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**Job displacement and the implications for job quality:  
An investigation of the job transition process for public  
sector workers in Scotland, UK and Ontario, Canada  
during the Great Recession**

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degree of Doctor of Philosophy

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# Abstract

This thesis conceptualises the job transition as a continuous process in the context of organisational downsizing and restructuring. It argues that the policy and research related to re-employment following job loss, organisational downsizing and relevant labour market interventions remains disconnected from, and hence underemphasises, the sequential and cumulative nature of the transition process while also focussing disproportionately on modifying individual behaviour and action. This study explores the intersection and overlap in factors, actions and decisions made by actors in each part of the transition process to better understand the dynamic nature of job transition and its implications for re-employment and future job quality.

This research considers job transition from two forms of displacement – job displacement and worker displacement. It comprises a cross-national comparative study of displacement from public sector work in Ontario, Canada and Scotland, UK. Forty expert and stakeholder interviews were carried out addressing different aspects of job transition, targeting academic and policy experts, employers/senior managers, union representatives and labour market programme service providers. Furthermore, 38 semi-structured work history interviews were conducted with displaced workers along with a follow-up survey.

This research argues that downsizing policy and labour market interventions appear to view any job as a better outcome than redundancy. Where organisational policies maintain employment, the emphasis is on maintaining extrinsic features of work. Through practices like salary protection and lateral transfers, good quality work beyond equivalent remuneration is a bi-product rather than a central consideration. The study finds that individuals, faced with particular processes and limited information, modify their behaviour to protect valued aspects of work including, but not limited to, extrinsic job factors.

Conceptually, this research contributes to knowledge on job loss and re-employment, organisational downsizing practice and job quality. Empirically, it contributes to debates on public sector restructuring following the Great Recession of 2008.

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# Chapter 1. Introduction: Job displacement and the implications for job quality

## 1.1. Introduction

The overarching aim of this thesis is to conceptualise job transition as a continuous process in the context of organisational downsizing and restructuring. The job transition process is shaped by the decisions, actions and processes related to how job loss and downsizing takes place; and thereafter by labour market policy approaches and the availability and relevance of labour market interventions. More specifically, the research aims to look holistically at the job transition process following job displacement and to consider the implications for maintaining job quality in re-employment. This is done by bring together the existing research from three main areas related to job loss during restructuring and downsizing: first, how people search for and access new job opportunities; second, the context in which people lose their jobs during organisational restructuring; and third, the role(s) played by labour market interventions in assisting their re-employment.

Conceptualising the job transition as a continuous process involves interrogating variations in the configuration of factors and actors in the redundancy and labour market policy contexts. This allows for a connected understanding of how organisational downsizing policies and practices, labour market interventions and key actors in both contexts shape an individual's opportunities and actions. These, in turn, have implications for re-employment outcomes. By taking a holistic view of the transition process following displacement, this research posits that the decisions and actions of employers, policymakers, employment service providers, and individuals are interconnected and sequential. They shape what happens to people during and after job displacement.

This research considers job transition stemming from two forms of displacement – job displacement and worker displacement – and the implications for job quality. In the former, there is a loss of a job but not the loss of employment, whereas in the latter, the worker loses her employment (Greenhalgh, Lawrence, & Sutton, 1988; Wood & Cohen, 1977). Empirically, this research looks at involuntary job transitions from public service organisations in Ontario, Canada and Scotland, UK in the Great Recession. This provides a different way of considering the roles and actions of key players and processes, with the objective of identifying configurations which can improve the experience of job

loss and the quality of the job transition outcomes. That is not to say that job loss and downsizing will become a positive or enjoyable experience. Indeed downsizing is inevitably stressful, but actors may be able to make decisions which can make the ultimate outcomes less distressing (Hargrove, Cooper, & Quick, 2012).

This is an important area of study because job quality matters for individuals, organisations and society (Findlay, Kalleberg, & Warhurst, 2013; OECD, 2014). It is not enough merely to access employment with sufficient remuneration to meet the person and her households' material needs. Individuals, displacing organisations and society have invested in the skills and knowledge of these displaced workers through the primary to tertiary education systems, work-based learning and ongoing experience. Where these workers lack adequate post-displacement opportunities for self-validation and development as well deploying their skills, knowledge and abilities, there is an opportunity cost to society for their underutilisation (Cingano, 2014; Green, Felstead, & Gallie, 2015; OECD, 2015a; STUC, 2015). This research argues that the policies and practices in the downsizing context and labour market approaches and interventions have limited concern for promoting and maintain good quality jobs for displaced workers. The priority is either in maintaining employment or moving back into employment quickly by accessing any job. In the context of displaced workers, beyond security and remuneration, other aspects of job quality (e.g. Muñoz de Bustillo, Fernández-Macías, Antón, & Esteve, 2011) are implicitly viewed as luxuries and not necessities.

Job quality in the aftermath of job loss and organisational restructuring is an area requiring attention. From the organisational downsizing literature, the quality of work remaining in those organisations is problematic. Downsizing and restructuring have been found to lead to increased job insecurity, work intensification, greater work demands, less supervisory support, longer-hours and work and non-work conflicts (Appelbaum, Delage, Labib, & Gault, 1997; Armstrong-Stassen, 1994; Armstrong-Stassen, Wagar, & Cattaneo, 2001; Devine, Reay, Stainton, & Collins-Nakai, 2003; Quinlan & Bohle, 2009). Poorer health and well-being outcomes have been found in 85% of studies of post-downsized and restructured organisations (Quinlan & Bohle, 2009). Restructuring does not even tend to lead to the desired efficiency or productivity gains for the displacing organisation. Instead downsizing tends to be a predictor of future downsizing (Budros, 1999; Cascio & Young, 2003; Freeman, 1999; Freeman & Ehrhardt, 2012). The deterioration of work and adverse effects on remaining employees are amongst the most commonly cited reasons for not achieving the desired outcomes (e.g. Cascio & Wynn, 2004; Sahdev, Vinnicombe, & Tyson, 1999; Wilkinson, 2005). However, some of these adverse effects may be mediated in the ways in which the downsizing is undertaken – specifically related to how information is communicated and managed, and how displaced

workers perceive and are perceived to be treated (e.g. Brockner, 1990; Brockner et al., 1994; Hansson & Wigblad, 2008; Tourish, Paulsen, Hobman, & Bordia, 2004).

Where workers cannot maintain their employment and are displaced from the organisation, here too, they may face deterioration in job quality. Studies of re-employment quality following job loss show that job loss has a temporary scarring effect for wages, but that longer spells of unemployment have higher, persistent scarring effects (e.g. Arulampalam, 2001; Arulampalam, Gregg, & Gregory, 2001; Gregory & Jukes, 2001). Workers are likely to move into lower skill, often part-time or temporary work (Blyton & Jenkins, 2012; Fevre, 2011; Payne & Payne, 1993). Using German administrative data, Wiederhold et al. (2013) suggest that skills mismatch between workers' pre- and post-displacement occupations contribute to the significant and persistent wage loss.

Job loss itself is a highly stressful experience and can lead some workers to experience post-traumatic stress symptoms (Hargrove et al., 2012; Latack & Havlovic, 1992). The impact of job loss is carried through into future jobs; affecting workers' trust, satisfaction and commitment in their new employment (Kinicki, Prussia, & McKee-Ryan, 2000; Lange, 2013; Leana & Feldman, 1995). These negative responses are reduced where workers access good quality jobs and are satisfied in their re-employment, while the dissatisfied and unemployed continue to experience negative effects (Kinicki et al., 2000). Therefore, the implications of bad quality work are pervasive throughout discussions of (re)-employment, even where it is not explicitly recognised.

The following sections contextualise the research problem in broader debates on employment versus unemployment, and asks whether any job is preferable for an individual over unemployment. Next, this chapter provides an overview of the subsequent chapters as a guide to navigating this research.

## 1.2. Job loss and getting another job: Does quality matter?

*Work* has a range of definitions which include the activities that someone does as an occupation, employment or task; and often refers to the means by which an individual gains her/his livelihood (Warr, 2007). A *job* can be defined as position, duty or function consisting of a number of set tasks (Giddens, 1989). It embodies the exchange of effort, or the ability to exert effort, for rewards that are primarily, but not exclusively, material and financial (Rose, 2003). Working has an economic value (Budd, 2011) and whether the work is able to meet and sustain a person and her family's material needs is of great importance (Green, 2006; Rose, 2003).

What makes a good quality job is a set of features of work which foster the well-being, self-validation, self-development and participation of the worker (Findlay et al., 2013; Green, 2006; Green et al., 2015). It includes extrinsic qualities, such as pay and contractual stability, but also recognises the importance of intrinsic features such as skills use, autonomy and discretion over how the person does her own work, social support, opportunities for development and training, as well as discretion over the intensity and pace of work (Munõz de Bustillo et al., 2011). This is a worker-centred approach, defined by what is good for the worker, not the employer or the customer. Many current debates on job quality also take an egalitarian perspective, recognising that not all jobs have equal requirements and equal rewards, but rather that good jobs provide adequate opportunities for all workers throughout their working lives, in line with their abilities, and also meet their material needs (for example, Green et al., 2015). Therefore, without diminishing the relevance of remuneration to the employment relationship, work contributes towards meeting more social and psychological needs (Warr, 1994, 2007).

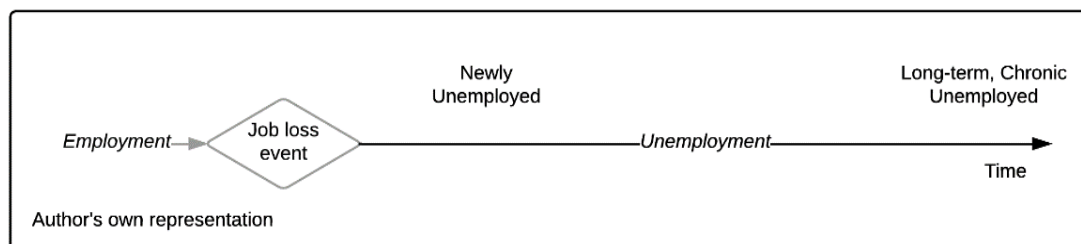
In the context of this research, the importance of work and employment should be considered relative to the loss of these. *Job loss* can be conceptually defined as distinct from *unemployment*. Job loss refers to the *life event* where paid employment is involuntarily removed from the individual (Latack, Kinicki, & Prussia, 1995), or where the individual involuntarily withdraws from the workforce either through firing or layoff (Leana & Feldman, 1988). Conversely, unemployment is the *state of being* without employment marked by the duration of time spent in this state (Latack et al., 1995). The process of losing one's job and moving either out of work or into another job is a form of work role transition. A work role transition refers to a change in a person's work or occupational role.

Job loss and unemployment can be visualised along a timeline. The job loss event is situated at one end initiating the period of unemployment, and chronic unemployment is located at the other (see Latack et al., 1995), as visualised in Figure 1.1. The length of unemployment has been found to have significant negative effects on the likelihood of getting a job (McQuaid, 2006), and thus the continuum could conceivably extend over a lengthy time period<sup>1</sup>.

---

<sup>1</sup> Re-employment success is associated with a range of individual factors, including age, skills, previous employment, and the state of local labour markets (McQuaid, 2006; Wanberg, 2012). As such, it is difficult to generalise after which point an individual becomes 'unemployable'. There is also an issue of the direction of the relationship between employability and the duration that the person is unemployed. People with low-probabilities of re-employment success are likely to be among the long-term unemployed, however long durations of unemployment also reduce a person's probability of becoming employed (Jackman & Layard, 1991).

Figure 1.1 Visualisation of job loss and unemployment time continuum



The loss of employment involves the loss of remuneration, which impacts on the individual and her household's capacity for material consumption (Fryer, 1986, 1992). Beyond this, unemployment limits participation in the social institutions and functions associated with work, including time structure, social contacts and purpose, activity and status (Jahoda, 1982). It has implications for the person's social identity (Cockburn, 1983; Dooley & Prause, 2004; Jonczyk, Lee, Galunic, & Bensaou, 2016; Riach & Loretto, 2009), the breadth of her social capital (Ashforth, 2001; Granovetter, 1974), her self-confidence in her skills and abilities and the signalled value of her human capital (Becker, 1994; Bjørnstad, 2006).

The negative effects of job loss and the resulting period of unemployment manifest in adverse effects of health, and physical and psychological well-being (Dooley, Catalano, & Rook, 1988; Grzywacz & Dooley, 2003; Jahoda, 1981; Leana & Feldman, 1988). In a meta-analysis of the health and unemployment literature, unemployment was found to have a causal impact on mortality (Roelfs, Shor, Davidson, & Schwartz, 2011). Moving from employment into unemployment increased the risk of death by 63%, with the impact being worse for men and young adults (Roelfs et al., 2011). Interestingly, the return to employment was found to have a reversing effect on health outcomes (Roelfs et al., 2011) and a restoring of levels of well-being (Caplan, Vinokur, Price, & Van Ryn, 1989). People who are unemployed report lower levels of life satisfaction than their employed counterparts (Gallie & Russell, 1998; Warr, 2007). Those who are out of work tend to want to re-join the workforce (Warr, 2007). Unemployed people continue to demonstrate similar levels of work commitment as their employed counterparts (Gallie, Cheng, Tomlinson, & White, 1994; Nordenmark, 1999; Steiber, 2013).

At a societal level, governments, policymakers and the general public share an interest in moving people back into employment. High unemployment has implications for the state in terms of lost tax revenue and higher expenditure on unemployment assistance, social and medical services. In response, governments of advanced economies tend to spend significant amounts on active and passive labour market programmes to counter persistent unemployment (Jackman, 1994; OECD, 1994). Specific measures include the provision of passive benefits, like unemployment benefits and other income replacement,

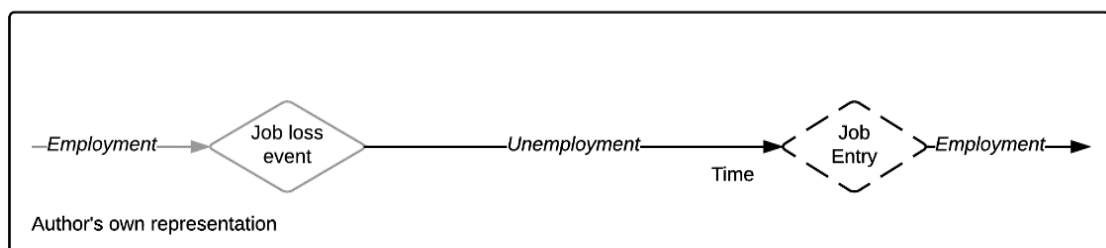


to serve as a temporary, replacement income for the unemployed during periods of job search (OECD, 1994). Active measures include interventions such as short training courses to refresh or develop new skills, CV writing or interview support programmes or job search assistance (Auer, Efendioğlu, & Leschke, 2005).

Given the adverse impacts of unemployment, it is not surprising that reducing the unemployment rate and limiting the flow of workers into unemployment are public policy priorities. Returning to the visualisation of job loss and unemployment along a continuum, a likely preferable scenario would see the spell of unemployment end as the individual moves into re-employment, visualised in Figure 1.2.

It has been suggested that even a bad job would be preferable to unemployment because the presence of unpleasant latent functions of employment are preferable to their absence (Jahoda, 1981). In advanced, liberal market economies (LMEs), labour market intervention approaches position the type of work and the quality of the job relative to the individuals' skills, abilities and personal circumstances as secondary to the pace at which they move out of unemployment. The 'workfarist' approach prioritises and pressures individuals to accept *any* job over no job at all (e.g. Crouch, 2012; Lindsay, McQuaid, & Dutton, 2007; Peck & Theodore, 2001). These interventions tend to focus on the individual, or the supply-side, looking to encourage workers back into work by reducing their reservation wages, improving their job-search skills or more broadly improving their human capital to the benefit of prospective employers.

Figure 1.2 Visualisation of job loss and unemployment time continuum, ending with re-employment



The assumption, often expressed in public discourse, is that any job is better than no job at all. However, *any* job is not better than no job. Aspects of bad jobs, such as insecurity and instability of work and employment, underutilisation of skills, lack of control, and low pay are bad for individual well-being and for society (e.g. Findlay et al., 2013; Grzywacz & Dooley, 2003; Kalleberg, 2011). Inadequate employment has a strong and pervasive connection to negative health and psychological outcomes that can be just as damaging as unemployment (Dooley & Prause, 2004; Grzywacz & Dooley, 2003; O'Brien & Feather, 1990; Winefield, 2002). The stressors of job strain, such as too little task control and high

demands have been associated with psychiatric morbidity, musculoskeletal symptoms, insomnia and coronary heart disease (for review see Burgard & Lin, 2013; Virtanen et al., 2005). The experience of under-employment tends to more closely resemble the experience of unemployment than adequate employment (Grzywacz & Dooley, 2003; Leana & Feldman, 1995; McKee-Ryan & Harvey, 2011; McKee-Ryan, Virick, Prussia, Harvey, & Lilly, 2009). Warr (1994) has even argued that in some cases “unemployment may give rise to better mental health than certain forms of employment” (Warr, 1994, p. 84).

At a societal level, the consequences of these negative health effects from poor quality work have implications for the cost of health and social care. The consequences of inadequate pay and in-work poverty may have knock-on effects for supplementary income-benefits and in-kind services (e.g. tax credits, free school meals, clothing allowances for children, among others<sup>2</sup>). Against the current or future costs of inadequate employment, there is also the question of lost investments that have been made in developing the skills of under-employed workers. In under-employing or inadequately matching workers to jobs, prior investments in the human capital of the person by the person, previous employers, and the state are at risk of being underutilised or, at worst, lost altogether.

The international public policy debates, despite the vested interest in rapid, efficient returns to employment, also have an interest in the type of work people move into. Supranational organisations and national governments have recognised that quality, not just quantity, of jobs matter. Policy agendas around quality of work include the European Union’s (EU) agenda on ‘quality of work’ (see European Commission, 2008) and the International Labour Organisation’s (ILO) concern for ‘decent jobs’ (see e.g. Ghai, 2003). Good quality jobs contribute towards economic competitiveness, social cohesion and personal well-being; while bad quality jobs can (re-)create social inequalities in the workplace and in the labour market (Carré, Findlay, Tilly, & Warhurst, 2012; Findlay et al., 2013).

It is thus important to consider the routes out of unemployment and the outcomes of those journeys. These debates, however, exist largely apart from discussions of what happens to displaced workers following their job loss. Job displacement following organisational restructuring is a process that, at best, is concerned with maintaining

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<sup>2</sup> For examples of in-kind benefits, see e.g. Scottish Government (2014).

employment or moving people into any employment. This thesis aims to bridge the distance between these related debates.

### 1.3. Redundancy and public sector restructuring in the Great Recession

Job loss through redundancy is one of the potentially ‘fair’ reasons for dismissal in the UK. This procedure is different from scenarios where workers may be discharged for disciplinary reasons and it is distinct from forms of employee-initiated exits, like quitting or retiring. Using the UK legislation as an illustrative example, redundancy occurs if the employee’s dismissal is wholly or mainly attributable to:

- (a) the fact that his employer has ceased or intends to cease—
    - (i) to carry on the business for the purposes of which the employee was employed by him, or
    - (ii) to carry on that business in the place where the employee was so employed, or
  - (b) the fact that the requirements of that business—
    - (i) for employees to carry out work of a particular kind, or
    - (ii) for employees to carry out work of a particular kind in the place where the employee was employed by the employer,
- have ceased or diminished or are expected to cease or diminish.  
(*Employment Rights Act*, 1996)

It is important to emphasise that downsizing arises from the decision that one or more employee is surplus to the organisation’s operational requirements (P. White, 1983) or the organisation’s ability to maintain expenditures at the existing level (Freeman, 1999). ‘Redundancy’ tends to be used synonymously with ‘compulsory redundancy situations’ or ‘involuntary reductions’. This method of workforce reduction is seen to be the most common method to reduce headcount (Appelbaum, Everard, & Hung, 1999). At a minimum, the organisation is expected to comply with relevant legislation on redundancy.

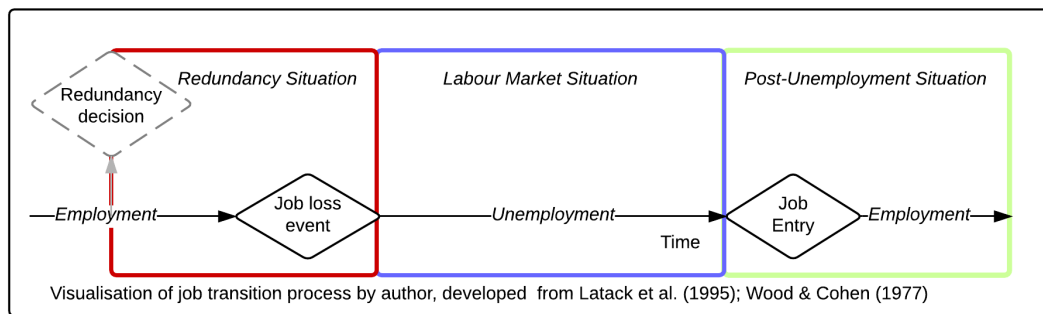
In the aftermath of the 2007-2008 ‘Great Recession’ (Schmitt, 2011), over three-quarters of OECD member countries were engaged in, or were planning, some public sector reform that will decrease the size of its workforce (OECD, 2011). The initial crisis had led to a global increase of 30 million unemployed, with three-quarters of the

unemployment occurring in advanced economies (Dao & Loungani, 2010). Advanced economies responded quickly to the crisis with a variety of interventions, most of which expired by the end of 2010 and throughout 2011 (OECD, 2010). Higher fiscal deficits and public debt from the crisis were met by political rhetoric of austerity and deficit reduction (Acharya, Philippon, Richardson, & Roubini, 2009; c.f. Guajardo, Leigh, & Pescatori, 2011). Governments of advanced economies looked to find budgetary savings through public sector restructuring, targeting wage moderation and downsizing in the public sector (Dao & Loungani, 2010). Measures to contract the public sector and its wage bill included wage freezes (or a tapered cap on pay settlements), hiring freezes, and large scale reductions through facility closures, reductions to back-office functions and incentivised exits through early retirement schemes (OECD, 2011).

Non-compulsory redundancy tactics were widely used and seen as a more compassionate form of exit, facilitating those who wanted to remain to be able to retain their employment (for the UK response, see HM Treasury, 2014). The use of tactics that displace workers from their jobs, but not necessarily from the organisation, raises interesting questions as to the quality of their job transition outcomes. Through decades of public sector retrenchment and new public management practices, internal labour markets within the public sector have been eroded (Gottschall et al., 2015; Pierson, 1994; Rice & Prince, 2013; Turnbull & Wass, 1997). The resulting situation is one of both internal job displacements in depleted internal labour markets or involuntary exits into depressed labour markets in the ongoing economic turmoil of the Great Recession. Empirically, this provides two related, although differing terrains in which to consider job transitions and the implications for job quality.

To undertake this investigation, Wood and Cohen (1977) suggest that there are two distinct sets of social relationships for those experiencing job loss through redundancy and downsizing – the redundancy situation and the labour market situation. These two bundles of social relationships can be integrated onto the job loss continua from Figure 1.1 and Figure 1.2 (Latack et al., 1995). The transition from the day-to-day employment relationship is initiated by the *redundancy decision* made by the employer. The individual moves into a *redundancy situation* which lasts until the job loss event. As the individual involuntarily moves into unemployment, she finds herself in the *labour market situation* (Wood & Cohen, 1977), see Figure 1.3.

Figure 1.3 Visualisation of discrete events and changes in social-institutional relationship following redundancy decisions



In this simplified framework, there are two discrete time events in this process – the *redundancy decision* as initiated by the employing organisation, and the *job loss event* marking the point where the individual is no longer in employment. The two discrete events mark turning points in the type and configurations of social and institutional relationships with which the individual worker interacts.

Currently the relevant literatures are segmented into discrete components with limited cross-over. In seeing the job transition experience as more than the sum of these component parts, the key actors, factors and drivers from each of these bodies of knowledge can be investigated and considered in terms of the influences on individual actions (or inactions). This in turn provides space to consider the varied and cumulative implications of policies and practices for the individual’s transition outcomes. This thesis is structured to follow the job transition experience while recognising the distinctiveness and interconnectedness of these bundles of relationships.

## 1.4. Overview of this thesis

This present chapter has introduced the importance of re-employment job quality following job displacement. It has also introduced the concept of the job transition as a continuous process, shaped by factors in the downsizing and labour market intervention contexts. The configuration of the process may influence the opportunities available to individuals, their future behaviours and attitudes, access to particular supports and re-employment quality. A focus on the process, rather than the individual, the organisations (displacing or hiring) or the interventions, provides a space to consider the sequential and cumulative influences during a complex and stressful experience.

Chapter 2 explores the job loss and job search literatures to consider the implications of individual characteristics and influences shaping job transitions. There is a large job search literature, which focuses on individual characteristics such as coping strategies and

responses to job loss (e.g. Kinicki et al., 2000; Latack & Havlovic, 1992; Leana & Feldman, 1988; McKee-Ryan & Kinicki, 2002) and job search behaviours (e.g. Gowan, 2014; Klehe, Zikic, Van Vianen, & De Pater, 2011; Koen, Klehe, Van Vianen, Zikic, & Nauta, 2010; Saks, 2005; Zikic & Hall, 2009; Zikic & Saks, 2009). Individual characteristics and circumstances are important for understanding how people react, respond and adapt to job loss (Kanfer, Wanberg, & Kantrowitz, 2001; McKee-Ryan, Song, Wanberg, & Kinicki, 2005).

This second chapter argues that an individual-level focus is not enough for understanding how individuals undertake their job transitions. Role transitions – the change in a person’s work or occupational status – have been argued to have impacts on the future development and outcomes of individuals (e.g. Ashforth, 2001; Frese, 1984; Latack & Havlovic, 1992; Nicholson, 1984). Contextual features – such as precipitating events which alert the person of a forthcoming change, exposure to uncertainty and time to adapt are among important features which shape the individual’s role transition (Ashforth, 2001; Ebaugh, 1988; Eby & Buch, 1995; Frese, 1984). Furthermore, features in the workplace, in the labour market, and in external environments – such as personal and family circumstances – may push or pull individuals from their roles, further helping them to make the transition (Price, Choi, & Vinokur, 2002; Vinokur, Price, & Caplan, 1996). Chapter 2 recognises the importance of the person in the job loss experience and her agency over her situation, while arguing that individual agency is not unrestricted. Her options are constrained and shaped by actors and factors outside of her control in the displacing organisational context and in the labour market context.

This research is concerned with the process of transitioning involuntarily from one job, and moving either out of work or into another role. The transition process begins when the employer makes the decision to displace some or all of its workforce (Wood & Cohen, 1977). The individual moves from the day-to-day experience of employment into the redundancy situation (See Latack & Dozier, 1986; Latack et al., 1995; McMahan, Pandey, & Martinson, 2012). The individual interacts with policies, processes and practices aimed at moving the individual out of her job and/or the organisation. Through their actions, the displacing organisation plays an important role in enabling or hindering how a person will come to interact with the labour market. Chapter 3 focuses on understanding the circumstances of job displacement through the existing literature related to organisational downsizing and restructuring.

Chapter 3 is structured to first consider how the individual might come to be displaced from her job or employment through redundancy and downsizing. It considers the procedural arrangements and the implications for how people experience their job loss.

Secondly, the chapter considers how individual outcomes can be improved through communicating information about the process and the rationale to workers, and supporting individuals through outplacement interventions.

Workers have legal protections during redundancy and restructuring situations, such as entitlements to statutory minimum severance payments and minimum periods of advance notification or payment in lieu of notice. As a legislated process, there are variations between countries and legal jurisdictions. However, legislative requirements are only a minimum standard. Downsizing organisations have a high degree of leeway in the process, which can affect workers' outcomes. For example, employers have the scope to reduce or forego advance notification periods opting to pay out in lieu of notice, despite the evidence of the benefits of advance notice on the pace at which individuals return to work (Addison & Blackburn, 1995, 1997; Garibaldi, 2004; OECD, 2015b; Swaim & Podgursky, 1990). Dismissing employees is costly due to the severance and/or pay in lieu of notice. Therefore, organisations tend to make use of a range of tactics to reduce the size of the workforce – including natural attrition (freezes) and incentivised packages and early retirement (Freeman, 1999; Greenhalgh et al., 1988).

Where non-compulsory tactics are used, the employer releases some of its control over the process. That said, other studies have found that the organisation continues to achieve its desired level of reduction by modifying rates of compensation (Wass, 1996). 'Voluntary' redundancy measures are seen as compassionate alternatives to compulsory measures and may be less distressing for workers (Waters, 2007; Waters & Muller, 2004), however there is limited expected difference in their re-employment outcomes.

Additionally, the existing downsizing research has found that access to information – including a rationale for why job losses are happening and perceived fairness in the process – support those being displaced from the organisation as well as those retained, in adapting to the change (Brockner, 1990; Brockner et al., 2004; Brockner, DeWitt, Grover, & Reed, 1990; Hansson & Wigblad, 2006; Tourish et al., 2004). While these features are known to be beneficial for workers, most downsizing organisations are ill-prepared (Cascio, 1993). Organisations which tend to use reactive workforce reduction strategies are likely to undertake subsequent downsizing when the desired savings or improvements are not achieved (Cameron, 1994; Cameron, Freeman, & Mishra, 1993).

The decision made and actions taken by the displacing organisation shape the conditions under which the person exits her job, how much, and at which point, she has information, her level of financial compensation for the job loss, and the types of employer-based supports she has access to. These arrangements may affect her future behaviours once in the labour market.

