parents were using to adjust to job loss (Newman, MacDougall, & Baum, 2009). The children perceived their parents were hiding negative feelings about the changes and they noticed changes in their parent's relationships (Newman, et al., 2009). The children evaluated their parents' job loss as having both positive and negative impacts on them and their family. Some of the children took active steps to cope with the financial changes through saving and contributing (Newman, et al., 2009).

Paternal involuntary job loss has been found to have significant adverse effects on the educational progress of dependent children, but maternal job loss has not been found to have this effect even if the mother is the main income earner (Kalil & Ziol-Guest, 2008). Paternal job insecurity and a history of experiencing layoffs has been found to be accurately perceived by children and to affect the children's own beliefs and attitudes about work and school (Barling, Dupre, & Hepburn, 1998; Barling & Mendelson, 1999). Unemployed executive males have been found to use their experience of job loss to educate their teenage children about the new world of work in which the employee cannot expect loyalty from their employer, recommending their children to develop transferable skills, consider entrepreneurial careers and not give or expect company loyalties (Mendenhall, et al., 2008).

These studies provide evidence that redundancy has an effect on the individual and the lives of those linked to that individual, especially their children. Marriage can act as a buffer to the effects of job loss through the provision of social support. However, job loss also places strain on the relationship, resulting in a higher risk of divorce attributable to more than just the change in financial status.

#### ***d) Professional support***

Outplacement and career advice services are commonly offered to executive, managerial and professional workers when they are made redundant. These services are typically funded by the organisation and have a mix of altruistic and self-serving purposes for the organisation (Martin & Lekan, 2008). The relationship between career activities and re-employment quality of professionals who had experienced involuntary job loss was examined in a longitudinal study that found the more career planning and environmental career exploration following a job loss, the higher the quality rating of their new job six months later (Zikic & Klehe, 2006; Zikic & Richardson, 2007). While most participants in their study had had outplacement counselling they also found some people who had not had this service engaged in career exploration and planning on their own, with similar success in finding reemployment to those who had received outplacement support (Zikic & Richardson, 2007). Executives who had unlimited outplacement support packages have been found to take longer to find new roles; but when they did they had higher salaries than those who were on limited support packages (Westaby, 2004). Research in this area indicates that professional support which

encourages career exploration and planning is likely to improve a person's chance of quality re-employment, even though it may take longer.

### **e) Money**

Financial strain at the time of a job loss and its flow on effects of deprivation has been identified as a significant mediator in the relationship between unemployment and depression (Fryer, 1995; Kessler, 1987; Price, Choi, & Vinokur, 2002). Financial distress has been found to be one of the best predictors of negative reactions to job loss, even more than the length of unemployment (Leana & Feldman, 1990). Avoiding financial distress is a strongly predictive variable in the prediction of career growth from job loss, with financial resources increasing the range of options available to the individual (Eby & Buch, 1995)

## **2.5 Relating the background literature to the research question**

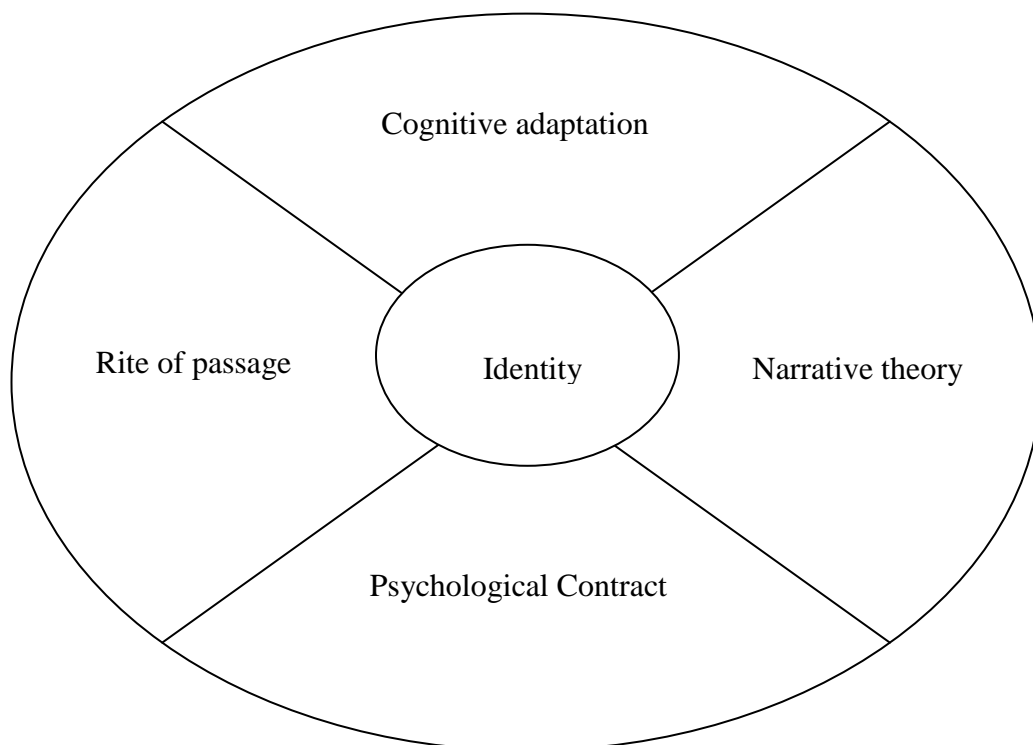
There is a large body of research into the effects of job loss and unemployment from a variety of different perspectives. This body of research has three shortcomings in relation to the research question. Firstly, much of the research confounds the effects of redundancy and unemployment. The second issue is that much of the research assumes that a person who has experienced job loss is capable of returning to an ideal state with a return to similar and suitable work. Thirdly much of the research has limited recognition of the ways a person's world view may be changed by redundancy, even if they do not experience long-term unemployment. The research question aims to look at the longer term effects of redundancy on people who have experienced redundancy without experiencing long term unemployment, addressing these issues identified in the current body of research.

## Chapter 3: Conceptual Framework Underpinning this Research

### 3.1 Introduction

The conceptual framework underpinning this research is defined in this chapter. These concepts broaden the theoretical basis of this study beyond current approaches to job loss and redundancy research through the application of other concepts and theory. The conceptual framework is mapped below in Figure 3.1.

*Figure 3.1: The conceptual framework underpinning this research.*



The five inter-linked conceptual areas shown in Figure 3.1 make up the conceptual territory for this project. Each of these areas contains a wide range of approaches and many definitions. The purpose of this section is not to debate the merits of various approaches or track their development, but to demonstrate the interpretation applied in this research project. To structure this section, each area will be addressed, starting with cognitive adaptation and followed by narrative theory, rite of passage, psychological contracts and identity. The insight each of these theories has introduced to the

interpretive process and a definition of the theory as it has been applied in this study will be provided for each concept.

### **3.2 Cognitive adaptation**

Cognitive adaptation theory (Taylor, 1983) was developed from the analysis of narratives from breast cancer and heart attack survivors and has been highly influential in health and disaster psychology. Taylor's (1983) theory states that, when individuals experience a personal tragedy or setback, they can respond with cognitively adaptive effort, enabling them to return to, or even exceed, their previous levels of psychological functioning. Taylor (1983) identifies three characteristic themes in the narratives of people who have cognitively adapted to a traumatic event, a) search for a meaning and attribution of the meaning surrounding the traumatic event, b) efforts to gain mastery over the event including strategies and practices, c) attempts to enhance self image through comparison to others.

Cognitive adaptation, as demonstrated in narratives, is a product of an individual's interpretation of events and cognitive processes. In cognitive adaptation theory, narrative is a representation of how an individual has incorporated their experience into their life story and identity rather than a factual account of events. Cognitive adaptation has been linked to improved mental and physical health following a major traumatic event (Chapman, Styles, Perry, & Combs, 2010). While it has only had limited application in workplace research, a recent study found that nurses who had been victims of workplace violence used the cognitive adaptive processes of finding meaning, mastery and self enhancing to adapt to their experience and continue in their work (Chapman, et al., 2010).

Cognitive adaptation theory identifies the reframing of traumatic events, as both a beneficial and healthy way of dealing with trauma, which facilitates mastery and enhanced self-image. The theory promotes a non-pathological approach to understanding individual responses to traumatic events, and positions the individual as actively working to move on with their life in the wake of a traumatic event.

Time is an important element in this theory as cognitive adaptation occurs over time and can result in long term changes to an individual's life (Taylor, 1983). This theory does not hinge on a defined end point to effects from a traumatic event as it assumes that traumatic events become part of the individual's history and influence their thinking in



the long term. This adjustment is as demonstrated by their adaptive behaviours and changed beliefs.

A criticism of much of the job loss literature is the focus on achieving an endpoint which is signalled by a return to former levels of job satisfaction, contingent on the assumption that people are ultimately resilient and will bounce back unchanged under the right conditions. Cognitive adaptive theory indicates individual's can adapt their lives and beliefs as a result of experiencing a traumatic event and return to or exceed former levels of psychological functioning, without assuming that people will be unchanged by their experiences.

Being made redundant is not a life-threatening event; however, the responses collected in this study and the themes that emerged from the analysis were strikingly similar to the processes Taylor (1983) identifies as cognitive adaptation. Therefore cognitive adaptation has been included as a cornerstone of the conceptual framework as it does not pathologise the individual's long term responses to traumatic events and it avoids positioning the individual as a passive victim. Application of cognitive adaptation theory is dependent on the assumption an individual's narrative is a product of their own cognitive process of meaning-making, rather than a factual account of events. This research project is interested in the personal meaning redundancy has for those who have experienced redundancy and moved on with their lives, therefore narratives of this experience are likely to be products of their own meaning making process.

### **3.3 Narrative theory**

Narrative is recognised as the way people communicate the personal meaning they have made of an event within the context of their life (Bauer & McAdams, 2004; Polkinghorne, 1988; Riessman, 2008). People retrospectively make sense of events that have occurred in their lives, drawing both facts and interpretations together in a narrative that makes sense to them (Weick, 1995), with an internal narrative recognised as an important factor in identity formation (Ezzy, 1998; Ricoeur, 1988; Singer, 2004).

Narrative analysis has been identified as an important methodological tool in career research, as careers by their nature evolve over time, include transitions and are an important aspect of an individual's life experience (Cohen & Mallon, 2001). Cohen and Mallon (2001) recommend narrative approaches be used in career research to construct a rich and complex picture of the life experiences of individuals. In a study of career

stories Cohen and Mallon (2001) present narrative analysis as a creative way to look at the process of career development within the context of societal, organisational and personal change. For the research of career trajectories they recommend thematic analysis with an inductive approach which seeks to identify consistencies and inconsistencies between the accounts. Narrative techniques have also been used to study personal growth and life transitions such as changing careers, religion (Bauer & McAdams, 2004) and unemployment (Ezzy, 2001), focusing on identifying the narrative forms used to communicate these transitions.

Context is an essential component in understanding narrative, as without a context narratives have no meaning (Riessman, 2008). Narrative is how people weave context and personal meaning together. Personal history is also woven into narrative to contextualise actions and beliefs. Narrative combines both macro level details, such as economic climate, and micro level details, such as personal experience as an expressive product of individual cognitive processing. Narrative also introduces the variable of time, which is not well captured in many research techniques, as the individual is telling their story retrospectively, allowing for comparison of beliefs, emotions and actions between the current and earlier times.

For the purposes of this study the narrative expressed by respondents is assumed to be the respondent's interpretation of events rather than a factual account. The interview data is the respondent's representation of the meaning they have drawn from their experiences which they felt was relevant and important to present in an interview. It is also assumed that narrative is an expression of the respondent's identity and the picture of themselves they want portrayed in the research situation, for these reasons narrative theory is a cornerstone concept.

### **3.4 Rite of passage**

The concept of a rite of passage was developed as a universal framework for the observation of transitions, reducing the complexity of ritual behaviour into a series of three linked phases: rites of separation, rites of transition and rites of incorporation (van Gennep, 1960). The rites of passage model has become important as an explanatory pattern of transition management that can be applied across many cultures and is repeated in many different social transitions including the modern workplace (Mayrhofer & Iellatchitch, 2005). Rites of passage are social activities consolidating a

series of elaborate and dramatic activities into one event, marking a person's transition from one set of socially defined circumstances to another (Mayrhofer & Iellatchitch, 2005). Rites of passage have both technical and symbolic functions within a social context, are defined by a social group's culture and communicate the values of the social group (Trice & Morand, 1989). Transitions across social and organisational boundaries introduce uncertainty, posing a risk both for the social context and the individual. Rites of passage are social mechanisms to control and minimise the risk to the social group and the individual and facilitate the individual's status change (Mayrhofer & Iellatchitch, 2005; Trice & Morand, 1989). Rites of separation specifically facilitate the disengagement of an individual from a role within a social group and may also be used to coerce an individual to submit to a socially undesirable transition (Ashforth, 2001).

Turner (1969) expanded the concept of a rite of passage, looking specifically at the transitional phase which he called liminality, an unstructured time where a person is "betwixt-and-between" roles. The liminal period provides a window of freedom from status, allowing the individual to consider a wider range of options and behaviours not possible in a designated social status (Turner, 1969). The concept of liminality has been identified in studies of voluntary role transitions and is described as "the vacuum", a phase surrounding decisions to leave a role, but prior to adopting a new role (Ebaugh, 1988). Ebaugh (1988) referred to this period as "the last glance back" (p. 143) which is necessary before a person can move on to their new role. Liminality is uncomfortable for the individual, due to the uncertainty they are experiencing, but is typified by exploration and investigation of possible new roles and the questioning of personal beliefs (Ebaugh, 1988; Turner, 1969).

Status passage theory (Glaser & Strauss, 1971) has been developed to broaden the application of the rite of passage model in the social sciences. It has been used in the study of unscheduled transitions including dying (Glaser & Strauss, 1965), divorce (Hart, 1976), career transitions (Bradby, 1990) and unemployment (Ezzy, 2001). Glaser and Strauss (1971) stress the importance of defining the characteristics of a rite of passage status transition to gain a full understanding of what the passage means within a social context. Status passage analysis also incorporates the temporal aspects of status passage transitions. The characteristics of a status passage identified by Glaser and Strauss have been grouped into four general categories by Hart (1976) to aid in the

research of status passage transitions: a) personal orientation, b) the degree of flexibility, c) the type of status passage, d) the conditions of the status passage.

Rite of passage is a useful concept in understanding the meaning of being made redundant, as conceptualising redundancy as a rite of separation recognises the cultural and social nature of being made redundant, as well as what it symbolises in society. Redundancy is an involuntary public act to remove a superfluous employee from the organisation and can be conceptualised as a coercive rite of separation. Redundancy and being made redundant are social constructions, events that only exist as an output of a specific social setting and conveying culturally significant statuses. The concept of liminality will be applied in this study to refer to a period of uncertainty and self-reflection that is often associated with being made redundant and moving on. Rite of passage forms a cornerstone concept as it situates being made redundant as a social and cultural event, as well as a personal experience.

### **3.5 Psychological contracts**

Psychological contract is the concept linking this study to the field of industrial and organisational psychology. The definition of psychological contracts has been debated at length in the literature (see Conway & Briner, 2009 for a review). For the purposes of this study the definition below is used:

*Psychological contract comprises subjective beliefs regarding an exchange agreement between an individual and, in organizations typically, the employing firm's agent. A contract is promise-based and, over time, takes the form of a mental model or schema ... . A major feature of psychological contracts is the individual's belief that an agreement is mutual, that is, a common understanding exists that binds the parties involved to a particular course of action. (p. 512, Rousseau, 2001)*

Psychological contracts are employment mental models that allow people to anticipate the future and plan their lives around these expectations, which makes them personally important for employees (Rousseau, 2001).

Two extreme types of psychological contracts have been defined by Rousseau (1995): relational and transactional. Relational psychological contracts are associated with high commitment, emotional involvement, identification with work and an expectation of

longer-term employment stability. The opposite extreme is the transactional contract which is economically oriented and in which both parties have a low commitment to future employment and the individual employee has low identification with the workplace.