Chronologically, the person interacts with actors, processes and factors in the redundancy situation up until her job exit, where she then may interact with interventions in the labour market context. Following the job loss event, the displaced worker transitions into the labour market situation where she attempts to find new employment and subsequently experiences the consequences of the redundancy process (Wood & Cohen, 1977). The individual is likely to interact with institutions and policy interventions that aim to transition her from unemployment into re-employment.

Chapter 4 considers the role of passive and active labour market interventions on an individual's job transition process. Invariably the state of the local labour market influences the quantity, quality and type of work available. However, individuals and policymakers have limited or no agency in shaping this. During a tight labour market, the outcomes for individuals may be different. Indeed the person may or may not have been displaced in the first place (see discussion in Becker, 1994). However, there is little difference in the types and objectives of the labour market interventions given the policy preferences of downward pressure on benefit rates and more activation since the 1980s (Auer et al., 2005; Jackman, 1994; Jackman, Pissarides, Savouri, Kapteyn, & Lambert, 1990; OECD, 1994; Peck & Theodore, 2001). Therefore, Chapter 4 focuses on the role played by the interventions in a recessionary climate rather than on the state of the labour market.

Labour market policies and interventions aim to reduce the period of time individuals spend in unemployment by modifying the financial support they receive to reduce their expectations of future wages (i.e. their reservation wage). Neo-classical economic policies emphasise supply-side interventions which 'motivate' individuals back into work through downward pressure on the amount of and duration that individuals can receive benefits and through activities to support job search and employability skills (Crouch, 2012; Jackman & Layard, 1991; Lafer, 2002; Lindsay et al., 2007). These policies advocate rapid returns to employment (e.g. Abbring, Van Den Berg, & Van Ours, 2005; Card, Chetty, & Weber, 2007; Fredriksson & Holmlund, 2006), potentially at the expense of the quality and match of the job (Belzil, 2001; Centeno, 2004; Jacobson, LaLonde, & Sullivan, 1993; c.f. van Ours & Vodopivec, 2008). Downward pressure on benefits assumes that an individual's interest in seeking work and commitment to returning to employment are decreased by benefit receipt. However, some studies have found the unemployed to have as high or higher levels of employment commitment compared to those in work, with the exception of individuals in 'instrumental' and poor quality work (Gallie et al., 1994; Steiber, 2013). Indeed, it is suggested that the perceived lack of adequate employment has a dampening effect on job applications (Addison & Portugal, 2002; M. White, Gallie, Cheng, & Tomlinson, 1994).



Active labour market interventions as deployed in liberal market economies have two concurrent objects: to further disincentivise the receipt of unemployment benefits over paid employment, and to provide some basic, inexpensive support to assist people to access work (Jackman, 1994; Peck & Theodore, 2001). There are significant evaluation and measurement challenges in terms of assessing the efficacy of the interventions. However, on the whole, the interventions adopted in liberal market economies show little consistent evidence of positive impacts on reducing the duration of unemployment or improving the quality of the job transition outcome (Card, Kluve, & Weber, 2010). Job search assistance does offer some modest improvement to flows out of unemployment (Calmfors, 1994; Card et al., 2010; Martin, 2000). That said, the quality of the jobs posted to government job boards associated with these interventions has been questioned, risking segregating users of these boards into poorer quality work (Addison & Portugal, 2002).

Where the emphasis is on finding any job over a well matched job or where the individual does not perceive there to be well-suited jobs in labour markets accessible to her, these may adversely affect her ability and the intensity with which she searches for work.

Chapter 5 brings together the key actors and factors considered in the preceding literature chapters. It argues that the job transition process and the quality of the outcomes are influenced by the individual, as well as the actions and decisions of the displacing organisation and the pressures placed on her in the labour market through labour market interventions. It argues that the job transition is a continuous process for the individual, and should be considered as a set of interrelated and connected practices, processes and experiences. These pressures coalesce to emphasise a movement back into work as quickly as possible, but are relatively silent on the implications for job quality. Chapter 5 also considers the preceding chapters to argue that while the individual's transition is shaped by the downsizing context and by labour market interventions, these are shaped by institutional approaches to employment protection and labour market policy. As such, differences in institutional structures may shape the actions of employers and the nature of labour market interventions.

In bringing together the disparate bodies of research, Chapter 5 presents a set of research questions to guide the empirical section of this research. The objective is to better understand how the different configurations of factors and actors across these domains influence the quality of outcomes for displaced workers. It asks three questions:

1. In which ways and to what extent do the actors and factors in the downsizing context – in particular, the downsizing tactics used, amount of advance notice,

outplacement interventions and severance/enhanced incentive programmes – shape the process of job transition?

2. In which ways and to what extent do the actors and factors surrounding the labour market interventions – in particular, the type of interventions on offer, the accessibility of advisors and services and the generosity of income transfers – shape the process of job transition?
3. To what extent can the actors and factors in the downsizing context and the labour market interventions be influenced to maintain job quality for displaced workers?

Chapter 6 offers a discussion of the research methodology shaping the primary data collection, a rationale for the research design decisions in this study and provides an overview of the data collected. This research argues that the transition is recursive, sequential and cumulative. Past features have a potential knock-on effect on future opportunities, setting constraints and shaping outcomes (Tuma & Hannan, 1984). Therefore, the empirical investigation involved a set of research design decisions related to how one approaches a study of the job transition as a continuous process, shaped by organisational and institutional policies and practices (c.f. Ashforth, 2001; Ebaugh, 1988; Frese, 1984; Jonczyk et al., 2016; Nicholson & West, 1986; Warr, 1984).

The job transition process is shaped by a political economy's overall approach to employment protection (Franzese, Jr., 2001; Harcourt, Wood, & Roper, 2007). This has led this study to be undertaken as cross-national comparative research, focusing on two areas in liberal market economies (LMEs) – Ontario, Canada and Scotland, UK. The selection of Ontario and Scotland for comparative study was made on the basis of two policy areas relevant to the job transition process: 1) redundancy and mass termination legislation; and, 2) labour market policies and programmes. There were many similarities in the policy intentions, although there were also differences in implementation and in outcomes.

Empirically, the research examines mid-level workers, who may not be the main targets for basic skill development interventions or senior executive/professional outplacement supports. The research explores the transitions of workers being displaced within and out of public sector employment. Against various economic measures of job quality, public sector employees – particularly at the bottom and middle of the occupational structure – have decent pay, access to sickness benefits, pensions, and opportunity for skill or pay progression (McGovern, Smeaton, & Hill, 2004). While there have been some deteriorations in the quality of public sector employment (Blackaby et al., 2015), it has generally been seen as more secure and shielded from cyclical economic pressures

(Crouch, 2012; Nolan, 2004). In the aftermath of the Great Recession from 2008, however, reductions in public sector employment were targeted in advanced economies as a means of finding budgetary savings. These workers, therefore, represent a group affected by organisational restructuring and exiting from decent work during a recessionary climate.

Much of the research examined in the first chapters of this thesis uses survey or administrative data to understand job loss and re-employment from micro- and macro-levels. However, there are observational limits inherent in the techniques and data used elsewhere that make these less suitable for the study of the process of job transition. This research makes use of qualitative primary and secondary data sources from both country contexts. Data collection involved a scoping and mapping phase to understand patterns of public sector restructuring and the available active and passive labour market interventions. A series of scoping interviews was undertaken in Scotland to explore and operationalise the key concepts in March 2013. Two country studies were conducted. Each was comprised of unstructured interviews with expert and stakeholder (E&S) respondents, and semi-structured work history interviews and a 6-month follow-up survey with displaced workers. The Ontario data was collected in late June to mid-September 2012, while the Scottish data was collected in late January to April 2013.

The E&S data provided both a contextualisation of the transition process and offered an informed critique of the procedures and practices. Interviews were conducted with the following types of expert and stakeholder respondents:

- Public sector employers and representatives: Six interviews with six respondents in Ontario; three interviews with six respondents in Scotland;
- Labour organisation and employee representatives at all levels of the trade union movement: 11 interviews with 20 respondents in Ontario; six interviews with six respondents in Scotland;
- Labour market programme service providers: Three interviews with three respondents in Ontario; six interviews with six respondents in Scotland;
- Research and policy experts: Three interviews with three respondents in Ontario and Scotland respectively

In-depth semi-structured work history interviews were conducted with 19 displaced workers in Ontario in 2012 and 19 in Scotland in 2013. A qualitative follow-up survey was conducted roughly 6 months after the interviews, with a 50% response rate from displaced worker participants. The displaced worker data contributes to understanding

the experience of the job transition and how the practices and processes in the restructuring context and labour market institutional context shape the transitions of individuals.

Chapter 7 presents the findings of the Ontario study. It is structured to first consider the findings from the E&S data in terms of how organisations undertake their downsizing and the implications for maintaining the quality of work for displaced workers within and displaced from the organisation. The chapter then considers the expected role of the labour market context and labour market interventions for the job quality of displaced workers. These findings offer a critical reflection on how the job transition is undertaken and the barriers to accessing similar quality work. The latter part of the chapter considers the findings from the displaced worker data. It first offers a descriptive consideration of workers' re-employment outcomes and if – and how – their quality of work changed post-displacement. Subsequently, the chapter considers the features of the downsizing context and the implications for their transitions. Lastly, Chapter 7 considers whether and how workers' displacement circumstances shaped their interaction with labour market programmes, the workers' interactions with these programmes, and how these influenced the transition.

Chapter 8 presents the findings from the Scottish study. The first half of the chapter presents the E&S findings, as above. The findings from displaced worker data are structured differently from the Ontario study due to differences in the downsizing process. The latter portion of Chapter 8 first considers the job transition process for individuals being pushed and pulled from their work through incentivised exit schemes (e.g. early retirement and incentivised redundancy). It presents findings related to their labour market attachment and re-employment outcomes, before considering the circumstances that drove their exit decisions. Lastly, a large number of the Scottish participants experienced job redundancies, maintaining their employment due to the Scottish Government's policy of 'no compulsory redundancy' (Scottish Government, 2013). The transition process varied in the extent to which employees had scope to participate in selecting their post-displacement roles. Furthermore, a number of these participants experienced multiple job transitions over the course of a short time period. Therefore, the last section of Chapter 8 is structured to follow their transitions and the circumstances in which the transitions took place.

Lastly, Chapter 9 reiterates the main findings of this study and interprets them in the context of a comparison between countries and the key literature. The chapter is organised to first present a comparison of the country studies, considering key differences in the implementation of processes and the implications for the transition process from

both the downsizing and labour market intervention contexts. Next, Chapter 9 considers the findings related to the downsizing process and the implications for job transitions. This is followed by a consideration of the implications for access to labour market interventions, and in turn, the interventions' influences on the transition process. The chapter considers the findings related to the configurations of the factors and actors in both contexts and the implications for maintaining job quality following displacement. The chapter offers some practical implications for displacing organisations and presents the theoretical contributions of this research. Lastly, this chapter concludes with reflections on the limitations and potential future research in this area.

## 1.5. Contribution of this research

The management of downsizing and redundancy has been identified as one of the most under-studied phenomena in the business world (Cameron, 1994; Turnbull & Wass, 1997), with limited presence in mainstream management and human resource management texts (c.f. Foot & Hook, 2005; Pilbeam & Corbridge, 2006). Most accounts either ignore, or at best, only provide a partial account of the nature and significance of redundancy arrangements (Turnbull & Wass, 1997). Despite this, some have suggested that downsizing is regarded by management as a preferred response to turn around the performance of organisations (McKinley & Chia-Jung Lin, 2012; McKinley, Zhao, & Rust, 2000; Sahdev et al., 1999; Wilkinson, 2005). The organisational downsizing literature tends to be mainly concerned with how to improve the post-restructuring outcomes for the organisation. Conversely, the individual-level literatures on job loss and labour market interventions are more concerned with individual characteristics and behaviours, and the means to modify these, to move workers back into employment. Across these literatures, there is limited consideration of job quality, interactions across the domains and the displacing organisation's role in relation to re-employment outcomes. This research finds that the displacing organisation plays a central role in shaping the conditions, circumstances and opportunities of the person.

This research makes three conceptual contributions. Firstly, the research contributes to the broader understanding of the relationships between the individual job loss literature, the labour market intervention literature and the organisational downsizing literature for individual re-employment outcomes. It does so by focusing on the transition as the unit of analysis, rather than on the individual, displacing organisation or the labour market intervention. In doing so, it argues that the transition is a dynamic process with interrelated component parts, but is also sequential. Secondly, this research adds to debates related to job quality. It argues that future job quality is connected to past job

quality, but that it is shaped by the conditions under which a person exits their job and under which they find and access new work. Thirdly, it contributes towards the under-researched area of internal job displacement and redeployment policies during organisational restructuring and the implications for the quality of work in the displacing organisation.

This research makes a methodological contribution to this area of research by positioning the transition at the centre of the research. In its focus on the job transition, the methodological approach focused on procedural information, recalled information of processes in practice as well as the current circumstances of the individuals through semi-structured in-depth interviews with displaced workers and stakeholders. This approach was used to draw out the chronology and sequences of events and information, and how key actors and factors align in experiences of displacement

Lastly, this research makes an empirical contribution by considering what has happened to displaced public sector workers during the Great Recession in two liberal market economies which have adopted austerity policies. At the time of this research, the scale of public sector job losses was not yet known or announced. Those involved in this research were on the forefront of multiple waves of public sector cutbacks and restructuring, offering an advance view of the issues facing future waves of displaced public sector workers.

## Chapter 2. An individual's job transition process

### 2.1. Introduction

This chapter focuses on how the individual navigates and negotiates the job transition in the context of organisational restructuring that is largely outside of her control. The chapter is structured firstly to consider the employment transition through the perspective of the individual, taking into account individual differences in coping strategies and job search behaviours and how the individual makes her job transition. Latterly, this chapter explores how individuals make transitions between job roles and the importance of the context for shaping her transition. This understanding of individual behaviour is the starting point for examining the role of the downsizing and labour market contexts for individuals' continued labour market participation, examined in Chapters 3 and 4.

There is a well-established body of evidence that recognises the importance of individual differences in post-job loss re-employment outcomes. While for most individuals, job loss and unemployment have negative effects (J. Archer & Rhodes, 1987; Beale & Nethercott, 1985; Bluestone, 1988; Fryer, 1986; Latack et al., 1995; Roelfs et al., 2011), for others, there is the potential for the job loss to be a 'blessing in disguise' or at least not as bad owing to individual characteristics and circumstances (Gowan, 2014; Latack et al., 1995; Zikic & Klehe, 2006). The literature has considered how affected workers respond to job loss in terms of stress, coping, re-employment and employability (Fugate, Kinicki, & Ashforth, 2004; Latack et al., 1995; Leana & Feldman, 1988; Leana, Feldman, & Tan, 1998; Wanberg, Kanfer, & Rotundo, 1999). Other related areas have focused on an individual's employability, adaptability and career management capabilities (Clarke, 2007b; Gowan, 2012, 2014; Saks, 2005; Zikic & Hall, 2009; Zikic & Klehe, 2006). Much of the research draws from social psychology, focusing on the traits and psychological states of the individual, including personality moderators, dispositional and situational features, and personal coping strategies (e.g. Kanfer & Hulin, 1985; Latack et al., 1995; Leana & Feldman, 1988, 1990; Wanberg et al., 1999; Waters, 2000). This body of literature provides insight into the cognitive states and behavioural efforts by the individual to manage the stresses and demands posed by the job loss event. It contributes to understandings of how individuals respond to job loss and offers some explanation for variation in outcomes. The latter section of this chapter considers the role of the job loss context. The movement between roles may involve a degree of stress and anxiety (Nicholson, 1984), however there are differences in the type and the amount of stress based on the circumstances surrounding the transition itself. Both situational and

dispositional factors impact the individual's behavioural and psychological responses to the job loss event.

This chapter also acknowledges that situational features of the job loss are relevant for shaping and constraining individual's opportunities and responses. Therefore, even though individual difference is not the primary focus of this research, it is an important starting point for a broader investigation of how issues in the redundancy situation and in the labour market situation might affect displaced workers' behaviours and outcomes. It is also relevant for understanding how issues related to job loss have been conceptualised and the nature of the problems which employer outplacement and labour market policies seek to address.

It is worth noting that there is also a body of literature that considers how experiences of (re-)employment are affected by geographic and social locations, including race and ethnicity, gender, socio-economic position, and ability and disability (for example, Purcell, 2000; Radl, 2012; Shalla & Clement, 2007; Vosko, 2006b). While these are important characteristics at the individual-level, the focus of this thesis is on the organisational and labour market policies and practices that affect the job transition. This research does not empirically examine individual-level characteristics.

## 2.2. Individual responses to job loss

Job loss and unemployment provoke individual reactions such as anxiety, depression and lower physical health and mental well-being (McKee-Ryan et al., 2005). The job loss experience can be seen as a primary stressor, which can lead to an array of secondary stressors for the individual, including increased debt, worry, uncertainty, financial strain, and family conflict (Price, Friedland, & Vinokur, 1998). These reactions and behaviours shape the range of post-job loss outcomes, including physical and health-related changes, psychological problems, and emotional reactions, not solely employment outcome (DeFrank & Ivancevich, 1986).

Various models have been developed to consider how job loss affects individual responses and outcomes, which are relevant for understanding individual reactions to job loss, coping strategies and situational moderators (e.g. DeFrank & Ivancevich, 1986; Folkman & Lazarus, 1980; Leana & Feldman, 1988; McKee-Ryan et al., 2005). From a meta-analysis of the research on physical and psychological well-being during unemployment, McKee-Ryan et al. (2005) identify five categories of individual-level contributing factors which impact on well-being during unemployment following involuntary job loss: a)



work-role centrality; *b*) cognitive appraisal; *c*) coping strategies; *d*) coping resources; and, *e*) human capital and demographic characteristics.

Individuals will vary in how they appraise the job loss event, with cognitive appraisal of the job loss referring to the individual's affective interpretation of the event (Leana & Feldman, 1988; McKee-Ryan et al., 2005; Warr, Jackson, & Banks, 1988). The nature of the job loss event "evoke[s] perceptual, emotional, and psychological changes in the individuals who experience it" (Leana & Feldman, 1988, p. 377). People differ in their sensitivity and vulnerability to particular events and how they interpret the events, the demands of the situation and their expectations of the future (Lazarus & Folkman, 1984). The degree of stress and the counteracting moderators, with the associated reactions, influence how the individual appraises and responds to her situation.

The individual may exhibit post-traumatic stress symptoms following the layoff if she has appraised her layoff situation as highly negative (McKee-Ryan et al., 2009). Examples of where the individual may respond more adversely and evoke greater stress reactions include, when the layoff is perceived to be procedurally unfair (Brockner, 1990; Brockner et al., 1990; McKee-Ryan et al., 2009) and the individual has strong work-role centrality (that is a stronger attachment to the job and/or organisation) (Latack & Dozier, 1986; Leana & Feldman, 1988, 1990; Zikic & Klehe, 2006). Greater stress reactions are also expected where the job loss event results in financial distress for the individual (Leana & Feldman, 1990). Conversely, an individual with lower work-role centrality and lower job involvement or who was dissatisfied in her work role may not view the job loss to be as stressful as those with stronger attachments (Leana & Feldman, 1988; Newton & Jimmieson, 2009). Indeed, the job loss may be interpreted as a 'blessing in disguise', providing the motivation to move out of a bad or ill-matched job (Latack & Dozier, 1986; Zikic & Klehe, 2006). Job loss can present an individual with opportunities for career growth following the job loss event. Career growth from job loss may occur if *a*) the individual makes a transition to a new job that offers new or even more opportunities for psychological success; or *b*) where the gains from the job loss outweigh losses (Latack & Dozier, 1986). Arguably, individuals should not aspire to merely survive life events, but to experience personal or professional benefits from them as well (Latack & Dozier, 1986).

Coping refers to the "constantly changing cognitive and behavioural efforts to manage the internal and external demands of transactions that tax or exceed a person's resources" (Latack & Havlovic, 1992, p. 483). Coping occurs after the cognitive appraisal process and can be typically classified into two categories: problem/control-focused coping and emotion/symptom-focused-coping (Bennett, Martin, Bies, & Brockner, 1995; Folkman &

Lazarus, 1980; Leana & Feldman, 1988; McKee-Ryan et al., 2005). Problem-focused coping is associated with behaviours which attempt to change the environment to eliminate and reduce the stress, while emotion-focused coping attempts to treat the symptoms by decreasing the hardships associated with the cause of the stress (Bennett et al., 1995). One or both of these coping strategies may be employed in response to the job loss event and in the subsequent period (Kinicki & Latack, 1990; Kinicki et al., 2000). As such, coping should be seen as a dynamic process that changes over time as different predictors of problem- and emotion-focused coping emerge during the anticipatory and outcome stages of job loss (Kinicki et al., 2000).

Emotion-focused coping activities can lead to negative employment outcomes in terms of re-employment job quality (Kinicki et al., 2000). Activities included in this type of coping include seeking financial assistance and support from family and friends (Bennett et al., 1995; Leana & Feldman, 1988). Emotion-focused coping also includes activities such as avoidance, which typically works against an individual wishing to gain employment (Kinicki et al., 2000).

Problem-focused coping, on the other hand, is associated with more positive employment outcomes. It is more prevalent when an individual appraises that something can be done about the stressor (Bennett et al., 1995; Folkman & Lazarus, 1980). This is particularly important if the individual is seeking re-employment. Problem-solving coping strategies, which include more proactive search behaviours, are more likely to lead to re-employment outcomes (Bennett et al., 1995; Leana & Feldman, 1988, 1990). Actions associated with problem-focused coping include the reflexive processes of career adaptability and exploration (Zikic & Klehe, 2006), self-initiated job search activities, engaging in retraining and even considering relocation for work (see e.g. Leana & Feldman, 1988, 1990).

However, problem-focused coping in the stages before the job loss event has not been shown to affect the quality of re-employment (Kinicki et al., 2000; Leana & Feldman, 1995). One possible explanation for this is that “problem-focused coping is only effective when the knowledge, skills, and abilities of displaced workers are consistent with the KSAs demanded by employers in the labour market” (Kinicki et al., 2000, p. 98). The individual jobseeker requires some degree of awareness and knowledge of her local labour market context and how she fits into it. The downside of problem-solving coping for the individual is that it can have a negative effect on well-being (McKee-Ryan et al., 2005). Job searching can be a discouraging process, spanning long durations, including repeated rejection and uncertainty (Warr et al., 1988). The individual may not easily find

subsequent employment due to the local labour market and thus experience recurrent disappointments.

### 2.3. Job search behaviours and re-employment outcomes

The previous section argued the individual's appraisal and response to the job loss is, in part, due to the surrounding circumstances. The situational and dispositional factors which promote problem-focused coping activities may lead to improved re-employment outcomes as individuals respond in more proactive ways, for example by job searching. Perhaps unsurprisingly, job-searching is positively associated with re-employment (Saks, 2006; Wanberg, Hough, & Song, 2002). This section considers the impact of job search motives, job search self-efficacy and job search intensity for re-employment quality. This section also considers job searching as a process, looking at career exploration and planning relative to re-employment outcomes. Lastly, this section considers the role of social supports in supporting individuals in their appraisal of the job loss and the implications for re-employment.

Job search behaviours are the outcomes of a self-regulatory process which includes the identification and commitment to pursuing an employment goal (Zikic & Saks, 2009). There are individual-difference antecedents of job search behaviours, based on the interaction between employment motivation and goals; personal and social tendencies; and, personal and situational circumstances (Kanfer, Wanberg, & Kantrowitz, 2001b). There are various models and theories about the antecedents of both job search behaviours and job search outcomes (e.g. Saks, 2006; Wanberg et al., 2002, 1999; Zikic & Klehe, 2006; Zikic & Saks, 2009). Although there is convergence of variables studied and their relationships to job search outcomes, particularly the quality of re-employment, there are still gaps in the directions and strength of these relationships. This section covers the key behaviours, traits and constraints covered in the job search and career exploration literatures but does not debate their interrelationships.

Job search is conceptualised as a self-regulated process where the pattern of thinking, affect and behaviours are directed towards obtaining an employment goal (Kanfer et al., 2001). The job search behaviours can be measured in terms of frequency, effort, the activities engaged in and qualities of these activities, and persistence (Kanfer et al., 2001). Several key job search related concepts identified in the literature include: job search motives, job search self-efficacy, and job search intensity (Koen et al., 2010; Wanberg et al., 2002, 1999; Zikic & Saks, 2009).

Job search motives refer to the drivers that influence the individual's propensity to look for new employment (Caplan et al., 1989; Wanberg et al., 2002). How motivated an individual is to engage in particular job search behaviours invariably influences her propensity to do so. Two key job-search motives identified in the literature include the strength of an individual's commitment to paid employment and her level of financial need for paid employment (Caplan et al., 1989; Saks, 2005; Wanberg et al., 1999).

Employment commitment is an attitudinal variable referring to the importance that an individual places on employment beyond the income it provides (Kanfer et al., 2001). Notably the reason for one's attachment to work may vary (e.g. opportunity for personal contact, or opportunities to use one's skills), but employment commitment describes the general attachment to work (Kanfer et al., 2001). Unemployed individuals for whom work played a more central role tend to have a greater interest in maintaining a work identity and there tends to be a positive association with job search behaviour (O'Brien, 1986; O'Brien & Feather, 1990; Vinokur & Caplan, 1987; Wanberg et al., 1999).

Secondly, financial hardship, current or anticipated, may function as a motive for job searching and re-employment. Job loss represents the loss of remuneration. For many, financial strain or the threat thereof represents a real and potentially immediate concern. In contrast to employment commitment and other factors discussed, differences in individual motivations to work as a means of reducing economic hardship and financial strain are situational conditions arising out of the individual's current household obligations and arrangements (Wanberg et al., 1999). Individuals with greater financial obligations or with inadequate financial resources have a stronger need to replace their sources of income (Leana & Feldman, 1995). Indeed, this is supported by the wider labour economics literature (discussed in Chapter 4), where re-employment probability increases at the time of unemployment insurance exhaustion – that is where unemployment insurance is no longer a source of replacement income (e.g. Abbring et al., 2005; Fredriksson & Holmlund, 2006; Katz & Meyer, 1990b).

Financial strain may represent a double-edged sword in terms of re-employment. On the one hand, financial strain facilitates re-employment by increasing job-search motivation and intensity (Vinokur & Schul, 2002). It drives individuals to find new employment. On the other hand, it can otherwise inhibit re-employment by increasing depressive symptoms, which can have decreasing effects on job search motivation and intensity (Vinokur & Schul, 2002). Financial strain has been identified as a key influence mediating between job loss and psycho-social wellbeing (Caplan et al., 1989; Price et al., 1998; Vinokur & Schul, 2002; Weller, 2012). Both subjective (perceived or anticipated) and objective evaluations of financial hardship (Price et al., 1998) have been shown to

negatively impact on the mental health of the job seeker and her family (Kessler, Turner, & House, 1989; Price et al., 2002, 1998; L. White & Rogers, 2000).

Financial strain brings with it secondary stressors in terms of worries and costs in the individual's life, including meeting housing payments (rent or mortgages), health-related costs – particularly in the U.S and in Canada – and costs associated with transportation. To cope, individuals may rely on savings or take on debt, reinforcing financial problems until employment is regained and sustained (Price et al., 1998). There is separate literature that examines the impact of financial strain on social and family relations, particularly for spouses and children, which finds that it adversely impacts on their mental health (see e.g. Kessler et al., 1989; Price et al., 2002; Vinokur et al., 1996; L. White & Rogers, 2000). Given the pervasive negative impacts of financial strain on social supports and for mental health, financial strain may hinder an individual's re-employment probability through diminished persistence and duration in the job search. Therefore, some financial strain may motivate the individual to move into work quickly, but the stress associated with longer term unemployment and financial strain may counteract the added motivation. In terms of the quality of re-employment, the pressures to return to work may lead the individual to apply for and accept any job, forgoing a longer period of search for a better quality or better matched job.

Individuals need job search competencies to conduct and sustain an effective job search. This broadly includes a set of skills, attributes or characteristics (Wanberg et al., 1999). Among the competencies, job-search self-efficacy is well studied. Job search self-efficacy refers to an individual's confidence in her ability to successfully perform a variety of job-search tasks (Saks, 2005; Wanberg et al., 1999). Those with lower self-efficacy are more likely to look for work less intensely and to use ineffective job search techniques (Wanberg et al., 1999). Those with high self-efficacy are more likely to persist at difficult tasks that they deem to be of value to their job search (Kanfer et al., 2001). In a meta-analysis of personality-motivational attributes in job searching, Kanfer et al. (2001) found that self-efficacy was positively related to greater numbers of job offers and re-employment, and negatively related to the job search duration.

With regards to job quality, individuals with higher levels of self-efficacy are expected to have the confidence to reject job offers and seek better offers, compared to their lower level counterparts (Saks, 2006). Due to the propensity of individuals with low job search self-efficacy to accept early job offers rather than suitable job offers, there tends to be a poorer person-job fit (Saks, 2006).

Job search intensity refers to the frequency with which a job seeker engages in specific job search behaviours or activities (e.g. preparing resumes or contacting employers) (Saks,

2006). Job search intensity has been the most commonly studied job-search behaviour (Koen et al., 2010). It tends to be measured by frequency and scope of engaging with job search behaviours (e.g. looking at advertisement and contacting potential employers) and has been positively associated with faster re-employment (Wanberg et al., 2002).

Preparatory job search intensity involves gathering job search information and identifying potential leads, whereas active job search intensity involves the job search and choice process of sending out resumes, completing applications and interviewing (Blau, 1993; Saks, 2006). Both preparatory and active job search intensity predict job interview offers, which in turn predict job offers. This, in turn, predicts future employment (Saks, 2006). Job search intensity itself is influenced by job search motives (financial hardship and employment commitment) and job search self-efficacy (Wanberg et al., 1999).

Others have emphasised that job searching is a process, with a preparatory stage followed by job search and choice (Saks, 2005). Within this view, career-adaptability involves the stages of career exploration, planning, and decision-making (knowing what jobs to pursue), which are considered important to understanding different job search behaviours and strategies. These stages make up the individual's mental preparedness that precedes the actual job searching (Koen et al., 2010). These factors are positively related to job search self-efficacy and clarity that in turn shape the job search outcomes (Koen et al., 2010; Saks, 2006; Zikic & Saks, 2009).

Career planning refers to one's consideration for a future career orientation (Koen et al., 2010). Practically, this may include setting and pursuing goals on an on-going basis. Exploration of one's career, the environment (e.g. the local labour market) and of one's self have been identified as contributing to better job search outcomes (Gowan, 2012; Koen et al., 2010). Individuals without a clear sense of what they want and its availability to them may lack clarity in their job search. Career exploration involves "gathering of information relevant to the process of one's career" (Zikic & Saks, 2009, p. 119). Environmental exploration allows an individual to make more informed job search decisions because they have gathered information on relevant jobs, organisations, occupations or the labour market (Zikic & Saks, 2009). Lastly self-exploration is the exploration of what the individual is looking to gain from work in terms of interests, values and experiences (Zikic & Klehe, 2006). These forms of exploration are seen as initial steps in the job search process that contribute to job search clarity. They are expected to assist the individual to identify, pursue and accept better matched jobs.

Engaging in career-exploration activities is positively related to job search self-efficacy and job-search clarity (Zikic & Saks, 2009). Individuals spending more time on various forms of exploration use more career resources, such as career centres, job search clubs, other

job-support interventions and training programmes. More focused job-search strategies, such as only applying for jobs in which the individual is interested, contribute to more job offers, with fewer applications and better quality re-employment outcomes (Koen et al., 2010). Koen et al. (2010) suggest that with a focused job search strategy, individuals only apply for jobs for which they are highly motivated and well-suited, enhancing their chances of being invited for an interview and, in turn, receiving a job offer.

In contrast to a focused strategy, an exploratory or haphazard approach of ‘following every lead’ is associated with a decrease in re-employment job quality, potentially due to the wide range of jobs for which the individual may not be suitably matched or from pressure to accept any job-offers (e.g. from an re-employment agency) (Koen et al., 2010). Koen et al. found that a haphazard approach of applying for jobs at random was also associated with poorer re-employment quality where there were low levels of career decision-making (i.e. not having decided what one wants from work). The findings from these studies have implications for the design and the nature of re-employment interventions. Where the focus is on improving job search clarity, there may be knock-on effects for re-employment quality.

## 2.4. Coping Resources and implications for re-employment

Coping resources “comprise the internal attributes and external characteristics possessed by, or available to, a person that can directly influence the ways she or he actually copes” (Kinicki et al., 2000, p. 91). McKee-Ryan and Kinicki (2002) identify three types of coping resources that are particularly important for those coping with job displacement: personal, social and financial, adding time structure as a fourth key resource (McKee-Ryan et al., 2005). Personal resources may include an individual’s self-esteem, previous experiences of layoff, crisis experiences, emotional social support and instrumental social support (Kinicki & Latack, 1990; Latack & Havlovic, 1992). Self-esteem and life satisfaction are two important forms of internal coping resources associated with increased use of problem-focused coping and increasing the number of jobs applied for (Kinicki et al., 2000).

Social support (offering aid to the individual through social interactions) is a form of external resource. It has been found to play a role in assisting individuals to cope with job loss (DeFrank & Ivancevich, 1986; Latack et al., 1995; Leana & Feldman, 1988). During job searching, individuals may become easily discouraged and unsure of themselves, which affects their confidence and self-esteem (Kanfer et al., 2001). Social supports and interactions help displaced workers to feel better about themselves and their lives as well

as maintaining a more positive outlook for the future (Lazarus & Folkman, 1984; McKee-Ryan et al., 2005). In the short term, social support may influence an individual's propensity to continue job searching (e.g. through advice and information). In the longer term, it may motivate the individual through encouragement after rejections (Kanfer et al., 2001; Vinokur & Caplan, 1987).

Social networks can serve a role in buffering stress (Lazarus & Folkman, 1984) and particular types of connections may be useful in assisting individuals to access employment opportunities (see e.g. Burt, 1992; Franzen & Hangartner, 2006; Granovetter, 1974). Access to diverse networks of contacts through weak tie relationships may enable more information about a greater range of opportunities to reach the individual, supporting their re-employment (Franzen & Hangartner, 2006; Granovetter, 1974; Indergaard, 1999). In various studies, roughly a third of unemployed people found jobs through networking or speaking to friends, family or previous workers (Granovetter, 1974; Wanberg, Kanfer, & Banas, 2000). Further, Wanberg et al. (2000) found that those who used networks more often and more extensively spent less time in unemployment (on unemployment insurance) and increased their probability of re-employment.

Networks may be unfruitful sources of employment information if there is too much similarity between network contacts, for example, where the individual's network consists mainly of other displaced workers (Granovetter, 1974; T. Korpi, 2001). Two prevailing hypotheses on the use of networks and quality of re-employment are that jobs found through family and friend networks may lead to either better matched work or be jobs of 'last resort' (Loury, 2006). Loury found that jobs acquired through those using 'last resort' contacts, following long periods of unemployment, came from contacts with weaker access to good job opportunities and tended to yield lower wages. Family and friend network contacts may lead to better matched jobs where these contacts have diverse, high quality networks themselves and are able to act as an intermediary in the job acquisition. Both the size and diversity of the network are positively related to the probability of employment opportunities (T. Korpi, 2001).

Social support plays an important role for buffering the stresses of job search but only to a point. Lewchuk et al. (2008) found that support, including support at home, work and in the labour market does not offer relief to individuals who have high levels of exposure to strain in their efforts to find and maintain work and have uncertainty over the present and future availability of work and income. This may be particularly problematic in labour market situations where jobs for the individual are hard to come by, either because of a scarcity of opportunities or the fit between demand and the individual.



Lastly, it should be noted that not all social interactions are expected to have positive contributions to well-being and outcomes. Social undermining or negative social supports have adverse effects for the job seeker's behaviours. These consist of behaviours directed at an individual that display *a*) negative affect (anger, dislike); *b*) negative evaluations of the person in terms of attributes, actions, and efforts; and/or *c*) behaviours that hinder the individual's attainment of the desired goals (McKee-Ryan et al., 2005; Vinokur et al., 1996). For example, in a financially strained situation both partners in the relationship are adversely affected, irrespective of which individual is unemployed (Vinokur et al., 1996). As both partners exhibit depressive symptoms, the partner's ability to provide positive social support to the unemployed partner (e.g. care, concern and provide help) is hindered (Vinokur et al., 1996; Vinokur & Van Ryn, 1993). This has the adverse effect of evoking undermining behaviours (e.g. criticism, insult), leading to two separate effects of stress and strain on the unemployed partner and the job search behaviours (Vinokur et al., 1996).

## 2.5. Individual characteristics and re-employment outcomes

There is also an existing literature that has examined the role of individual characteristics on re-employment outcomes. Within this area of research, the role of geographic and social locations, including race and ethnicity, gender, socio-economic position, and the ability and disability for re-employment and labour market inclusion have been considered (for example, Purcell, 2000; Radl, 2012; Shalla & Clement, 2007; Vosko, 2006b). Although these are important areas of the literature to acknowledge and consider, a full review is beyond the scope of this present research. This section considers a few of the key characteristics that have been found to have implications for re-employment.

In terms of predicting job search behaviours, biographical characteristics such as age, gender, education and race have been found to be only weakly related (Saks, 2005). However, for job search outcomes, age has been identified in several studies as a predictor of re-employment. In their meta-analysis, Kanfer et al. (2001) found that younger, more educated job seekers were more likely to find employment. This is consistent with research focused specifically on displaced workers, which finds that age decreases the probability of re-employment, notably for workers over the age of 50 (Chan & Stevens, 2001; Farber, 1996; Finnie & Gray, 2011). In a Spanish study of displaced workers, younger workers were more likely to find a new job, whereas older workers are more likely

to return to employment through recall by the previous employer (Alba-Ramírez, Arranz, & Muñoz-Bullón, 2007). Workers between 55 to 59 were twice as likely to drop out of the labour force than those 50 to 54 (Alba-Ramirez, 1999). The literature tends to find that long tenure with the pre-displacement firm decreases the likelihood of job mobility (Alba-Ramirez, 1999; Daniel & Heywood, 2007; Finnie & Gray, 2011; Kidd, 1994), although long tenure and age are positively correlated. Tenure may signal strong prior firm-specific skills or obsolete skills to prospective employers in the labour market, which may have a lower financial return from future employers (Becker, 1994).

This section has recognised that demographic characteristics may have implications for re-employment outcomes but have little impact on job search behaviours. More broadly, this section has considered the existing literature on individual job searching motivations and behaviours, different coping strategies used by individuals as they respond to stressful situations and identified some of the moderators that support (or hinder) their experience of job loss. Problem-focused coping strategies are expected to evoke more productive job search behaviours, which is expected to support re-employment but does not appear to be associated with the quality of re-employment (Kinicki et al., 2000; Leana & Feldman, 1988). Job searching is a stressful activity in and of itself and is expected to have a negative effect on well-being. Coping resources, both internal and external to the individual, can buffer the adverse stress effects of job loss and unemployment. Social support and interactions can help the individual to maintain a positive outlook (McKee-Ryan et al., 2005) and may facilitate access to employment opportunities as long as there is sufficient diversity in the network (Franzen & Hangartner, 2006; Granovetter, 1974).

## 2.6. The role of context and circumstances for individual experiences of job loss

The previous section provided an overview of the individual job searching literature. Holistically, an individual's re-employment success may be expected to be mediated by individual characteristics (biographic traits and human capital), social capital, job search motives, self-efficacy, intensity and constraints (Wanberg et al., 2002). The effort and duration of an individual's job search (job search intensity) is influenced by her confidence in the ability to undertake job search tasks (self-efficacy) and motivation for getting a job (e.g. financial need or strong employment commitment), and constrained by individual circumstances (e.g. child care responsibilities and local labour market demand) (Wanberg et al., 1999). The quality of job search and re-employment outcomes may be shaped by job search clarity and job search-self efficacy, which in turn may be affected by

forms of career exploration (Zikic & Klehe, 2006; Zikic & Saks, 2009). Social resources can provide a dual role of buffering stress (Kanfer et al., 2001; McKee-Ryan & Kinicki, 2002; Wanberg et al., 2002) and providing a source of information about potential job opportunities (Franzen & Hangartner, 2006; Granovetter, 1974; T. Korpi, 2001; Wanberg et al., 2000).

These individual level determinants, however, may be positively or negatively shaped by the context and situation in which the individual finds herself. Institutional actors frame and reframe how individuals can and do react. It is within this space that this research is positioned. In locating the job search literature outlined earlier in this chapter within the wider literature on job loss and re-employment, this latter discussion considers how the wider organisational and institutional systems interact with the individual and in turn, influence behaviour.

For example, an individual's job search competencies and intensity can be positively influenced through exploration of labour market opportunities and the individual's needs, wants and competencies (Zikic & Saks, 2009). However, as discussed, an individual's focus, persistence and motivation can be undermined by her situation and context. To benefit from her job loss, the individual may need the time and resources to disentangle herself from her previous job role. The extent to which current and anticipated financial hardship motivate job search may result in accepting early job offers over more suitable offers (Kanfer et al., 2001). While an individual's financial position and its constraints are largely shaped by an individual's personal context, a downsizing employer may also play a role through the provision of advance notice, redundancy compensation payments and severance payment. These features of the organisational and labour market contexts are the focus of Chapters 3 and 4 respectively.

Given the importance of the individual's context and of situational factors in influencing job search behaviour, this last section of this chapter considers the interaction of the individual and context through the role transition literature.

## 2.7. The role transition: Influences and responses to changes in working life

Over a career or working-life, individuals may experience a sequence of job or work-role transitions. These may be objective changes in roles within or out of the firm, or even a subjective change in the individual's orientation towards a particular role (Latack & Dozier, 1986; Louis, 1980; Sicherman & Galor, 1990). Any career or job transition may involve a degree of stress for the individual as she moves between one set of

circumstances to another (Nicholson, 1984). However there are differences in the stress that occurs when people actively seek out desirable moves, given that the stress during a positive transition may be considered anticipatory anxiety (Nicholson & West, 1986). This is compared with the most ‘radical and undesirable’ of all work role transitions: downward status moves and job loss (Nicholson & West, 1986). These transitions are not only particularly stressful for the individual. In addition, the job change outcomes tend to be overwhelmingly negative (Latack & Dozier, 1986; Nicholson & West, 1986).

Nicholson and West (1986) broadly define the work-role transition to include any major change in the work role or context. They suggest that:

Work role transitions are any major change in work role requirements or work context. This definition aims to encompass all the main varieties of inter- and intra-organizational mobility [...] as well as times when the job itself changes around the immobile incumbent, such as instances of job redesign or when there is a redefinition of the role. (Nicholson & West, 1986, p. 182)

With this definition of a transition in mind, a transition is a cyclical process comprising of distinct sequential phases. Nicholson & West posit that there are four stages, repeating in a cyclical manner (shown in Figure 2.1).

**Figure 2.1. The transition cycle**

I.	<b>Preparation</b>	Processes of expectation and anticipation before change
II.	<b>Encounter</b>	Affect and sense making during the first days or weeks of job tenure
III.	<b>Adjustment</b>	Subsequent personal and role development to reduce the person-job misfit
IV.	<b>Stabilization</b>	Settled connection between person and role.
V/I.	<b>Preparation</b>	Renewal of the cycle

Reproduced from Nicholson & West (1986, pp. 182-3)

Notably, the transition cycle comprises three important factors. Firstly, the cycle is recursive. The transition cycle represents a loop, with the last stage also being the first of the next cycle. However, if change occurs sufficiently quickly, a new cycle could begin before the previous loop is completed; for example, a new transition may begin while the individual is in the adjustment stage, interrupting the cycle. Secondly, Nicholson and West (1986) argue that there is a strong interdependence between stages and cycles. Prior experiences strongly influence the subsequent stages, “for example, inappropriate preparation heightens the challenge of encounter and adjustment” (Nicholson & West, 1986, p. 183). Lastly, each stage is distinct, invoking different psychological and social systems. Each stage of the cycle involves some reciprocal interaction with the

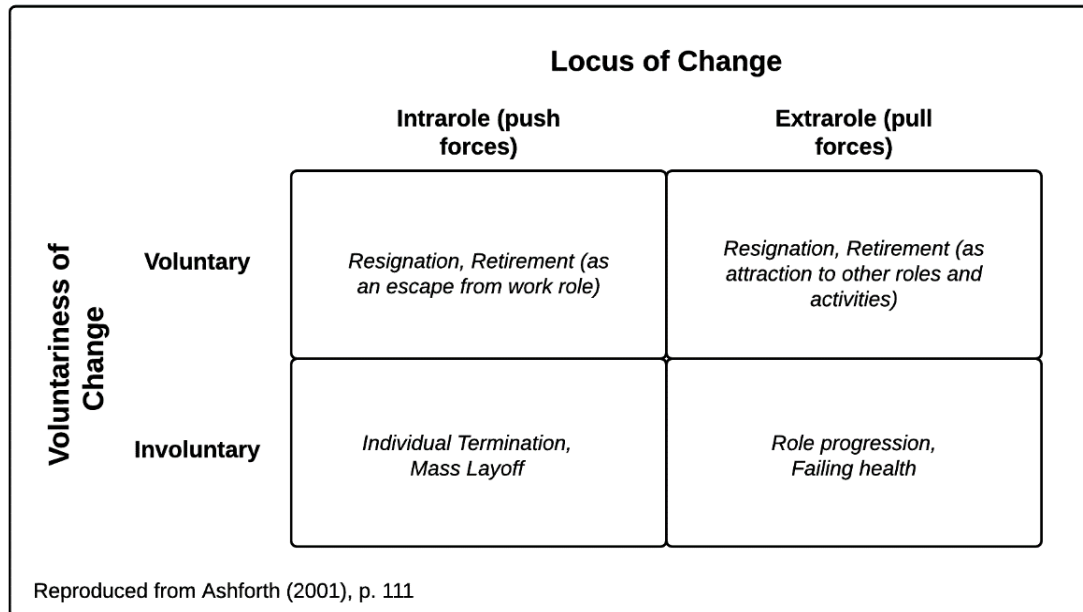
organisation's structure and processes. In the stages described above, these may be akin to interacting with the recruitment and selection processes, induction-socialisation practices, training and supervision systems. However, for this study, the transitions of interest are those where the individual transitions out of her role (role exit).

Ebaugh (1988) proposes that the process of exiting a role involves four distinct phases: 1) experiencing first doubt; 2) searching for alternative roles; 3) the occurrence of a turning point (including a specific, precipitating event that serves as a trigger); and 4) the creation of a new identity as a former role occupant. Ebaugh's (1988) work on role exits views the exit transition as a process with generalisable features across different roles but recognises that factors in the social context shape the nature and the outcome of the role exit (Ashforth, 2001; George, 1993). This view of the role exit suggests that the circumstances surrounding the exit are key factors at every stage of the exit process.

In applying this process to role exits from organisations, an individual may make a decision to leave under a variety of circumstances and influences. A role-exit is argued to stem from two dimensions: the locus of change and the voluntariness of that change (Ashforth, 2001) (shown in Figure 2.2). The voluntariness of the individual's exit decision may be that she chooses or opts to leave her work-role, for example through resignation, applying for promotions or choosing to retire. Conversely, she may not have a choice in whether she exits her role, which may result from redundancy, demotion or ill-health. The locus of change refers to factors and drivers inherent to the role and its context that influence the role-exit decision. For example, *intra-role* or *push forces* may include job dissatisfaction, therefore leading an individual to exit (quit). Additionally, a redundancy decision made by the employer would also be considered an *intra-role* force that results in a mandatory exit through termination or layoff. Alternatively, *extra-role* or *pull forces* may include the attractiveness of other roles or opportunities or ill-health that draw the individual to exit her role.

This is an oversimplification as exit decisions may result from the combination of both pull and push forces (Ashforth, 2001; Withey & Cooper, 1989). Individual decisions to exit roles may be influenced by both *intra-role* and *extra-role* factors. Individuals may be pulled from their role towards other opportunities in the labour market or pulled for personal reasons in addition to feeling the need to leave their roles due to dissatisfaction or frustration with their work-role environment. As individuals can be pulled and pushed simultaneously, we may see both spaces as potential features in the individual's exit decision.

Figure 2.2 The origins of role exits

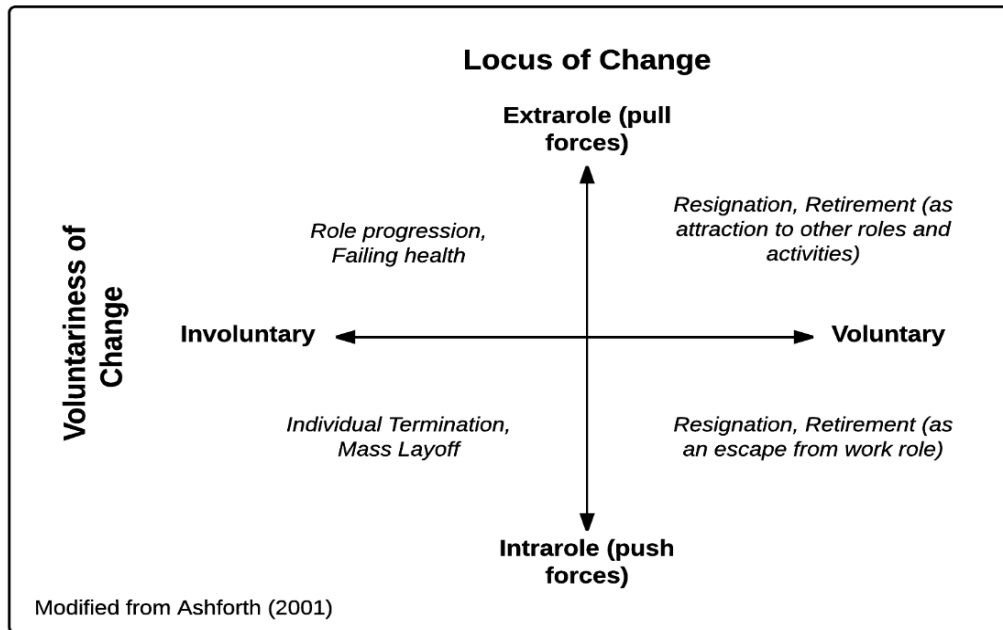


Additionally, voluntariness is not a dichotomous variable. It exists along a continuum (Ashforth, 2001). As is discussed later in Chapter 3, the range of downsizing tactics used by organisations may vary in the degree of voluntariness of the individual's exit.

Organisations may offer additional compensation or use policies that encourage early retirement or increase attrition. As argued by Wass (1996), organisations tend to succeed in removing targeting groups or work units through 'voluntary' redundancy schemes. Even where the exit is called 'voluntary', it may be more accurately considered to be an incentivised exit. These types of measures elicit the organisation's desired response from the individual, incentivising, but not necessarily making the decision truly voluntary.

Both axes are oversimplified in the context of role exits through organisational downsizing. The extent to which an exit represents a voluntary choice may be variable with multiple drivers influencing the exit decision. Given the expectation that both push and pull factors influence exit decisions, an alternative visualisation of role transitions is shown in Figure 2.3 (modified from Ashforth, 2001). It can be argued that both locus of change and voluntariness may be seen as continua in the case of job loss through organisational downsizing.

Figure 2.3 An adapted visualisation of the origins of role exits



Where harsh downsizing tactics are used, such as compulsory redundancy, the role exit may sit on both the extreme of push forces and involuntary exits; the individual had no voice or choice in decisions related to continuity of employment. However, this may be a different scenario where less harsh downsizing tactics are used (see discussion in Greenhalgh et al., 1988), such as the use of voluntary redundancy programmes. The role exit decision may be in part voluntary and involuntary, and driven by pull and push factors. In the example of exits during voluntary redundancy schemes, it could appear that the locus of control over future employment is situated within the individual. The individual may opt to leave or remain in the organisation with the pull of leisure or alternative activities influencing the exit decision. Alternatively or additionally, individuals may be pushed to accept the exit because of the deterioration in jobs<sup>3</sup> or for the financial compensation. Job deterioration may influence the attractiveness of alternative activities, be that inactivity (leisure) or other work-roles in the labour markets.

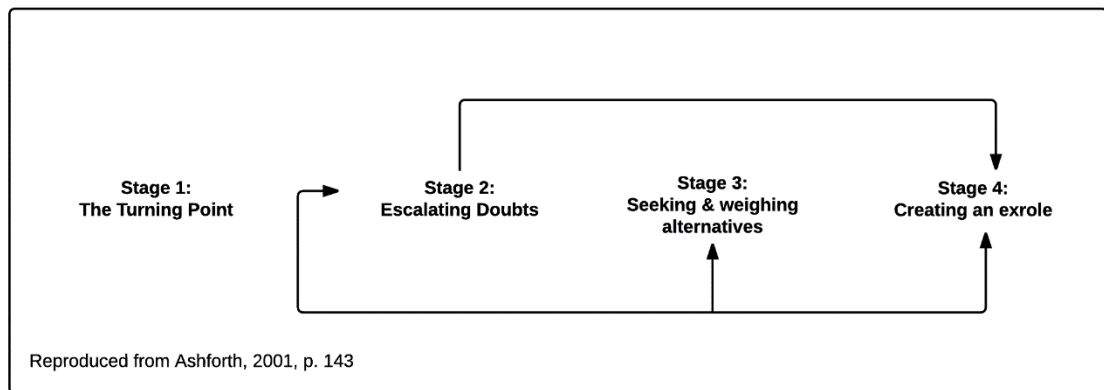
In applying the process of exiting a role to involuntary exits, the ordering of events differs. In Ebaugh's (1988) framework, much of the process occurs after the individual has physically left a role, whereas in an involuntary role exit, Ashforth (2001) argues that "the notice of termination is the de facto *turning point* and the beginning of the model"

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<sup>3</sup> It has been noted that under restructuring scenarios, remaining employees often experience greater role pressure and increased workloads as tasks and work are either poorly distributed or not reduced in tandem with the reduced workforce (Cascio & Wynn, 2004; Freeman, 1999).

(Ashforth, 2001, p. 142, original emphasis). The notification of termination triggers the subsequent processes and affective responses as the individual attempts to make sense of the change. Following the job loss event (the turning point), individuals may try to distance themselves from their previous role as a means of minimising distress which encourages them to seek and weigh alternatives and help them to create an ex-role (Ashforth, 2001) (as shown in Figure 2.4).

Figure 2.4 The phenomenology of involuntary role exit



A key challenge is the truncation of time during the transition and creation of the ex-role. In the voluntary exit, the individual has time to reflect and weigh alternatives before transitioning (Ebaugh, 1988). Individuals have influence over their transition (Greenhalgh et al., 1988). Conversely, in the involuntary transition, the individual may receive little or no advance warning of the job loss (Leana et al., 1998). The individual may have little involvement in decisions related to her continuity of employment and may be forced to scramble to make sense of and respond to the role change (Ashforth, 2001). This may impact how or whether the individual transitions in her ex-role and indeed have implications for subsequent engagement in the labour market.

## 2.8. Conclusion

This chapter has recognised that individuals may respond differently to job loss and this can lead to differences in outcomes. The outcomes of job transitions are shaped, in part, by how the person searches for work – including how she copes with her job loss, her job search self-efficacy, motivation to return to work and employability. These characteristics affect whether and the extent to which individuals search and accept new employment opportunities. This is an important dimension for understanding how individuals respond to job loss and how, and if, they engage with labour market interventions and participation in the workforce. However, within this literature, there is a recognition that



the conditions surrounding the job loss may influence behavioural and attitudinal responses.

Individuals have a role to play in selecting the pathways and the general directions which their lives follow, exhibiting individual agency in the job transition process. However, people do not have limitless choices, nor do they make those choices in isolation. “All life choices are contingent on the opportunities and constraints of social structure and culture” (Elder, 1998, p. 2). The individual’s job role transition is a process that occurs within the wider institutional framework shaped by the circumstances in the redundancy situation and subsequently, in the labour market situation. These distinct but connected structures present both opportunities and constraints for people which influence how they select and navigate their options based on available information and resources. This suggests that the broader contexts are important for understanding not only job transitions, but the quality of those transitions. What is largely missing from these individual-level debates is a broader view of conditions and changes in the institutional and organisational-level landscapes and the implications for the outcomes of workers and the changes in the quality of the jobs they do. The subsequent chapters explore these issues.

## Chapter 3. Organisational approaches to the downsizing process: Implications for job transitions

### 3.1. Introduction

The previous chapter argued that while individuals differ in their affective and behavioural responses to job loss and job displacement, these are influenced by contextual and situational factors that surround organisational downsizing and job loss events. Understanding the circumstances of job loss are thus important for understanding job search behaviours, and in turn, the interactions with labour market interventions (the focus of Chapter 4) and ultimately, re-employment outcomes. The previous chapter suggested that displaced workers are different from other job leavers due to the stressful nature of the job loss experience and the lack of control in decision-making related to their continuity of employment. This chapter expands on this idea by exploring the circumstances of job exit and re-entry into the labour market for displaced workers. It is helpful to consider the effects of being made redundant and “the process by which the loss of confidence and morale occurs” (S. J. Wood & Cohen, 1977, p. 19).

The focus of this chapter is on the organisational context of downsizing, the downsizing policies and procedures and the job loss event with a view to considering the job transition more holistically. Through the employer’s choices and decisions related to downsizing, organisations play a role in enabling or hindering individuals’ interactions with the labour market. The process and the design of the downsizing, through proactive planning and considered implementation, have implications for tempering the negative outcomes for the workforce (McMahan et al., 2012). Procedural differences in the exit process may shape the available pool of resources and the behaviours of displaced workers following the job loss. The levels of resources and self-esteem with which the individual enters the labour market have implications for job search intensity (discussed in Chapter 2) and readiness to re-engage with employment or available interventions (discussed in Chapter 4). The objective of this chapter is to better understand the extent to which the restructuring process influences job transitions – that is, individuals’ continued labour force participation and their return to decent quality jobs.

This chapter draws from the two main areas of research – the organisational-level downsizing literature and the individual-level ‘victim’ and ‘survivor’ of downsizing literatures. In the former, the research examines downsizing and restructuring practices

and involuntary job loss through facility closures<sup>4</sup> to focus on ‘technico-economic and human effects’ (Budros, 1999). At the organisational level, the research has examined the strategies and processes used in the downsizing exercises and the financial performance implications of downsizing (see e.g. Cameron et al., 1993; Freeman & Cameron, 1993; Hansson & Wigblad, 2008; Tziner, Fein, & Oren, 2012; Wigblad, Hansson, Townsend, & Lewer, 2012). A separate body of research has examined the implications for individuals. Connected to the organisational-level literature, some have focused on the experiences of employees remaining in the organisation (‘survivors’) (e.g. Appelbaum et al., 1997; Armstrong-Stassen, 1994; Armstrong-Stassen & Latack, 1992; Brockner, 1990; Cotter & Fouad, 2013).