Evidence of psychological contract change due to involuntary job loss has been identified in a recent study which found that, on re-employment, redundant workers had reduced levels of trust in their new employer, which the authors stated was evidence of a change in psychological contract to a more transactional form (Kim & Choi, 2010). Many researchers and academics have suggested that relational psychological contracts have become outdated and are being rapidly replaced by a workforce that has a new psychological contract that is more transitional and focused on self reliance (eg. Arthur & Rousseau, 1996; Kissler, 1994; Noer, 1993). In this study it is assumed that descriptions of beliefs about work relationships expressed in the respondents' narratives are representative of their psychological contracts. Psychological contracts are included as a cornerstone concept as they provide a way of categorising descriptions of work relationships and expectations.

### **3.5 Identity**

Identity is a concept central to the conceptual framework underpinning this research. Identity is linked to narrative, cognitive adaptation, rite of passage and psychological contracts. Burke and Stet's (2009) identity theory draws together the many diverse lines of research and theory about types, structures and mechanisms of identity into one general theory.

Identities are defined in identity theory (Burke & Stets, 2009) as a set of internalised meanings characterising who a person is in particular settings, circumstances or as an individual. Identities are made up of a set of identity standards which are stored in memory and define the character of the identity. External information is cognitively compared against these standards by the person. When new information is not compatible with the person's identity standard this creates an internal conflict. This conflict is resolved when the person makes a decision either to behave in a way to verify their identity standard or to signal there is an error in the information they have received.

Identity theory dictates that individuals hold multiple identities. There are three categories of identity: role, social and person (Burke & Stets, 2009). Role identity is a set of internalised meanings that are tied to a social position, the “me as role” perspective. Social identity is an individual’s identification with a social group resulting in the adoption of a prototype of group attributes and comparisons to define in-group and out-group characteristics. Social identities can gain priority over personal identities in certain social settings, resulting in depersonalisation and the definition of self as “we”. Personal identity is seeing oneself as a unique and distinct individual with differences from others; this is a set of meanings that define “me”. Together, all of the identities build what is referred to as the relational self, a mental image of who the person is in relation to their world. Identities form the relational self through a hierarchy of prominence in which personal identities are generally of the highest salience. Some identities are activated in certain circumstances while others are in the background. This interaction of identities is important as it acts to shape behaviour.

Identity standards are reasonably resilient and generally change slowly over time in response to external stimulation, happening over weeks or even years. However, rapid changes to identity standards have been found to occur in the case sudden trauma or isolation from sources of verification (Burke & Stets, 2009). These change mechanisms are of particular interest in this research as redundancy is known to be a traumatic event and a person’s job is known to form an important part of their identity (Ashforth, 2001; Burke & Stets, 2009; Mishler, 1999).

To summarise the assumptions drawn from identity theory applied in this study: the relational self is made up of multiple identities, behind each of these identities is an identity standard which is a schema that supports this identity. Identity changes through a change to the identity standard and can also result in a change to the hierarchy of identities, with rapid changes in identity standards often occurring in times of trauma. Identity is a central and linking concept which ties together the four cornerstone concepts and grounds this study in the field of psychology.

## **Chapter 4: Method**

### **4.1 Introduction**

This chapter provides a detailed account of the research methods used in this study. To begin, the methodological approach of thematic narrative analysis as applied in this study will be presented. This will be followed by the methods used to enrol the twelve respondents. A brief introduction to each of the respondents will be provided followed by sections on data collection and analysis. The final section presents the ethical considerations and explains how these were addressed.

### **4.2 Methodology - Thematic narrative analysis**

Narrative is a complex interweaving of events, attributions, time, emotions, interactions and contexts, described as being like a tangled ball of wool (Ezzy, 2002). The researcher's role is to find an organizing theme or theory that can create a pathway through which a reader can be taken and shown the points of note. This thesis assumes that narrative identified from a research interview is the product of both the respondent and the interviewer (Ezzy, 2002; Mishler, 1999; Riessman, 2008). The role of the researcher is as a co-constructor of the story, as the narrating event occurs within a given set of social circumstances and contexts (Riessman, 2008). The data is therefore a co-construction, resulting both from the respondent's narrative commentary and the researchers' own influences. The data for this study is what the respondent has decided they want to share at that particular time in their life. The data is also influenced by the way it has been transcribed, the choices made in cleaning the transcripts and identifying narrative sections. Narrative, while based on factual occurrences, cannot be treated as factual or accurate accounts of events. Narrative data is more likely to reveal information on the meaning of events and the significance these events hold within a person's life story, rather than factual information.

Narrative methods are used to interpret texts that are presented in a storied form, and are characterised by attention to sequences of action, with a particular focus on actors situated in social locations in a particular time (Riessman, 2008). Narrative research has a wide range of potential methodologies; the approach that has been applied in this study is thematic narrative analysis. Thematic narrative analysis has an exclusive focus on "what" is said by the respondent rather than the details of "how" it is said, as covered

by various other narrative analysis techniques (Riessman, 2008). The focus in thematic narrative analysis is on the story as respondents report it and the events and experiences it contains. Data is interpreted in light of themes developed by the researcher; these being influenced by prior and emerging theory, the purpose of the investigation and the data. Prior theory is important in the interpretation of data, as it serves as a resource and guides inquiry as the researcher seeks novel theoretical insight from the data. Thematic narrative analysis is case driven and keeps the story intact for interpretive purposes. This differentiates narrative analysis from other thematic qualitative techniques such as grounded theory (Riessman, 2008). The narrative unit in this study is a section of life history surrounding being made redundant and moving on. Narrative data was constructed from interview data that was transcribed in full, and then searched for relevant narrative sections. The contextual detail provided by the respondents to support their narrative is also important in interpreting the meaning of the narratives.

This study used an iterative approach to develop emerging theory and incorporate prior theory. Data and theory informed the development and re-development of theory and interpretation until the eventual emergence of a theory grounded in the data and informed by pre-existing theory.

### **4.3 Enrolment of Respondents**

The targeted population for the study was anyone who had experienced being made redundant from a managerial or professional role between 2000 and 2007. This period was chosen to examine the long-term effects of experiencing redundancy and would provide a sample of workers who had been made redundant between two and seven years before their interview. This period also marked a period of strong economic growth and high employment levels.

A professional role is defined as one that requires the worker to have a professional qualification or designation. A managerial role is defined as one where the individual has direct management of staff or processes in the workplace.

The target population was difficult to access due to the length of time that had elapsed since the redundancy, the lack of accessibility to organisational records and issues of confidentiality. Another factor that makes this population difficult to access is the social stigma attached to being made redundant which may lead some to want to avoid identification as a person who has been made redundant. Some respondents were found



through personal networks. The technique of chain referral sampling (Penrod, Preston, Cain, & Starks, 2003) was also used to generate more respondents. This technique has been used successfully in researching groups who are hard to reach due to the sensitive nature of the subject (such as AIDs). The technique is similar to snowballing in that it relies on chain referral. Specific contacts in my personal network and some respondents were asked if they could pass on the study information to others who they knew met the criteria for the study, without informing me of the potential respondent's identity. All potential respondents received a copy of the Participant Information Sheet (see Appendix A) and Interview Topics Guide (see Appendix B), prior to agreeing to take part in the study. The potential respondent would then make contact if they were interested in taking part in the research. Once a respondent had agreed to take part we communicated and agreed a suitable time and location to conduct the interview.

#### **4.4 Respondents**

The sample was made up of five males and seven females. The respondents' ages ranged between 35 and 65 years with an average age of 47 years. Some of the respondents had been made redundant a number of times, so in total 17 redundancies were included in the sample.

The professional groups covered were managers, technologists, accountants, marketers, information technology specialists, publishers, librarians and educators. The industries were food, meat, forestry, dairy, education, media, hospitality and publishing. All respondents were made redundant from full time managerial or professional roles in medium to large organisations. At the time of the interview eight of the respondents were in senior corporate roles, two had moved to freelance contracting work, one had a portfolio of jobs and one was semi-retired with casual work.

Two of the redundancies resulted in formal personal grievances against the organisation and were resolved through mediation. Six of the redundancies resulted in large payouts in excess of six months' salary. None of the respondents had experienced significant financial hardship as a result of the redundancy.

Each of the respondents will now be introduced. They have all been given pseudonyms to protect their identity and identifying details have been omitted from these descriptions.

*Anthony*

Anthony is a male executive in his forties. He has experienced one redundancy in 2006 from an executive role and found work rapidly in a similar role. His household situation is dual income with no dependent children, which has not changed since his redundancy. His highest qualification is a Bachelors degree.

*Brian*

Brian is a self employed male in his forties. He has experienced one redundancy in 2006 from managerial role in a large organisation. Brian now has a portfolio of work centred on his personal interests. His household situation is dual income with no dependent children and that has not changed since his redundancy. His highest qualification is a Bachelors degree.

*Colin*

Colin is a male executive in his forties. Has experienced one redundancy in 2006 from an executive role, he found work rapidly in a contract role then a permanent executive role within a year. He is the sole income earner in his household with a financially dependent wife and children. His highest qualification is a Diploma.

*Diane*

Diane is a female executive in her forties. She has experienced redundancy in 2006 from an executive role. She undertook contract work before changing her career and finding a permanent executive role. She is the main income earner in a dual income family with young dependent children. She has a Bachelors degree and a professional qualification.

*Elaine*

Elaine is a manager in her thirties. She has experienced two redundancies, one in 2004 and another in 2007; both from professional roles. She found comparable employment rapidly after each redundancy. Her household situation is dual income with no dependent children. She has a Bachelors degree and a post-graduate Diploma.

*Fiona*

Fiona is a part-time employee in her sixties. She has experienced one redundancy in 2007 from a managerial role. She has combined part-time work and partial retirement following her redundancy. She is a widow with no dependents. Her highest qualification is a Masters degree.

*Gaye*

Gaye is an executive in her forties. She has experienced three redundancies, the most recent in 2003 from a management role. She found contract work rapidly after redundancy and her career progressed to her current executive role. Gaye is the sole income earner with young dependent children; at the time of her redundancy she also had a husband with an income as well. She has a Bachelors degree and a professional qualification.

*Henry*

Henry is a manager in his forties. He was made redundant from a management role in 2007. He found work in a similar management role immediately following his redundancy. Henry is the sole income earner with a wife and dependent child. At the time of his redundancy he was in a dual income household with no children. His highest qualification is a Diploma.

*Jason*

Jason is an executive in his sixties. He has been made redundant three times in his career: in 1986, 2006 and 2007. Each time he found comparable work rapidly following the redundancy. His household situation is dual income with no dependent children. His highest qualification is a Bachelors degree.

*Lisa*

Lisa is a contractor in her fifties. She was made redundant from a managerial role in 2003. She moved into private contracting following the redundancy and continues to do this. She is single with no dependent children. Her highest qualification is a Masters degree.

*Mary*

Mary is an executive in her fifties. She was made redundant from an executive role in 2004. She took time out to retrain and travel and returned to permanent work in a similar executive role. She is married and the main income earner in the household with older dependent children. Her highest qualification is a Masters degree.

*Nancy*

Nancy is self-employed and in her thirties. She was made redundant in 2003 from a professional role. She continued her education and is now self-employed on a freelance basis. She is single with no dependents. Her highest qualification is a Masters degree.

**4.5 Data collection**

The data for this study was collected in individual interviews, which were digitally recorded and transcribed. Respondents were given a guide to the interview topics (see Appendix B) before the interview to promote recall of past events. Interviews were conducted in an open-ended conversational style to encourage sharing of their stories of redundancy and how it has influenced their life since. The interviews were conducted in a jointly agreed location to ensure the respondents comfort and ensure privacy. Four interviews were conducted in respondents' homes, five in respondents' workplaces and three in the researcher's home.

Each interview session started with a review of the information on the Participant Information Sheet (see Appendix A) and discussion of any concerns the respondent raised. I also briefly described my own background for all respondents as some of the respondents knew me prior to the interview and others were meeting me for the first time. All respondents were informed that I had been made redundant from a managerial role prior to the interview, as this may influence their approach in the interview. When these initial discussions were completed the respondent was asked to fill out and sign the consent forms (see Appendix C). After these formalities had been completed digital recording began.

The outline of interview topics (see Appendix B) was used as guide for each interview. Probe questions were used to gain further explanation of the importance of key events

as necessary. The interviews ranged between 45 and 90 minutes in length. The data collection process was initially trialled with two respondents' interviews. These interviews were transcribed and reviewed before the remaining interviews were conducted. It was not necessary to make any major changes as a result of this trial.

After each interview I listened to the full recording, recorded observations about the content and identified sections of narrative. This step was added to ensure I was able to listen to the interview separately from interacting with the respondent or processing data. Each interview was then transcribed fully for further analysis. The transcription was carried out entirely by myself to ensure full immersion in the data. The transcripts were formatted in short speech phrases as recommended by Riessman (2008). The transcripts were then cleaned to remove or disguise any specific references to organisations and individuals.

Respondents were offered an opportunity to review their transcripts before analysis. Three respondents requested this; none of these respondents requested any changes to their transcripts. Towards the end of the project each of the respondents was sent a letter (see Appendix D) to thank them for their participation and to communicate the findings of this study.

#### **4.6 Data analysis**

Data analysis required a multiphase, iterative and inductive approach. The process involved moving between analyses of individual narratives, to consideration of the full data set and returning to the individual narratives. Throughout this process prior theory was incorporated to build on the emerging theory from the analysis and interpretation. Iterations were conducted in three phases, each incorporating previous interpretations and theories. In total each individual case was read and analysed six times. The phases of analysis are described as they occurred:

##### *Phase 1*

Each interview was listened to in full prior to transcription. The interviews were transcribed in a format which reflected the speech patterns of the respondent. Passages of narrative were identified and some key themes from each interview were identified.

### *Phase 2*

Each transcript was read again. This time the focus was on identification of narrative themes and contextual detail. Transcripts from each respondent were considered in isolation from the other interviews. The analysis identified key themes for each respondent's narrative.

### *Phase 3*

The themes identified in phase two were pulled together into a master list of themes. Each transcript was then re-read and compared against these themes. The purpose of this phase was to identify commonalities and differences in themes across each individual case.

### *Phase 4*

On completion of phase three of the data analysis it had become apparent that each respondent's narrative was surrounded by a complex web of contextual interactions. The goal of the next phase of analysis was the separation of contextual elements from narrative structure. To aid this analysis a macro-context analysis template (see Appendix E) was developed to identify the contextual setting for each respondent's narrative. Each transcript was re-read with identification of important contextual features and their interactions within the narrative. A contextual map was developed for each case. The social contexts and interactions were compared across the respondent group for similarities and differences.

### *Phase 5*

At this point in the analysis both a set of common themes and a picture of the macro social context for the narratives had been developed. The analysis had identified a transitional pattern in all of the cases that appeared to be a Status passage (Glaser & Strauss, 1971). The Status Passage Template (see Appendix F) was developed to collect case-based information of being made redundant and moving on as a status passage. Each transcript was then reread to identify the characteristics of the status passage each respondent had undergone. A description of being made redundant as a rite of passage was then developed through analysis across all of the individual cases and identification of commonalities and differences.

### *Phase 6*

The final phase involved the comparison of narrative before and after being made redundant. This required a further reading of each case to compare how each respondent referred to aspects of their life before being made redundant, while experiencing being made redundant and in their present life. The results of this individual narrative analysis were compared across the sample. At this stage a theory of the narrative of being made redundant and moving on had begun to emerge. Interpretation at this point moved to developing theory and linking it to relevant prior theory.

#### **4.7 Ethical considerations**

This project meets all of the low risk criteria on the screening questionnaire (Massey University Human Ethics Committee, 2009b). This project was evaluated through peer review and judged to be low risk. Consequently, it was not reviewed by the Massey University Human Ethics Committee and has been listed as a low risk notification. Compliance with the Massey University Code of Ethical Conduct for Research, Teaching and Evaluations of Human Respondents (Massey University Human Ethics Committee, 2009a) was a focus throughout the study. Details of how the requirements of the code of ethical conduct were met are provided in this section. The five areas that will be discussed are access to respondents, informed consent, respect for privacy, potential for harm and use of information.