Others have examined the effects of downsizing procedures on those losing their employment through facility closure and mass layoff (‘victims’) (Bennett et al., 1995; Guest & Peccei, 1992; Mallinckrodt & Bennett, 1992; Miller & Robinson, 2004; Westin, 1990). Within this latter category, some researchers have examined the use of employer interventions such as outplacement supports (e.g. Arslan, 2005; Butterfield & Borgen, 2005; Doherty & Tyson, 1993; Doherty, Tyson, & Viney, 1993; Gowan & Nassar-McMillan, 2001). A large group of the individual level job loss literature has focussed on either re-employment or the experience of job loss on individuals’ lives (see e.g. Bennett et al., 1995; DeFrank & Ivancevich, 1986; Eby & Buch, 1995; Kinicki, 1989; Leana & Feldman, 1988). A third, but smaller, subsection of the individual-level literature has focused on those making or carrying out the downsizing decisions, referred to as ‘envoys’, ‘agents’, ‘messengers’ or ‘executioners’ (see e.g. Ashman, 2012; Clair, Dufresne, Jackson, & Ladge, 2006; Kets de Vries & Balazs, 1997).

This chapter first considers the statutory requirements for redundancies as this shapes the organisational policy context and the individual’s experience of what is minimally required. The chapter explores the existing literature on procedural arrangements during organisational downsizing and their implications for individuals’ job transitions – including worker selection, notification and severance payments in compulsory redundancy situations. This section also examines the use of different downsizing tactics, such as attrition, ‘voluntary’ (or induced) and involuntary redundancy processes, and how and when these are deployed. Latterly, this chapter considers the role of procedural

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<sup>4</sup> Downsizing and restructuring assumes the organisation or work unit is not closing in full, while organisational closure represents a cessation of the business/business unit. While these are not synonymous, they are closely analogous “as the survivors of downsizing mirror the experiences of working during closedown periods [... In] both situations the workforce recognises that their employment relationship no longer conforms to the implicit psychological contract of job security in return for loyalty and effort” (Wigblad & Lewer, 2007, p. 6).

aspects found to influence the re-employment outcomes of workers. These include: the role of notification periods (Addison & Portugal, 1987; Cascio & Wynn, 2004), adequate and fair information (Cascio & Wynn, 2004; Robbins, 2012; Tourish et al., 2004), support interventions (Guest & Peccei, 1992; McKee-Ryan et al., 2005; Sahdev et al., 1999), perceived fairness, and the role of access to information about the job losses (Brockner et al., 1994, 1990; Tourish et al., 2004; Wigblad et al., 2012; Wigblad, Lewer, & Hansson, 2007). Lastly, the chapter considers the external and internal pressures and influences on organisations to downsize in particular ways and the implications for procedural arrangements and downsizing practices.

### 3.2. Downsizing and restructuring processes

‘Downsizing’ is understood as part of a deliberate and proactive corporate organisational strategy that has the intention to reduce the size of the workforce with a view to enhancing organisational competitiveness or ensuring a ‘leaner business’ (Carbery & Garavan, 2005). It is a set of planned organisational policies and practices intended to reduce the existing workforce (Freeman, 1999; McMahan et al., 2012). It involves a bundle of interrelated processes and as such can involve a great deal of complexity in both the implementation and for its study (McMahan et al., 2012).

There are several terms used in the literature to refer to how organisations’ deliberately reduce the headcount of the workforce (Chhinzer, 2007), including layoff, workforce adjustment, workforce reduction, redundancy and downsizing<sup>5</sup>. Amongst the most common terms, restructuring and downsizing are often used interchangeably (Wilkinson, 2005). These concepts however are conceptually distinct and can be disaggregated. Whereas ‘downsizing’ is the set of managerial actions intended to lead to a reduction in the size of workforce (Freeman, 1999), ‘restructuring’ or ‘redesign’ broadly refers to the changes in how the organisation operates (Freeman, 1999) or changes to the organisation’s formal bureaucratic structure (Budros, 1999). Therefore, it is possible to restructure without a reduction in staffing levels (Freeman, 1999). Likewise, it is also possible to reduce staffing levels without any restructuring or redesign to the organisation and/or workloads (Freeman, 1999). There is an overlap in these concepts in both the

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<sup>5</sup> In addition to the terms indicated in-text which are frequently used in the academic literature, redundancy is an area of management practice that suffers from euphemistic jargon (Wilkinson, 2005). Other terms, some of which are oxymoronic, include, ‘de-recruiting, de-hiring, rationalizing, rebalancing, rightsizing’ (Wilkinson, 2005). Cameron et al. (1993) argue that no manager wants to be associated with the negative connotation about decline, opting instead for alternative, euphemistic language.

research and in popular discourse in part because it is not uncommon for both downsizing and restructuring to occur simultaneously within an organisation (Freeman, 1999). So while these are conceptually distinct, “these phenomena may be linked empirically (causally)” (Budros, 1999, p. 70).

Conceptually, there are four important features to downsizing. Firstly, it is an *intentional endeavour* and it is distinct from reactions to decline in market share and resources “because it implies organizational action” (Freeman & Cameron, 1993, p. 12). Secondly, it usually involves a *reduction in personnel*, which may occur within part of an organisation but not uniformly across all areas. Thirdly, downsizing *is looking for gains in the efficiency and effectiveness* of the organisation, which may be reactive or proactive to contain costs or increase competitiveness (Freeman & Cameron, 1993). Lastly, downsizing is not the same as organisational decline, although the outcome for individuals in terms of job loss may be the same (Cameron et al., 1993).

Notably, even where the organisation is not ceasing its operations, the process for eliminating those jobs is regulated under national and territorial legislation in many advanced economies. As such, the focus tends to be centred on the legal requirements as the minimum standard.

### 3.2.1. Legal definitions of redundancy

Redundancy is a form of employer-initiated separation and classed as a reason for ‘fair dismissal’. The term redundancy is most commonly used in the empirical literature from the United Kingdom reflecting the language in the Employment Rights Act 1996 (UK). Comparatively, the North American literature refers to layoffs, mass termination and closures, reflecting their legislative languages. Canadian legislation (for example, in the province of Ontario<sup>6</sup>) refers only to ‘mass termination’ of employment, ‘temporary layoffs’ and ‘termination of employment’ for scenarios where the period of cessation of work is longer than a ‘temporary layoff’ (Ontario Ministry of Labour, 2013). The USA uses a similar language of closures, layoffs and mass layoffs, in the Worker Adjustment and Retraining Notification Act (WARN) (U.S. Department of Labor, n.d.).

Regardless of the differences in terminology, the definitions provided in the legislation refer largely to the same scenarios. The scenario covered in the legislation is different from a scenario where workers are discharged for disciplinary reasons. The legislation

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<sup>6</sup> In Canada, labour law is a provincial jurisdiction and therefore covered by provincial laws and statutes. Federal (Canadian) labour legislation would only apply in special circumstances, for example, on Canadian military bases.

looks to cover instances where one or more employees are surplus to the organisation's operational requirements (P. White, 1983) or ability to maintain expenditures at the existing level (Freeman, 1999).

Employer-initiated job separations tend to be restricted in several ways by legislative requirements. The legislation and the accompanying government guidance outline the minimum the organisation should do when dismissing staff under redundancy scenarios. In many OECD countries, the legislation specifies severance (separation/redundancy) payments which are fixed monetary compensation equal to a salary proportion based on tenure. The legislation also places restrictions on employers regarding the minimum advance notice of job loss. Advance notice requires organisations to provide the affected worker with an advance warning, often several weeks to months, keeping the worker employed during that period. In some jurisdictions, such as in the UK, the employer may be required to undertake a period of consultation with workers and their representatives prior to any job losses. Legislation also outlines procedural differences for scenarios where a group of employees are being made redundant at more or less the same time (mass termination/collective redundancy). Under these circumstances, the minimum amount of time (notice) that the employees are to be made aware of their impending job loss tends to increase with the quantity of employees affected (*Employment Rights Act*, 1996, *Employment Standards Act*, 2000; Ontario Ministry of Labour, 2013).

As a legislated process, there tends to be a focus on providing practical guidance related to the legal processes and fair selection in popular management texts (c.f. Foot & Hook, 2005; Pilbeam & Corbridge, 2006) and policy guidance documents (e.g. ACAS, n.d.; BIS, n.d.; Scottish Government & PACE Redundancy Support, 2009). Although most organisations undertaking downsizing are ill-prepared and lack strategic planning (Cascio & Wynn, 2004), they can go beyond the minimum standards outlined in law. Therefore, while the antecedents of decline and pressure may be out of the organisation's direct influence, the process of downsizing involves decisions being made by organisations and managers to proceed and how to proceed.

Compulsory redundancy as a method of workforce reduction has been the most common method to reduce headcount (Appelbaum et al., 1999). It is expected to provide the most expedient payroll savings strategy as selection decisions and time scales are decided by management, in compliance with minimum legal standards for notice and consultation with employees (Greenhalgh et al., 1988). It can also be seen as the most severe or harsh tactic for workforce reduction (Brockner et al., 2004; Freeman, 1999; Freeman & Cameron, 1993; Greenhalgh et al., 1988). Unlike other downsizing tactics, compulsory redundancy tends to concentrate power and control with management (Chhinzer, 2007)

and may offer little scope for employee voice in decisions related to continuity of employment (Greenhalgh et al., 1988). The organisation, however, assumes the risk of higher political and reputational costs of downsizing, both in terms of impact on the remaining employees and the signals to the wider market. Where shareholders, customers and key stakeholders react negatively to downsizing announcements<sup>7</sup> (Datta, Guthrie, Basuil, & Pandey, 2010; Worrell, Davidson, & Sharma, 1991), there is an increased reputational cost to the decision. This may lead the organisation to adjust their processes in downsizing to mitigate the reputational effects, for example, providing outplacement support for employees (Alewell & Hauff, 2013).

However, this cost – or threat thereof – is only an issue where shareholders, customers and key stakeholders react negatively to downsizing. Under some scenarios, such as if downsizing is normalised within the sector or industry through isomorphism, there may be external pressures placed on the organisation to downsize in particular ways. Positive reactions may encourage this behaviour and incentivise other organisations to follow suit. The following sections discuss procedural aspects of compulsory redundancy in more detail, considering possible selection processes, time scales and the provision of advance notification to workers.

### 3.2.2. Worker selection processes in compulsory redundancy

The selection for compulsory redundancy is directed by the employer and human resources staff (Chhinzer, 2007). Where the workforce is unionised, the process to be used for redundancy may have been previously negotiated in collective agreements. Selection criteria may be established based on objective features, such as position and tenure (seniority). For example, selection procedures based on tenure include ‘first-in, last-out’ ordering, whereby more recently employed individuals are prioritised for redundancy over those with longer tenure (Pilbeam & Corbridge, 2006). Alternatively, criteria might include more subjective measures such as performance evaluation or ‘merit’, a trend emergent in the public sectors in both Canada and Australia (Colley, 2005; Policy Development Directorate, 2012). Selection criteria under a performance or

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<sup>7</sup> Worrell et al. (1991) find that the reactions to redundancy announcements are highly sensitive to the reasons for the job losses. In an analysis of 194 layoff announcements, they recommend that managers should usually expect negative reactions to layoff announcements. The most adverse reactions are expected to be where the announcement is attributable to financial reasons. Reactions may be less adverse where the announcement is attributable to consolidation and restructuring reasons.

merit-based approach are different from the criteria used during the appointment process because it is assumed that “all the employees involved in the selection already met the merit criteria for their substantive positions” (Policy Development Directorate, 2012, p. 2). Merit-based processes give management “the discretion to establish the merit criteria that will be considered” (Policy Development Directorate, 2012, p. 3; see also *Public Service Employment Act*, 2003). Other selection processes might include a combination of tenure-based and performance-based indicators.

The selection process used by management must be transparent and reasonable to meet the criteria for ‘fair dismissal’ (BIS, n.d.b). At a practical level, compulsory redundancy may seem appealing due to the ease with which information can be gathered. Given its connection to the legislative requirements, territorial governments tend to provide guidance for businesses to comply with the minimum standards (e.g. BIS, n.d.a; *Employment Rights Act*, 1996, *Employment Standards Act*, 2000; U.S. Department of Labor, n.d.). The establishment of fair and transparent procedures aims to reduce inequalities and discrimination, or the appearance thereof, when removing individuals from the organisation. However, looking at employer-initiated downsizing, Kalev (2014) found that particular structural-based selection procedures may reinforce existing structural inequalities. Where selection was based on tenure, the odds of white men remaining in post increased by 15 per cent, while for white women and for black men and women, the odds of being in post decreased by 16 and 12 per cent respectively (Kalev, 2014). Combining structural rules (e.g. tenure) with performance evaluations had no significant effect on retaining diversity.

Merit-based approaches have been criticised due to their complexity and perceived subjectivity and potential for lack of transparency (e.g. Public Service Alliance of Canada, May, 2014). However, in executing these processes, legal experts tend to be brought on board, resulting in more equitable effects (Kalev, 2014). Kalev found that where performance evaluations were used as the main criterion, the bias towards retaining white men declined significantly and the negative effect on white women disappears. Performance evaluation-based downsizing preserved diversity almost intact. It was hypothesised that these procedures triggered more communication with legal expertise and greater consideration of anti-discrimination accountability, and in turn, generated more equitable outcomes (Kalev, 2014).

Irrespective of selection criteria used in the compulsory redundancy scenario, it is worth reiterating that control is located within management and the HR function within the organisation. There is little control or voice for the individuals affected.



### 3.2.3. Advance notification of job loss and pay in lieu of notice and the implications for job transitions

The legislation on redundancy and downsizing sets a minimum notice period for the affected workers in most advanced economies (Kuhn, 1992). Such legislation includes provisions on the minimum notice period required for individual terminations, and additional requirements for 'mass' terminations. Longer notice periods are required as the number of affected employees increases over a set period. For example, mass redundancy is a redundancy situation of more than 50 workers within a 4-week period (Ontario Ministry of Labour, 2013).

Weber and Taylor (1963) suggest that advance notification to employees serves several functions. It averts the dissemination of rumours concerning closure. It provides affected employees with opportunities to seek alternative employment within the local labour market. It provides time to implement any support or outplacement programmes such as retraining for new jobs, transfers to other locations (plants/units) and agreed separation payments. Advance notification also prepares the local community for the impending economic dislocation.

Advance notice provides an adjustment period to prepare for the cessation of employment, provided either in time or in monetary compensation in lieu of time. There is a large body of empirical research on advance notification periods. It has found that the main beneficiaries are those losing employment through redundancy (e.g. Addison & Blackburn, 1995, 1997; Addison & Portugal, 1987; Burgess & Low, 1998; Jones & Kuhn, 1995; Kuhn, 1992; Podgursky & Swaim, 1987; Swaim & Podgursky, 1990). The receipt of advance notification of job loss has a significant effect in increasing the probability of avoiding unemployment following the job loss event, even after controlling for a range of individual and labour market factors (Addison & Blackburn, 1995, 1997; Garibaldi, 2004b; Swaim & Podgursky, 1990).

Receiving advance notification helps to reduce or even avoid time spent in unemployment following displacement (Podgursky & Swaim, 1987); even small amounts of notice decrease the subsequent duration of unemployment (Addison & Blackburn, 1995; Jones & Kuhn, 1995). Using U.S. data, Addison and Blackburn (1995) found that notification periods of one month and one to two months were significantly associated with workers transitioning directly into employment for white-collar males and females, and blue-collar females. Although they found no beneficial impact of formal notice for blue-collar males, informal notice seems to lead to a greater rate of finding a job without an intervening period of unemployment (Addison & Blackburn, 1995). Using Ontario Ministry of

Labour data, Jones and Kuhn (1995) found that the median duration of unemployment for non-notified workers was 46 weeks compared to 14 weeks for a worker with 3-6 months of advance notice. Even after controlling for labour market conditions and demographic factors, individuals with advance notice of 3-6 months had a medium spell of unemployment of 15 weeks compared to 37 weeks for those with no notice (Jones & Kuhn, 1995).

The benefits of advance notice should be accrued during the period of advance notice, that is, before the individual moves into unemployment. Once the individual is in unemployment after the job loss event, the receipt of advance notice has no discernible effect on reducing the duration of unemployment (Addison & Blackburn, 1997). Indeed, those individuals may even experience an increase in the duration relative to their non-notified counterparts, though this may be due to unobserved individual level characteristics (Addison & Blackburn, 1995).

Additionally, too much notice may not benefit individuals in their transitions. Addison and Blackburn (1995) find that workers with a written notice period of over two months appeared to be associated with an increase in post-displacement search duration (unemployment) in men and women from white- and blue-collar work. This group of workers appear to find employment less rapidly than their non-notified counterparts. This may be more a reflection on the individual within a particular labour market context as the worker will have received a lengthy period of notice and a long duration of pre-displacement search time in which she has not found employment (Addison & Blackburn, 1995).

Possible explanations for the lower escape rate once in unemployment for a notified worker have included the influence of unemployment insurance receipt as delaying search behaviour and unobserved heterogeneity between groups of notified workers who have received little support (Addison & Blackburn, 1997). However, an alternative explanation has received more weight. Swaim and Podgursky (1990) posit that pre-displacement job searching of affected workers is qualitatively different from post-displacement job search; it is expected to be of lower intensity during the notice period. This may be a reasonable assumption given the non-immediate financial pressure and the lower efficiency of on-the-job search relative to full-time searching (Addison & Blackburn, 1995, 1997; Swaim & Podgursky, 1990). It may therefore be erroneous to treat the search of notified and non-notified workers as the same. Notified workers will have had the benefit of additional time for job search between the notification and displacement period. Controlling for the expected reduced intensity and the longer period of search, post-displacement escape

rates from unemployment have been found to be similar for notified and non-notified workers (Addison & Blackburn, 1997).

For workers affected by job loss to gain the full benefits from an advance notification period, the individual should receive both an extended notice period to reduce the time spent in unemployment, but also be supported with additional forms of assistance (Addison & Blackburn, 1997). However, it may not always be possible for the employer to provide suitable advance notification. The legislation on redundancy in advanced economies includes provisions to accommodate uncertainty and sharp decline in the labour market. Advance notification of job loss to workers can be offered through monetary payments in lieu of notice while on the job.

Organisations have the option under the law of offering an equivalent amount of severance pay in lieu of notice, thus less or no notice period, or of offering more notice. For example, a firm experiencing a large but relatively slow decline in demand may be likely to opt to provide notice (Jones & Kuhn, 1995; Kuhn, 1992), whereas an organisation experiencing rapid and perhaps unexpected decline is likely to offer pay in lieu of notice (Jones & Kuhn, 1995). Whereas pace and scale of decline may explain notice and non-notification behaviour by the organisation, organisations may also make decisions based on the nature of the external labour market.

Following a human capital approach, organisations may look to retain skilled members of their workforce at the expense of the less skilled in tight labour markets relative to when there is weak demand for skilled workers. Similarly, organisations may undertake their downsizing in ways that benefit the organisation in the most optimal way. Kuhn (1992) proposes a model in which the profitability of the organisation is private information; then issuing advance notice to workers acts as a signalling device to the market. An organisation may make workers redundant without notice; opting to pay the higher cost of severance payments for non-disclosure if there are market or reputational costs to protect.

In issuing advance notification of layoffs, employing firms also risk higher turnover before the close down date. Given that “advance notice unambiguously reduces the number of people who enter and exit unemployment” (Garibaldi, 2004b, p. 72) because of on-the-job search, turnover within the downsizing organisation increases. A firm looking to retain its workforce until its closure may accept higher costs of severance payment than risk lost capacity in the notification period.

Organisations may have a range of motives in their decisions on how to undertake restructuring. Organisationally-focused motives that affect notice periods and severance pay, to the detriment of providing information to affected staff, may have negative

impacts on the individuals' post-job loss transition back into unemployment, though impose no cost to the displacing organisation. The lack of advance notice defers the job search period until the workers are in the labour market and interacting with the wider system of active and passive measures.

### 3.3. Procedural configurations to improve outcomes

The previous section considered the role that legislation in advanced economies has played in shaping and improving downsizing outcomes for individuals. Notably, provisions that allow for advance notification of impending job loss allow individuals to begin their job searching prior to entering the labour market. Where additional time is not, or cannot, be provided to the affected workers, the legislation requires individuals receive financial compensation in lieu. These procedural aspects do improve outcomes for individuals, however employees have limited influence in the process (Greenhalgh et al., 1988). This may be problematic for individuals and for organisations as organisations also reap benefits from improving how they undertake downsizing exercises.

There is a degree of convergence between the factors that influence both individual and organisational outcomes. This may be expected if downsizing is viewed from a strategic human resource management perspective (McMahan et al., 2012). The implications for employees invariably impact the performance of the firm. Cameron et al. (1993), looking at why downsizing fails to yield the idealised performance gains, summarised the failures to be because *a*) the downsizing had not been effectively planned, managed, and implemented, and; *b*) that the downsizing had caused resentment and resistance among the surviving (remaining) employees in the organisation. Therefore, it is both in the interest of the downsizing organisation and all individuals affected to improve the process.

The literature treats 'survivors' and 'victims' as separate groups of individuals affected by downsizing. The fundamental distinction is that survivors remain in employment, hence the more positive sounding labelling – they 'survived' the downsizing. Both groups are similarly subjected to dynamic processes inherent to downsizing and restructuring (Wigblad & Lewer, 2007) and are likely to experience adverse effects. Separating these categories of individuals is not inherently problematic, but it risks overlooking the similarities between them. With respect to the post-job transition quality of work, the distinction between those who are pushed from their roles either through compulsory redundancy or through changing circumstances arising from organisational restructuring and the distinction between those who remain (stayers) and those who leave (leavers) may not be a helpful categorisation.

There is a substantial literature on ‘survivor syndrome’ (e.g. Appelbaum et al., 1997; Armstrong-Stassen, 1994; Armstrong-Stassen & Latack, 1992; Brockner, Wiesenfeld, Reed, Grover, & Martin, 1993). Survivors are concerned about how their displaced counterparts are treated and supported in the downsizing process, reflecting perceptions of their own job insecurity. Surviving employees may find their working environment to be a more hostile environment – with increased workloads and expectations (Cascio, 1993), lack of strategic direction from the organisation, a sense of permanent change and concerns for their job security (Appelbaum et al., 1997). The outcomes for survivors are feelings of anxiety, guilt, increased work stress, increased turnover intention and decreased morale, motivation, commitment and use of discretion at work (Appelbaum et al., 1997; Cascio, 1993; Siegrist & Dragano, 2012). ‘Survivors’ have a high likelihood of exiting or wanting to exit the organisation ‘voluntarily’ in the post-downsizing period (see literature on survivor syndrome, e.g. Appelbaum et al., 1997; Siegrist & Dragano, 2012).

Like those leaving the organisation involuntarily, survivors have similar information needs about the process and tend to receive similar amounts of information about the change process (Tourish et al., 2004). Unfairness in layoff choices, dissatisfaction with the level of planning and communication, the layoff process itself, and breaking of psychological contracts with employees are elements that directly affect victims and also change future work behaviours of survivors (Appelbaum et al., 1997). Survivors and victims tend to report similar levels of uncertainty, even though survivors continue in the organisation (Tourish et al., 2004).

Downsizing can be seen to breach the psychological contract – an unwritten commitment between employees and their employer – affecting both survivors and those leaving the organisations (Hiltrop, 1996; Robinson, 1996). How well individuals in both categories respond may depend on how closely the changes are to the current contract as well as the relationship between the employee and the employer (Rousseau, Ridolfi, & Hater, 1996). Asking more of individuals in terms of changes to their workload for survivors, or in changes to their work identities (or the loss thereof for victims), involves providing information, accommodating individuals and changing mind-sets (Rousseau et al., 1996).

Procedural elements such as procedural fairness and communicated information may mitigate some of the negative impacts (Turnley & Feldman, 1999). Outplacement supports to assist individuals in their transitions may facilitate the change in work role identity (Butterfield & Borgen, 2005; Doherty et al., 1993). The next section considers firstly the role of information and how it is perceived and the provision of outplacement supports.

### 3.3.1. Communicating processes and fairness in downsizing

If knowledge represents a form of control and power, the sharing of information is central to mitigating employee stress and concerns. How and what is communicated to employees is argued to be central to a more positive downsizing process (Brockner et al., 1990; Cameron, 1994; Mishra & Mishra, 1994; Tourish et al., 2004). In studies of managerial and non-managerial employees, non-managerial employees are expected to experience an increased sense of threat from organisational change relative to supervisory and managerial employees (Luthans & Sommer, 1999; Tourish et al., 2004). The knock on effects of the sense of threat include lower levels of job satisfaction, and lower perceptions of trust, commitment and job security (Armstrong-Stassen, 1998; Tourish et al., 2004). While managers have also been found to experience aspects of ‘survivor syndrome’ (e.g. Armstrong-Stassen, 1998; Luthans & Sommer, 1999; Wiesenfeld, Brockner, & Thibault, 2000), Luthans and Sommer (1999) found that managers were more likely to retain a longer term sense of loyalty to the organisation. Relative to non-managing employees, managers and senior management tend to report higher levels of information about organisational and job changes than middle management and non-managing staff (Tourish et al., 2004). They have access to more information about what is happening and about future plans and are more likely to be involved in the change process (Luthans & Sommer, 1999). Participating in the process means that that this group “have more time to adjust to new information and are more likely to understand, access, and respond positively to changes” (Tourish et al., 2004, p. 492). Through involvement in the process, they are likely to have a greater sense of control concerning the future of their jobs (Armstrong-Stassen, 1998; Tourish et al., 2004).

Access to information about the change process in the studies discussed is a privileged position for particular employees. The period of uncertainty where it has not been confirmed which – if any or how many – workers are losing their job has been found to be the most stressful (e.g. Dekker & Schaufeli, 1995; Hansson & Wigblad, 2008; Kasl & Cobb, 1970; Lazarus & Folkman, 1984; Wigblad et al., 2007). Workers in this phase “have no idea of what to cope with, simply because they do not know what to expect” (Dekker & Schaufeli, 1995, p. 58). Working under a continual threat of job loss in an organisation has been found to exacerbate feelings of insecurity and the related adverse psychosocial effects (Dekker & Schaufeli, 1995). Workers who were made redundant or redeployed into a role no longer under threat of job loss reported less psychological stress and burnout than those under continuous threat of job loss. Those under the continuous threat showed greater withdrawal from the job and the organisation in an attempt to cope with their experiences of job insecurity (Dekker & Schaufeli, 1995). Therefore, while

redeployment and redundancy may be unpleasant experiences, these transitions remove the environmental uncertainty faced by the worker and may be less detrimental to workers' psychological health (Dekker & Schaufeli, 1995; see also Gallie, Felstead, Green, & Inanc, 2016).

Active communication and involvement between management and all employees also appears to be a key factor in mitigating negative effects in the post-downsized negative period (Tourish et al., 2004). Accurate and timely information can be used to legitimise the downsizing approaches. While access to information will not remove the distress of job loss for employees, it plays a role in informing and reducing misinformation for those affected by downsizing and those remaining in the organisation (Brockner et al., 1990; Hansson & Wigblad, 2008; MacGregor, Peterson, & Schuftan, 1998).

While the provision of information has generally positive effects, there is some disagreement over the time scales for downsizing. In their seminal study on downsizing and organisational redesign, Cameron et al. (1993) found that managers preferred a 'rapid, quick-hit' approach in downsizing, arguing that it did not drag out the unpleasantness and anxiety associated with job loss for the employees. It was assumed that, "the amount of uncertainty experienced at any one moment is smaller and more manageable when an incremental approach is used as opposed to a rapid, one-time downsizing action" (Cameron et al., 1993, p. 41). Tourish et al. (2004) found that those leaving the organisation have greater feelings of mistrust and lost loyalty than survivors, leading Tourish et al. (2004) to suggest that practically these negative feelings cannot be fully avoided:

[The downsizing] should be implemented as quickly as possible, thereby reducing the possibility of survivors becoming contaminated by negative feelings from those downsized. In particular, giving people many months to brood over their impending departure does not appear to be a wise strategic choice. (Tourish et al., 2004, p. 509)

The implementation advice provided by Tourish et al. (2004) may be utilitarian, sacrificing the longer notice period for the downsized for the benefit of the survivors. However, the opposite strategy is associated with improved outcomes for individuals and organisations. As previously discussed, advance notification of impending job loss significantly reduces the time spent in unemployment, with the individual often moving directly into subsequent employment (Addison & Blackburn, 1995, 1997). This may have positive implications for individuals leaving their roles and for society as a whole, avoiding flows into unemployment, payment of unemployment insurance benefits and wider health and social costs.