##### *Access to respondents and informed consent*

Respondents were approached through personal networks and chain referrals. Care was taken to ensure potential respondents who were known to me were not pressured into participating. Potential respondents who were referred to me or expressed an interest in participating were e-mailed a copy of the respondent information sheet and the interview questions (Appendix A & B). If they did not reply to this e-mail I chose not to pursue them further to avoid putting undue pressure on them to participate.

Respondents were fully informed of the study and their rights in writing and verbally prior to participation. Respondents were encouraged to raise questions at any stage. Prior to recording the interview, respondents filled out and signed the consent forms (Appendix C). Copies of the signed consent form have been retained by the respondent and the researcher. My copies are currently stored in a locked filing cabinet in my office

for security. Respondents were informed of their right to withdraw at any stage of the research until three months after the interview. This time period was chosen as it allowed for a period of considered reflection following the interview. None of the respondents chose to withdraw.

#### *Respect for Privacy and Confidentiality*

The information shared in the interview could potentially damage the respondents if it became public. To maintain the privacy of respondents the following measures were used. A unique code was used to identify each respondent's data throughout transcription and analysis and was never linked to their name. Transcripts were amended to avoid including the names of individuals, organisations or any identifying details. Each respondent has been allocated a pseudonym used in this document in place of their name. All recordings and identifying documents are stored in a locked filing cabinet. All transcripts are stored in password-protected files on the researcher's computer and are backed up on a secure data storage device.

#### *Potential harm to respondents.*

It is not anticipated the research will result in any harm to respondents, as they have been fully informed of the research prior to participation and were not required to answer questions they did not feel comfortable talking about. All respondents were also offered the opportunity to review and change their transcripts. Four respondents requested copies for review and none of them requested changes.

#### *Use of information*

The information gathered will only be used for this research or in academic publications. The respondents were asked if they would like the audio recordings to be returned or destroyed once they are no longer needed for this research, only one respondent has requested a return of the data. Return or destruction of the recordings and paper copies of transcripts will occur on completion of the thesis or if the research is to be published four years after the date of publication. The researcher will maintain secure electronic copies of the transcript data.

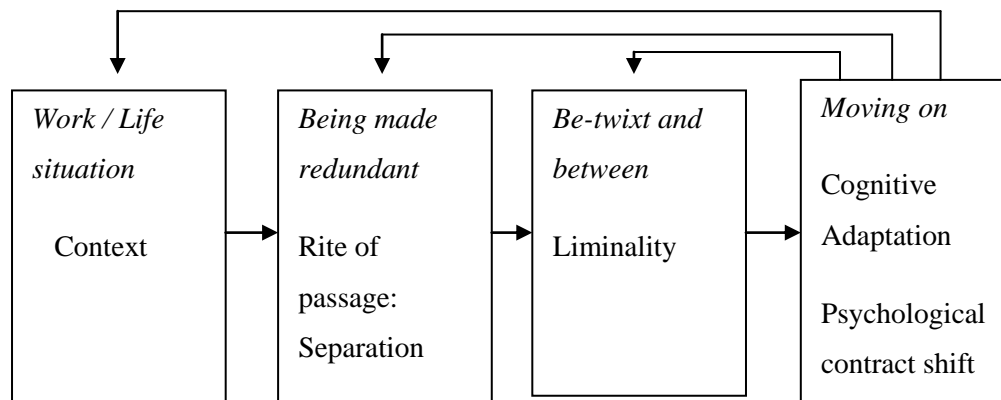


## Chapter 5: Findings

### 5.1 Introduction

The respondents provided unique, nuanced and complex narratives of their personal experiences of redundancy and moving on with their lives. A common thematic pattern of personal transition emerged from the interviews. This transitional pattern is summarised below in the life history model of being made redundant and moving on illustrated in Figure 5.1. This model provides the guiding structure for the remainder of this chapter and is the product of the many cycles of analysis and interpretation undertaken in this study.

*Figure 5.1: A life-history model of being made redundant and moving on*



The model illustrates the retrospective perspective in this study. Each phase has a temporal onset; however, it must also be noted that each phase can overlap within the respondents' narratives. For example, the liminal phase began for many of the respondents before they had formally left their organisation. The respondents' work-life situation provides the context for the respondents' narratives. The respondents' previous experience, current situation and cognitive adaptations influenced their retelling of their experience of being made redundant and moving on.

This is a situation-specific, life history model of involuntary role exit specifically based on the role exit of professionals and managers who have experienced being made redundant and moved on with their lives. The model has emerged from the data analysis and does not replicate existing models of role exit, although it has similarities to other generalised role exit models (eg. Ashforth, 2001; Ebaugh, 1988). The first box in the

model represents the situational factors included in the respondents' narratives. These factors were often beyond the control of the respondent and provided the context for their story. The second box represents the event of being made redundant, a significant turning point in their narrative, defined as a rite of passage in this study. The third box represents the liminal phase in the respondents' narratives when the respondent knew they were redundant and were between statuses, working out how they were going to move on. The fourth and final box represents the current cognitive position the respondents presented in their narratives.

## **5.2 Context**

Narrative data presents a complex web of temporal interactions set within a context which is integral to the meaning a respondent is attempting to convey. In thematic narrative analysis it is important to identify the elements of context from those of narrative within the data (Ezzy, 2002; Riessman, 2008). This section summarise some of the contextual elements identified in respondents' narratives and relates the findings of the study to the background literature. The section is organised in the following order: a) money and the economy, b) age, c) gender, d) location and e) family. These contextual factors have been chosen as they are difficult for the respondent to directly control or change in the short term and were important contextual themes across all of the narratives.

### **a) Money and the economy**

The interviews for this study were conducted during a time of global recession, whereas the respondents' redundancies occurred during a period of economic growth. The influence of economic conditions was specifically discussed in the interviews and featured as an important factor for respondents in dealing with redundancy and explaining its causes. Personal financial circumstances surrounding being made redundant provided important contextualising information to the respondents' narrative. Money concerns were not the primary focus in any of the narratives as none of the respondents suffered financial hardship either due to their redundancy or because they applied for the unemployment benefit. Large redundancy payouts were received by nine of the respondents and were reported to have improved the overall financial position of four respondents. As shown in the background literature review financial hardship is known to be an important mediating factor in negative psychological responses to job

loss (Price, et al., 2002) and avoiding financial distress has been found to be the strongest predictor of career growth from redundancy (Eby & Buch, 1995).

While redundancy did not result in financial distress for the respondents it has contributed to ongoing financial concerns for many respondents. Finance-related themes were identified in the respondents' narratives. These included finding work with comparable remuneration (four respondents), redundancy payout provisions in new employment contracts (three respondents), mortgage repayments (five respondents) and financially supporting dependents (six respondents). An example of this is demonstrated by the three respondents who received large payouts and returned to salaried work but were concerned their new employment contracts did not allow for such generous payouts, leaving them financially exposed if they were made redundant again. An example of this concern is represented in this quote from Henry:

*I would not get as good a package as I did then, if it was to occur now. So I may have to compromise. ... Because now some employment contracts; now do not have those conditions in them. Then that would be a completely different kettle of fish [details of his contract which does not have a redundancy clause]. It wasn't the best package, but it offered security. (Henry)*

This example demonstrates the diminution in employment conditions that has occurred for these respondents since being made redundant. This has led to ongoing concerns regarding financial exposure if redundancy was to happen again.

The economic situation at the time of the respondents' redundancies was reasonably buoyant, with very low unemployment resulting in seven of the respondents finding equivalent or better work a short time after being made redundant. The other five respondents pursued further training or changes to their career and lifestyle. The economic conditions were linked in all of the narratives to decisions they had made surrounding their redundancy. This quote, from Gaye, is a typical example of the way the positive economic conditions were incorporated into the respondents' narratives. Gaye recalls her experience and reflects on the current economic climate:

*I never thought there was not a job out there for me, when I got made redundant it was just a matter of going to find one. Whereas if I got made redundant today there are very, very few roles out there. (Gaye)*

Respondents used a temporal comparison of situations to explain the contextual differences between the time when they were made redundant and the time of the interview. All of the respondents indicated they felt the current job market is very different to when they were made redundant and ten respondents speculated they may approach redundancy differently if it occurred now.

Financial health was not a focus of any of the narratives but was interwoven with many other situational factors in the respondents' narratives and related to security and planning for the future, rather than immediate concerns about providing basic necessities. This relationship between financial security and forward planning occurs in relation to many different situational factors and can be observed in some of the quotes that follow in this chapter.

### **b) Age and life stage**

Age and life stage also contextualised the respondents' actions. The respondents ranged in age from the mid-30s to mid-60s at the time of their interviews. Four respondents were between 50 and 65 and eight were between 30 and 50 at the time of the interview. This split the sample into two groups as their age was linked to other contextual aspects of their life such as the stage in their career, family and financial status.

The four respondents in their 50s to mid-60s, had low or no mortgages and no dependent children when they were made redundant. Their redundancy had occurred late in their career, which they suggested caused less personal trauma than if they were younger. This quote from Lisa provides a typical example of this viewpoint:

*I think at an earlier stage in my life I would have taken it very personally. I would have seen myself as unlucky. ... Also just being a bit older, the mortgage is not as much of a concern. So I actually don't need as much money. And so really it is just a life journey kind of thing. It does depend on when it happens to you in your life. So I am glad it happened later in my life rather than earlier.*

(Lisa)

The link to age, financial security and emotional strength was found in the narratives of all four respondents in the 50s to mid-60s age group.

Ageism was an issue identified by two of the older respondents. This quote from Jason, who was in his 60s at the time of the interview, illustrates the problem of finding work

as an older worker. Jason was made redundant twice between 2000 and 2007 and found work after each redundancy:

*Finding a job is hard and it was hard. I could tell that a lot of jobs; I just would not get an interview because of my age. So in the end, I would not put my age in or any reference to that. But it seems to have changed now in the last 5-6 years. People aren't worried about your age. (Jason)*

The change in the employment market noted by Jason is echoed in the recent report of the effects of redundancy in the New Zealand market (Dixon & Stillman, 2009), which found that younger workers were most negatively affected by job losses than older workers. This is in contrast to international trends.

The middle aged group, of eight respondents between 30 and 50, spoke of concerns surrounding mortgages, children and protecting their family from the effects of their redundancy. The narratives from this group contained strong linkages between work, income and lifestyle. A typical example of this is this quote from Gaye:

*You go through the panics of money and everything else, ... probably like most Kiwis you have big mortgages, you have got children ... I needed to go and find a job; and so yeah that bit was stressful, but I had a reasonably good payout so that gave us a bit of breathing space as well. (Gaye)*

Gaye, like other respondents in this age group, refers to concerns about maintaining their lifestyle, with mortgages being a major concern. The examples presented in this section show that age is an important contextualising factor in respondents' narratives and is used to explain career, personal and financial approaches to dealing with being made redundant.

### **c) Gender**

While gender may appear to be an important contextualising factor it was not used by respondents to explain decisions or courses of action. It was difficult to discern many specific themes related to gender, possibly due to the small sample size in this study. The one theme that did emerge from two of the female respondents was the option of caring for preschool children rather than returning to full-time employment. These respondents explained they did not want to be looking after their children full-time and returning to work was important to them to avoid the lifestyle of a stay-at-home mother.

This is illustrated in the quote from Gaye who was made redundant while on maternity leave:

*I was never going to stay at home. It was never going to be what I wanted to do. So I needed to go out and find a job. (Gaye)*

Both of these respondents felt it necessary to explain they did not consider staying at home with children as an option for the reasons of their personal wellbeing and the importance of their income in maintaining their family's lifestyle. The two male respondents with young children never referred to childcare as a concern as both of them had wives who were not working. The main concern for all four of these respondents was ensuring income levels were not affected by their redundancy.

The minimal differences attributable to gender identified in this study are in line with the findings of larger studies which have compared the male and female responses to job loss and found very little difference (Fielden & Davidson, 2001; Zikic, et al., 2008). The differences observed in this study were more related to specific details of the respondents' situation than to a gender specific bias.

#### **d) Location**

Two themes related to location were identified; these were the minimisation of disruption to family and the small size of the New Zealand business environment. Location of the family home was described as an important constraining factor by eight respondents with children, strong links to the community or minimal mortgages. None of the respondents in this study relocated for work after being made redundant. One respondent relocated to attend an offshore university. The cost of moving was also an important factor, although this received less emphasis in the narratives. The issues around location and moving for work are illustrated in this quote from Colin who had school-aged children:

*For family reasons, we did not want particularly to uplift and go, and live in Australia. Not least just because of, you know, the cost in terms of getting over there and getting set up again; but also because we are embedded in the community. And really we did not want to tear ourselves away. (Colin)*

The rapid re-employment of respondents after their redundancy is likely to have made location less important than it would have been had longer term unemployment been a

factor. Longer term unemployment may have made relocation a financially viable or necessary option.

New Zealand's small population and business environment was emphasised by nine of the respondents as an important factor in how they chose to act when made redundant. Respondents spoke of the interconnected nature of business in New Zealand, the importance of maintaining networks and of avoiding conflict, as it was likely they would be working with their former employer after their redundancy. To illustrate the type of responses regarding this issue an example from Henry is included:

*I still have a relationship with [previous organisation] because they are my customers, because of the nature of the business I am in now I still have to deal with them. So I needed to leave on a professional exit. ... You need to exit gracefully because New Zealand is too small and you generally meet a lot of people around the traps you have known before. (Henry)*

The interlinked nature of New Zealand's business environment is demonstrated in this quote. Self control and managing the image presented throughout the process of being made redundant is seen as an important factor in a successful recovery from redundancy by the respondents. The behaviour of maintaining a strong professional network is ongoing as a strategy to aid in rapid re-employment should they experience redundancy in the future.

### **e) Family**

Interactions with family were used to contextualise decisions and approaches to dealing with redundancy. Research indicates that family and spouse can be important sources of social support. The literature also indicates that redundancy can put a strain on families with negative effects on spousal relationships and children's education.

Many of the respondents were aware their job loss could have a negative impact on their family. Long term changes in spousal relationships as a result of being made redundant were referred to by three respondents and were specific to the respondents' personal situation. Seven of the respondents spoke of the importance of protecting people close to them from the impacts of the changes redundancy had caused for them. A typical example of this is provided in this quote from Diane who had two preschool children:

*I protected the kids from it; as far as they knew. They did not know I was at home all day or going to interviews or anything like that and because the money didn't actually run out the kids were blissfully unaware that anything had really happened. (Diane)*

In this example Diane is explaining how leaving her children in day-care while she was looking for work maintained stability in their lives and protected them. Financial stability was an important factor in the respondents' ability to protect their family from the effects of redundancy.

Family status was also a point of social comparison as those without children felt they were more fortunate than those with children. This example from Elaine illustrates this type of comparison:

*Not having children and having a supportive husband who was also earning, meant that I actually had the freedom. It was not as traumatic as it would have been for other people. (Elaine)*

Together these findings indicate redundancy sometimes put strain on the families and relationships of the respondents. Respondents positioned redundancy as their problem to address and which those closest to them had to be protected from. It would have been informative to hear the narratives of the partners of these respondents as it was difficult to gauge the effects of redundancy on their families.



### 5.3 Redundancy as a rite of passage

A common transitional pattern was identified across the respondents' narratives which has the social and cultural characteristics of a rite of passage. The transition of being made redundant was triggered by an organisational change process and continued after the respondent left the organisation. Rites of passage are social activities consolidating a series of elaborate and dramatic activities into one event, marking a person's transition from one set of socially defined circumstances to another (Mayrhofer & Iellatchitch, 2005; van Gennep, 1960). Rites of passage are status transitions that occur across social and cultural boundaries and have both technical and symbolic functions within a social context. They are social mechanisms to minimise the risk to the social group and the individual, easing transitions by maintaining the integrity of the social group and facilitating the individual's status change (Mayrhofer & Iellatchitch, 2005; Trice & Morand, 1989). Rites of separation specifically facilitate the disengagement of an individual from a role within a social group and may also be used to coerce an individual to submit to a socially undesirable transition (Ashforth, 2001).

This section is structured in three parts: a) presentation of the characteristic elements of being made redundant as a rite of passage, b) the redundancy process as a rite of separation and c) summary of this section.