As discussed previously, there are well established beneficial impacts for those leaving. The literature cautions organisations against sacrificing ‘victims’ of downsizing, with survivors experiencing similar concerns to their leaving counterparts. The treatment of victims departing the organisation has a lasting impression for those remaining (Appelbaum et al., 1997; Brockner et al., 1990). The outcomes for those remaining in the organisations are therefore intertwined with the treatment of those exiting, viewing the treatment of those leaving as indicative of their potential future treatment. This interrelatedness should not be overlooked. How the layoffs are perceived in terms of procedural and distributive fairness has been shown to mitigate the negative outcome reactions of victims and survivors (Bies, Martin, & Brockner, 1993; Brockner, 1990; Brockner et al., 1994, 1990; Wiesenfeld et al., 2000). Procedural fairness refers to the individual worker’s “perceptions of the fairness of the procedures used to arrive at resource allocation decisions” (Brockner et al., 1994, p. 397). In the context of downsizing, procedural unfairness might be where the organisation failed to provide clear and adequate explanations of the reasons for the layoff (Brockner et al., 1993). Distributive fairness focuses on the fairness of outcomes, including rewards, punishments or supports (Alexander & Ruderman, 1987). Perceived distributive unfairness in downsizing may include where the organisation provided little concrete support in terms of severance pay or assistance in finding a job elsewhere (Brockner et al., 1993). In either situation, where survivors perceive the layoff as unfair, they are expected to view their work environment unfavourably (Brockner et al., 1993).

More communication about the reasons for the downsizing, the process and other important aspects is important for all workers if the job losses are unexpected. Clarification of the reasons why the downsizing is occurring is particularly important if the downsizing arises with two broad forms of uncertainty. Firstly, where there is uncertainty about why the layoff occurred, for example if it was inconsistent with the corporate culture or wider context (Brockner et al., 1994, 1990). Secondly, where there is uncertainty about the significance of the layoffs, for example whether more layoffs are likely to occur (Brockner et al., 1990). Providing more comprehensive information about why the layoffs are occurring affects the way employees respond to undesirable resource allocations. Where employers are unable to provide employees with the necessary levels of fairness in the downsizing, compensating with additional information may mitigate some of the negativity (Brockner et al., 1990).

Employees remaining in the organisation may modify their behaviour during and following restructuring depending on situational and dispositional factors (Brockner et al., 1990). How well those remaining perceive exiting employees to be treated in terms of severance pay, outplacement support and explanations of reasons for the layoff all affect



the post-restructured functioning of the organisation (Bies et al., 1993; Brockner et al., 1990; Brockner, Grover, Reed, DeWitt, & O'Malley, 1987). Looking for a quick route may therefore be more problematic for all those involved, even when considering the potential benefits of a rapid downsizing. Importantly, workers benefit from decisive information about who, when and how they may lose their jobs or employment, removing or at least reducing the degree of environmental insecurity that they face related to their status, job role and tenure in the organisation (Dekker & Schaufeli, 1995; Gallie et al., 2016).

### 3.3.2. Employer assistance in downsizing: Outplacement supports

In redundancy scenarios, employers may choose to offer additional support to employees. Support might include access to retraining, which might be paid by the employer with employees permitted to participate during working-time. It may also include other outplacement services to support job search activities. Additionally, employers can act beyond the statutory minimum requirements on the amount of advance notice, severance and compensation packages and employers may continue employee benefits (e.g. medical, dental and life insurance coverage) – a feature relevant in North American economies. Employers may also facilitate inter-organisational relationships to external organisations, including suppliers, competitors, and community organisations<sup>8</sup> (Freeman & Cameron, 1993; Guest & Peccei, 1992; Wigblad & Lewer, 2007). Where there is weak demand in the labour market, employers may feel compelled to use compulsory redundancy strategies given the weak pull to leave the organisation voluntarily (Greenhalgh et al., 1988). However, they might likewise offer access to outplacement support as a countervailing measure or to maintain the organisation's reputation (Alewell & Hauff, 2013; Greenhalgh et al., 1988).

'Outplacement' is a term applied to describe the process used by many downsizing employers to assist their downsized workforce (Foot & Hook, 2005). In practice, it represents a range of different services available to employees. Alewell and Hauff (2013) categorise outplacement programmes (OP) into two groups: those measures aimed directly at affected workers losing their jobs and those aimed at those indirectly affected

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<sup>8</sup> A practical example of an intervention which relies on downsizing employers to facilitate access to their workforce before the job loss is the Scottish Government & Skills Development Scotland's PACE programme (Partnership Action for Continuing Employment) (Scottish Government & PACE Redundancy Support, 2009).

by redundancy. In the first category, interventions may include both professionally designed services aimed at helping the individual find another job and a new employer (Alewell & Hauff, 2013). Alewell & Hauff (2013) list examples of existing programmes and services, which include: *a)* Employability supports, including training to write job applications, CV writing, interview support and supports that respond to the recruiting processes for redundant employees; *b)* Counselling services targeting the psychological and emotional effects and ‘shock’ of the redundancy process; *c)* Direct placement into employment and help with job search services; *d)* Legal counselling related to issues of social insurance, labour law and other issues related to changing employment; *e)* Extra-redundancy payments, and; *f)* Offers by the employer to use firm resources to find new employment, including the use of paid working time or assistance with the application process.

Included within this category of exit-transition outplacement services might also be employee retraining or reaccreditation programmes run by the employer, information sessions related to pension entitlement and referrals to organisations providing services.

The provision of additional supports is not mandated in legislation, though their provision has achieved a near normative stance in downsizing scenarios (Doherty, 1996). In a survey covering all industry sectors in the UK in the 1990s, Doherty and Tyson (1993) found that of responding organisations, around 75 per cent offered a form of outplacement service, either run ‘in-house’ through human resource departments or externally through a consultancy firm. They found a positive relationship between the size of the organisation and how much they used the external outplacement services.

Some studies have suggested that the main driver for providing outplacement supports is to gain support from employees in the implementation of the restructuring and preserving the corporate image among external stakeholders (Alewell & Hauff, 2013; Doherty et al., 1993). Economically and normatively, it has been argued that the bundle of termination benefits and outplacement services reduce the negative effects of layoffs and lead to higher rates of employee acceptance of the impending job loss event (Alewell & Hauff, 2013; Brockner, 1990; Brockner et al., 2004; Doherty et al., 1993). This view offers a unitary frame of reference to human resource management, implying that the organisation places a high value on its employees and their welfare and that they are ‘all part of the same team’ (Doherty & Tyson, 1993). Ideologically, the use of outplacement supports to gain employee acceptance and involvement positions the acceptance of the job loss as an altruistic or martyring act on the part of the exiting employees – that is, “the sacrifice of some jobs will improve competitive performance” (Doherty & Tyson, 1993, pp. 36–37). For business reasons, the provision of outplacement services might be used to

preserve the corporate image – both externally to suppliers and customers, and internally to employees and managers. This might be used to signal messages about being a ‘good company’ to retain and motivate remaining employees (Doherty & Tyson, 1993).

Not all affected employees necessarily engage in outplacement supports, as those being transferred into other jobs (e.g. in other facilities), or those who know what they would like to do post job loss may not see the need to use them (Guest & Peccei, 1992). In a study of British Aerospace, Guest and Peccei (1992) found that among the affected, those due to be unemployed made greater use than those transferring, and more so than those retiring. They summarise their analysis of outplacement use as, “it was those who were most in need and least able to look after their own interest who were most likely to use the special measures” (Guest & Peccei, 1992, p. 44). The value of these measures for individuals may be mixed in terms of contributing to confidence and skill building, with minimal mitigation of the stresses of job loss (Guest & Peccei, 1992). Instead, these services may play a role in keeping people busy and re-orienting them towards exiting their roles (Guest & Peccei, 1992).

The preceding two sections have considered the role of information – how information about the impending job loss is communicated – and the provision of outplacement supports in the process on individuals undergoing downsizing. These aspects of the downsizing process may mitigate the stresses of job loss for individuals and may support individuals in understanding why job loss takes place. These measures involve employees in activities and decisions about their transitions out of the organisation. The way information is communicated, in particular the rationale for the closure, reduces the stressfulness of the job loss situation (Brockner et al., 1990; Guest & Peccei, 1992). Management has an interest, from a business and social perspective, in gaining workers’ involvement and buy-in in the downsizing process, as previously discussed. This may provide legitimacy in the short term, allowing the facility to close or reduce jobs.

### 3.3.3. Non-compulsory forms of job loss through downsizing

Not all terminations during restructuring are categorised as compulsory redundancies. The termination of employment through compulsory redundancy is among several other possible strategies for workforce adjustment. White (1983) makes an important distinction relevant to this discussion, distinguishing between a *job redundancy* and a *worker redundancy*. A *job redundancy* refers to the disappearance of the job function from the work structure, whereas the latter refers to a “failure on the part of the

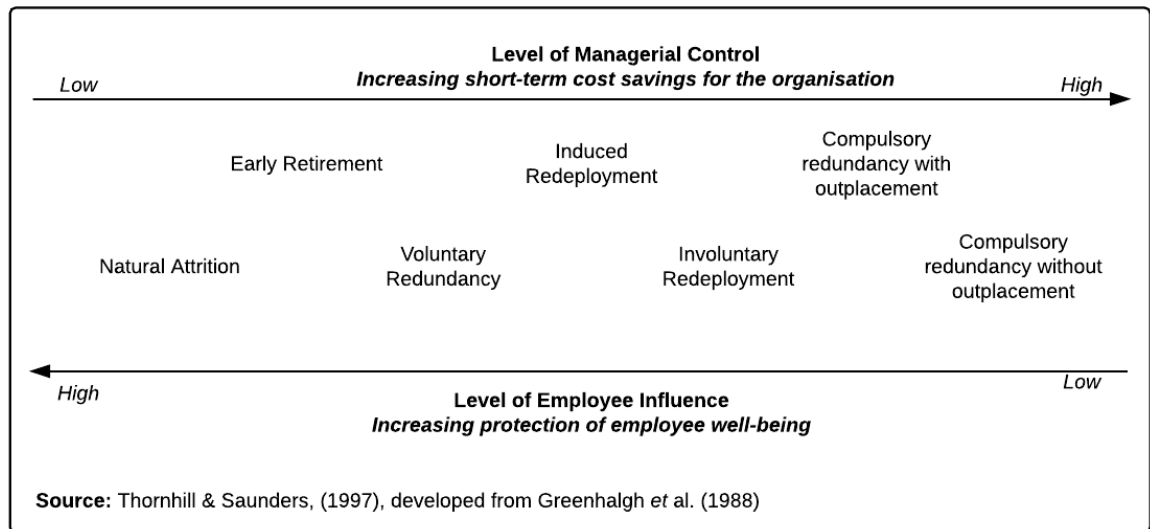
employing firm to offer new employment to the worker whose job has become redundant” (P. White, 1983, p. 32). Compulsory redundancy would fit the criteria of a worker redundancy, resulting in a transition out of the organisation. Organisations may, and often do, use more than one tactic in their downsizing strategy (Greenhalgh et al., 1988), for example making use of compulsory redundancy as a last resort after employee attrition and voluntary redundancies. Using the range of other downsizing tactics may allow the employer to avoid or mitigate the scale of involuntary reduction.

The literature on organisational downsizing considers ‘downsizing tactics’ as the methods used by the organisation to reduce the workforce (Freeman, 1999). The definition expands beyond the method to include procedural elements, such as the timeframe and pace of the downsizing (i.e. the amount of advance notice); the use of attrition or more aggressive tactics to meet the numerical reduction (i.e. layoffs or demotions); and the use of transitional supports for workers (i.e. outplacement or temporary assignments) (Freeman, 1999). Different tactics used to achieve the desired level of shrinkage of the workforce generate different costs for the organisation and employees (Greenhalgh et al., 1988).

Greenhalgh et al. (1988) and Thornhill and Saunders (1998) have positioned the different downsizing tactics along a continuum, as shown in Figure 3.1. Greenhalgh et al. (1988) argue that there is an inverse relationship between short term cost savings for the organisation and methods that protect or cushion employee well-being. Strategies which pose the greatest threat to employees’ continuity of employment, such as compulsory strategies, are expected to have greater short term cost saving potential (Greenhalgh et al., 1988). These strategies also involve greater managerial control over the process, including determining which employees exit the organisation and how. This is compared with longer term, incremental methods such as natural attrition and early retirement (Thornhill & Saunders, 1998; Turnbull, 1988).

Managerial control and the way it is exerted in the downsizing process can have lasting implications for individuals. As discussed, redundancy through all categories arises as a result of managerial decisions (Thornhill & Saunders, 1998). Some tactics allow for more employee participation in the decision-making relating to their continuity of employment than others. These tactics include some forms of intra- and inter- organisational redeployment, incentivised ‘voluntary’ exits and early retirements and attrition (Greenhalgh et al., 1988; Thornhill & Saunders, 1998). These tactics may be a double-edged sword depending on how the process is undertaken, with extra-statutory payments and other incentives used to eliminate targeted groups (Wass, 1996).

Figure 3.1 Downsizing methods, managerial control and employee influence



Among the more seemingly benign tactics for workforce reduction are attrition and hiring freezes. Attrition, or the use of natural wastage through quits and retirements, can be used as a strategy for workforce reduction. It is often used alongside hiring freezes to stop increases in headcount (Foot & Hook, 2005). Attrition and hiring freezes as a reduction strategy are invariably slow and incremental reductions, but are perceived to have less risk of adverse reactions by workers and other stakeholders than other methods of workforce reduction (Kets de Vries & Balazs, 1997). Paradoxically, in organisations which use attrition, hiring freezes and forced (induced) early retirement to reduce the size of the workforce, top performing employees are amongst those most likely to leave the organisation (Kets de Vries & Balazs, 1997).

In the context of job redundancies, a post or job may be removed from the organisational structure or become a redundancy without terminating the employment of the individual job holder. In such instances, organisations use internal transfers or redeployment as tactics to move workers to vacancies or other available posts in the organisation (Greenhalgh et al., 1988). Internal transfers and redeployment measures have been seen as a compassionate alternative to redundancy (Armstrong-Stassen, 2003) as the individual does not lose her paid employment, only the job that she was previously doing. These tactics may be used to mitigate the use of worker redundancies and compulsory redundancies (Chhinzer, 2007).

Voluntary redundancy strategies have lower political and reputational costs and may incite less conflict between workers and management than compulsory redundancy (Pilbeam & Corbridge, 2006). In a voluntary redundancy situation, individuals self-select for exit (Chhinzer, 2007). Voluntary redundancy may be viewed less negatively by the surviving workforce (Pilbeam & Corbridge, 2006), and has been called “the least

unsatisfactory method” to terminate employment (Clarke, 2005, p. 246). Employees may cope more positively and have positive responses in subsequent employment compared to involuntary exits (DeWitt, Trevino, & Mollica, 1998; Waters, 2007; Waters & Muller, 2004), although there may be little expected difference in re-employment rates (Waters, 2007).

As with attrition, it carries the risk that those with the desired skills and knowledge self-nominate for departure (Chhinzer, 2007; Pilbeam & Corbridge, 2006). Organisation may encounter issues where too few or too many individuals self-select for exit, resulting in the need to implement compulsory strategies or further incentivise exits in the remaining workforce or the need to reject some of the exit requests (Chhinzer, 2007). Voluntary tactics may be more financially costly because they often involve enhanced remunerative packages above the amount of statutory redundancy pay (extra-statutory) as incentives for employees to exit. Similarly, early retirement schemes may have higher financial costs to the organisation, due to early pension pay-outs and any added years as incentives. Early retirements also risk skewing the age profile of the remaining workforce with implications for natural retirement and career progression in the near and medium term (Pilbeam & Corbridge, 2006). As with attrition, these strategies pose a risk to the organisation that high performers are those likely to leave.

Where jobs are eliminated but employees are not forced to exit the organisation, they may be redeployed and transferred to other areas of the organisation (Greenhalgh et al., 1988). Internal redeployees may experience aspects of survivor syndrome, while also experiencing the stresses of undertaking a role transition like those exiting the organisation. Armstrong-Stassen (2003) found that while individuals who experienced internal lateral transfers fared similarly to employees who had not experienced a transfer, both groups reported decreases in their perceived organisational and supervisory support (Armstrong-Stassen, 2003). Although these options may be an improvement on involuntary redundancy, the experience of downsizing on workers has identified that both downsizing and job transfer processes are stressful for individuals (Armstrong-Stassen, 2003; Cascio, 1993; Davy, Kinicki, & Scheck, 1991).

Employers may use monetary incentives to encourage employees to exit the organisation. ‘Golden handshakes’ and ‘golden parachutes’ are terms that have been used to refer to separation payments to induce or compensate for exits from an organisation. More specifically, these terms – as the ‘golden’ adjective might imply – denote lucrative payment packages coined with respect to packages for ‘Fortune 500’ managers and executives (MacGregor et al., 1998). Within a public sector context, it has been argued that the civil service will never be able – both for economic and political reasons – to

provide 'golden handshakes' as has been done in the private sector (MacGregor et al., 1998). Rather, more appropriately, separation payments offer an incentive or *an economic jumpstart* to encourage staff to leave voluntarily and apply their productive labour to other areas of the economy (MacGregor et al., 1998).

'Voluntary' exit decisions are constrained choices to be made by the employee, as to whether to stay or leave, that are shaped by the employer's decisions. Despite the employee selecting to leave, the employer continues to be in control of which employees are likely to exit, by targeting particular groups of employees and through the structure of the compensation payments (Turnbull & Wass, 2000; Wass, 1996). In the ways that financial and non-financial inducements target and are structured, these can apply pressure on people to behave accordingly. Some non-financial inducements may be used to apply a normative pressure about who should go, and reduce morale and organisational attachment, thus leading to more volunteers (Diaz, 2006; Diwan, 1994; Lewis, 1994; Rama, 1999; Thornhill & Saunders, 1998).

Looking at public sector restructuring stemming from IMF and World Bank pressures, Diwan (1994) suggests that wage cuts and attrition should precede restructuring announcements to ensure that workers with better alternatives exit the organisation. After a sufficiently long period to ensure sufficient attrition, a second phase of simultaneous adjustments of wages and layoffs should begin. Wage adjustment should be increased for scarce types of staff, while restricting the choices to exit for some staff and certain levels of seniority (Diwan, 1994, p. 148). These propositions fail to take into account the short and longer term implications for individuals within and leaving the organisation. Their ultimate aim is to reduce the size of the workforce, with little consideration for the implications of the practices or their longer term effects. Under these circumstances, and with few or no available alternatives offered by the organisation, voluntary redundancy can make the job loss a more attractive proposition (Clarke, 2005).

These downsizing tactics which incentivise individuals to leave the organisation 'voluntarily' are particularly relevant in the context of organisations with 'no compulsory redundancy' policies. In these contexts, jobs may be eliminated from the organisational structure without the use of compulsory redundancy. Non-compulsory workforce reduction tactics may be preferred over involuntary methods and used to minimise the political cost of restructuring (Diaz, 2006). The implementation costs of downsizing measures vary, for example, the use of natural attrition strategies would be less costly than incentivised departure schemes, such as voluntary redundancy and early retirement.

### 3.4. Downsizing and implications for organisational performance

The intention of a downsizing exercise may be to increase efficiency but the extent to which this occurs for organisations may be questioned. It has been argued that, in management practice, downsizing is seen as a panacea for increasing performance (Cascio & Wynn, 2004; Wilkinson, 2005). While some firms do successfully improve performance, there is no significant or consistent evidence that downsizing leads to improvements (Cascio, 1993; Cascio & Young, 2003; Tziner et al., 2012; Wilkinson, 2005). It is worth considering the implicit logic underpinning the assumptions about performance and downsizing in management practice to understand the implications for employees.

Staff costs comprise roughly thirty to eighty per cent of general and administrative costs in organisations, with the large range owing to differences in capital-intensity across sectors and organisations (Cascio & Wynn, 2004)<sup>9</sup>. From a mainstream management perspective for profit-seeking organisations, there are two ways to increase financial performance (profits): cut costs or increase revenues. If one assumes payroll expenditure is a fixed cost, then, all things remaining equal, cuts to payroll should reduce overall expenses (Cascio & Wynn, 2004). This logic can be applied equally to the public sector where downsizing is seen as an avenue for reducing budget deficits and addressing inefficiencies to make public services ‘more business-like’ (Diefenbach, 2009; Rama, 1999).

This logic is inherently fraught with assumptions about labour as a fixed cost. Labour output is not fixed because individuals may withhold their efforts (Foot & Hook, 2005; Watson, 2006). Drawing on a strategic human resource management perspective and on the resource-based view of the firm (Barney, 1990, 2000), organisational performance is the sum of the aggregation of individual employee performance (McMahan et al., 2012). Individual performance is made up of general and specific human capital (Becker, 1994) and an individual’s motivation and commitment to work, manifested through desirable in-role and extra-role behaviours that support organisational outcomes (McMahan et al., 2012; Watson, 2006). McMahan et al. (2012, p. 144) argue that since behaviour “is one

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<sup>9</sup> While payroll costs tends to represent significant levels of expenditure in organisations, there is significant variation between staff-intensive (e.g. service and administrative organisations like in many public sector agencies), relative to capital intensive operations (e.g. an airline or manufacturing operation) (Cascio & Wynn, 2004).



of the antecedents of performance, downsizing will lead to lowered performance through its disruptions of trust, commitment, and justice”.

The spurious relationship between downsizing and improved performance (e.g. Cascio & Wynn, 2004; Cascio & Young, 2003; McElroy, Morrow, & Rude, 2001) is not the focus of this present research. However, it provides a relevant backdrop for several key reasons. Firstly, organisations’ propensity for downsizing are shaped by their external environment, including cost pressures or mimetic isomorphism (Budros, 1999; C. K. Lee & Strang, 2006; McKinley, Sanchez, Schick, & Higgs, 1995). The reason why organisations downsize and the pressures to do so may have knock-on effects for how they downsize. This presents a vicious circle because organisation outcomes are connected to how the restructuring was implemented and its impact on surviving workers (see e.g. Appelbaum et al., 1999; Brockner et al., 2004; Cascio, 1993). Those remaining in the organisation experience more adverse effects when they perceive those exiting to be treated unfairly. Advance notification of downsizing with the time and capacity to respond, clarity of information communicated and organisational supports are found to mitigate the adverse effects of downsizing for both remaining employees and exiting employees (see e.g. Robbins, 2012; Tourish et al., 2004; Wigblad & Lewer, 2007). Therefore, there is an overlap in positive factors, suggesting that what happens to those who leave is central for those who stay and in turn for the future organisational performance.

Secondly, organisations that rely on workforce reduction strategies as a means of cost reduction are likely to see reductions in organisational performance (Cameron et al., 1993; Mishra & Mishra, 1994; Thornhill & Saunders, 1998). This has future implications for employees remaining in the organisation because previous downsizing is an antecedent of future downsizing (Cameron et al., 1993; Mishra & Mishra, 1994; Thornhill & Saunders, 1998). This may not seem surprising if the objectives to save money and drive performance were not met with the initial restructuring exercise. The repeated use of downsizing, in turn, is shown to have damaging consequences for employee morale (Appelbaum et al., 1997; Thornhill & Saunders, 1998). The initial downsizing event nearly always leads to subsequent downsizing events (Cascio, 1993). It is a decisive event “that should entail decision-making that carries greater risk and uncertainty than that involved in subsequent downsizings” (Budros, 1999, p. 73). Repeated downsizing may result in ‘change fatigue’ for employees and management (Kets de Vries & Balazs, 1997). Furthermore, frequent and repeated downsizing is associated with practices that increase the perception of job insecurity, such as privatisation, outsourcing, use of temporary staff, as well as changes to work processes – including multitasking and work intensification (Quinlan & Bohle, 2009). In a review of the

occupational health and safety literature, 85% of studies on downsized and restructured organisations in the review found a deterioration in occupational health and safety, and well-being outcomes (Quinlan & Bohle, 2009).

Lastly, reactive cost-driven downsizing may result in being ill-prepared when undertaking the downsizing exercise. Cascio (1993) found that nearly half of the American organisations sampled were not well prepared, with more than half reporting that they had begun downsizing with no outplacement, retraining or deployment programmes or policies to minimise the effects for employees.

This closes the loop in the vicious cycle; the lack of support for those leaving the organisation has a direct impact on those remaining within the organisation as procedural fairness towards those leaving is a factor in reducing the negative effects for those remaining (Brockner, 1990; Brockner et al., 2004). In turn, the organisation is not expected to meet its reactive-cost saving gains (Freeman, 1999), thus we might expect further downsizing (Thornhill & Saunders, 1998).

### 3.5. Conclusion

Downsizing is a legislated phenomenon that follows a set of minimum standards with a degree of flexibility that might affect the pace and amount of notification of job loss that the workers will receive and the rate of statutory severance. Extra-statutory measures, including more notice, enhanced severance payments and opportunities to access alternative employment within the organisation are decisions made by the organisation. The ways in which the workforce reduction is implemented has cost and time implications for the organisation, but implications for the outcomes and experiences of workers. Absent from the literature considered in this chapter is an insight into how the downsizing organisation, through its practices and procedures, impacts on subsequent job quality for affected individuals. This issue is considered in Chapter 5.

Extra-statutory measures may be used by employers to reduce the reputational damage caused by job losses and may support better outcomes for workers. Longer periods of advance notice provide workers with a longer period to find alternative employment, minimising or eliminating time spent in unemployment following the job loss (Addison & Blackburn, 1995, 1997; Garibaldi, 2004b). A well-communicated rationale for why the job losses are occurring and fair procedures have positive impacts for workers remaining and workers exiting (Brockner et al., 1994; Tourish et al., 2004; Wiesenfeld et al., 2000). Outplacement services are commonly offered services that may improve employee engagement with the downsizing, act as a 'cooling off' period to adjust to the pending job

loss and may support job search skills and competencies (Alewell & Hauff, 2013; Gowan & Nassar-McMillan, 2001; Miller & Robinson, 2004).

Non-compulsory job redundancy measures may induce employees to exit the organisation or require them to move to another job through transfers and redeployment. These measures are seen as compassionate alternatives, providing a role for employees in decisions related to their continuity of employment. Despite this, in practice, the employer continues to retain control over the final outcomes through the availability and structuring of alternatives and incentives.

This chapter has argued that *how* organisations downsize and restructure has implications for individuals' transitions. As displacing organisations make decisions about how to undertake the downsizing, their choices are constrained by external pressures. These pressures may include legislative requirements, stakeholder/shareholder and customer pressures that affect the organisation's reputation as well as the financial resources and time available to undertake the exercise.

Downsizing, in many organisations, may be a reactive process with limited advance planning (Cameron et al., 1993; Cascio, 1993; Freeman, 1999). Advance planning and the redesign of work resulting from the restructure, however, may be important for improving the outcomes for individuals. The displacing organisation has the potential to influence individual outcomes through the degree of stressfulness of the experience and the resources it provides to those making job transitions. The following chapter considers the role of labour market interventions in influencing how individuals, once out of work, make their job transitions.

## Chapter 4. Labour market interventions, economic and social policy: Implications for job transitions

### 4.1. Introduction

The previous two chapters (Chapters 2 and 3) have argued that job search behaviours and re-employment outcomes of displaced workers are shaped by the context and circumstances surrounding their job loss. The job loss experience and the conditions and structures put in place by the downsizing organisation will shape individual responses and reactions, and influence the options available to the individual and the available resources. Unless the person moves directly into another job following their job exit, the individual is likely to interact with the labour market context, which has its own set of distinct social-institutional relationships for the person to navigate. Where the individual makes use of these interventions, the person may be steered towards particular opportunities or be provided with supports that facilitate access to employment. Even where the person does not make use of any labour market interventions, the interventions may influence the job transition. This might be due to ineligibility for or unavailability of certain benefits or services, or the quality and quantity of vacancies posted on public job boards (Addison & Portugal, 2002).

The earlier interactions in the redundancy context shaped – and continue to influence – individual behaviours post-job loss. The labour market institutions add an additional set of actors and factors that affect the quality of re-employment outcomes. The focus of this chapter is the individual's relationship with labour market interventions. This chapter explores the economic theories underpinning both active and passive labour market policies. It offers the rationales for the policies adopted within particular institutional contexts, with a focus on liberal market economies. It argues that these policies and the related interventions look to influence job search behaviour in particular ways, generally by reducing the time spent in unemployment rather than focusing on the quality of re-employment.

The labour market policy debates discussed here operate in generally separate spheres from the policy coordination arguments for more and better quality work. This latter area is rhetorically supported by supranational organisations. For example the European Commission and the International Labour Organisation (ILO) have taken policy interests in issues related to job quality as a means to support sustainable economic and job growth (European Commission, 2008; European Commission & Directorate-General for

Employment, Social Affairs and Inclusion, 2011; e.g. European Commission Employment Committee Ad Hoc Group (EMCO), 2010; Ghai, 2003; ILO, 2014; OECD, 2015a). Good quality jobs are important to the well-being of workers and can increase productivity, employment levels and promote social inclusion (European Commission Employment Committee Ad Hoc Group (EMCO), 2010; Findlay et al., 2013).

Despite the growing body of evidence that highlights the problematic nature of poor quality work for individual well-being, income inequality and national economic growth (Cingano, 2014; Dabla-Norris, Kochhar, Suphaphiphat, Ricka, & Tsounta, 2015; OECD, 2014a, 2015a), there is little evidence of a coherent policy response (Carré et al., 2012). The European Union's Employment Committee has argued that access to the labour market is a necessary foundation in considering quality of work (European Commission Employment Committee Ad Hoc Group (EMCO), 2010). However, within labour market policy debates, access to and participation in the labour market are seen to be achieved through decreasing search duration (periods in unemployment) and increasing participation activities (DWP, 2010; e.g. OECD, 1994). The principle objective of the latter policy approach is to move people out of unemployment, therefore off unemployment benefits and reduce 'benefit dependency'. The quality of the post-unemployment employment has not been central to this debate.