#### **a) Characteristics of being made redundant as a rite of passage**

Being made redundant represented a significant life experience for the respondents and was compared to significant rites of passage such as marriage, births, deaths and divorce in many of the respondents' narratives. Three examples of this type of positioning of redundancy in the respondents' life story are included below:

*Redundancy it has been a major thing in my life that has had a major effect on my thinking. Like moving countries, getting married, I would put when I was made redundant. It had a major, major effect. (Jason)*

*Well I wouldn't say it was a rite of passage, but it sort of served in that context ... So in terms of a life experience it was a,(pause) it does rate right up there. Certainly not up with my wedding. ... So to me it was definitely a life event. (Henry)*

*It is pretty significant, though nothing like the death of my husband, but pretty significant, and it has had a huge effect on the way that you do things. (Fiona)*

Respondents positioned being made redundant as having less impact on their life than commonly recognised rites of passage such as marriage, birth of children or the death of a loved one. The respondents' however indicate redundancy had similarities to these types of life events. This type of comparison of redundancy to significant life events was identified in eleven of the interviews. These comparisons indicate that being made redundant was a significant life event, involving a personal transition which altered the trajectory of their life story in a similar way to other rites of passage they had experienced.

Status passage is a theory that has been developed to examine non-traditional rites of passage and identify their specific characteristics within a specific cultural setting (Glaser & Strauss, 1971). The characteristics of being made redundant, identified in the respondents' narratives, have been grouped under the following headings, drawn from status passage theory: desirability, inevitability, reversibility, freedom of choice, control, legitimisation, clarity of signs and phases.

### *Desirability*

Being made redundant was unanimously an undesirable event in the life history of the respondents. This was despite the respondents' describing being made redundant as the most desirable option available or, with hindsight as, "a blessing in disguise". The undesirability of redundancy was found on two levels in the narratives; firstly, redundancy was emotionally distressing and secondly, it was undesirable socially and associated with an ongoing stigma, leaving a permanent scar on the respondents' employment history.

Being made redundant was distressing for all but one of the respondents and was associated with stress and strong emotions. The completion of the process was described as a point of relief from this stress by these respondents. A typical example of this is demonstrated in this quote from Brian:

*It was quite a stressful process, but once I had signed on the dotted line ... It was a huge relief and yes it actually felt quite good. I was pleased to be leaving. I was not particularly happy with the management structure, [detail of*

distressing activity removed for privacy], *so I was happy to be out of there.*

(Brian)

Eleven narratives included feelings of bitterness, regret, anger or sadness surrounding the events that took place during their redundancy. These emotional expressions were predominantly directed at specific individuals rather than the organisation. These emotions, while not a feature of the respondents' current life, were recalled when they recollected the events. A typical example of this is illustrated in this quote from Colin:

*We left on pretty good terms. Having said that; certainly not agreeing with the decisions that were made or respecting the individual at the end of it.* (Colin)

Experiencing redundancy was a public rejection of the respondent by the organisation. Redundancy is socially undesirable and coercive, and these characteristics of redundancy are distressing, traumatic and embarrassing. This quote from Nancy succinctly expresses this feeling that was a part of many of the narratives:

*It is always extremely embarrassing to say you have been rejected.* (Nancy)

The second undesirable aspect of redundancy was the social stigma attached to redundancy in the workplace. Eight of the respondents talked of organisations using redundancy for two reasons; one to remove roles the organisation no longer requires and secondly, to remove specific individuals the organisation no longer wanted. The misuse of redundancy by organisations to remove people with competency issues required the respondents to prove their redundancy was not a competency issue. In this way redundancy was a scar on the respondents' career record. For all of the respondents defining the type of redundancy they experienced was important to explain their redundancy was not their fault. An example of this issue is presented in a quote from Henry who spoke of the importance of proving he was made redundant as part of a group, to clarify for others that his redundancy was unrelated to incompetence:

*It's a funny word though redundancy and I think the perception of what actually is being made redundant. ... People look at you as if to say, well was it the role or are you actually useless? There is that grey area where people are labelled under the same name for different reasons of leaving the business.* (Henry)

Across the respondents' narratives detailed explanations of how the redundancy originated, detailing individuals to blame or making it clear the role was made redundant were found.

Being made redundant is an undesirable rite of passage as it is coercive in nature and excludes an individual from a social group that they were part of, causing emotional distress and embarrassment. There is a social stigma attached to redundancy that leaves a permanent scare on the respondents' career history that needs explanation in the work environment.

### *Inevitability*

The inevitability of being made redundant was difficult to gauge from the respondents' narratives as the respondents refer to signs in hindsight that indicated the inevitability of their redundancy.

The uncertainty over the inevitability of redundancy is a contributing factor to the stress surrounding the redundancy. This quote from Colin is typical of the type of stress related to uncertainty created by a redundancy process:

*Probably the worst part of it was the drawn out period when, essentially, you knew that the knife was going to fall. But you had to follow through and be a good citizen. And go through the process, try and keep engaged in the organisation, try and be positive. Try and be a good leader for your team. Keep your energy up, right. But then you would come home and Blah. (Colin)*

Two of the respondents were involved in the long-term closure of an organisation and knew for over twelve months their redundancy was inevitable but not when it would happen. This quote from Lisa provides an example of long-term inevitability of redundancy:

*Most of us knew that one day the project would end and we would just go and so it was in the end. So even though we had had years to prepare it was still a body blow when it actually happened. (Lisa)*

For these two respondents, knowing their redundancy was inevitable, but not knowing when it would occur created stress.

### *Reversibility*

Being made redundant may appear to be a reversible status passage, as jobs are replaceable; however being made redundant is also irreversible in the sense that it forms a permanent part of the person's career history which cannot be undone. This was found to have two effects in the respondents' narratives, the permanent stigma attached to redundancy and the lingering effects on behaviours in the workplace.

Redundancy was considered by many of the respondents to have a stigma attached to it. This has left the respondents with a persistent need to explain their redundancy and prove their competence. This is illustrated in this quote from Henry:

*Because I am selling now and so I have to explain my background. And so sometimes you can see people thinking. There is a seed of doubt. And that is one negative from being made redundant. (Henry)*

The other irreversible effect of redundancy was in the lessons respondents learned from their experience and use in their current work situations. An example of this is provided in the following quote from Diane:

*I'm worried about the traitor-ship of [former manager].... What he did was dishonest or un-loyal.... I think I'm a little less naïve now about reading my boss and the whole trust kind of thing. It's taken quite a while to sort of build that trust up again. Thinking, are you going to do the dirty on me. (Diane)*

This example demonstrates the ways in which respondents' current behaviours are influenced by their previous experiences. Diane indicates this through the use of the word "naïve" to describe her former behaviour and that she believes she is acting more wisely as a result. This experience is not reversible as it will always be part of her mental model of how managers can behave. This experience adds to the respondents' mental models of how the world of work operates and influences their behaviour in the future.

### *Repeatability*

Four respondents experienced being made redundant two to three times in their career. All respondents were aware that being made redundant was an ongoing risk of working

in an organisation. This quote from Anthony provides an example of a respondent's perception of the repeatability of being made redundant:

*It is still one of those things where someone says; we are looking at restructuring. And you think, oh, right, OK, we'll wait and see what comes out of this. (Anthony)*

Redundancy is a repeatable event for those who continue to work in organisations.

#### *Freedom of choice and control*

Inclusion in the organisational change process was involuntary for all of the respondents. Six of the respondents described their departure from the organisation as technically voluntary as they had the option to apply for other roles but chose to accept redundancy instead. This created a tension their narratives as while their redundancy was technically voluntary; being in the situation to volunteer for redundancy was involuntary. This quote from Fiona demonstrates the tension surrounding the involuntary nature of being made redundant and how it was represented as voluntary by the organisation:

*Well as [company name] said, I had chosen redundancy; which is sort of choice when you are actually backed in to a corner. It was not actually free choice, but that was how they liked to describe it. (Fiona)*

This aspect of the respondents' narratives communicates the coercive processes that are at work in a redundancy process. Power sits with the organisation and specific managers during the change process and freedom of choice for the person being made redundant is limited. Freedom of choice returns once the respondent knows they are redundant. This quote is a typical example of this turning point:

*When it finally happened, though, it was a bit of a relief as well. It's like that is over and done. Now we can move on. (Colin)*

Personal control over the direction of their status passage was important for the respondents once their fate was known. When the respondents settled into their new status all respondents viewed the control situation between them and an employer differently to the relationship they had before being made redundant.

### *Legitimation*

Redundancy is a legal process with rules and practices that employers are bound to follow. These rules, combined with industry practice, were important to the respondents and formed a part of their expectations surrounding the process of organisational change and being made redundant. In the organisational change process the respondents received formal notification their role no longer existed and the respondent, through various means, left the organisation. This process resulted in a public change in status for the respondent from someone who has a designated role in the organisation to someone who has been made redundant. Four of the respondents' narratives referred to breaches of the legally accepted process, two respondents negotiated an agreed settlement with their employer and two followed the legal process of personal grievance and mediation to resolve the issue. Legitimation of the process was important to all of the respondents and was related to fairness and predictability of the process.

### *Clarity of signs*

In the initial phase of the change process five of the respondents felt they had received mixed messages about the possibility of redundancy from their employer. These mixed messages were confusing and are part of the ongoing concern these respondents have surrounding how and why their redundancy occurred. The following example from Anthony illustrates this issue. Anthony had been publicly recognised as a top performer in his organisation only a short time before his redundancy:

*I could not see how this worked. I could not ask anyone who would explain to me how this worked and because of that you get the impression that something is underhand or someone has hidden something from you. (Anthony)*

While transparency is a desirable characteristic of the redundancy process, the respondents' narratives indicate this is not always the case even if the legal process is followed adequately. This lack of clarity in signs leads respondents to suspect the signs of the passage were disguised. The disguising of signs may also be an indicator of the coercive nature of being made redundant as a rite of separation.

### *Phases*

A common pattern of transitional phases was identified in all of the respondent's narratives. These phases are typical of a rite of passage (Turner, 1969; van Gennep, 1960) with three distinct phases: separation, liminal (or in-between) and re-integration. This transition begins with "*the process*" which is described by respondents as the organisational change activity that results in their departure from the organisation. This first phase has legal practices confirming the respondent's status of being made redundant, as well as ceremonial elements publicly confirming separation from the organisation: these are rites of separation. Separation is followed by a period when the respondents talk of personal reflection and in some cases they experiment with different careers and lifestyles, an in-between or liminal phase. This is then followed by a point in which the respondent has adapted to a new way of life. They reframe what being made redundant has meant to them from the perspective of their new life. The phases of transition identified in narratives are discussed in greater detail below.

#### ***b) The Process – Rite of separation***

A characteristic of a rite of passage is having both technical and symbolic meanings in a social context (Trice & Morand, 1989). 'The process' is a phrase all of the respondents used to describe the organisational change events that initiated and surrounded being made redundant. The technical components of the process formally and publicly signified the end of the respondent's status as an employee of that organisation and thus formalised their status as having been made redundant. The symbolic function of the process related to the personal meaning it held for the respondents and what it socially represented.

#### *Technical*

The process encompassed the legally defined approach to making a role redundant including notification of inclusion in the process, consultation, notification of the outcome of the process, the disestablishment of their role and, for some, the possibility to apply for other roles in the organisation or to accept redundancy. For eight of the respondents the technical aspects of the process were conducted in a professional manner that met with their expectations. These respondents reported the process to be clinical and superficial. This quote from Anthony illustrates the type of responses made with regards to the process:



*The process, as it stands in New Zealand, is meant to be around discussion and to get feedback. It is actually a good process if you look at it. The points that are gone through are good if you follow it with the best intentions. What it has become is a box-ticking exercise to prevent personal grievances. It has become a conveyor belt ... It has become a very sterile thing. (Anthony)*

The process did not meet with the technical expectations of four respondents, two of these respondents negotiating directly with the employer to resolve the issue and two proceeded to mediation. This breach of the technical process created additional stress for these respondents. This quote from Brian is an example of the types of responses made by those whose process did not follow a technically acceptable process:

*Very stressful. It is not very pleasant either... The process that they [followed] ... Well it was ten to twelve weeks from when they said they were going to re-organise. ... and we had no feedback for ten or twelve weeks and all of a sudden its see ya later. Sort of no discussion about it or anything like that it was just, Goodbye. It was pretty horrific really. (Brian)*

These respondents all called on lawyers to assist them in addressing the injustice that resulted from the breach of process. These respondents used lawyers to take back control of the process. This example from Diane demonstrates this type of contextualisation:

*I instructed the lawyer that I wanted to go to mediation. ... I felt that I was in control because I had a lawyer I knew was really good and there was a process to follow. So actually I was more focussed on the process of what was going on than actually thinking about what had actually just happened, so actually, probably felt quite good in a way because I was in control. (Diane)*

An aspect of the process included in the narratives was the provision of outplacement support by the organisation. When these services were described as effective, they are credited with providing the respondent a sense of taking back some control over the situation and reducing stress. An example of this use of support is illustrated in this quote from Jason contrasting two very different experiences of outplacement services, one positive and one negative:

*Outplacement counselling at [first organisation] was done really poorly. .... We went through the thing about how did you feel and depression and all of that sort of stuff and I said no I just want to find another job. But from [second organisation] ... they were absolutely excellent ... it was really cut and dried. What you have to do, How to set up your CV... how I should handle interviews and that was really good and I think [second organisation] paid a couple of thousand dollars for it but it was good. It set me up now and now I really know how to get a job. (Jason)*

Jason's first experience of outplacement services did not meet his expectations and negatively impacted on his feelings towards the organisation. His second experience of outplacement met and exceeded his expectations and he links this to his feelings about the organisation. Research into the effectiveness of outplacement services has found that services that focus on providing instrumental advice on finding work are more beneficial for people who have lost their job (Zikic & Richardson, 2007) which is compatible with the comments identified in this study. These services are represented by the respondents as one-off, short-term interactions. Four of the respondents used outplacement counselling to contextualise actions they took following their redundancy.

The final technical detail of being made redundant was signing to accept the redundancy formally, as referred to in an earlier quote from Brian. This marks the end of the technical aspects of the process for the respondents, including those who went to mediation. The technical aspects of redundancy appeared to be well-known by the respondents.

### *Symbolic*

The respondents had expectations of the symbolic and social functions of the process of being made redundant. Breaches of these expectations were of ongoing concern for many of the respondents. A major concern was how people should be treated while in the redundancy process and upon leaving the organisation. Breaches of these social expectations were reported in eleven of the respondent's narratives.

Farewell gatherings were an important part of the leaving process for eight respondents. Five of the respondents had a formal farewell gathering of colleagues provided by the organisation. The farewell publicly announced the reason for the respondents' departure

and recognised them as respected workers. A typical example of the importance of leaving gatherings in marking the end of the phase of being made redundant is illustrated in this quote from Henry:

*When it actually came to the day of leaving there was a really nice presentation I was given a watch. There were nice speeches and all of the rest of it. ... so it was a really nice farewell, The business actually made a nice effort on the last day and so I actually felt really nice about that. When I left it was sort of like leaving your relatives place where you had had a nice holiday or something ... So that sort of morphed in to the next stage. (Henry)*

In this quote the importance of the farewell to Henry is evident; the farewell gathering acted as symbolic marker of his transition and allowed him to move to the next stage of his life. Three of the people who had leaving gatherings also talked about using them as the opportunity to try and mend relationships that had become damaged through the redundancy process. This quote from Fiona provides a typical example of this:

*I had a really lovely farewell and people were really nice and that. There was flowers and speeches. ... Even though my colleague didn't come. So I actually made a little speech at my farewell and said you know I am really sorry this has happened and I actually just paid tribute to this colleague because I said that we did work together for eighteen years very successfully and it wasn't our fault it had all turned to custard.(Fiona).*

Farewell gatherings acted as an opportunity for the organisation to show their respect and a chance for the redundant person to publicly heal wounds caused by the process. Both of these functions were very important to respondents and were included in several narratives.