The focus in this chapter is on the relationship between labour market policies and the individual's transitions out of unemployment. The chapter is organised to first consider passive measures, such as unemployment insurance, and the implications for the quality of the job transition outcomes, followed by a consideration of active measures and their implications. It considers the underlying policy objectives of these interventions and considers what is known in relation to the behavioural implications for individuals, and in turn the implications for job transition outcomes. It considers how these policies and interventions may impact on the quality of work for those seeking re-employment following involuntary job loss. There is a strong focus on which policy levers support better quality job matches between labour supply and demand and which policy levers have the potential to hinder matching.

The drive to move people out of unemployment with limited consideration for the post-unemployment outcomes may contradict the desire to create more good quality jobs for sustainable economic growth. While lengthy periods of unemployment are problematic for post-unemployment outcomes, truncated periods may also have negative impacts on the quality of job matches. Further, beyond the potential negative impact on job quality, downward pressure on benefit levels and duration may discourage employers from

creating and sustaining higher wage, higher quality jobs (Acemoglu & Shimer, 2000; Marimon & Zilibotti, 1999; Snower, 1996). Although beyond the scope of this present research, the impact on the demand for labour may have important implications for overall quality of work.

The emphasis of this chapter is not on how individuals do or should behave to optimise their re-employment probability or modify their behaviours. Nor is the emphasis on the condition of the labour market. While these are important features of the re-employment experience, the conditions such as the bargaining power of workers and quality/quantity of vacancies are largely outwith the control of individuals. Individuals are not perfectly mobile to move to where there are opportunities. They are constrained by their personal circumstances, prior commitments (e.g. mortgages) and personal preferences.

Furthermore, much of the policy approach to motivate job search intensity assumes that additional labour supply will stimulate job creation, which is not the case (see Beatty & Fothergill, 2013). Nevertheless, the mechanisms which affect individuals remain largely the same irrespective of the quantity or suitability of available jobs. The emphasis, therefore, is on the implicit and explicit assumptions made in the policies and how changes in the policies look to modify individual behaviours based on normative assumptions of how individuals should behave in the labour market.

## 4.2. Labour market participants: Differences in voluntary and involuntary flows into unemployment

Job leavers and the unemployed are not homogenous groups. The previous chapters considered the differences between voluntary and involuntary job exits. In this chapter, a distinction can be drawn between different groups of unemployed people. It is valuable to spend a moment to consider the practical and conceptual distinctions between groups of individuals in unemployment and consider the circumstances under which they came to be out of work. Distinctions can be made between: *a*) individuals who voluntarily exit (e.g. quit) their employment; *b*) different types of dislocated/displaced workers (e.g. layoffs, job cessation, and facility closures), and; *c*) new and re-entrants to the labour force (Benedict & VanderHart, 1997). The cause of entry into unemployment may generate important behavioural differences and the barriers to their (re-) entry into employment may be significantly different.

Focusing on the categories of the unemployed who have exited previous employment (i.e. not new or re-entrants), it is useful to segment by: *a*) quits (voluntary exits); *b*) disciplinary dismissals (firings), and; *c*) displacement and dislocation (i.e. redundancies,

layoffs, job cessation, and facility closures). To focus briefly on the second category of disciplinary dismissals, turnover from firing is a complex process. This form of turnover may be a form of performance managed downsizing (Bertola, Blau, & Kahn, 2001; Bragger, Kutcher, Menier, Sessa, & Sumner, 2014), but may also result from poor fit between the person-job or person-organisation in the recruitment cycle. Due to the variation in this group, this group will not be considered in any further depth. The focus is on voluntary and involuntary exits, which may lead to important behavioural differences (Kidd, 1994).

Displacements may be considered to be firm-initiated (Kidd, 1994; Mclaughlin, 1992). Within a neo-classical economic and managerialist model, a quit arises from an increase in the value of the worker outside of her current firm (i.e. in the labour market), whereas a dislocation through layoff arises from a fall in value within the firm (Kidd, 1994; Mclaughlin, 1992). A displaced worker is assumed to have lower marginal productivity representing less value to the firm (Becker, 1994).

Human capital theory provides a lens for better understanding how a rational firm would undertake the downsizing in the most economically efficient manner. A firm in a period of decline and looking to downsize, but where its competitors were not looking to downsize, would be expected to first make redundant the workers in which it had not previously invested and protect those in which it had (Becker, 1994). In this scenario, the firm first sheds its unskilled or less skilled labour to keep the trained workers in whom it had invested from moving to competitors. Conversely, when unemployment is wide spread and other firms are also in decline – as in the context of a recession – the firm has a greater incentive to make redundant its skilled, more expensive workforce in which it has invested (Becker, 1994). The firm could rationally shed its skilled workforce assuming that demand is sufficiently weak and the firm would not risk losing its expensive, skilled workforce to competitors in the period before demand returns. The firm would also reap greater economic savings by shedding the more expensive labour (Becker, 1994).

For the displaced worker in both of scenarios, she is in a less advantageous and less desirable labour market position. In the former scenario, the worker is disadvantaged because she signals a lower productive value in the market, either real or perceived. In the latter scenario, there is weak demand for labour and she would therefore be in greater competition with a larger pool of applicants for a smaller number of jobs. Her chances of employment may be diminished as there is a greater ratio of workers to vacancies than in more prosperous times. Given the labour market positioning and signalling of displaced

workers, it may be expected that displaced workers will experience more difficulties in re-gaining employment relative to those who quit.

Studies of their re-employment have found that displaced workers are likely to experience drastic changes to their status at work in terms of remuneration, job level and skills utilisation (Bluestone, 1988; Dieckhoff, 2011; Indergaard, 1999; Jacobson et al., 1993; Mazerolle & Singh, 2002, 2004; Payne & Payne, 1993). Long-tenure, prime-aged workers displaced during or following mass redundancy have been found to endure persistent and substantial earning losses of up to 25 per cent of their pre-displacement incomes, in some instances taking up to 7 years to recover (Jacobson et al., 1993). This can be compared to full earning recovery within 3 to 5 years for those who were not part of the mass-layoffs (Jacobson et al., 1993). The losses vary only modestly after controlling for local labour market, industry, firm size and individual characteristics (Jacobson et al., 1993).

Key differences between quits and displaced workers may be in the perceived value of their human capital and marginal productivity as suggested by human capital theory (e.g. Becker, 1994). Educational attainment, employment in growth versus declining sectors and industry specific skills have also been found to influence the pace of re-employment (Benedict & VanderHart, 1997; Donnelly & Scholarios, 1998; Kidd, 1994). Under recessionary conditions, overall shortage of suitable employment may also lead to curbed progress in the individual's labour market transition. Time works against the jobseeker as increased duration of unemployment has its own host of negative impacts for re-employment. By disaggregating the characteristics of those out of work by their entry into unemployment, there is scope for greater nuance in understanding patterns of job exits and re-employment outcomes (Chhinzer & Ababneh, 2010). It also allows for better understandings of the labour market failures and the social and economic policy responses.

### 4.3. Passive labour market policies

This section considers the role of passive labour market programmes and interventions (PLMPs), in particular unemployment benefits, and their role in the job transition process – both in terms of search activity and outcomes. The principle aim is to serve as temporary income support through replacing part (or all) of the employment income of the unemployed during periods of job search (OECD, 1994), serving as a ‘search subsidy’ (Burdett, 1979). Much of the existing research on displaced workers has focussed on the rate and pace of re-employment as affected by the receipt of PLMPs such as



unemployment benefits/unemployment insurance. Both individual duration of unemployment and aggregate unemployment are positively associated with increased benefit levels (Addison, Machado, & Portugal, 2013; Layard, Nickell, & Jackman, 2005; Venn, 2012). This means that increases to the duration of receipt of benefits and generosity levels leads to increases in the duration of unemployment. As a result, unemployment benefits are considered to have adverse effects on re-employment rates (e.g. Feldstein & Poterba, 1984; Katz & Meyer, 1990a; Venn, 2012). The popular policy response is to reduce both duration and generosity.

The negative incentive effect of unemployment insurance has been the focus of substantial amounts of research in labour economics. As discussed in Chapter 2, job search behaviour tends to be related to job acquisition. PLMPs are seen to adversely affect re-employment by hampering the incentives to acquire new skills, participate in the labour market and lowering search effort (Addison et al., 2013; DWP, 2010; Jackman, 1994; Layard et al., 2005; Venn, 2012). Through the negative incentive effect on job-seeking behaviours, they are expected to increase the duration of unemployment, assuming that if the individual is not actively searching for work, there will be a lower arrival rate of job offers.

Unemployment benefits disincentivise job search by maintaining, and even inflating, a worker's reservation wage. In general, employed and unemployed workers are expected to be reluctant to accept reductions in wages, displaying downward nominal wage rigidity (Feldstein & Poterba, 1984; Keynes, 1936). This reluctance persists following job loss and can be understood through the concept of the *reservation wage*. The reservation wage is the lowest wage at which an individual is willing to work (S. Brown & Taylor, 2013). Under general conditions, the reservation wage is seen to be a function of search costs, the arrival rate of job offers, and the wage offer distribution (Addison et al., 2013).

The actual wage on the new job depends on the job seeker's willingness to search and to wait. A job loser may have to wait a long time unless he reduces his reservation wage below the wage that he received on this last job. The more he reduces his reservation wage relative to his previous wage, the sooner the job loser can expect to find work. (Feldstein & Poterba, 1984, p. 142)

The characteristics of the individual's previous employment, such as previous wage rate, tenure and unionisation may raise the individual's reservation wage (Gray & Grenier, 1998). Among those who have lost their jobs, the unemployed report reservation wages at least as high as in their last jobs, with a substantial fraction requiring wages that are higher (Feldstein & Poterba, 1984). While the reservation wage may be high at the initial point of entry into unemployment, it is not stationary. It tends to decline over time spent

in unemployment as liquidity becomes constrained (Addison et al., 2013; S. Brown & Taylor, 2013; Feldstein & Poterba, 1984; Lammers, 2014; Mortensen, 1986). This negative relationship between the reservation wage and duration of unemployment has been found to hold among men and women, and across countries (Addison et al., 2013). The minimum acceptable value is expected to decrease over time unless otherwise inflated with a substitute income, for example unemployment insurance benefits.

Job search theory suggests that a higher level of benefits raises the reservation wage at the beginning of the spell of unemployment, leading to higher post-unemployment wage gains and stability (van Ours & Vodopivec, 2008). Changes to the maximum duration of unemployment benefit entitlements and its replacement rate (generosity of the benefit relative to the individual's previous income) are policy levers to manipulate individuals' reservation wages (Addison et al., 2013). There is a consistent positive relationship between the generosity of the benefit rate and the duration of the spell of unemployment (job search duration) (Gorter & Gorter, 1993; Katz & Meyer, 1990a; Layard et al., 2005). In a review of national and cross national economic studies of unemployment benefit levels, Layard et al. (2005) summarises that the generosity of unemployment benefits in terms of level, duration, strictness and coverage, increases the unemployment duration, finding an average of a 1.1 percentage rise in equilibrium unemployment for every 10 percentage point increases in the benefit replacement rate (Layard et al., 2005; Scarpetta, 1996). In other words, where the cause of unemployment is not structural and supply and demand levels are equal, increasing benefit levels relative to its percentage of the individual's pre-unemployment income adversely affects flows out of unemployment.

Following a similar pattern, access to monetary savings also has a significantly negative impact on search effort and a significantly positive effect on an individual's reservation wage (Lammers, 2014). The less financially dependent the individual and her household are on earnings through the return to employment, the less the push to search for and accept employment, and thus the longer the duration of unemployment (e.g. Katz & Meyer, 1990a; Lammers, 2014; Layard et al., 2005). Where the principle benefit of and reason to work is assumed to be remuneration, these findings resonate with intuitive assumptions.

Shorter benefit entitlement durations have been found to lead to shorter durations of unemployment (Gray & Grenier, 1998; Katz & Meyer, 1990a; Layard et al., 2005). From Spanish data, the receipt of unemployment benefits was found to have a negative effect on re-employment probability; "very strong for workers in the first two months of their unemployment spells, it is significantly smaller in the 3-5 month bracket, declines further for durations of 6-11 months, and stays roughly constant from there" (Alba-Ramirez,

1999, p. 191). In the United States, Katz and Meyer (1990a) found that the flows into employment, either through employer recall or finding a new job increased substantially within the weeks leading to the benefits lapsing (Katz & Meyer, 1990a). They conclude that policies that extend benefits have a much greater adverse incentive effect on the duration of unemployment than policies with the same predicted cost implications which raise the level of benefits (Katz & Meyer, 1990a, p. 70). Similarly, Alba-Ramirez (1999) found that the receipt of unemployment benefits significantly reduced the re-employment probability by almost 50 per cent relative to the average worker not in receipt of benefits.

The stability and the rate of an individual's reservation wage and her job search behaviours can also be adjusted through modifications to benefit eligibility criteria (the extent to which the benefit is universal), as well as duration and generosity (as discussed). The eligibility and entitlement of unemployment benefits may be predicated upon contributions from prior work, amount of prior employment, job-search requirements, availability for work and the definition of suitable work. Many OECD countries impose sanctions for refusing an offer of employment or to participate in active labour market programmes. Venn (2012) examined the strictness of the eligibility criteria for unemployment benefits in 36 OECD and EU countries, finding that the mix of entitlement conditions, job-search requirements, monitoring and sanctions in place play an important role in influencing unemployment outcomes. The strictness of the eligibility criteria may even offset the impact of benefit generosity in increasing unemployment duration (Venn, 2012).

Simply put, these studies find that benefit receipt reduces the intensity of job search activities, and in turn affects re-employment probability. If successful post-unemployment outcomes are defined by the shortness of the spell of unemployment, modifications to the generosity and the duration of benefits are policy modifications that are expected to support this aim. Since the 2008 recession and the austerity measures that followed, many European Union countries have, to varying degrees, reduced the total number of weeks for which an individual can claim unemployment benefits (Heyes, 2011). No EU country has extended the maximum duration (Heyes, 2011), driven by political and financial pressures and to influence supply side behaviour (see discussion in DWP, 2010).

## 4.4. Unemployment benefits and quality of post-unemployment outcomes

The previous sections considered the rationale for reducing the generosity<sup>10</sup> of unemployment benefits to reduce the duration of unemployment. The state has vested interests in this agenda. Long term unemployment is costly in terms of paying unemployment benefits, the added costs of health and social care, the loss of tax revenue and loss of potentially productive labour. Additionally, long periods of unemployment may also have adverse effects for post-unemployment outcomes. It can exacerbate existing inequities in the labour market. It can lead to the loss of human capital as skills become obsolete (van Ours & Vodopivec, 2008) and act as a signal of the perceived loss of human capital to prospective employers (Snower, 1997b). Long periods of job searching also have adverse effects for individual well-being as workers become discouraged (Kanfer et al., 2001; Vinokur & Van Ryn, 1993). Gaure et al. (2012) found that, all things being equal, the probability of finding an acceptable job typically declines by around 20 per cent during the first half year of job search. Similarly, Gregory and Jukes (2001) found that periods of unemployment had a permanent scarring impact on subsequent earnings, proportional to the length of unemployment spell. Given the consistent and extensive negative effects of extended periods of unemployment, reducing periods of time spent in unemployment is an important policy problem.

It is worth, however, considering the potential implications of advancing a policy approach that advocates for rapid acceptance of any job and that does so by applying downward financial pressure on individuals and their households by modifications to benefit duration, eligibility and generosity. Arni et al. (2009)<sup>11</sup> argue that where the outcome is that the individual is induced to accept a job that does not last long:

Then it may be that the reduced employment duration and reduced unemployment duration cancel out, i.e. equilibrium unemployment is not affected. Or, even worse, the average duration of employment goes down so much that equilibrium unemployment goes up despite the fact the average duration of unemployment goes down. (Arni et al., 2009, p. 3)

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<sup>10</sup> From here, ‘generosity’ of unemployment benefits refers to the duration, eligibility and wage replacement rates.

<sup>11</sup> Arni et al. (2009) consider the post-unemployment job quality in an assessment of the role of benefit sanctions, rather than unemployment insurance (discussed further in this chapter). However, the implications for job quality are not dissimilar to those under depressed benefit earnings and job quality.

While longer unemployment duration may have negative impacts on future earnings, a hurried re-entry into *any* job due to a lack of income may also negatively impact future earnings. Individuals may be likely to enter into short-term or precarious employment arrangements and low wage work, which reinforce income inequalities (OECD, 2015a) and face scarring from their downward trajectory. Should the post-unemployment job be at a lower wage, or not last long, then:

A reduction in employment duration could imply that overall the worker is worse off in terms of earnings, i.e. the earlier employment re-entry is insufficient to compensate for the reduction in earnings due to the shorter employment duration. [Or] individual workers could still face a reduction in their lifetime income if they are forced to accept jobs with lower wages. Again the reduction in unemployment duration could be insufficient in income terms to cover the lower income while employed. (Arni et al., 2009, p. 3)

It is thus important to consider the extent to which passive measures could play a facilitating role in improving the post-unemployment outcomes. The reductions in benefits to stimulate re-employment follow the moral hazard argument that “long-lasting benefits may depress the intensity of the job search and may just prolong unemployment without improving the quality of post-unemployment jobs” (van Ours & Vodopivec, 2008, p. 685). This view sees financial incentives as the primary purpose, if not the sole reason, for employment or remaining out of work. It assumes that the higher rate of benefits makes receiving benefits an acceptable alternative to receiving a wage (M. White et al., 1994), thereby raising a person’s reservation wage.

This, however, conflicts with the wider social and psychological evidence on unemployment, work commitment and work centrality and the role of work in people’s lives (Gallie et al., 1994; Jahoda, 1982; Steiber, 2013; Warr, 2007; M. White et al., 1994). Indeed, Jahoda’s (1982) latent deprivation model argues the inverse of that assumption. Unemployment has negative effects on individuals because they are being deprived of the social-psychological functions and benefits of employment as well as the financial benefits (Jahoda, 1982).

The moral hazard argument also overlooks the potential positive behavioural changes associated with different levels of benefits (Marimon & Zilibotti, 1999). When considering employment commitment, that is the extent to which people are interested in work for work’s sake, the unemployed have consistently similar or higher levels of employment commitment compared to their employed counterparts (for UK in 1986 and 1992, see Gallie et al., 1994; Nordenmark, 1999; for European countries in 2010, see Steiber, 2013). Conversely, the quality of the work has implications for the level of commitment of people in work. Individuals in insecure work tend to have lower levels of

work commitment (Steiber, 2013) and experience lower levels of continuance commitment to the organisation (Broschak, Davis-Blake, & Block, 2008) compared to their securely employed and unemployed counterparts. Similarly, Nordenmark (1999) found the unemployed had the same level of work commitment as individuals in ‘instrumental jobs’, but both had lower levels than their employed counterparts in ‘stimulating jobs’. Taken together, these findings suggest that the qualitative outcomes of job transitions matter.

When considering commitment to work in the context of benefit receipt, it is worth reflecting on the assumption that benefit income provides a suitable alternative to wages and thus makes employment undesirable. Gallie et al. (1994) find the inverse to be true. There is a clear relationship between benefit income and employment commitment, with higher levels of benefits being positively associated with the individual being committed to employment in the longer term (Gallie et al., 1994). Higher reservation wages may also “imply higher *absolute* rewards on entering a job, and this might increase effort” (M. White et al., 1994, p. 168). Where the benefit level is more generous, the shock between the employed and unemployed state is smoothed, as discussed previously. This increases “the gap between their productivity in suitable and unsuitable occupations [as individuals] become more selective” (Marimon & Zilibotti, 1999, p. 283). Selectivity in the labour market allows for a more suitable match between the worker and the job. Transitions into better quality or at least more well-matched work might be expected as, “the unemployed are given time to find, not just *a* job, the *right* job” (Marimon & Zilibotti, 1999, p. 268, original emphasis). Finding and accepting suitable opportunities and being selective, however, tend to require more time than moving into any job.

Where there is strong and persistent downward pressure on the benefit level and where “unemployment is a more painful experience, agents continue to rush into *any* employment” (Marimon & Zilibotti, 1999, pp. 283–284, original emphasis). For those moving rapidly out of unemployment, this may be explained by pressures on and decreases to their reservation wage (Belzil, 2001). Assuming the market is operating efficiently, the assumptions within a human capital approach would suggest that decreasing one’s reservation wage might increase the likelihood of a mismatch between the person and job.

Looking at the relationship between job search effort and benefit levels, White et al. (1994) find no effect on the hours spent searching for work. They do, however, find that a higher number of children which is positively correlated with level of benefits, led to lower levels of job search (M. White et al., 1994). Although, as discussed, savings and other income in the household increased the duration of unemployment (Lammers,

2014), White et al. (1994) do not find non-benefit income (e.g. the employment status of a spouse or pension and savings) to be a significant influence on hours spent seeking employment. Lastly, they find that higher wage expectations are highly significant in increasing the time spent job searching (M. White et al., 1994), consistent with other research into the reservation wage on re-employment.

White et al. (1994) considered the implications for those who undertake search activity, but do not make applications for jobs. While it might have been predicted that this group have a higher than average income from benefits or non-benefit income, they find that benefits had neither a direct nor an indirect effect on this pattern of disengagement from searching (M. White et al., 1994). For individuals for whom increased job searching did not lead to increased numbers of applications submitted, as expected, this group is likely to spend a longer duration in their current spell of unemployment (M. White et al., 1994). Additionally, there was a correlation with lack of involvement with official placement services, for example the Jobcentre in the UK. However this was not necessarily a causal relationship (M. White et al., 1994). Family composition and marital status were, however, related, in line with the notion that some people may become discouraged in their search but cannot withdraw for normative reasons (M. White et al., 1994).

Benefit receipt plays an important role in maintaining participation in the labour market. In a study of laid off workers in Spain, benefit receipt was found to mitigate against inactivity, reducing the probability of leaving the labour force by 50 per cent (Alba-Ramirez, 1999). In this study, benefit receipt had both a significant and negative impact on transitioning into employment and also into inactivity (Alba-Ramirez, 1999).

For ‘discouraged workers’, or individuals who would like to have a job, but do not undertake job searching, White et al. (1994) find that the amount of benefits received has no direct effect on low search effort. They find only wage expectation to be associated with low search effort. It would appear that, “a person who expects little financial return from a future job is unlikely to expend much effort to get one” (M. White et al., 1994, p. 175). Although this group represents a small portion of the unemployed, this behavioural response seems to be related more to the local labour market conditions than to individual characteristics. If this is true, then in weak labour markets and where the vacancies consist of jobs which are low paid and poor quality, downward pressure on benefits to move people into employment may do little constructively to move people into decent work.

The empirical evidence has begun to show that the receipt and level of benefits do not necessarily impact negatively on commitment to work or the search intensity of the

unemployed (Gallie et al., 1994; Steiber, 2013; M. White, 1994). Indeed, the inverse is emerging as a pattern. It is the lower benefit levels and lower future wage expectations that seem to depress search intensity and motivation. Work commitment is negatively affected by insecure employment (Steiber, 2013) and expecting to move into low wage work depresses job searching (M. White, 1994).

This section has considered a counter-argument to the mainstream neo-classical literature that suggests that downward pressure on benefit levels improves job outcomes. While this section has not contradicted the potential for reducing the duration of unemployment, it suggests that an alternative definition of successful job outcomes beyond minimising the duration of unemployment is relevant.

#### 4.5. Unemployment benefits and the quality of job search outcomes

If the receipt of unemployment benefits does not significantly discourage job search behaviour and has potential positive impacts on transition outcomes by serving as a job search subsidy, then to what extent does downward pressure on benefit levels and duration impact transitions into good quality jobs? The neo-classical economic literature and the related policy responses have examined the negative incentive effects of income transfers, but this overlooks the potential beneficial effects on post-unemployment outcomes and well-being (Tatsiramos, 2009). Although the negative effects of unemployment are well observed, it would be a fallacy to conclude that therefore *any* job is an improvement over unemployment.

Quality of work has important implications for individual well-being. Forms of under-employment, such as involuntary part-time working, have been found to increase the likelihood of moving back into unemployment (Bennett et al., 1995; Payne & Payne, 1993). The importance of job quality persists in work and once out of work. The quality of one's employment may be connected to access to social and statutory entitlements which can affect one's participation in the labour market, such as contribution-based unemployment insurance or the means to accumulate some savings to support long periods of job search (Venn, 2012; Vosko, 2006a). Quality of previous work can have an impact on access to quality future employment. Thus the quality or lack thereof in job outcomes has the potential for longer term and residual effects. In social and psychological terms, inadequate employment is more similar to unemployment than it is to adequate employment (Dooley & Prause, 2004; Grzywacz & Dooley, 2003). Therefore, if unemployment benefits can play a role in supporting transitions to better



quality jobs, then it is relevant to consider the expected effect of unemployment benefits in influencing the quality of post-unemployment outcomes.

While there are consistent findings on the adverse effect of benefits for re-employment, the relationship to the quality of work is less so. It has been argued that unemployment benefits increase the probability of experiencing better job matches, and in turn, finding a better job (Belzil, 2001; Marimon & Zilibotti, 1999; c.f. van Ours & Vodopivec, 2008). Unemployment benefits act as a ‘search subsidy’ (Burdett, 1979), increasing the individual’s available resources for job searching. Access to benefits lowers the cost of searching, allowing for greater search effort for a longer time (Centeno, 2004). Individuals can be more selective in the jobs they apply for and accept, therefore facilitating more efficient job matching (Marimon & Zilibotti, 1999).

Studies have investigated the relationship between unemployment and job matching through the use of objective measures of job quality, in particular rate of pay, duration of employment, and contract type – assuming that permanent contracts are preferable to fixed term work. The findings from these studies have been mixed. Some have found that benefits have had positive effects (Böheim & Taylor, 2002; Centeno, 2004; Tatsiramos, 2009), mixed effects (Belzil, 2001) and even non-statistically significant effects (Belzil, 2001; van Ours & Vodopivec, 2008) on post-unemployment job quality.

One might also reasonably ask whether the institutional composition of the countries influences job quality outcomes. Different typologies for institutional comparison focus on coordination in key areas of the economy, like on employment systems (e.g. Gallie, 2007), social and welfare coordination (e.g. Esping-Andersen, 1990), or economic coordination (e.g. Hall & Soskice, 2001b). Despite the focus, there is a degree of consensus in the *a priori* clustering of nations. Notably, the Anglo-American liberal market economies (LME) of the UK, USA, Canada and Australia are often clustered together; with clustering among more coordinated market economies (CMEs) in continental European countries and in the Nordic states. This is relevant because policies differ between countries, but they are also refracted through different social structures (Gallie, 2007b). Different policy interventions may be the functional equivalents to one another, offering similar outcomes. Alternatively, similar interventions may have drastically different outcomes because of the differing social structures (Alcock, Erskine, & May, 1998).

Marimon and Zilibotti (1999), in a simulated model of continental European economies and the United States, find that more generous unemployment benefits resulted in matches to more well suited jobs. They argued that, “although workers experience longer unemployment spells in the welfare state economy, they are on average better assigned to

jobs” (Marimon & Zilibotti, 1999, p. 284). This, in turn, results in higher productivity per worker. Comparing models of the political economies of Europe against the United States, they predict, “an economy with 11% unemployment rate can be more productive than an economy with 4% unemployment rate, since very high employment is obtained in [the model] at the cost of larger mismatch” (Marimon & Zilibotti, 1999, p. 284).

Using U.S. data on benefit levels, Centeno (2004) found that higher benefit levels lead to longer tenure in the post-unemployment work. Centeno (2004) also found that higher benefit levels had a smoothing effect against the cyclical quality of the job match, mitigating the impact on job mismatch during periods of labour market tightness.

Examining U.S. data on displaced workers, Addison and Blackburn (2000) found a weak positive relationship between unemployment benefits and increasing post-unemployment wages. This study, however, did not find evidence of greater job stability, but did find that unemployment insurance receipt lowered the variability of wage changes (Addison & Blackburn, 2000). In Canada, Belzil (2001) found only a weak positive relationship between benefit duration and the job match quality, as measured by duration spent in subsequent employment. Belzil (2001) hypothesised, however, that unexplained characteristics of individuals may result in some unemployed people being less likely to sustain employment and found a significant negative correlation between unemployment duration and job duration (Belzil, 2001).

These studies suggest that there may be a relationship between unemployment benefits and facilitating transitions to better quality work, which might be expected to generate longer term beneficial impacts for individuals and society. Despite this potential, research by van Ours and others (2008) posit that there is little or no difference in the quality of job outcomes when changing the generosity of benefits. In a natural experiment study in Slovenia during a period of welfare reform, van Ours and Vodopivec (2008) found that shortening the duration did not have a significant impact on the quality of the post-unemployment work. They assessed the post-unemployment jobs by wages, contract type (permanent or not) and by whether the job ended within the year it started, and compared groups collecting unemployment benefits before and after the reforms (van Ours & Vodopivec, 2008). They found that workers were not accepting temporary jobs at any greater rate with shorter durations of benefits not significantly impacting the contract type. However, they did find that those with shorter benefit durations were more likely to move to a lower waged job. On job separation rates, workers with the shorter benefit duration were more likely to have left the job within the first year of employment. The authors conclude that reducing benefit duration from six months to three did not lead workers to take temporary positions over permanent work. They did, however, find an

increased likelihood of lower waged work and increased separation rates (van Ours & Vodopivec, 2008).

As a point of consideration, the objective measures of job quality used in these studies tend to include contract type, pay and subsequent employment duration, which are accessible measures in the available administrative data. However, they present a potentially incomplete view of issues of job quality in post-unemployment employment. It offers little in the way of information on alignment and matching between the individual and the job. Subsequent duration is used to reflect job stability, assuming that individuals will be less likely to quit more desirable, better matched jobs (Centeno, 2004). This proxy may risk conflating a range of factors and dimensions related to continuance commitment and be particularly limited in the context of periods of economic recessions and periods of weak labour demand, where individuals may look to sustain even less desirable employment over the alternative of unemployment (Kalleberg, 2011).

This section has considered the debates on the relationship between unemployment benefits and quality of post-unemployment outcomes. This discussion calls into question the policy enthusiasm for driving down both benefit generosity and duration as a means to improve economic growth that has been the approach of the UK Government, among others, particularly since the Great Recession (DWP, 2010, 2013; Heyes, 2011). For the individuals seeking employment, it presents a potentially conflicting position between the desire to move into suitably matched work and economic need.

That said, there is a significant debate around welfare, neoliberal policies and the penalisation of poverty, which is not within the scope of this research (e.g. Lindsay et al., 2007; Lindsay, Osborne, & Bond, 2013; Peck & Theodore, 2001; Poinasamy, 2011; Standing, 2011). These scholars have argued that the eligibility for welfare benefits has become so contingent on compliance and regulation of behaviour that the welfare system is less of a means to relieve poverty, and is more akin to an instrument for social 'education' and for punishing the poor (e.g. Lafer, 2002, 2004; Larkin, 2007; Rodger, 2012).

#### 4.6. Unemployment benefits and quality of job created

In light of the previous discussion on the role of labour demand in motivating job search activities regardless of benefit income (Gallie et al., 1994; M. White et al., 1994), this section considers the impact of benefits on job creation. Throughout much of the literature examined in this chapter, the individual has been positioned as the main and sole agent responsible for her return into work and for its quality. While a comprehensive

review is beyond the scope of this present research, an adjacent – yet relevant – strand of research has explored the role of unemployment benefits in improving the allocation of resources (Acemoglu & Shimer, 2000; Marimon & Zilibotti, 1999; Snower, 1996). The types of jobs that are available may impact individual job search behaviour and in turn, affect job search outcomes. Therefore, it is worth briefly reflecting on the role that the structure of the benefit system may play in modifying the labour market.

Acemoglu and Shimer (2000) argue that when the outcomes of search costs are positive, workers spend resources on search. Increased searching is beneficial for wages in two ways. Firstly, it improves the sorting and allocation of workers across firms. Secondly, “search limits firms’ monopsony power and drives up wages” (Acemoglu & Shimer, 2000, p. 598). Where there is no wage dispersion, workers do not search enough and there is too little competition for labour, distorting entry margins of firms and the capital-labour ratios (Acemoglu & Shimer, 2000). Wage dispersion, therefore, encourages workers to actively job search and allows for a more efficient allocation of resources. Search subsidies, such as unemployment benefits, play a role in reducing the cost of search and increasing search intensity, and “subsidizing search improves welfare in [the] economy” (Acemoglu & Shimer, 2000, p. 605).

Policies which place downward pressure on benefits mean that workers are less able to be selective in their post-unemployment job search, and less able to accept well-matched jobs. This may have implications for skills acquisition. Snower (1996) argues that an increased number of skilled vacancies raises the skilled workers’ chances of finding good<sup>12</sup> skilled jobs (the vacancy supply externality) and increased number of skilled workers raises the firms’ chances of filling their good jobs (training supply externality). This combination raises the expected returns for both parties. Conversely, where there are few good jobs, workers are under-compensated for acquiring skills, and where there is a sizeable proportion of unskilled workers, firms are under-compensated for creating good quality jobs (Snower, 1997a). This cycle has a reinforcing effect for firms and workers and is an explanation for the low-skill, bad job trap into which economies may fall (Snower, 1994, 1996). It disincentivises both the acquisition of skills by individuals and the creation of well-paid jobs in which workers can deploy those skills.

From the argument that there is an iterative relationship between skills acquisition (on the supply side) and the incentive for firms to create good quality jobs, then the pressures which (potentially) hinder good quality matches between skilled workers and jobs may

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<sup>12</sup> While good jobs are not uniquely skilled jobs, jobs requiring higher levels of human capital are more likely to have higher wages, access to training and development and opportunities for skills utilisation which are associated with good jobs.

have similar negative incentive effects on jobs created. This in turn, may reinforce a cycle of poor quality job creation in the economy (Marimon & Zilibotti, 1999). Disincentives for firms to create good quality jobs may be further exacerbated in recessions and the subsequent recovery periods. Job quality tends to be adversely affected during recessions (Barlevy, 2002; Bowlus, 1995). While recessions are thought to have a ‘cleansing’ effect on the most inferior jobs as resources are more efficiently allocated (Mortensen & Pissarides, 1994; Schumpeter, 1994), a countervailing ‘sully’ effect stifles the most efficient matches leaving workers in mediocre matches with few high quality matches being created (Barlevy, 2002). Jobs created are more likely to be at the lower end of the wage distribution and disappear as aggregate productivity in the economy resumes (Bowlus, 1995). For workers, they are less likely to quit their employment in favour of potentially more productive, better quality matches (Barlevy, 2002; Kalleberg, 2011). Indeed, workers tend to move into less well-matched jobs during recessions and report themselves as underutilised and overeducated (Acemoglu, 1999). More mismatching occurs during recessions, with individuals taking lower-paid jobs that do not last (Bowlus, 1995). Bowlus (1995) found this pattern to be greater for higher-educated workers and those in professional industries rather than in lower-pay service sectors and suggests the pro-cyclical pattern to be one general mismatch rather than workers accepting ‘stop-gap’ jobs during the recession.

This is not a simple issue that is to be resolved within the scope of this research. There is additional complexity as the number of poor quality jobs in the economy invariably reduces the odds of an individual transitioning into a good quality job. This impacts the extent to which individuals see themselves as likely to transition into good quality employment and so influences job search behaviour.

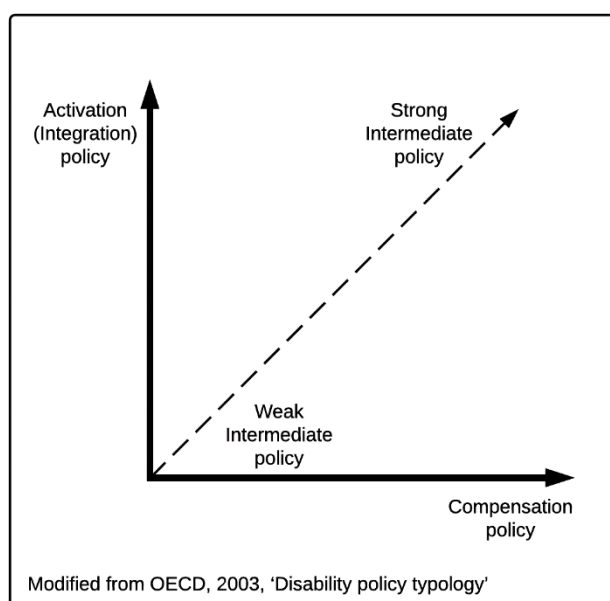
#### 4.7. The interaction between active and passive labour market policies: Considerations for quality of work

The previous sections considered the role of passive measures as a replacement income during periods of unemployment and the individual's job search behaviour, and in turn, the quality of the outcomes. Unemployment benefits are but one component part of the larger labour market policy system. The framework of active labour market programmes (ALMPs), broadly speaking, consists of programmes to encourage job search, employment-related skills and labour market mobility (Jackman, 1994; Martin, 2000; Snower, 1997a). These interact with each other to influence the job transition process.

Passive labour market programmes (PLMPs) are costly to the state in direct payment of transfers and benefits, but have low administrative costs. They may tend to involve less direct interference in the lives of individuals (Jackman, 1994), however they may “blunt the incentive to seek work or to acquire new skills” (Jackman, 1994). Conversely, ALMPs such as job search support and training initiatives have higher administrative costs but can be used as a stimulant to encourage or enforce search efforts.

As previously discussed, the high levels of compensation along the ‘compensation policy axis’ are positively correlated with the duration of unemployment. To counter this, activation policies have been used to stimulate engagement and counter a ‘something for nothing’ approach (DWP, 2013). Assuming that greater activation measures counteract compensation by decreasing the amount of leisure time for those on benefits, policy packages might seek to find a suitable balance between the two (see Figure 4.1). Behaviours can be adjusted by changes along both axes – for example, higher levels of activation may require less generous benefit durations to move individuals out of work.

Figure 4.1 Differing policy approaches to maintain labour market participation



From the 1980s onward in OECD countries, the focus has been to consider problems of unemployment as a supply side issue (Jackman et al., 1990; McQuaid & Lindsay, 2005). Supply side interventions – those directed at changing the labour force – were increasingly favoured because of fear that interventions that indiscriminately encourage demand-side expansion will lead to rising inflation (Jackman et al., 1990). Governments were searching for policies that reduced unemployed and maximised employment gains per unit of

expenditure (Jackman et al., 1990). In other words, ALMPs were seen as an inexpensive way of reducing unemployment.

The outcome of this ideological shift towards the supply side has been to increase the level of activation assistance of benefit recipients (Jackman et al., 1990; Lightman, Mitchell, & Herd, 2010). The focus has moved from passive benefit entitlement to 'activation' and 'welfare-to-work' measures to counteract against 'welfare dependency' (OECD, 1994). Conditionality is seen as a form of 'mutual obligation' (Jackman, 1994; OECD, 2005), to end a 'culture of something for nothing' (DWP, 2013). Critiques have argued that this constructs the causes of poverty and unemployment to be individual-level problems, including 'welfare dependency', low work motivation and inadequate 'employability' (Boyle & Boguslaw, 2003; Lafer, 2002, 2004; Lindsay & Pascual, 2009; Peck & Theodore, 2000).

As critiqued earlier, search models assume that utility-seeking, rational individuals aim to increase the amount of income through employment or benefit receipt, while decreasing the level of effort expended (see e.g. Mortensen, 1986). Generous levels of benefits without conditionality, therefore, make inactivity/leisure (not employment, education or training) a desirable position. Required activation measures are used as the counterweight, that is, they increase the level of job search activity and effort, thereby reducing the available time for leisure (Venn, 2012).

ALMPs increase the cost of leisure to the unemployed, therefore the individuals less interested in work will self-select out of claiming unemployment benefits unless they really need it (Fredriksson & Holmlund, 2006; Jackman, 1994). On one hand, filtering to only those intending to use the benefits as a search subsidy may maximise the benefit of the compensation. On the other hand, however, highly means-tested barriers to access are costly to implement and some 'truly needy' are likely to be excluded from access (Gugushvili & Hirsch, 2014; Mkandawire, 2005).

Low take-up rates for unemployment insurance have been observed in European countries and in the U.S. and in Canada (Gray, 2006; Hernanz, Malherbet, & Pellizzari, 2004; Mowat Centre for Policy Innovation, 2012). Across OECD countries, estimated take-up for unemployment compensations tends to be between 60% and 80% of people eligible for the benefits (Hernanz et al., 2004). In Canada, at the height of the economic crisis in 2012, less than 1 in 5 (21.2%) of the most populous province's (Ontario) unemployed workers were receiving regular EI benefits, with women being particularly disadvantaged (Hennessey & Stanford, 2013).

This is an issue as poor take-up may hinder the policy from achieving its aim (Hernanz et al., 2004). It also segments and differentiates the populations into those who can afford

not to claim benefits and those who need them (the poor) (Gugushvili & Hirsch, 2014; W. Korpi & Palme, 1998; Mkandawire, 2005; Rothstein, 2001). Universal access as well as higher wage replacement rates can positively affect take-up rates (Anderson & Meyer, 1997). Along with the PLMPs' low wage replacement rates, conditionality and strict eligibility requirements, ALMPs can be used in a dual capacity: to promote labour market adjustment and to discourage a reliance or dependency on passive policies (Jackman, 1994) (consider again Figure 4.1).

The trend towards increased activation has been widespread across advanced economies with the OECD and EU guidelines and legislation in Canada, the United States and in the UK all advocating for greater 'activation' of welfare recipients (Lightman et al., 2010; OECD, 2005; Walker & Wiseman, 2003). Participation in 'activation' programmes has become increasingly mandatory for the relevant target group, differentiating these programmes from free public employment services (OECD, 2005). Recipients of out of work/job seeking income-replacement benefits tend to be the main target group for activation programmes (OECD, 2005). These benefits are conditional on being available for work with evidence of search activity and participation increasingly enforced through financial sanctions (Ernst & Berg, 2009; Lightman et al., 2010; OECD, 2005). The approaches adopted in liberal market economies (LMEs) tend to involve the "imposition of a range of compulsory programs and mandatory requirements for welfare recipients with a view of enforcing work while residualizing welfare" (Peck, 2001, p. 10).

While there is no single model of 'active' programmes, the models in LMEs place priority on rapid labour force deployment and re-enforcement of labour market attachment (Lightman et al., 2010). The emphasis is placed on the 'shortest route' to paid employment with limited longer-term opportunities for skills development and training (Lightman et al., 2010) or consideration of the quality of the job. In short, the approach promotes any job over no job at all and risks inducing the 'revolving-door' problem of participation, as participants cycle between interventions, unemployment and short-term employment (Lindsay et al., 2007).

The more recent UK Government's Welfare Reform policies (Welfare Reform Act 2012) increase the degree of conditionality to increase labour market participation with greater enforcement and harsher financial sanctions (DWP, 2010). The explicit logic is that individuals will be incentivised to seek work over claiming benefits and if they seek work, they will find work. This assumes that increased job search activity enforced through ALMP participation increases the creation and filling of job vacancies (Calmfors, 1994). The increase in job search intensity by workers will enhance the matching efficiency with vacancies (Kluve et al., 2007). As filling vacancies become less costly to firms, more



vacancies will open (Calmfors, 1994). If this were the case, a counter-effect of increased labour supply may increase the bargaining power of employers, thereby reducing real wages for workers (Kluve et al., 2007).

This notion is underpinned by the problematic assumption “that extra labour supply leads to extra labour demand from employers” (Beatty & Fothergill, 2013, p. 8). It is questionable the extent to which labour markets function in this way, particularly during periods of recession or low economic growth (Beatty & Fothergill, 2013). Furthermore, it assumes that individuals are rational players and that attachment to work is financial in nature. It assumes that having lost paid employment, individuals will invariably turn to benefit dependency (DWP, 2010; c.f. M. White, 1994). The espoused approach may have real consequences on the quality of jobs, in particular in terms of real wages and quality of work in the labour market (see discussion in section 4.6).

## 4.8. Active labour market policies

This current section considers the role played by active labour market policies (ALMPs) in supporting the transition into work, and where possible, the implications for job quality. Active policies tend to target particular segments of the labour market seen to be facing integration difficulties, including younger and older workers, women and those with disabilities (Ernst & Berg, 2009). The OECD subdivides ALMPs into five main categories, shown in Table 4.1. The OECD has advocated for the use of ALMPs, supporting the ‘mutual obligation’ approach, when “benefit recipients are expected to look actively for work or participate in a programme to promote their job prospects” (OECD, 2005, p. 175).

Most OECD countries provide at least some activation and integration programmes, with varying levels of expenditure, type and focus of the programmes and the extent to which these measures are integrated with other programmes (for example, as a condition of receiving unemployment benefits) (Heckman, LaLonde, & Smith, 1999; Martin & Grubb, 2001). OECD countries typically spend around 2 per cent of GDP on active and passive labour market measures, with passive measures accounting for nearly one half to two thirds of the total bill (Martin & Grubb, 2001). This leaves an average expenditure of 0.6 per cent of GDP for active measures (2011 OECD average; OECD, 2013b), with LMEs tending to spend less (Figure 4.2). The lower levels of expenditure in the U.S., United Kingdom, Canada, Australia and New Zealand may partly reflect the less generous welfare state regimes (Meager, 2009). Denmark can be clearly distinguished

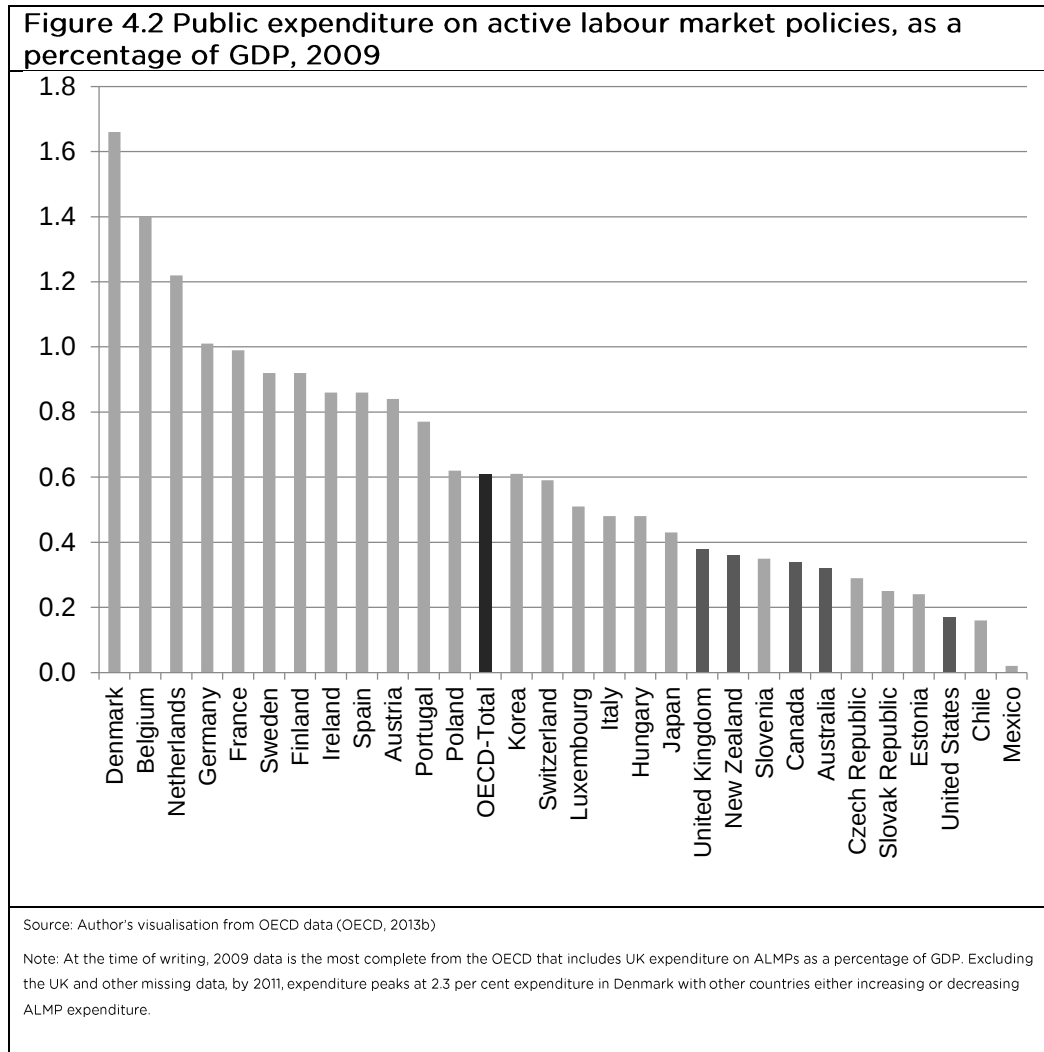
from the others with the most comprehensive ALMP strategy with efforts to activate all unemployed persons (Kluve et al., 2007).

<b>Table 4.1 OECD Categories of Active Labour Market Programmes</b>	
<b>Active Labour Market Programme Categories from the OECD database</b>	<b>Examples of measures</b>
Public Employment Services and Administration	Activities of job placement; Administering unemployment benefits; Referring jobseekers to available slots on LMPs.
Labour Market Training	Spending on vocational and remedial training for the unemployed; Training for employed adults for labour market reasons.
Youth Measures	Training and employment programmes targeted to the young unemployed; Apprenticeship training, mainly for school leavers, not the unemployed.
Subsidised Employment	Hiring subsidies, i.e. subsidies paid to private-sector employers to encourage them to hire unemployed workers; Assistance to unemployed persons who wish to start their own business; Direct job creation for the unemployed in the public or non-profit sectors.
Measures for the Disabled	Vocational rehabilitation, training and related measures to increase their employability; Sheltered work programmes which directly employed people with disabilities.

(From Martin, 2000, p.9)

Given the focus of this research, the subsequent sections focus on working-age interventions, including public employment services, labour market training and subsidised employment measures. It will not include measures targeting youth or disabled people. As a whole, the evaluation literature on the effectiveness of ALMPs focuses on flows out of unemployment and into employment, rather than the quality of the employment. The theoretical grounds for ALMPs predict generally mixed and ambiguous effects of the interventions (Kluve et al., 2007). It would be expected that ALMPs contribute to a range of positive and negative effects in terms of efficiency and social equity (Kluve et al., 2007). Expected positive outcomes for participants are mainly social, including continued engagement with the labour market, job search self-efficacy, reduced discouragement and loss of self-esteem (Azrin, Flores, & Kaplan, 1975; Kluve et al., 2007; Sterrett, 1998). These programmes may provide the individual with job seeking

support or human capital development, thus affecting the distribution of available job opportunities (Gaure et al., 2012).



Conversely, expected negative outcomes include negative signals to employers and lock-in, displacement substitution, and dead-weight effects (Calmfors, 1994; Heckman et al., 1999; Kluge et al., 2007). Deadweight refers to hires that would have occurred even in the absence of the intervention (Calmfors, 1994; Kluge, Schmidt, Ours, & Vandenbussche, 2002). Substitution refers to the possibility that the employment of the targeted workers is at the expense of others (Kluge et al., 2002). Displacement effects occur where there is a crowding out of regular employment, for example, a firm receiving subsidies may increase its output to the detriment of the firm without subsidies (Kluge et al., 2007). Balancing the potential positive and negative effects, engagement with ALMPs represents an opportunity cost for the jobseeker. It limits the time available to spend on active job search while engaging in a programme.

The success of ALMPs in the empirical literature is fairly ambiguous in terms of successful labour adjustment (Auer et al., 2005; Card et al., 2010; Heckman et al., 1999; Kluve, 2010; Martin & Grubb, 2001). These findings have been found to be surprisingly consistent in OECD countries (Card et al., 2010; Heckman et al., 1999; Kluve et al., 2007)<sup>13</sup>. On the whole, ALMPs are not generally particularly effective. For most groups, the benefits are modest, with programmes often not passing a cost-benefit test and rarely associated with any large scale improvement in skills (Auer et al., 2005; Heckman et al., 1999). It is also worth noting that even where programmes showed significantly negative short term impacts, the longer term effects were either significantly positive or insignificant (Card et al., 2010). In a meta-analysis of ALMPs, nearly one third of programmes reviewed over multiple time horizons (31 per cent), which showed a significant negative short-term impact, had significantly positive medium-term impacts (Card et al., 2010). Similarly, none of the programmes with insignificant or significantly positive short-term impacts showed negative medium-term effects (Card et al., 2010). Despite the limited success of these programmes, there seems to be few suggestions that they should be stopped. Their persistence may be attributed to paternalistic ideals (Deacon, 1994) or even the view that as long as harm is not done, something is better than nothing. The substantial heterogeneity between programmes is often attributed to their delivery and the evaluation methods.

At a general level, mandatory welfare-to-work measures have the effect of reordering the unemployment queue by the relative degrees of job-readiness/employability (Peck & Theodore, 2000). Considering recently displaced workers, they may be relatively close to the 'front of the queue' given their recent work experience. At a programme level, those closest to the front of the queue receive limited interventions, which tend to be low-cost and offer minimal service (Peck & Theodore, 2000). While displaced workers face a disadvantage due to perceived or real labour market signals related to their marginal productivity (see e.g. discussion of human capital in section 2.1.1; Benedict & VanderHart, 1997; Donnelly & Scholarios, 1998), most ALMPs in LMEs are not actively targeting this group of workers. The interventions available for those close to the labour market are likely to be a form of low cost, generalist intervention. These tend to have limited effectiveness (Jackman, 1994) with many in this group considered to be

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<sup>13</sup> Interestingly, in cross-national analyses of ALMPs, when type of programme is taken into account, contextual factors (e.g. time period, national context and institutions) appear to have limited system relationship on programme effectiveness (Kluve et al., 2007). In their meta-analysis of European ALMP evaluations, Kluve et al. (2007) find that the only institutional factor with systemic importance on programme effectiveness is the presence of restrictive firing regulations, though it is still a small effect.

deadweight. Heckman et al. (1999) propose that gains from ALMPs are small because the per-capita expenditure on participants is usually relatively small compared to the issues they are asked to address (for examples, skills training).

ALMPs do not consistently lead to better job outcomes in quantitative or qualitative terms for participants (Card et al., 2010). While the evaluation evidence has its limitations, the next section considers specific types of interventions that show some positive effects on re-employment. It will not undertake a full review of different programmes or their relative successes (see Card et al., 2010; Fay, 1996; Heckman et al., 1999; Kluge, 2010; Martin & Grubb, 2001). Rather, it will focus on headline findings with the view to considering flows out of unemployment and subsequent job quality from ALMPs which target working-age adults, and not those targeting youth (c.f. Blundell, Dias, Meghir, & van Reenen, 2004; Wilson, 2013).

#### 4.8.1. Training programmes

The dominant discourse on unemployment and low quality work situates the responsibility for one's decline in, or lack of, labour market value as an individual, skill-based problem (Boyle & Boguslaw, 2003; Keep & James, 2010; Keep & Mayhew, 2010; Lafer, 2002, 2004). Improvements to the skills and education of displaced workers and the unemployed have been a popular response from policy-makers, grounded in the assumptions of human capital theory (Lafer, 2004; Boyle and Boguslaw, 2003). The aim would be to improve the long-term employability of the jobseeker, facilitated through the development of skills and attributes that equip people to find and retain suitable jobs (Lindsay et al., 2007; Peck & Theodore, 2001). Based on the assumption that human capital allows individuals to be more employable (Schultz, 1960), retraining is seen as an optimal response to unemployment (c.f. Keep & James, 2010). Rational individuals will recognise the benefits of upgrading their skills and make rational decisions about forgoing present income for the investment in acquiring additional human capital (Becker, 1993). Training-based interventions, therefore, aim to respond to structural asymmetry between individuals and employers and gaps in skills (Booth & Snower, 1996; Lindley, 1991; Meager, 2009).

Training can take various forms, including longer-term training courses within formal educational institutions to gain credentials (including 'classroom training'), shorter-term classroom-based courses and on-the-job training programmes. As an ALMP, training geared towards adults has been found to have mixed impacts on re-employment outcomes. Overall, there are no clear patterns in terms of outcomes. The evidence from the U.S. suggests that training programmes can improve the economic position of the

low-skilled, but have varying impacts based on different demographics, e.g. age groups, gender and family circumstances (Heckman et al., 1999; Kluve et al., 2007). In a European review, training was seen to improve the labour market prospects of the unemployed (Kluve et al., 2002).

Training programmes tend to be the most expensive of the ALMPs, accounting for the large share of overall expenditure (Martin & Grubb, 2001). The programmes tend to be of short duration with a typical duration of 4-6 months (Card et al., 2010). They tend to be longer in Austria, Germany and Switzerland, than in the Anglo-LMEs (Australia, Canada, UK, U.S., and New Zealand).

Given the short duration of these interventions, “at best they might be expected to have relatively modest effects on the participants – comparable, perhaps to the impact of an additional year of formal schooling” (Card et al., 2010, p. F460). Card et al. (2010) find that longer duration programmes are associated with little favourable short-term success, but yield more favourable medium-term impacts. Most training courses have been found to have no employment impact (Fay, 1996), but this may be a limitation of the short-time scales to evaluate outcomes. Indeed, while short-run impacts of classroom and on-the-job training are limited, in the medium term, training programmes are associated with some positive impacts (Card et al., 2010).

Many training programmes yield low or negative rates of returns for certain participants. Card et al. (2010) find that untargeted training programmes, both classroom- and on-the-job based initiatives, tend to yield less positive impacts than targeted measures or ones leading to a qualification. In a Norwegian evaluation of broadly targeted programmes, training courses that lead to formal qualifications tended to have a higher probability of getting work, particular leading to formal jobs in the public sector (Fay, 1996). For programmes targeting particular demographics, those which targeted older adults were less likely to succeed than those aimed at other disadvantaged groups (Martin & Grubb, 2001). Where successes have been found, however, it has not tended to be in increased earnings. Gains are not typically large enough to lift most families out of poverty, though they may improve employment opportunities (Martin & Grubb, 2001). Gaure et al. (2012) found that participating in training courses increased both the probability of moving back into employment and the expected earnings of post-unemployment work.

Participation may increase the search duration (Gaure et al., 2012), suggesting a potential lock-in effect, whereby an individual’s transition out of the programme is limited, for example, due to a lack of time or incentive to continue to search for alternatives while in training. Drawing on evidence from the Swiss labour market, Lalive et al. (2002) find that the lock-in effect is significant for participants. They suggest that it is important for

training and employment programmes to allow enough time for continuous job search (Lalive et al., 2002). Therefore, critical features of relatively successful training programmes include: *a)* tight targeting on participants; *b)* relatively small scale; *c)* the need for programmes to result in a qualification or certificate that is recognised and valued by the market; and *d)* the need to have a strong on-the-job component in the programme (Jackman et al., 1990; Martin & Grubb, 2001).