Five of the respondents did not have leaving gatherings and spoke of the anxiety this caused them and their colleagues. This quote from Elaine illustrates the types of comments from those who did not have a leaving gathering:

*There was no opportunity, like we did not have farewells. There was no opportunity to have personal closure. ... You should be treated just as someone who has chosen to leave. They should have a farewell. You shouldn't be basically shoved out the back door. (Elaine)*

In this quote from Elaine there is a sense of betrayal, with the metaphor of being “*shoved out the back door*” suggesting she was treated as something the organisation wanted to dispose of surreptitiously. She comments that being treated in this way meant she did not get any personal closure and this is mentioned as an ongoing regret she has surrounding her redundancy. The absence of a farewell was an important symbol. The importance of farewell functions has also been recognised in another organisational rite of passage, retirement, as important for not only the individual’s transition but also for the organisation (Jacobson, 1996).

The actions of peers, subordinates and managers during the redundancy process were also found to be part of the symbolic feature of the rite of passage. Five of the respondents observed the tendency of people in the organisation to act differently once the respondent had been made redundant. The following example of a workplace interaction that occurred during the process of being made redundant is taken from Colin’s responses:

*My management peers; it was quite interesting with them. Because it’s like from their perspective. Like people go very quiet and observe. They don’t really, stand up for you. ... Through the process it was kind of interesting because I felt there was a kind of a little stepping away. My team, subordinates, were the opposite. They were very supportive throughout. (Colin)*

Colin had not expected his closest colleagues to be unsupportive and was surprised at their attempts to distance themselves from his situation. The respondents spoke of an expectation that the people they worked with would be more supportive than they were. The social behaviour of distancing by those at a similar level to the respondent, support by their subordinates and coercive behaviour from managers in positions of power such as CEOs and human resources managers are indicators of the social context surrounding redundancy.

‘The process’ was an important phase in all of the narratives. Those who had a process that followed accepted legal and social practices commented that it was a sterile approach, while those who experienced a process that did not follow these protocols appeared to have strong emotional feelings relating to their redundancy. This discussion of ‘the process’ as the first phase of the status passage accentuates the undesirable nature of being made redundant and is the area in the respondents’ narratives that was

linked to strong negative emotions and regrets. During the process the respondents indicated they had little control over the situation and were busy dealing with events as they happened.

### **c) Summary**

Redundancy is a social construction, a culturally based activity occurring within a social setting. The rites of passage model (van Gennep, 1960) and status passage theory (Glaser & Strauss, 1971) has been used to explain the process of being made redundant included in the respondents' narratives. This section has demonstrated that being made redundant is a rite of separation with both technical and symbolic aspects. Being made redundant involved the respondents in an elaborate and dramatic series of activities which were social, legislative and ceremonial in nature. Being made redundant is a transition characterised by the respondents as undesirable, irreversible, repeatable and involuntary. The process of making someone redundant includes legal, cultural and social elements enacted by the agents of an organisation and redundancy is a negative status change recognised by society.

The act of making someone redundant includes coercive elements, as one purpose of the redundancy process is to encourage individuals to make a status change against their will. Organisations tend to emphasise the technical aspect of the organisational change process (Mayrhofer & Iellatchitch, 2005) primarily to minimise the legal exposure of the organisation (Macky, 2004a). For the respondents the personal meaning of being made redundant was derived from the symbolic and unspoken aspects of the process, rather than the technical detail of the organisational change process. The coercive properties of this process were evident in the tension identified in the narratives surrounding the underlying reason for the redundancy and the reference to voluntary redundancy when technically describing their redundancy. Legislation and human resources practices require organisations to talk in terms of role disestablishment and employees choosing redundancy; the respondents indicated *they* were made redundant, it was very personal and not their choice even though technically their redundancy was voluntary.

The redundancy process as a coercive rite of separation, however, also serves the purpose of maintaining and expressing the culture of the social group. Being made redundant is a traumatic event for the individual, originating from a socially and

culturally acceptable process and differing from other traumatic events such as natural disasters and illness which are not of a social origin. Aspects of this process were important to all of the respondents and breaches of the expected process were the source of ongoing anxiety for many respondents and added significantly to the trauma of being made redundant. Respondents' descriptions of the process of being made redundant varied between degrading and celebratory. However, for all of the respondents the organisational change process signified an important component in their narratives and meant more than the technical act of disestablishing their role and ending employment.

## 5.4 Liminality

Liminality is a phase associated with rites of passage, described as a “betwixt and between” period of uncertainty in which the person in the passage is free of status, providing them an opportunity to consider and experiment with options that may not have previously been possible (Turner, 1969). In the respondents’ narratives the onset of this period is marked by the point when redundancy became inevitable. Liminality concludes when the individual has reintegrated their new status into their identity and adapted to their changed status. The respondents’ narratives in this study all contained reference to a period of liminality associated with their redundancy. While this is represented in the life history model of being made redundant (see Figure 5.1) as happening sequentially, liminality for some respondents was initiated at the start of an organisational change process; whereas for other respondents it began once they had left the organisation and started a new role which they realised was unsuitable. In the liminal phase respondents engaged in self-reflection and exploration of the possible outcomes of being made redundant. This period varied considerably in length between the respondents, ranging between two weeks to over twelve months. The respondents re-evaluated their personal assumptions about work, questioned how work should fit into their life and made plans for the future. This section firstly provides examples of the ‘freedom of status’ effect identified in some respondents’ narratives and then provides examples of the turning point that signified the end of the liminal phase.

### **a) Freedom from status**

Two examples of the liminal phase as a period of freedom from status are presented below. This period was filled with uncertainty for most of the respondents and was an uncomfortable time; however it was also the period which is credited by the respondents’ with being the source of new thoughts regarding their future. It is from this phase that much of the positive reframing of the personal meaning of redundancy is linked.

Ten of the respondents described the liminal phase as a period of self-reflection about their past career and the role that work played in their life. This quote from Henry provides an example of this type of self reflection:

*I was able to just put a stake in the ground and say, this is who I am. This is where I am at. This is what I have achieved this is what I want to achieve. And I*

*had never really actually bothered to do that myself. Because life is too busy and you just sort of carry on. It was a really good reflection time. To say well actually these are the skills you have actually got. What are the opportunities that lie there for you? (Henry)*

Henry found work before leaving his former employer; however his redundancy sparked a phase of self reflection where he was freed from his status as an employee of an organisation he had worked for most of his career. For this group of respondents, being made redundant has provided a unique opportunity to consider their work identity separately from their employing organisation. Self-reflection in the liminal phase of the respondents' narratives included examples of evaluation of both career and personal life with decisions made to move on with significant areas of their life. This type of self-reflection indicates that being made redundant has a direct effect on the identity of the respondents and has challenged their ideas concerning work. For some of the respondents, outplacement service providers played an important role, as in Henry's, case; however, most respondents (nine) led this self reflection independently.

The liminal phase also provided an opportunity for three of the respondents to experiment with different lifestyle and career choices. The unexpected freedom from the status of being employed allowed an opportunity for the respondents to experiment with another lifestyle they may not have been able to justify if they had stable employment. This quote from Mary illustrates the freedom from employment status as a reason and a trigger for experimentation with different careers and lifestyles:

*It was like trigger for a whole lot of things to cascade ... like I would never have gone to university full-time, I wouldn't have done that because I would have felt guilty, because it is expensive, because I should be working and all of that. So all of that was taken away from me. Because I actually had a good excuse to do it. (Mary)*

While the liminal phase creates a period of uncertainty which can be distressing for both the individual and their close family, it also allows a window in the person's life to reconsider their life's course. They may or may not choose to make significant changes, but this is the point in the transition when it appears the respondents put significant cognitive efforts into reconsidering their life plan.



### **b) Turning point**

Liminality is a narrative phase that ends with a clearly-expressed turning point. This was, typically, a plan or decision of how their life and career was going to proceed from that point. A typical example of this is provided in this quote from Fiona:

*I was totally exhausted. With the effort of the campaign to keep [my department] and everything that had happened. So when I left I just sort of collapsed for a while. I went off with a friend on holiday to [removed] And just um, sort of mucked around. So that is how I felt at the time. And then I, Well I am quite a, I tend to be positive sort of person. So I thought, what am I going to do? I can be bitter and twisted forever, or I can take the opportunity to try and live a different sort of life. And so that is sort of what I did gradually over a period of several months. (Fiona)*

This quote demonstrates how the liminal phase is a period of recuperation as well as a period of reconsideration. Liminality is an uncomfortable period and forces the respondent to resolve personal conflicts and decide how to move forward. This end point is self-determined by the respondent and does not appear to be determined by environmental factors. A slightly different example of the self-determined nature of the liminal phase end point is illustrated in this quote from Elaine:

*A redundancy is actually huge event, Um, but it is not just a negative event. In my case, in both situations, it has actually turned out to be very positive. So much as it can feel very unnerving, and rather traumatic, to begin with. Once you realise there is light at the end of the tunnel, and that there is a lot of opportunity out of it. It can actually be quite a positive thing. Depending on how it is handled of course. This role is in a way greater than the other one ... It was a blessing in disguise. In the sense that this position became available. The timing was just perfect. ... there was no step back in my career at all, Yeah, I was really lucky Both times. Really lucky. I mean it was due to luck and good planning. Planned luck. (Elaine)*

This example demonstrates the self-determined nature of the endpoints and reframing of the meaning of redundancy linked to the liminal phase the respondent experienced. Luck was used to partially explain positive outcomes following redundancy in six of the narratives. The respondents who used luck as an explanation were also careful to

explain the positive outcomes were due to a mixture of their own activities and luck. This indicated the respondent is applying personal agency to overcome the challenges they have been faced with while acknowledging that environmental factors beyond their control (luck) had a hand to play in the outcome of their liminal period. This evaluation fits with both the socio-environmental approaches to understanding unemployment and agency theory, as the respondent is both attempting to apply their own agency but is also influenced by social and environmental factors beyond their control.

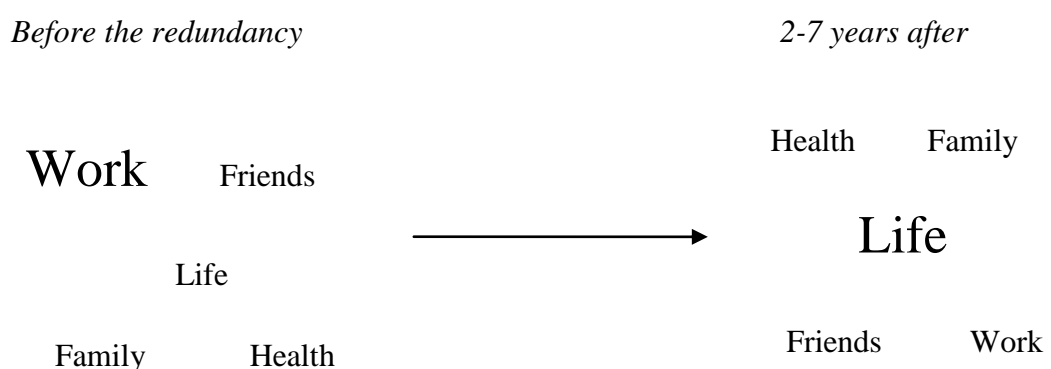
Models of coping (Leana & Feldman, 1992; McKee-Ryan & Kinicki, 2002) would be most valid during this period of the job loss transition as this is when the person is faced with considerable uncertainty and multiple stressors due to their situation. While researchers in this area seek to identify the right combination of factors that will bring the suffering from this phase to an end, this study indicates that the end of the liminal phase is self-determined and not necessarily related to re-employment. The turning point in the respondent's narratives is marked by decisions which are the outcome of their cognitive process; the point when they decide how things are going to turn out for them. The decisions, plans and opportunities coming out of the liminal phase were referred to when people talked of the positive outcomes of being made redundant: it allowed them the space to reconsider their careers and lifestyle, to decide on new ways of living. Positive comparison can be drawn between these findings and Ebaugh's (1988) last glance back before moving into an ex-role. The liminal phase marks the transition between employment statuses and allows the respondents time to cognitively process what has happened to them and decide how they will incorporate this event into their life history.

## 5.5 Moving on adaptations.

This section discusses respondents' current views on life and work. Moving on represents a reintegration of the respondents' identities and the adaptations they have made to move on with their lives. The way the respondents have adapted to their redundancy has many of the characteristics of the adaptations found in people who have experienced traumatic events such as illness (Taylor, 1983). This was demonstrated in the respondents' narratives in their expression of the personal meaning of their redundancy, mastery of their work situation to protect them against further redundancies and changes in their self image. These changes are linked to changes in the respondent's identity standards, beliefs and the assumptions they hold regarding the world of work.

Being made redundant was an abrupt change to an important component of the respondents' identity, undermining their sense of control over their work and life. This type of situational change has been found to lead to rapid changes to an individual's identity standards and hierarchy due to an inability to validate these standards (Burke & Stets, 2009). The respondents' narratives concerning work and employment demonstrated an adjustment in their ideas regarding the world of work and how it fits into their lives. The changes identified in the respondent's narratives ranged between a subtly different approach to work to entire changes in career and lifestyle. The major adjustment theme identified across the respondents' narratives was a shift away from work-centred life towards life-centred work. Work is still important in the respondents' lives, but it has a less central role than it once did. Work is now positioned as supporting the life the respondent wants to have, without dominating it. This shift is represented below in Figure 5.5.

*Figure 5.5: Work repositioned as a result of being made redundant*



The theme of moving towards life-centred work in the respondents' narratives indicates the respondents have altered their mental models of employment relationships and work. This section will draw on the theories of cognitive adaptation to threatening events (Taylor, 1983), identity theory (Burke & Stets, 2009) and psychological contract change (Rousseau, 2001). Evidence of this shift will be presented through examples of reframing the personal meaning of redundancy and as changes in psychological contract and identity in relation to work.

### ***a) Reframing being made redundant***

The need to understand why a traumatic event occurred and what its impact has been are characteristics of a search for meaning following a traumatic life event. Reframing the event is one way this search is communicated (Taylor, 1983). Reframing of the personal meaning of being made redundant was present in all of the respondents' narratives, with events and outcomes that have occurred since the redundancy being used to contextualise the respondents' personal meaning of redundancy. This reframing appeared as a contradiction in the respondents' feelings about redundancy within their narrative. Respondent's recollections of how they felt when made redundant and immediately following were filled with strong emotions of anger, relief, embarrassment, sadness, rejection, worry and injustice. When being made redundant is referred to in the present tense the respondent's evaluation of being made redundant contrasted with their recollection of earlier feelings, as being made redundant was reframed within the context of what had happened since. Typical examples of this type of reframing are demonstrated with these quotes from Anthony and Henry:

*I have to say, I was quite angry at the time. I was angry to the point of speechlessness. Just on how the whole thing had played out...[much later in the narrative] ... So it has been a blessing in disguise when you look at it.*

(Anthony)

*I think that it was very valuable, Yeah. I mean you can't wish it on people. ... The perception is that it is a bad thing. It's almost the opposite.* (Henry)

Evaluation of redundancy as a positive event was possible in hindsight; however this positive evaluation stands alongside the respondent's ongoing feeling that being made

redundant was an unpleasant and undesirable life event. Retrospective positive reframing of job loss has been identified in the narratives of unemployed people and categorised as romance narratives (Ezzy, 2001). Descriptions of unemployment as a ‘blessing in disguise’ have also been observed in interviews with unemployed executives and interpreted as the respondents’ finding job loss to be a positive experience (Jones, 1989; Zikic & Klehe, 2006). Positive reframing of being made redundant suggests cognitive adaptation to the traumatic event may have occurred. Cognitive adaptation is recognised as a healthy response to in a recovery from trauma and a sign of personal growth after a traumatic event (Park, 2010; Taylor, 1983).

The reframing observed in the respondents’ narratives fit into four reframing themes: i) good from bad, ii) the almost positive or balanced, iii) the redundancy as a push, and iv) redundancy as a “*catalyst*” speeding up life events. Some respondents’ narratives used more than one of these reframing themes. Each type of reframing illustrated below with quotes from respondents.

#### ***i) Good from bad - Blessing in disguise***

Reframing redundancy as good coming from a bad experience was observed in seven respondent’s narratives. The phrase “*blessing in disguise*” was used by four respondents to describe what being made redundant meant to them now. This type of positive reframing has been identified by McAdams and Bowman (2001) as a redemption narrative and is used when people talk about significant turning points in their lives, demonstrating how they have made meaning from their experiences and integrated them into their life story. This quote from Anthony is representative of the way this approach was used:

*I would possibly still have been there. That being said, having left was probably the best thing that has happened to me. The job I have got, and the role I have now is way better. So it has been a blessing in disguise when you look at it.*  
(Anthony)

This is an example of the tension between positive outcomes from being made redundant and the negative experience of being rejected by an employer present in the narratives of these respondents. The phrase “*blessing in disguise*” indicates being made redundant was in no way a blessing when it occurred. The respondent is only able to evaluate their redundancy as having any positive influence on their life in retrospect.

This tension represents a complex relationship between the passing of time and interactions between outcomes of redundancy, context and sense-making of being made redundant.

Three respondents had a redemption narrative and used the phrase “*the best thing*” to describe their redundancy. These respondents had all had quite traumatic experiences of being made redundant and used this phrase after they had told their redundancy narrative. Diane’s story illustrates this reframing of her sudden redundancy. This quote is from a part of the interview where she is explaining why she believes her redundancy was the best thing:

*My Dad, through the whole thing always said well you know sometimes these things happen and they appear really bad, but it sort of flip sides and something good sort of comes out of it. ... and so now three years down the track I have moved on. And Oh, so the best thing, so the best thing; for so many different reasons. The glass was more than half full. It was just hard to see it in the kind of swilling darkness. (Diane)*

Diane’s evaluation of redundancy as “the best thing” related to the more recent outcome of having a job she enjoys rather than being made redundant. The respondents’ evaluations of redundancy identify some positive outcomes from being made redundant; however these events do not erase the respondents’ negative feelings towards being made redundant.

Having both positive and negative meanings concerning redundancy may on the surface appear as a type of ambivalence; however the respondents were comfortable with both of these feelings, as they are related to events as they occurred over time. This type of reframing is the closest example of the net positive evaluation of redundancy which Latack and Dozier (1986) would categorise as career growth. However, in light of the entire narrative, redundancy is still an event the respondents would rather not have experienced. This indicates that Latack and Dozier’s definition may be too simplistic to capture the complex mix of feelings and experience that are involved in a person’s evaluation of the personal meaning of redundancy.

### ***ii) Balanced or almost positive***

A balanced or almost positive reframing of what it meant to be made redundant was identified in five of the respondents’ narratives. These respondents carefully avoided

claims that being made redundant was a positive event in their lives, even though they did credit some positive outcomes to having been made redundant. A typical example of this tension is illustrated in this quote from Colin, an executive made redundant from an organisation he had worked in for over fifteen years. Colin shares:

*Because there was always a sense I had been in that [organisation] environment for so long, it was quite hard to benchmark externally. So to spend time within an external organisation that I really respected, and to find out the good news for me, was that I could foot it with them .... and that they were keen to hire me. And so that was good for my self esteem, so I mean, all up for me, I think you would just about rate it as a positive experience. I mean I was getting to the stage at [organisation] that I either had to head up or head out. I was betting on head up, as it so happened. But I guess not. (Colin)*

Colin indicates he would have preferred to stay with the organisation and progress his career even though he is pleased he found good work elsewhere and has been able to validate his skills value outside of his previous employer. These positive outcomes do not take away from his disappointment at no longer being with his previous employer and are presented as happening in spite of being made redundant. A slightly different expression of this balanced view is illustrated in this quote from Mary as she sums up what being made redundant has meant to her:

*I know that some people say that it was the best thing that happened, and I wouldn't say that because it wasn't. At the time I could have done without it. ... It has had some quite major effects even though the event itself was minor. ... I think that life was changed irrevocably as a result of that. It's like anything it is not good or bad it changed the direction and I don't have any regrets. It is just a different direction in life really. (Mary)*

Mary states that even though there have been some positive outcomes for her after the redundancy, these do not take away from the redundancy as a life event. In her narrative she explains redundancy as a turning point in her life that changed her life's course though she does not judge the change as either positive or negative.

For this group of respondents their experience of redundancy was unpleasant, but is not categorised as entirely negative or positive in hindsight, as it had both effects on their life. These respondents present conflicting attitudes regarding being made redundant

and have not settled on a single evaluation of the impact of being made. While respondents indicated they had grown from the experience of being made redundant, redundancy has been a predominantly negative life experience.

### *iii) Redundancy as a push*

Being made redundant was reframed by eight respondents as an unexpected push, providing momentum for a change of direction in their career or life. The push description of redundancy was linked to positive outcomes of being made redundant. Redundancy is described as pushing the respondent to do and try things that they would not have considered otherwise. This quote from Gaye is typical of this type of reframing:

*It was kind of like a kick up the ass for me, to actually go and move. I had fantastic opportunities at [organisation] .... I think sometimes you do need that little nudge. To make changes. And then you look back and think why didn't I do that sooner. (Gaye)*

The imagery used by Gaye indicates redundancy was an unpleasant and shocking event when it occurred providing the momentum to change her career's course. A slightly different reframing of redundancy as a push is illustrated in this quote from Brian who was made redundant from a role he had not enjoyed for some time and has now completely changed his work life:

*I just have to, I've been forced to do something else. Which is what I have done and um I'm um from that perspective. Probably, when you look back on it; a blessing in disguise, to be forced to make a change. (Brian)*

Brian has reframed redundancy as the force which made him change his career and it is this push he refers to as a blessing. Brian used the qualifier of “*probably*” in relation to “*blessing in disguise*” demonstrating the tension between the redundancy being unpleasant and an event that forced him to make a positive change to his lifestyle. Retrospectively Brian is happy with how his career and lifestyle have developed; however this does not erase his feelings surrounding redundancy.

The description of redundancy, as a force, provides redundancy with a constructive purpose in the respondents' life story of overcome a personal inertia preventing the respondent from making positive change in their life or career. This allocation of



purpose indicates a search for meaning surrounding redundancy and personal meaning making. The push meaning of redundancy incorporates ongoing feelings that even though redundancy had resulted in positive outcomes, it was still an unpleasant experience in their life.

#### *iv) Redundancy as a catalyst*

Being made redundant was described by five respondents as having a catalytic effect on their life and/or career. A typical example of catalyst reframing is present in this quote from Fiona who decided to partially retire after her redundancy from an executive role:

*So I live in a much slower lane now than I used to. Which is good, I quite like it. Well I sort of have to like it in a way. Because that is how my life has gone. But if I had not been made redundant, I had not planned to leave [organisation] for at least another. Well until I was at least in to my mid sixties. So it sort of brought everything forward. A lot. (Fiona)*

Redundancy abruptly disrupted Fiona's plans of a gradual retirement; her life is back on track though her partial retirement has occurred years earlier than she had planned. Redundancy is reframed as catalysing a series of events the respondent had thought were likely to have occurred in their career at a slower pace. A slightly different example is provided by Mary who uses both a force and a catalyst in her description of what redundancy means to her:

*If you look at the whole package, then you would have a huge impact. Because it made me think about who I was, and where I was and what I wanted out of life. And yeah maybe it was the catalyst. For doing that. Because if I hadn't been made redundant, I probably still would have kept my head down and continued to work. So in some ways, yeah, it was the catalyst for change. And in that way it has if you look at it in isolation by itself, it didn't have a lot of effect. It was what is sparked off that affected me as a person. It was like a trigger for a whole lot of other things to cascade. (Mary)*

Mary credits her redundancy with acting as both a catalyst and force in her life, speeding events as well as triggering a change of course in her life. In these examples being made redundant has an active role in the respondents' narratives.

### *Summary*

The four types of reframing all provide examples of the personal meaning the respondents have attributed to the experience of being made redundant. This type of reframing has been found in the narratives of people who have experienced significant, traumatic and life changing events such as breast cancer (Taylor, 1983), workplace violence (Chapman, et al., 2010) and terrorism (Hobfoll, et al., 2007). Reframing is a result of the respondent pulling together their experiences and finding a way to build them into their life story in a way that make sense to them. Giving a purpose to the event of being made redundant, which was outside of their control, allows them to move on and also buffers them from the uncertainty of facing future redundancies. While it is not possible to know if their life would have followed this course had they not been made redundant, reframing redundancy maintains a sense of coherence in their life story.

### **b) Psychological contract and work related identity adaptations**

The respondents' psychological contracts in relation to work have adapted to incorporate what they have learnt from being made redundant. The respondents in this study appeared to have relational psychological contracts prior to being made redundant. In contrast, their descriptions of work relationships after redundancy indicated a shift towards more transactional psychological contracts. This shift in psychological contract type appeared in the respondents' narratives as changes in the emotional links with organisations, assumptions concerning job security and their identity in relation to work.

Mastery is a part of the cognitive adjustment process in which the individual gains feelings of control over a traumatic life event and allows them to feel as though they can manage or prevent it from reoccurring (Taylor, 1983). Mastery was demonstrated by most of the respondents through strategies they reported using to maintain lifestyle security. These strategies stem from the assumption that job security is not within their control and is not related to factors the respondents previously considered to be important including loyalty, personal sacrifice or tenure. Sacrificing aspects of their life to meet or exceed workplace demands no longer makes sense as their experience has taught them organisations cannot reciprocate with job security. This cognitive adjustment protects the respondent from the uncertainty that they know is a reality of

working for an organisation. The respondents' relational beliefs in job security have been replaced with increased self-reliance. Strategies to maintain lifestyle security without dependence on one employer are reported by all of the respondents. The strategies included in the respondents' narratives included reducing debt (Jason, Lisa, Fiona and Gaye), developing strong professional networks to buffer against future job losses (Anthony, Colin, Diane, Elaine, Gaye, Henry and Lisa), avoiding salaried work (Nancy, Lisa, Brian and Fiona) and ensuring health and family are a priority over work demands (Anthony, Brian, Jason, Gaye, Henry, Mary and Diane).

Rather than focusing on the specific strategies employed by the respondents a more theorised approach will be applied looking at specific components of the respondents' adapted psychological contract. The key themes identified that provide evidence of this effect are changes to the emotional links with organisations, changes in assumption regarding job security and changes in work-related identity.

#### **i) Emotional links to organisations**

Eleven of the respondents spoke of having strong emotional links with their organisation prior to their redundancy. After redundancy the respondents described a more businesslike employment arrangement based on negotiated conditions rather than emotional bonds. This contrast indicates a move towards a more transactional psychological contract and away from strongly relational psychological contracts.

Five of the respondents' narratives referred to the relationship with their former organisation as being like family. When the respondents were made redundant from the organisation the belief or mental model of organisations as family could no longer be sustained. A typical example of this contrast is presented in this quote from Lisa who now works as an independent contractor:

*Well I think that because we are so bonded to our work life. Many of us, I certainly was, you know not having children. My career is important. The family atmosphere in the company, it was the most significant thing in my life. .... I will try never to work for one person again. Because I don't like being owned, now. I mean I didn't mind being owned by [organisation removed]. That was because I loved it so much. (Lisa)*

These respondents have adapted to being made redundant by changing their view of the relationship with an employer to one of a business transaction rather than a familial bond. The respondents' assumptions concerning how organisations operate have changed and employing organisations no longer fill the emotional space they once did.

Six of the respondents discussed emotional links to organisations without using the family metaphor. An example of this is presented in this quote from Nancy, illustrating the change in the emotional place that work holds for her:

*It was terribly affronting. Stuff that you really cared about and I don't think that I have ever cared about another job in quite the same way again. It's a bit like a first love really ... And nothing was ever the same again. It was a good team too ... and that was part of the tragedy. It was real shame to see something that was quite productive be destroyed and as I say I don't think that I have believed in anything work wise again and now I am really happy to be working for myself.*  
(Nancy)

Being made redundant altered Nancy's view on how the work relationship can operate and ultimately led to her choosing to avoid this type of relationship by working for herself. Nancy has moved from having an extremely relational psychological contract with work to having an extremely transactional approach.

The eight respondents who returned to salaried work indicated a more transactional approach to their relationships with organisations. These respondents talk of knowing their job can be ended at any time, which leads them to be less emotionally involved in the organisation. Work is represented as being separate from those things in life they have strong emotional attachments to such as their families and friends. This quote from Colin provides an example of this shift in the mental models regarding the type of relationships that are possible with organisations:

*I think the redundancy confirmed my opinion about large organisations, which is essentially that even though there is a lot of rhetoric around it, organisations, large organisations don't care about people. By their nature, because they can't, because they are bigger than any individual and they move at their own pace and rate for their own reasons.* (Colin)

The idea of an organisation as something that you can have an emotional bond with no longer makes sense to Colin. The myth that organisations are capable of sharing an emotional bond is unsustainable once the respondents have experience redundancy. Being made redundant has contributed to a change in the respondent's mental models surrounding the types of relationships it is possible to form with an employer. This has moved the psychological contracts of these respondents to be more transactional.

### *ii) Adjusting to changes in job security*

Being made redundant has undermined the respondents' implicit assumption that an employer provides job security for people who are good at their jobs. This assumption cannot be sustained when the respondent makes sense of their redundancy if they are to maintain their personal identity as a good worker. Their experience has taught the respondents an implied component of a relational psychological contract, job security, cannot reasonably be provided in return for their work. A typical example of this is illustrated in these quotes from Elaine, Lisa and Colin:

*I has made me realise not to count your chickens before they hatch and that this could happen to anyone at any time regardless of what your skill level or education level and always have a backup plan ... Everybody is vulnerable. Every organisation is vulnerable and so I don't think it has made me particularly wary of any type of organisation I think it is just par for the course for any employer. (Elaine)*

*We'll be alright. Because, we (organisation removed) are so successful. And now I realise that that is not a logical statement. I used to think that successful meant that you would survive. Now I think it doesn't matter if you are large, small, successful or propped up, you are still liable for takeover or radical restructuring. It is a constantly moving world of work, it is never stable. They can snuff out a department and start another and you might be the causality. So I don't expect anything to last. (Lisa)*

*Your personal power and your ability to influence is tenuous. ... It is a lottery. You know I had sixteen years with that organisation I was in the top [removed] employees. I was one of the stars. I was in senior management ... I still got, gone like that. (Colin)*

The respondents indicate they now believe the type of organisation you work for and how successful you are offers no assurance of job security. This changed belief is important to maintain their personal identity as a good worker and is linked to efforts to find new ways to provide security for their lifestyles. To adapt, the respondents have shifted from trusting implicit employment agreements towards openly negotiated conditions with their employers. Respondents explained this shift as being more confident to negotiate for what they want from employers as they no longer expect an employer to act in their best interest. A typical example of this is provided in this quote from Mary:

*It has just made me think more about what I want and being sure that I have got what I wanted and it certainly has made me. When I came to this job, more, even though I did not get all that I wanted I negotiated, it made me much more assertive about saying what I wanted and knowing what I wanted. (Mary)*

The personal benefit from experiencing redundancy expressed by eight respondents was a sense of being stronger, with increased confidence to negotiate for what they want from a work relationship. Strategies respondents reported using to manage the uncertainty they believe is prevalent in their work environment represent a personal mastery over their situation. Mastery has been identified as an important element of the narratives of people who have experienced traumatic events and demonstration of mastery over the risk or event is important in adapting to having experienced that event (Taylor, 1983). Mastery is demonstrated by the respondents as they indicate they are more prepared to stand up for what they want from an employment relationship, are less prepared to sacrifice important aspects of their life for work and have a range of resources and strategies to cope with any future redundancies. The change in the respondents' mental model of the employment relationship is driven from their experience, they know they can be made redundant and they can survive. A typical example of this explanation is provided in these quotes from Mary and Lisa:

*It has made me think more about what I want and being sure that I have got what I wanted. When I came to this job ... I negotiated; it made me much more assertive about saying what I wanted. ( Mary)*

*I actually feel more confident professionally than I do in any other part of my life as a result; because I think in the world of work there are rules and laws so*

*most people have to abide by the rules and if they don't you take them to court.*

(Lisa)

This increase in confidence is a demonstration of mastery over the situation of being made redundant, while the respondents are aware they do not have control over their job security they believe they have used their experience to master the work environment to protect themselves. This quote from Jason demonstrates an example of building security outside of a work relationship. Jason explains the influence of his first redundancy over twenty years ago on his finances:

*I guess one of the major things is security. It had a negative effect in that I saved money. But I didn't invest it in the best places because I wanted security .... it made us so we did not take any risks and now looking at it, well I should have. So it has had that effect. I had always looked for security and I haven't taken on a mortgage. I mean ever since the first one.* (Jason)

Jason's assumptions surrounding an organisation's ability to provide job security was destroyed and replaced by a belief he is responsible for generating security for his lifestyle.

Cognitive adaptation is also demonstrated through the ability to provide a positive social comparison (Taylor, 1983). Social comparisons to others were present in eight respondents' narratives, in the comparisons the respondents drew to imaginary situations of other people. Some of the respondent's referred to the comparisons in a general sense as in this quote from Colin:

*I was actually lucky. I went from a reasonably good situation to a reasonably good situation. I mean if anything it has been positive. And I could see how for other people it may not have been but for me it all kind of worked out okay.*

(Colin)

Financial status was also a point of social comparison and self enhancement. As the respondents presented it, their advantage in this area meant they were not as badly affected as others. A typical example of this type of comparison is provided in this quote from Fiona:

*It is a pretty major life event and it can have a huge effect on your future life, depending on what age it happens and also dependent on what other things are in place in your life and for me I was a bit luckier than some, because the financial thing was sort of okay. (Fiona)*

The respondents have adjusted to their experiences and many have gained a sense of mastery in how they now approach employers and employment contracting. This response appears to be much more businesslike and transactional, indicating the types of psychological contracts these respondents form are different to those they held prior to being made redundant. Being made redundant has left a legacy for these respondents.

The development of increasingly transactional psychological contracts has been found by other researchers to be linked to psychological contract breaches (Thomas, et al., 2010), and the experience of involuntary job loss and downsizing (Cavanaugh & Noe, 1999). Transactional psychological contracts are characterised by explicit agreements between the employee and the employer and are based on the understanding that the job only exists while a business agreement is in place (Arthur & Rousseau, 1996). Job security is a concept which has a reduced validity in this setting. The respondents in this study did not assume they had job security in their current work and indicated job security was a naïve assumption to hold. Reduction in feelings of job security have also been reported in a New Zealand study of organisational downsizing which found the number of redundancies an employee had experienced was linked to reduced satisfaction with their current job security (Macky, 2004b). Being made redundant appears to influence the types of psychological contracts an employee forms in the future.

Psychological contract changes from strongly relational to more transactional forms have been predicted as an outcome of the trend to fluid and complex business environments (Arthur & Rousseau, 1996; Kissler, 1994). Arthur and Rousseau's (1996) boundary-less career model predicted the concept of job security would become obsolete as workers move towards being professionals in a network rather than following an organisational career path. Kissler (1994) predicted a new type of psychological contract in which employers and employees have low expectations of long term employment. In this prediction employees are responsible for their own development and their commitment is to the work they perform rather than the job or



organisation (Kissler, 1994). The changes observed in the respondent's narratives appear to be remarkably similar to those predicted by these theorists; however the respondents' shift in psychological contract has been initiated by their personal experience of redundancy rather than a larger systemic change in the way organisations operate.

To summarise, the shift in psychological contract observed in this study appears to be congruent with other research findings in the area of psychological contract breach. While the changes identified in this study are similar to those predicted to result from a systematic shift in businesses practises, these findings indicate this shift may be sped up for those who have experienced being made redundant. This type of change was linked in the respondents' narratives to a shift in how they view the employer-employee relationship and job security, with a move to finding security through forming stronger links to their profession.

### iii) Work related identity

When the respondents were made redundant they were unable to validate both social and role identities of themselves as an employee of an organisation, which was an important component of their relational self. Being made redundant appears to have also resulted in an adjustment to the respondents' identity. The legalistic and technical view of redundancy clearly separates the organisational role from the person; it is technically the role that is redundant. On a personal and symbolic level this distinction is not clear as role, social and personal identity for these respondents was strongly linked to their organisational role. This is illustrated in this quote from Anthony:

*Everyone says it's not you, it is the role. But it is you. It is you, the role is what you have put your heart and soul into and it is you. (Anthony)*

It was difficult, if not impossible, for the respondents to separate the role they were employed to do from their identity. The process of being made redundant, as a rite of passage, facilitates the social separation of the person from the role. The respondents however still have to address the psychological separation of their identity from their organisational role; this personal separation process can generate significant distress and uncertainty and leads the respondents to examine who they are after the redundancy. This type of change is illustrated in this contrasting comment from Anthony made later

in his interview when he was reflecting on what being made redundant meant to him now:

*When thinking about who you are and what you stand for and what you are about, work is now a smaller part of how I see myself now than in the past.*

(Anthony)

Being a member of an organisation is a social identity, the importance of this identity appears to have reduced for the respondents as a result of experiencing redundancy. The respondents have learned through being made redundant that they can lose their job at any time. This knowledge has changed their mental models in relation to what they can expect from an employment relationship and leads the respondents to avoid investing heavily in their social identity as a member of an organisation. Nine respondents referred to themselves as professionals who are currently working for an organisation. An example of the type of shift found in the narratives is provided in this quote from Colin:

*At the end of my [organisation removed] career, I had very strong [organisation removed] networks. But I did not have any other network really. As a large organisation it can kind of fulfil all of these roles. And so I think that this was something that really came home to me that I had been so immersed. ... From a career perspective I think it is actually quite important that you don't get overly focused in the role its self. In that you have a view of being a professional in your field and that you actually have linkages outside the organisation (Colin)*

For the respondents, being made redundant was a significant enough event to cause them to reflect on their assumptions regarding work and to make cognitive adjustments to their assumptions. The respondents have demonstrated adjustments they have made in the way they view work, redundancy and their identity as workers, these adjustments are the long term legacy of being made redundant.

## 5.6 Summary

This chapter has summarised the transitional pattern identified across the respondents' narratives in this study. The key findings are summarised below:

1. Being made redundant was a significant life event for the respondents and has altered their world view as a result.
2. Being made redundant is a socio-cultural status passage that can be categorised as a coercive rite of passage. Narratives of being made redundant and moving on include transitional phases of separation, liminality and adaptation. The liminal phase is the point at which much of the cognitive work that brings about these adaptations occurs.
3. The legacy of redundancy is a reduced belief in job security, reciprocal organisational commitment and a permanent mark on the respondents' career history. The respondents have adapted to this with a range of strategies and behaviours aimed at self preservation and building security outside of the employer-employee relationship.
4. The respondents' adaptations to being made redundant include a shift to more transactional psychological contracts. The respondents' social identities appeared to be more strongly linked to a profession than their employing organisation.
5. The respondents' current personal meaning of redundancy is expressed as reframing, incorporating outcomes that have happened since redundancy and is a result of personal meaning making. Elements of positive reframing, mastery and social comparison have been identified across the respondents' narratives indicating a cognitive adaptation similar to that observed by people who have experienced traumatic events.
6. Re-employment and the absence of financial distress did not undo the effects of being made redundant. This redundancy without financial distress has had significant long term effects for this group of professional and managerial workers.

## Chapter 6 Discussion

### 6.1 Introduction

The objective of this research was to investigate the personal meaning of redundancy for professional and managerial workers made redundant in a time of economic growth. The research question was: *What are the personal meanings of redundancy for professionals who experienced being made redundant during the last economic upturn?*

This study has provided a richer understanding of the impact of redundancy on professional and managerial workers in New Zealand. Through narrative analysis the life history model of being made redundant and moving was developed. Two features of this model rite of passage and adaptations to redundancy will be explored further in this chapter. The chapter also includes a discussion of the methodological limitations of the study and provides recommendations for future research and conclusions.

### 6.2 Redundancy as a rite of passage

The definition of redundancy as a coercive, separation rite of passage emerged from analysis of the respondents' personal experiences of redundancy and has conceptual implications for redundancy research and practical implications for employers and individuals involved in the process of redundancy.

While the rite of passage model has been largely ignored in organisational psychology (Mayrhofer & Iellatchitch, 2005) it is a well-respected approach to examining socio-cultural status transitions in other areas of social science. Reconceptualising redundancy as a rite of passage allows for a social and human perspective to what can be technical and legalistic organisational activity. Rites of passage mark major status changes that are important turning points in an individual's life history and are typically associated with strong emotions. These features of rites of passage have been evident in the personal experiences of redundancy that have been studied here. The rites of passage conceptualisation of redundancy provides a positive perspective through which to further investigate this socially inflicted traumatic event and its effects on individual wellbeing. Rites of passage serve to normalise difficult transitions in society and ease these transitions both for the people who experience them and the immediate social group. Viewing redundancy as a rite of passage is in contrast to more traditional approaches to redundancy which have a tendency to pathologise people's reactions to

redundancy and to regard the only successful outcome as a rapid return to similar work. The rite of passage approach accepts strong emotions will occur, there will be a period of uncertainty that will be uncomfortable and that eventually the person will adapt to their situation and move on with their life in a way that incorporates this experience into a revised personal and societal identity.

While it was never the intention of this study to examine the redundancy practises of organisations, the identification of redundancy as a rite of passage provides a theoretical basis for further research into the meanings of actions and activities surrounding redundancy. This understanding could be used to refine the processes used by organisations to make people redundant with the aim of minimising the damage to individuals, organisations and society. Through developing a better understanding of redundancy as an important rite of passage for workers it will be possible to work towards more humane practices in this organisational activity.

The finding that redundancy is a rite of passage has several practical implications for both employers and individuals. Organisational restructuring and redundancy processes communicate both technical and symbolic messages to a wide audience including remaining employees, future employees, suppliers, customers and the community. These messages are about the person who is made redundant and also about the culture of the organisation. Rites of passage have the purpose of maintaining the stability of the social group through periods of change. If employers have an appreciation of this and understand what aspects of the restructuring process are important as rites of passage this knowledge could be used to reduce the impact of redundancy on both the redundant workers and their organisation. Reconceptualising redundancy as a rite of passage will allow organisations to find ways to humanise the process and maintain the cultural integrity of the organisation.

The redundancy rite of passage model could be used to explain what type of life experience redundancy is to people who have not experienced redundancy previously. The rites of passage model has a long heritage and mainstream understanding which makes it an accessible concept that would be helpful for people who are facing redundancy for the first time, their families and those who provide support such as outplacement consultants. Conceptualising redundancy as a rite of passage allows for a positive and forward looking perspective to moving on from redundancy by normalising

this personal transition and recognising that it may involve a major psychological shift to a new, and altered, personal and societal identity.

To summarise, conceptualising redundancy as a rite of passage opens up possibilities for future research in the area of job loss and development of more humane ways of approaching redundancy. The properties of a rite of passage can also be used to benefit organisations through the implementation of organisational practices founded on an understanding of how this rite of passage acts to maintain stability and enhance the culture of the organisation. For individuals and those who provide support to the people experiencing redundancy there are advantages in framing redundancy as a rite of passage as it normalises redundant workers' responses to redundancy and may be helpful in allowing them to move on from this experience.

### **6.3 Adaptations to being made redundant**

The experience of being made redundant, in the absence of financial hardship, can have lasting effects. These effects are a permanent mark on the individual's career history and the cognitive adaptations of reframing the personal meaning of redundancy to a more transactional approach to work. The implications of the cognitive adaptations to being made redundant will be explored further.

The respondents' reframing of redundancy positioned their redundancy experience as a traumatic life event that influenced their subsequent life history, and, for some respondents, was linked to positive outcomes in their lives since. Positive evaluations of job loss and unemployment have puzzled previous researchers (Fineman, 1987); this study indicates that positive evaluations are possibly the result of cognitive reframing. The use of thematic narrative analysis in this study was important in generating this finding as reframing is a temporal phenomenon and results from a complex mix of emotion and cognition over a lengthy period of time. The reframing observed in this study suggests that it is important to study the meaning of redundancy over relatively long time frames, as people's immediate reactions may differ from their later responses.

Experiencing redundancy appears to have contributed to a shift in the types of psychological contracts respondents formed with their employers and their view of what it is reasonable to expect from an employment relationship. The long-term changes identified in this study were reduced trust in employers, greater negotiation of employment conditions, limited organisational identification and increased self reliance.

Together, these changes indicate a shift towards a more transactional approach to work. The respondents in this study represented their shift in beliefs regarding the workplace as the development of wisdom and mastery over workplace uncertainty. These changes were predominately presented positively by the respondents, but there may be a downside to this behaviour as they could be perceived negatively by employers who are not accustomed to dealing with employees who hold transactional beliefs regarding work relationships.

Restructuring is an endemic part of the New Zealand and global workplace and employers of the future need to be prepared for the changes this could cause to the workforce's attitudes and motivation. If the shift towards more transactional work attitudes, due to redundancy, is occurring across large numbers of employees then there is the potential to change societal expectations around work and the role work plays in people's lives. For example, it is known that parental job insecurity and work attitudes have a significant influence on the work attitudes of children through behaviour modelling and changes in the home environment (Barling, et al., 1998; Lim & Leng Loo, 2003). A possible implication of the findings of increased transactional approaches to work is a change in the work behaviours and mental models of future generations of workers.

A workforce with more transactional mental models of work will require employers to shift their assumptions of the types of psychological contract employees are likely to hold. A potentially negative aspect of this shift is reduced organisational commitment and less discretionary effort by employees. These elements of the employees' psychological contract were based on the reciprocation of their actions by employers in the form of job security. When this cannot be provided employers need to find other ways to ensure employee engagement and commitment such as direct reward for effort and public recognition of effort and achievement. Employees with more transactional psychological contracts may be difficult to retain in times of employee shortages as their identification with a profession rather than an organisation will make them more likely to change organisations when offered improved working conditions or career advancement. Employees, who place a high value on work/life balance, positioning work as something that supports lifestyle, will be less likely to give up their personal time to meet organisational objectives. This consequence has both positive and negative implications, as maintaining work/life balance is also important in preventing burnout

and employee stress. Previously redundant employees' propensity to openly negotiate the conditions of their employment show less trust in the implicit employment relationship, however open negotiation of the terms of an employment relationship could avoid future misunderstandings and provide a foundation for clearer communication between the employer and employee. A workforce that understands that employment is a contractual, and ultimately temporary, relationship could actually be of benefit as organisations continue to change at a fast pace. It is possible that, due to the last two decades of organisational restructuring, many employees' mental models have already begun to shift in this direction and if this is the case then employers will also need to adapt to these changes in the workforce.

#### **6.4 Limitations and strengths**

The research method used in this study has both strengths and limitations. This was a retrospective study with data collected from a single individual interview with each respondent. This method was chosen to maximise the likelihood of participation from a respondent group who are often difficult to gain research participation from, and that was both a strength and weakness of this study. Using retrospective accounts from people made redundant at least two years earlier allowed for investigation of what it means to be made redundant separate from the strong emotions of the initial trauma involved in losing a job. A limitation of this technique is the findings are cross-sectional and only represent the respondent's perspective at the time of their interview. Follow-up interviews would have allowed for further exploration of tensions identified during analysis and to explore how stable the meaning of being made redundant was over time. However these were not included as the requirement to commit to follow-up interviews would have limited participation in the study.

The retrospective approach has also meant that all findings are drawn from the respondent's memories and interpretations, rather than factual accounts of events, which is a known limitation in all narrative research (Riessman, 2008). The personal interpretation of events became apparent in the data as two pairs of respondents were made redundant from the same organisation on the same day as a result of the same process, and they provided accounts of being made redundant which were different and contradictory. Each respondent had interpreted the events of being made redundant uniquely as a result of their own set of circumstances and personal characteristics. While one respondent provided a glowing account of the caring way in which their



redundancy was handled by the organisation, the other commented on poor communication and still felt their redundancy had not been handled well. These respondents may have experienced different treatment in the organisational change process; however without the ability to go back in time or to interview the manager of the redundancy it is not possible to know. Therefore the findings are restricted to individual meaning rather than being accurate accounts of the actual details of the processes or organisation's behaviour.

The interview approach used resulted in the collection of complex and nuanced narratives of the respondents' experiences. This is likely to have been a result of the respondents' high levels of work experience and education, combined with respondents having the interview questions prior to the interview. This technique promoted pre-thinking and allowed respondents to access information and memories of events that happened years before the interview.

The sample was made up of European, middle class, professionals and executives who live in the Auckland area, working in a broad range of industry groupings. The demographic similarity in the sample is very likely to have contributed to the commonality of themes identified but also limits the ability to generalise from these findings. The sample was quite small with only twelve respondents, however the themes identified were relatively consistent and more respondents with similar demographics would likely have only corroborated the findings rather than adding to them.

The chain referral method of recruiting respondents (Penrod, et al., 2003) also introduced a sampling bias as many people who were eligible to participate received the Information Sheet (see Appendix A) but did not to make contact. The sample is limited to people who were willing to share their experiences of being made redundant in a research setting. Possible reasons for declining to be involved in the study are the stigma attached to being made redundant and the time commitment involved in an interview. A written survey may have provided better access to this group as it provides greater anonymity for the respondents and requires less time commitment. While a survey approach may have resulted in a larger sample, the data collected is unlikely to have been as rich and nuanced as that obtained through one on one interviews.

The respondents' narratives gave their personal perspectives and as a result it was not possible to gain a picture of the impacts of being made redundant on the respondent's

families. A triangulated approach where people linked to the respondent, such as family members, were also interviewed could have provided a better understanding of the meaning of being made redundant to family members.

Research findings are generally a product of the researcher's interpretation of the data they have collected. My background as someone who had also been made redundant in a similar way to many of the respondents as well as being a psychology researcher is both a weakness and a strength of this study. It has given me some insights in the issues I wanted to explore, however, despite my attempts to be reflexive throughout the project, my own experiences and background will have sensitised me to some aspects of the data while causing others to be neglected.

### **6.5 Recommendations for future research**

The recommended areas for further research include developing the knowledge of redundancy as a rite of passage and the impact of redundancy on psychological contracts. This study has identified redundancy as a rite of passage and begun identifying the characterising features of this status passage. Development of a better understanding of how redundancy functions as a rite of passage and what the various parts of the process mean to the people involved could be useful for employers and practitioners. To develop this understanding more research is recommended to better understand the intricate social and cultural nuances of this rite of passage.

Organisational rites of passage can be changed and moulded in organisations (Trice & Morand, 1989) so research of this type could be used to better develop more humane approaches to managing redundancy.

While a change in psychological contract formation and type has been identified in this study, it is recommended that a more quantitative approach is used to measure this change. This could be done through a longitudinal study that measures psychological contracts before restructuring and a number of years after a redundancy. Another approach would be to measure and compare the psychological contract types of people who have experienced redundancy and those who have not.

Research into the mechanisms and contextual elements leading to changes in psychological contract formation is also recommended to develop a fuller understanding of the impact continual restructuring and redundancy is having on the workforce.

Psychological contracts prior to redundancy have been identified as a potential factor in

the development of long-term effects of redundancy. The interaction of psychological contract types and the redundancy process in effects on future psychological contracts could be areas for future research. This could be done using larger samples and quantitative measurement of psychological contracts in relation to redundancy.

A significant amount of the literature relating to psychological contracts and the way they are changing due to economic conditions is from the U.S. (ie. Arthur & Rousseau, 1996; Kissler, 1994). It is not clear if these trends are valid in New Zealand. This study indicated the respondents appeared to have quite strong relational psychological contracts prior to their redundancies. It would be advantageous to know what types of psychological contracts are typical in New Zealand as a starting point to develop practical strategies for minimising the damage caused by restructuring activity. It has been found that the types of psychological contracts people form is linked to a nation's culture as well as an individual's previous experience of psychological contract breach (Thomas, et al., 2010). Mental models are developed from both experience and culture, therefore knowing what specific set of expectations exist for employees in the New Zealand corporate environment and what types of psychological contracts are more prevalent in the New Zealand workforce could be an area of further research.

## **6.6 Conclusions**

Several conclusions can be drawn from the findings in this study. Redundancy in the absence of unemployment or financial hardship can have long-term effects for some people. The long-term effect of being made redundant can be a changed world view in relation to work, leading to altered work related behaviours and greater self-reliance. These long-term effects appear to be due to the combination of relational psychological contract breach and redundancy acting as a coercive rite of passage.

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## **Appendix A: Participant Information Sheet**

**Project Title: Looking back on redundancy: The experiences of professional and managerial workers.**

### Information Sheet

*Who is conducting this study?*

My name is Paulette Brazzale and I am currently completing my Masters thesis in psychology through Massey University. I have been studying part-time since my own redundancy over three years ago. I am interested in studying the experiences of people who have experienced redundancy to understand the longer term effects of redundancy on their careers and attitudes.

My research supervisor is Dr Jocelyn Handy, a lecturer in the Department of Psychology, Massey University.

*What is the study about?*

My research focuses on the experiences of professional and managerial staff who have experienced redundancy. I am interested in understanding both the short-term and longer-term effects of redundancy on their careers and lives. I am also interested in studying the effects of economic conditions on the strategies which people use to cope with redundancy.

*Who can participate?*

I am looking for people who were made redundant from a managerial or professional role between two and seven years ago. If you meet these criteria I would like to invite you to participate in this study.

*What would you agree to do?*

If you participate I will interview you about your personal experiences of redundancy. The interview will be informal and conversational and will probably last approximately

one hour. It can take place at your home or at another location which suits you. It is also possible to conduct the interview via telephone if you are out of the Auckland region.

During the interview we will discuss your experience of being made redundant and subsequent events in your career and personal life. Further details of the sorts of questions I will ask are given in the attached outline of interview topics.

If you agree the interview will be recorded on an audio recorder. I will then transcribe the interview recordings. You will be offered the opportunity to read and amend your interview transcript.

#### *Data Management*

A pseudonym will be used in all transcripts to protect your identity. The names of organisations and potentially identifying details will also be changed in the transcripts to protect your identity.

The recordings and any identifying documents will be stored in a locked filing cabinet in my home office. The electronic transcript files will be stored on my computer and password protected. On completion of my thesis the recordings can be returned to you or destroyed which ever you prefer. If the research is published a copy of the transcripts will need to be kept for four years.

Care will be taken to ensure that it will not be possible to identify you from any reports that are prepared in the study. The information you share in the interview will be used for my research only. My research supervisor will also have access to the recordings and transcripts and is also bound by the same confidentiality requirements.

#### *Your rights as a participant in this study*

You are under no obligation to accept this invitation. If you decide to participate, you have the right to:

Decline to answer any particular questions

Withdraw from the study up to three months after the interview

Ask any questions about the study at any time during participation

Ask for the audio recorder to be turned off at any time

Provide information on the understanding that your name will not be used unless you give the researcher permission

Be given access to a summary of the projects findings when it is concluded.

This project has been evaluated by peer review and judged to be low risk.

Consequently, it has not been reviewed by one of the University's Human Ethics Committees. The researcher named above is responsible for the ethical conduct of this research.

If you have any concerns about the conduct of this research that you wish to raise with someone other than the researcher, please contact Professor Sylvia Rumball, Assistant to the Vice-chancellor (Research Ethics), telephone 06 350 5249, email [humanethics@massey.ac.nz](mailto:humanethics@massey.ac.nz)

*Project contacts*

You are invited to contact me at any time during the study for further information or to clarify any questions you may have about the study:

My contact details are:

Paulette Brazzale

Telephone: (09) 523 1979

E-mail: [paulette.allen@xtra.co.nz](mailto:paulette.allen@xtra.co.nz)

My supervisor's contact details are:

Dr Jocelyn Handy

Telephone: (06)350 5799 extn.2055

E-mail: [J.A.Handy@massey.ac.nz](mailto:J.A.Handy@massey.ac.nz)

## **Appendix B: Interview Topics Guide**

**Project Title: Looking back on redundancy: The experiences of professional and managerial workers.**

### **Outline of Interview Topics**

- Demographics: Age, family structure
- Career history: Qualifications, industry, career history prior to redundancy.
- The redundancy: How did it happen? What caused the redundancy? How was it handled by the organisation? What did you do? How did you feel at the time? How did others react?
- Redundancy support activities: Description and evaluation of any support activities that you were involved in i.e. outplacement counselling, career counselling, legal advice, family and friends, etc.
- What did you do in the time immediately following leaving the organisation?
- Career history and personal life since the redundancy.
- What role has the redundancy experience played in your career? How does it affect your attitude to work, employment and organisations?
- In what way do you think the economic climate has impacted the decisions you have made in your career to date? If the redundancy had occurred in a time of economic recession do you think it would have changed anything?
- Looking back on the redundancy, how would you evaluate it as a life event? How do you feel about it now? What influence has it had on you and your life? What influence has it had on others for example family and friends?



## Appendix C: Participant Consent Forms

**Project Title: Looking back on redundancy: The experience of professional and managerial workers.**

### Consent Form – Participant’s Copy

I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I may ask further questions at any time.

*I agree/do not agree* to the interview being sound recorded.

*I want to /do not want to* have my recordings returned to me at the completion of the research.

*I want to / do not want to* read and amend my transcripts.

I agree to participate in this study under the conditions set out in the Information Sheet.

Signature: .....

Date: .....

Full Name – printed: .....

**Project Title: Looking back on redundancy: The experience of professional and managerial workers.**

**Consent Form – Researcher’s Copy**

I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I may ask further questions at any time.

*I agree/do not agree* to the interview being sound recorded.

*I want to /do not want to* have my recordings returned to me at the completion of the research.

*I want to / do not want to* read and amend my transcripts.

I agree to participate in this study under the conditions set out in the Information Sheet.

Signature: .....

Date: .....

Full Name – printed: .....

## **Appendix D: Letter to Respondents**

1 March 2011

Dear <Respondent>,

This letter is to thank you for your time and interest last year in being interviewed as part of my research and to let you know the results. The study I conducted was part of my Masters degree in psychology and without your participation it would not have been possible.

### **What was the study about?**

The aim of the study was to record and listen to the stories of professionals and managers who had been made redundant and have moved on with their careers. This was a study of what it means to be made redundant from people who have direct experience.

### **What the study looked at?**

In the study, I used your stories and opinions about being made redundant to gain a broader understanding of what it means to be made redundant and move on from this experience. I collected stories from a diverse group of Auckland based professionals who had experienced being made redundant between two and seven years prior to their interview.

### **What were the findings?**

While each of your stories was unique, when I analysed them collectively, I was able to identify three common themes. The first of these was being made redundant is a significant and personal life event, even if it did not result in financial hardship or long term unemployment. Being made redundant was reframed by many of you as having

some longer-term positive outcomes; however these outcomes did not diminish the unpleasant nature of experiencing redundancy.

The second finding was that being made redundant has many of the aspects of a rite of passage. Rites of passage are more typically associated with significant permanent status changes in a person's life such as marriage, birth, adulthood and death. Rites of passage have also been identified in organisational contexts, specifically in employee initiations and retirement. They are important to societies as a way of easing transitions and communicating status change through expected and often ceremonial processes. Rites of passage characteristically have a greater meaning to a society than the technical interpretation of the event. "The process" of being made redundant was included in many of your stories as a series of expected steps that lead to being made redundant, even if your own experience of being made redundant did not meet with these expectations. Being made redundant also meant more than the impersonal disestablishment of a role in an organisation, it was described as a personal event causing intense emotions, self reflection on careers and rethinking of how work fits in your life. Having been made redundant is now a permanent part of your career history. Based on these factors it was my interpretation that being made redundant is a significant and personal life event that serves as a rite of passage.

The third finding was the contrasting descriptions of work relationships prior to being made redundant and at the time of the interview. Many of you described work relationships prior to being made redundant that were compared to family and indicated strong connections with the organisations you worked for. In contrast current work relationships were described as more businesslike, with open negotiation of the terms and conditions of employment. Many of you described having clear ideas of what you wanted from an employment relationship and increased confidence to negotiate with an employer. Many of you also spoke of having increased identification with a profession rather than an organisation and stressed the importance of networking as a strategy to future proof your career.

### **Implications and recommendations**

In reflecting on this research a number of practical implications and recommendations for employers and employees became apparent.

## Employers

- Recognise “the process” of making employees redundant is a rite of passage, being made redundant is a significant personal life event. Ensure steps are timely, clearly communicated, predictable and respectful of the person’s intelligence.
- Treat the person being made redundant with the respect that would be afforded employees who are leaving the organisation of their own choice.
- If offering outplacement services to an employee who has been made redundant ensure they are targeted to their needs.
- People who have been made redundant may be more likely to negotiate their conditions openly.

## Employees

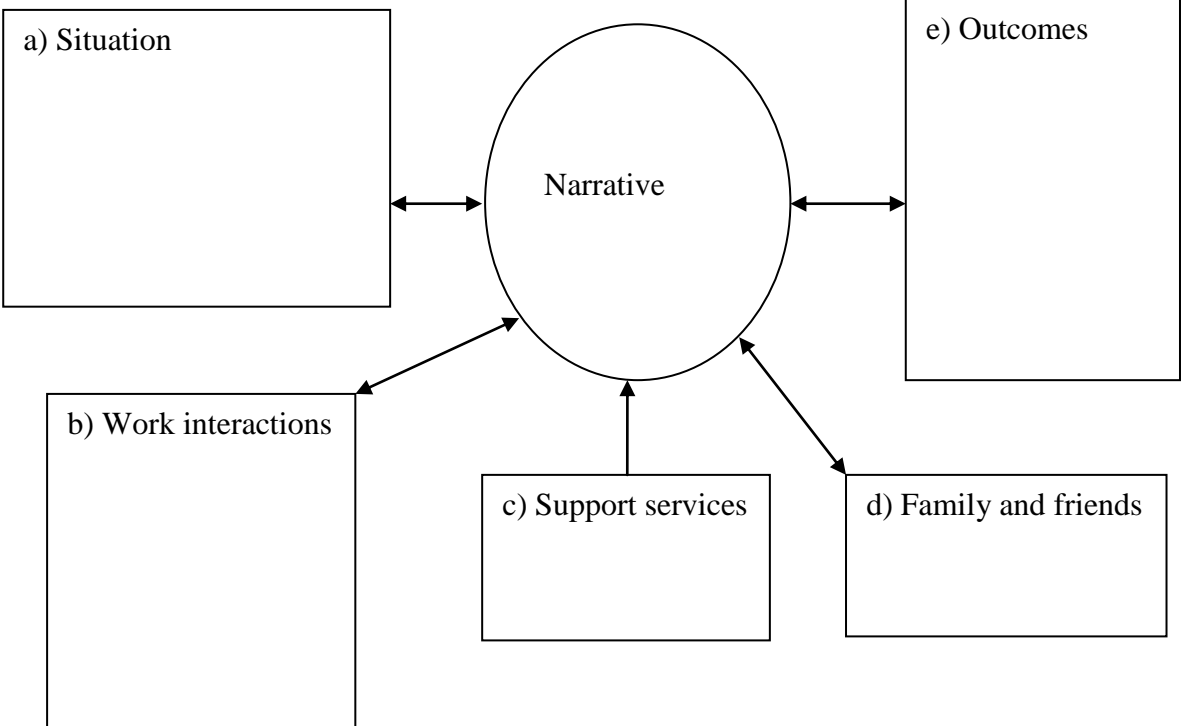
- The most common advice from the respondents was to have strong networks outside of your organisation to allow for rapid re-employment in the case of job loss.
- The next most common was to know your rights and what you want from an employment relationship, and don’t be afraid to negotiate.

Once again I would like to thank you for your assistance in this research. Your input has been valuable in furthering knowledge in this area.

Kind regards

Paulette Brazzale

**Appendix E: Contextual Data Analysis Sheet**



## Appendix F: Status Passage Template

Characteristics of a status passage can be grouped into four categories these are; personal orientation, the degree of flexibility, the type of status passage and the conditions of the status passage (Hart, 1976). Each narrative will be analysed for each of these characteristics:

1. *Personal orientations* (Hart, 1976), how desirable is the passage to the passagee and other parties involved including employers, immediate family and friends?
2. *The degree of flexibility and choice in the status passage*. How inevitable was the passage? How reversible is the passage? Is the passage repeatable?
3. *The conditions of the status passage*. Was the passage voluntary? What degree of control did agents and the passagee have over the passage? What degree of legitimisation existed for the passage? Was there clarity of signs of this passage and what were they? Were the signs disguised?
4. *The type of status passage*. Was the status passage can be experienced alone or as part of a collective? Was the passage able to communicate with others going through the passage? Are their distinct phases and how is each phase marked and experienced?