While the aim of increasing the level of skills of jobseekers may be a laudable goal, skills development does not replace poor quality work (see e.g. Keep & Mayhew, 2010). Additionally, skill-based policy solutions tend to be directed at raising the aggregate level of skill of the population – often to the level of basic literacy and numeracy or to develop ‘employability’ skills of the unemployed. For those beyond the basic skill level with prior technical and social skills and strong work attachment, policy solutions that target basic skills may not be adequate to make an impact on their employment transitions. Further, such policies may not even be adequate in addressing the employment issues of the lower skilled work force given that a lack of human capital is only part of the problem of poor quality work (Osterman, 2012). Even where the interventions may help the individual position of low-skilled workers, policies that subsidise the acquisition of skills do little to the overall number of low-paid jobs in the labour market (Keep & Mayhew, 2010). Where an individual’s labour market position is improved, it would be at the expense of others if there were no concurrent changes to the overall occupational structure or nature of work available (Keep & Mayhew, 2010; Osterman, 2012). Using skills acquisition as the means of moving people out of poor quality work does nothing to the quality of jobs and is a ‘zero sum game’ (Keep & Mayhew, 2010).

#### 4.8.2. Wage subsidy and incentive programmes

Private sector incentive programmes create incentives to alter the behaviour of workers and employers, including providing direct wage subsidies to employers to hire or create jobs (Kluve et al., 2007). Wage subsidy programmes often target the long-term unemployed or a particular disadvantaged group (e.g. youth) (Martin & Grubb, 2001). Targeted interventions are at the expense of the short-term unemployed, with the view of helping those with the greatest need to maintain contact with the world of work or supporting targeted job creation (Martin & Grubb, 2001).

Evaluations of subsidy programmes have shown that these schemes yield small net employment gains, and have both a large dead-weight and substitution effect (Card et al., 2010; Martin & Grubb, 2001). Drawing on evidence from Switzerland, temporary wage subsidy programmes were found to reduce unemployment, but only for foreign workers

(Lalive et al., 2002). However, given that paying a temporary wage subsidy involves less expenditure than paying unemployment benefits, then this may still be efficient from a cost-benefit perspective even if the measure does not reduce unemployment duration (Lalive et al., 2002).

In contrast to private wage schemes, public sector job creation schemes focus on direct creation and provision of public employment (Kluve et al., 2007). Like their private sector counterparts, these programmes often target the long term unemployed and represent similar proportions of expenditure (Martin & Grubb, 2001). Public sector job creation schemes are also seen to have limited success in helping the unemployed move to permanent jobs (Martin & Grubb, 2001). While direct public sector job creation often creates additional jobs, many tend to be far from the ordinary labour market hindering individuals' subsequent transitions (Kluve et al., 2007). Similarly to other measures which target disadvantaged groups, public job creation programmes have adverse effects through stigmatisation and signalling effects to prospective employers (Kluve et al., 2007). Both public and private job creation schemes also suffer from lock-in effects for participants, whereby participants' search efforts decrease while participating in the schemes (Heckman et al., 1999; Kluve et al., 2007).

One area where subsidy schemes have shown particular success has been for a small group of unemployed looking for aid to start small businesses, with evidence supporting this find from the US, Australia, Ireland, the UK and Norway (Martin & Grubb, 2001). Albeit, to challenge these findings, one needs only consider a separate body of literature on 'reluctant' or 'necessity entrepreneurs' following displacement (e.g. Baucus & Human, 1994; Benus, 1994). For displaced workers, engagement in this type of programme might be due to a real or perceived lack of alternatives. Notably, necessity entrepreneurs are likely to engage in low-risk ventures that can be closed if job opportunities become available (Kautonen & Palmroos, 2009; Singh & DeNoble, 2003). Self-employed workers also tend to earn less money and work more hours than their employed counterparts, while not receiving the same benefits in terms of paid leave, sick pay and maternity pay (ONS, 2014b; Philpott, 2012; Scottish Centre for Employment Research, 2016). Thus, for small business start-ups, as with other job transitions interventions, the longer-term outcomes need to be considered to assess their true impact.

### 4.8.3. Job search assistance programmes

Job search assistance refers to a range of interventions intended to improve the job search efficacy and search intensity and efficacy of the job-seeking individual. It can comprise of a range of services, including initiation interviews when registering for unemployment, in-



depth counselling and guidance at various stages of unemployment, and job club activities (Martin & Grubb, 2001). Job clubs are a group form of job search programme that include, for example, group job search for peer motivation and vicarious learning (Azrin et al., 1975), team building exercises, career goal setting, job searching, CV writing and other 'job readiness' activities (e.g. grooming and appearance) (Azrin et al., 1975; Sterrett, 1998).

Within the evaluation literature, job search assistance and similar programmes tend to have favourable impacts in reducing time spent in unemployment, particularly in the short term (Card et al., 2010; Decker, Olsen, Freeman, & Klepinger, 2000; Kluge et al., 2007, 2002). Relative to training which tends only to show modest positive impacts, job search assistance shows significantly better performance (Kluge et al., 2007; Vuori & Vesalainen, 1999). The relative success of these programmes on flows out of unemployment gains particular attention because of the rather inexpensive, cost-effective nature of the measures (Kluge et al., 2007). Relative to non-participant groups, participants in job search interventions were found to demonstrate greater self-efficacy in their job search (Sterrett, 1998) and transition more quickly and into higher paid work than their non-intervention counterparts (Azrin et al., 1975; Vuori & Vesalainen, 1999).

The appeal and a key drawback to job search assistance programmes is their degree of flexibility. While the general tendency of this type of intervention is to reduce the duration of unemployment and increase re-employment probability, the picture is mixed and not all programmes are successful (Thomsen, 2009). Key variations in programmes included whether or not they are in addition to short-term training courses, the level of required reporting and monitoring of individual activities to the caseworker and the enforcement of activity (Martin & Grubb, 2001; Thomsen, 2009; Venn, 2012). In an experimental study in Denmark, the active labour market policy package reduced unemployment duration by about two weeks (Vikström, Rosholm, & Svarer, 2013). The authors found that, "the combination of job search assistance, frequent meetings and possible threat effects associated with perceived future programme participation has positive effects on the transition probability out of unemployment" (Vikström et al., 2013, p. 67).

Kluge et al. (2007, p. 155), therefore, suggest that, "job search assistance may be a promising tool if it is combined with measures that enhance the pressure on participants to accept jobs". However, in light of the prior discussions on pressure to accept jobs and the implications for job quality, this recommendation should be approached with caution. Any net benefit from the flow out of unemployment may be lost if the job is not

sustainable (either due to the nature of the contractual arrangement or the individual's desire to remain in the job) (Arni et al., 2009).

Looking at the unemployed in Finland, Vuori and Vesalainen (1999) showed that those in guidance courses (as a job search intervention) did find higher re-employment rates than vocational training and subsidised employment. However, they also find none of the interventions (job search assistance, training or subsidy) increased job search activity over the period of unemployment. This was surprising given the relationship between guidance courses and job search assistance and the re-employment rate. Instead, they note that the deteriorating financial situation of one's family/households over time was strongly associated with an increase in job searching. Additionally, they find that training and subsidised employment provide some degree of psychological buffer from the distresses associated with financial strain, whereas guidance and job search assistance does not (Vuori & Vesalainen, 1999). If financial strain is a central driver for increasing job search intensity, the extent to which the circumstances of jobseeker facilitate finding a suitable match become questionable (see discussion of employability in Lindsay et al., 2007).

Likewise, in a recent Norwegian study, Gaure et al. (2012) found that time invested in more intensive job search during the first six months of unemployment lead to statistically significantly higher earnings once in subsequent employment. However, consistent with the broader literature on re-employment (e.g. Belzil, 2001; Gorter & Gorter, 1993; Katz & Meyer, 1990a), they found that the flow into employment sharply increased in the run-up to benefit exhaustion (in the case of time-limited benefits) with the accepted earnings declining as the benefit duration came to an end (Gaure et al., 2012). This again raises questions related to the match of jobs under financially constrained circumstances.

When contextualised within the wider literature on job transitions, a richer picture of the implications for job quality of work begin to emerge. In an empirical study of displaced workers in Portugal and their job search methods, Addison and Portugal (2002) observe problematic findings related to job search assistance programmes. Firstly, they find the effectiveness is low. In considering the intervention against a number of interrelated factors, such as genuine ineffectiveness, the nature of the pool of work posted to the public employment service and the ALMPs, they find jobs found through public job search assistance to be lower paid and of shorter duration than jobs found through other methods (Addison & Portugal, 2002). Addison and Portugal (2002) posit that supply and demand factors work together to direct the unemployed who use this service towards low-paying jobs or 'jobs of an employment-of-last-resort nature'. The pool of jobs reported to the public agency is typically small, comprised of low paying jobs that have been difficult

to fill. The public employment service is therefore “likened to a search method of last resort on the part of employers” (Addison & Portugal, 2002, p. 527).

This issue is not dissimilar to that raised earlier as far as the low-skill, low-pay trap (in section 4.6). This presents an iterative problem whereby the unemployed (notably the longer term unemployed with stricter monitoring requirements) are sent to seek work from the public agency which has a limited supply of ‘good’ work (e.g. high skilled or at the front-end of the labour market queue). However, the jobs placed in the system tend to be of poorer quality thus reinforcing limited use of the system by individuals who are not in employment. Given that participation is required for unemployment benefit claimants, the loop is reinforced and the system diverges away from good quality jobs in the labour market. So while the outcomes may not be attributable to the public agency’s role as an active employment policy instrument, the resultant outcome is that individuals are directed to low-paying jobs or jobs of last-resort (Addison & Portugal, 2002).

#### 4.8.4. The role of benefit sanctions: Penalties for non-compliance

Some authors have tried to explain the relative success of job search assistance programmes in light of the other requirements on jobseekers, such as activity monitoring and benefit sanctions<sup>14</sup> (e.g. Ashenfelter, Ashmore, & Deschênes, 2005; Fredriksson & Holmlund, 2006; Thomsen, 2009). This area has some international variation. In the US, Ashenfelter et al. (2005) find that stricter verifications of search efforts (i.e. monitoring) did not decrease the duration of unemployment, arguing that job search assistance plays a central role in the process. Similarly in the U.S., Decker et al. (2000) found that the group of workers in a highly structured job search assistance programme with the threat of sanctions showed significantly higher earnings than in non-enforced, more individualised service groups. Alternatively, in European studies, monitoring and the threat of penalties (benefit sanctions) have been found to have a positive effect on reducing the duration of unemployment (Fredriksson & Holmlund, 2006; Van der Klaauw & Van Ours, 2013).

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<sup>14</sup> The work briefly considered in this section reviews benefit sanctions relative to transitions out of unemployment. A separate body of literature on benefit sanctions considers the wider impacts of this policy. For example, in a literature review on sanctions, the Scottish Government (2013b) found the most disadvantaged are likely to be the most vulnerable to sanctions and that non-compliance behaviour was often being unable to comply, rather than unwilling. This present discussion does not consider the wider impacts on well-being, the disadvantaged or the moral position of this policy.

Benefit sanctions are increasingly used to enforce participation in ALMPs, particularly job search requirements (Kluve et al., 2007). Sanctions are used, to varying degrees, as the consequence of failing to (adequately) comply or participate in the mandated activities. A sanction is the partial or complete stoppage of the benefit for a fixed, variable or permanent time period, depending on the legislative context. From a theoretical perspective, restrictions on eligibility for benefits which require recipients to actively seek employment or to participate in ALMPs or risk benefit sanction, offset the negative effect of generous employment benefits on employment incentives (Venn, 2012). It does so by influencing the reservation wages of jobseekers and/or by altering their job search intensity (Venn, 2012).

In a review of the recent empirical evidence on unemployment insurance, Fredriksson and Holmlund (2006) argue that the enforcement of certain requirements has substantial behavioural effects. Sanctions, either imposed or as a warning, sharply increased in the exit from unemployment into employment (Fredriksson & Holmlund, 2006). Abbring et al. (2005), similarly, found that re-employment rates were significantly raised by the imposition of a sanction. This is argued to be due to two reinforcing changes: *a*) the decrease in the benefit level; and *b*) the increase in search intensity caused by threat of additional sanctions and by the provision of information to the unemployed (Abbring et al., 2005). These studies consider the behavioural implications of the warnings alone, as a relatively small number of benefit claimants actually receive a sanction (Venn, 2012).

Arni et al. (2009) looked at the effectiveness of sanctions on unemployment duration and evaluate the effects on post-unemployment job quality in terms of stability, exits from the labour market, and earnings for Swiss jobseekers. As cited earlier, Arni et al. (2009) argue that the quality of the post-unemployment outcome and the role of sanctions is not trivial. In line with other studies (e.g. Abbring et al., 2005; Fredriksson & Holmlund, 2006; Van der Klaauw & Van Ours, 2013), Arni et al. (2009) find that enforcement of benefit sanctions, and the warning of sanction, under suspicion for non-compliance foster both quicker take-up of a job, and also increase exits from the labour force (into non-employment). They find both effects to be substantial and highly significant (Arni et al., 2009). The exits tended to be temporary, and “these individuals have a tendency to leave paid unemployment for unregistered unemployment in order to avoid pressures exerted by the sanction system and to ‘gain’ more (unpaid) time for job search” (Arni et al., 2009, p. 21). This raises interesting questions related to the destination of the individuals following their flow out of unemployment.

In the post-unemployment jobs of those affected by sanctions, benefit sanctions were found to have a negative effect on earnings (Arni et al., 2009; B. J. Lee, Slack, & Lewis,

2004; Scottish Government, 2013b). Those who left unemployment following a warning or an enforced sanction had lower than average earnings (Arni et al., 2009). After two years (24 months), the scarring effect on earnings not only persisted, but was accentuated (Arni et al., 2009). The significant reduction in post-unemployment earnings is possibly due to lower reservation wages. It was noted that despite the quicker pace at which individuals moved into employment, the “positive effects of leaving unemployment more quickly do not outweigh the negative effects of benefit sanctions” (Arni et al., 2009, p. 32). The persistent and longer term negative effects are suggested to be explained by a lock-in effect into the accepted job or by the faster return to unemployment. Once an individual accepts a lower-quality job, it may be difficult to return to her pre-sanction labour market position:

It may be difficult for him/her to catch up with the non-sanctioned people by quickly changing to a better job. Moreover, individuals who accept a worse paid job are more likely to leave this job and return to unemployment. (Arni et al., 2009, p. 32)

Many of these studies (Abbring et al., 2005; Fredriksson & Holmlund, 2006) look at samples of recently unemployed and laid off workers. It may be assumed that this group may have greater labour market attachment and less real or perceived skill and confidence atrophy, relative to other groups in the labour market – particularly the long – term unemployed, disadvantaged groups and those in depressed local labour markets. Studies looking at who is most likely to be sanctioned have found that it is those who are least capable of succeeding in the labour market (B. J. Lee et al., 2004; Scottish Government, 2013b; Wu, Cancian, Meyer, & Wallace, 2006). Again, it should be reiterated, that the pattern of downward pressure on search subsidy – in this case, through benefits sanctions – may increase the incentive to move into work, but it may be a transition to *any* job, rather than a well-matched job.

## 4.9. Conclusion

This chapter has considered the existing theoretical and empirical evidence on the role of passive and active labour market policies in transitioning displaced workers back into employment. Successful job transition outcomes have tended to be conceptualised as those with the shortest duration of unemployment with policies looking to influence and modify the behaviours on the supply side to support this view. Overall, quality of work is largely absent from the discussion of successful labour market transitions in the active and passive policy literature. Where job quality has been considered in the literature, it has

been in terms of objective measures including remuneration and contract type, in part due to limited data availability on other measures.

Passive measures, such as unemployment insurance, can be used as a lever to support individuals in transitions into well-matched employment opportunities by supporting longer periods of job search. The receipt of unemployment benefits was found to have little effect on dampening an individual's employment commitment (Steiber, 2013; M. White, 1994) or job search intensity or motivation (M. White et al., 1994). Rather, the individual's perception of poor quality re-employment prospects adversely affected individual job search behaviours (Gallie et al., 1994). Decreased job search intensity adversely impacts the rate of job offers and acceptances, increasing the duration of the spell of unemployment. Where policy approaches construe unemployment as a supply-side issue, focusing on interventions which aim to reduce the duration of unemployment with limited corresponding responses for the available opportunities may lead to individuals facing immediate and even punitive (e.g. benefit sanctions) pressures to accept any job. The potential consequence on focusing on accepting any job is that transitioning into a poor quality job has well established adverse impacts for the individual's health and well-being, and persistent negative effects on wages. Transitions into poor quality jobs may also result in costs to the state, such as through topping up low wage pay through tax redistribution, the potential for reductions in productive labour, as well as future benefit payment if the job is short-term in nature (Arni et al., 2009; Cingano, 2014; OECD, 2015a). This suggests that while there may be immediate and short term benefits to the State by moving individuals out of unemployment, including cost savings from no longer paying unemployment insurance benefits and through taxation, without responding to the issue of the quality of outcomes, the immediate and short-term benefits may have a zero-sum effect or even an adverse longer term effect.

Active labour market interventions target particular segments of the unemployed population to support their integration into the labour market (Ernst & Berg, 2009). Spending on these interventions vary across countries. LMEs like the UK and Canada spend less than other OECD economies, reflecting less generous welfare state regimes (Meager, 2009). While widely used as a means to activate the unemployed, there is little consistent evidence that engagement with ALMPs leads to better job outcomes in either quantitative or qualitative terms for participants. While there are significant issues in terms of the quality of the evaluation data available, most ALMPs targeting recently unemployed job seekers may do little to support their transition into employment.

Many programmes run the risk of a lock-in effect, whereby the individual may expend their useable time and energy on the programme rather than on productive employment.

Job search assistance programmes do appear to offer some improvement for the individual's job search behaviours (Azrin et al., 1975; Card et al., 2010; Vuori & Vesalainen, 1999). Several studies have noted that the most beneficial interventions have included a combination of job search assistance, frequent monitoring meetings and support as well as interaction with training (Thomsen, 2009; Venn, 2012; Vikström et al., 2013). As far as the quality of work, however, the source of job search information being presented to unemployed job seekers may impact their outcomes. As noted by Addison and Portugal (2002), the pool of jobs reported to public job search agencies tend to be of poorer quality – typically low paying jobs that are difficult to fill otherwise – and where the unemployed interacting with these agencies are directed to these jobs, this may promote the transition to poor quality and/or mismatched work.

## Chapter 5. Framing the job transition terrain

### 5.1. Introduction

The preceding chapters have argued that individuals' experiences of job transitions following involuntary job loss are not self-contained phenomena. The impacts of the involuntary job loss and the transition out of work can have persistent adverse effects on individuals beyond the spell of unemployment, including scarring effects on wages (e.g. Arulampalam, 2001; Gangl, 2006; Gregory & Jukes, 2001). For their prospective employers, adverse effects might include lower levels of organisational commitment, satisfaction and work-related effort (e.g. Gowan, 2012; Lange, 2013; Mallinckrodt, 1990). Much of the research has focused on the re-employment outcomes of displaced workers and the role of particular behaviours, attitudes or interventions. Often, these studies take place after the displacement, focusing on individual behaviours and actions in the labour market. There has been limited consideration of the job transition following displacement as a continuous process in which individuals are embedded. Nor has there been much consideration of whether and to what extent these features of the transition intersect, are interrelated or cumulative in their impact for the quality of re-employment. The sequential and chronological nature of the transition is often implicit in the study, for example as a pre-condition for the study.

The research reviewed in the preceding chapters identified a number of areas which are useful for informing whether and how these factors may intersect in the transitions of individuals. Chapter 2 recognised that there may be variation in outcomes due to individual differences in job search motivations, self-efficacy and job search competencies as well as the individual's human, social and financial capital. Beyond these individual and micro-level differences, how organisations downsize and how the job losses occurred have the potential to affect individual job search behaviours (Chapter 3) and the resources with which the person job searches. Labour market measures may support or pressure the person in ways which may positively or adversely affect the quality of their post-job loss employment (Chapter 4).

This chapter presents the conceptual framework for this research and puts forward a rationale for diverging from the existing literature's focus the individual and her re-employment outcome as the unit of analysis. Individuals do not make their job transitions without constraints imposed or influenced by the context and circumstances of their job loss. Instead, restructuring and downsizing involves deliberate and planned sets of practices and policies (Freeman, 1999; McMahan et al., 2012). It is a firm-level activity



which can have implications for the quality of work remaining in the organisation and the circumstances of those people leaving the organisation. Whereas the existing literature has focused on the individual as the unit of analysis, this research sees the transition process as the unit of analysis. In defocusing the re-employment outcome of the individual, this research is positioned to investigate how multiple interrelated, overlapping and – potentially conflicting – phenomena construct and constrain the landscape in which people search for and access new employment. In doing so, it may be possible to better understand why individuals have used – or not used – the interventions and programmes made available by the employer or the state. It may also enable a better understanding of the consistent negative job quality outcomes of re-employed displaced workers.

## 5.2. The importance of the job quality in re-employment outcomes

Throughout the preceding chapters, several key arguments and assumptions have been presented. Unemployment has been shown to have consistent and pervasive negative effects on the physical and psychological well-being of individuals who have involuntarily experienced job loss (e.g. Dooley et al., 1988; Dooley, Fielding, & Levi, 1996; Roelfs et al., 2011). Furthermore, unemployment has even been shown to have a causal relationship with increased morbidity, with the return to employment reducing that risk (Roelfs et al., 2011). For most individuals, the loss of work may mean not only the loss of remuneration, but also the loss of regular time structures, collective purpose, status and identity, social contact and enforced activity (Jahoda, 1982). Long spells of unemployment can lead to the erosion of skills and confidence. This can discourage individuals from applying for work and wary employers may be apprehensive about hiring the long-term unemployed (Snower, 1997a).

Unemployment is costly to the state through direct and indirect costs of labour market interventions, and in the loss of tax income, underutilised skills and labour. The policy responses, particularly in liberal market economies, have been to provide flexibilities to employers which facilitate adding and shedding of labour as a means of reducing unemployment (Casey, Keep, & Mayhew, 1999). From a labour market intervention perspective, the response has tended to focus on activating individuals through supply-side interventions (Lindsay, 2007; Peck & Theodore, 2001). In doing so, issues related to unemployment, employability and one's capacity to be re-employed are conceptualised as individual level problems and are the consequences of actions and/or attitudes of individual agents.

Given the persistent negative effects of unemployment for individuals, households and society, much of the research and policies have focused on mechanisms and initiatives to move people back into work as quickly as possible. It has been argued that any job is preferable over unemployment (Jahoda, 1982; Layard, 2004). This view that any job is better than no job is problematic and is questionable, with implications for psychological adjustment after job loss (Grzywacz & Dooley, 2003; Kinicki et al., 2000; Leana & Feldman, 1995; Wanberg, 1995; Winefield, Winefield, Tiggemann, & Goldney, 1991) and for individuals' future work performance and attitudes (Chirumbolo & Areni, 2005; Hellgren, Sverke, & Isaksson, 1999; Lange, 2013; Mallinckrodt, 1990).

Poor quality jobs are those associated with low levels of skills development and use, low levels of autonomy and discretion, high levels of job demands and strain and insecurity (Carré et al., 2012; Green, 2006a; Muñoz de Bustillo et al., 2011). Poor quality jobs have been found to be as detrimental for an individual's health and well-being as unemployment (Broom et al., 2006; Grzywacz & Dooley, 2003). Using longitudinal Australian data, Winefield et al. (1991) found that dissatisfied workers are "just as badly off in terms of psychological well-being as the unemployed" (p.429). Similarly, using U.S. data, Grzywacz and Dooley (2003) found the odds of depression were significantly greater for workers in jobs which were either *a*) inadequate or barely adequate in terms of economic and psychological needs and, *b*) which met only economic but not psychological needs, compared to workers in either psychologically and economically good jobs or jobs which were only psychologically good. Indeed, individuals in jobs which were only psychologically good jobs were not consistently different from those in jobs which were psychologically good and meet economic need (Grzywacz & Dooley, 2003). Their findings suggest that jobs which are economically good but do not meet psychological needs continue to have adverse effects for physical and mental health.

The quality of post-unemployment re-employment is an important consideration for displaced workers. Displaced workers have been found to experience a drastic change in their status in post-job loss re-employment. They are frequently underemployed, with lower levels of skills use and lower levels of remuneration following an involuntary job loss experience (Bluestone & Harrison, 1982; Feldman, Leana, & Bolino, 2002; Kinicki et al., 2000; Mallinckrodt, 1990). These workers are not leaving lower productivity, lower wage work for higher productivity, higher wage employment. Rather, it has frequently been observed that the inverse is occurring (Bluestone, 1988; Dieckhoff, 2011; Indergaard, 1999; Jacobson, Lalonde, & Sullivan, 2005; Mazerolle & Singh, 2002, 2004; Payne & Payne, 1993). There are significant and persistent scarring effects on future employment earnings, with worse effects for longer spells of unemployment (Arulampalam et al., 2001; Gregory & Jukes, 2001; Jacobson et al., 1993). Workers are

'skidding downward' in the occupational spectrum (Bluestone, 1988) by means of a gradual, downward progression into work in a lower occupational group (Payne & Payne, 1993). The downward progression may be accelerated if the transition is into precarious employment. Individuals in precarious employment, insecure work "that is uncertain, unpredictable, and risky from the point of view of the worker" (Kalleberg, 2009, p. 2) have higher exposure to the risk of becoming unemployed relative to workers in non-precarious work.

The experience of anticipating sudden unemployment has been found to be highly stressful and one of the most distressing aspects of the work situation (see also Dekker & Schaufeli, 1995; Greenhalgh & Rosenblatt, 1984, 2010; Lewchuk et al., 2008). Among UK workers, fear of future loss of pay was the highest cause of anxiety at work (Gallie et al., 2016). This fear can persist in individuals in their re-employment following job loss, or if they remain in the displacing organisation (Greenhalgh & Rosenblatt, 2010; Lange, 2013). The fear of unemployment, or job tenure insecurity "derives from the uncertainty over the present value of a worker's income stream, which depends on both the current known wage rate and uncertain future income from work" (Green, 2006b, p. 130). It is more amenable to measurement than job status insecurity which instead is derived from concern over the loss of valued features of work (Gallie et al., 2016; Greenhalgh & Rosenblatt, 1984). Fears of unemployment are correlated with future experiences of unemployment (Green, 2006b).

Job insecurity can also be derived from the perceived risk of the loss of valued content of the work itself (Gallie et al., 2016; Green, 2006b; Greenhalgh & Rosenblatt, 1984). During restructuring and downsizing scenarios, not all workers are displaced into the labour market. Some are displaced internally in the organisation through job redundancy (P. White, 1983). While these workers may escape the realisation of job tenure insecurity, they may also be faced with concerns over job status insecurity. Job status insecurity refers to the perceived threat or loss of valued job features (Greenhalgh & Rosenblatt, 1984; Hellgren et al., 1999). Gallie et al. (2016) propose that the concept of job status insecurity implies a threat to aspects of what is regarded as a good job, such as treatment by one's superiors, scope to use one's skills, task discretion and task interest. Among UK workers, Gallie et al. (2016) found that the threat of future loss of pay was the highest cause of anxiety, followed by the threat of a reduction in the ability to make decisions; and, worries about reduced opportunity to use skills and abilities on the job or about being transferred to less interesting work.

For workers remaining in downsizing organisations, many face reduced organisational and supervisory support and increased work demands in the wake of a reduction in the

workforce (Armstrong-Stassen, 2002; Cotter & Fouad, 2013; Devine, Reay, Stainton, & Collins-Nakai, 2003). Where these individuals are undergoing a job change, the type of redeployment – such as a promotion, lateral move, or demotion – may influence the degree of loss of valued aspects. Although there is limited empirical evidence differentiating between types of internal transfers (Armstrong-Stassen, 2002, 2003; Feldman, 1995), Armstrong-Stassen (2003) found that those who were laterally transferred or not transferred reported decreased supervisory support and perceived organisational justice and significantly less influence over decisions affecting their jobs, whereas those who were promoted reported positive gains on all three and coped more effectively with their job transition. The demotion group was too small for meaningful statistical analysis and not included. However, Armstrong-Stassen (2003) found that only those who experienced positive, upwards transitions reported positive outcomes.

Job tenure and job status insecurity have been both found to engender negative psychological and behaviour responses (Greenhalgh & Rosenblatt, 2010). Insecurity has been found to be negatively related to performance through reduced effort, organisational commitment and job satisfaction, and positively related to absenteeism, turnover intention and quits (Cheng & Chan, 2008; Chirumbolo & Areni, 2005; Feather & Rauter, 2004; Greenhalgh & Rosenblatt, 2010; Hellgren et al., 1999; Lewchuk et al., 2008). Concerns about both job tenure insecurity and job status insecurity are relevant for displaced workers facing job redundancy or worker redundancy.

Those deciding to remain in the organisation may ‘satisfice’ in order to do so to retain the economic aspects of work, although they may continue to face concerns over the longer term stability of their jobs. If they can participate in the transfer decisions, they may invariably be faced with a limited number of alternative jobs in a diminished pool of vacancies as the organisation is reducing its headcount. Whereas those who are displaced out of the organisation may find jobs that ‘satisfice’ or they may be required to accept early offers in their job search, therefore becoming re-employed quickly by accepting lower paid, less secure and temporary work (Hamilton, Hoffman, Broman, & Rauma, 1993). The financial strain of unemployment and reduced benefit generosity increase the individual’s job search motivation and intensity, but also decrease the likelihood of good re-employment quality (Gowan, 2012; Vinokur & Schul, 2002).

Individuals in negative redundancy situations are expected to be more likely to be underemployed (Feldman et al., 2002; Latack et al., 1995; McKee-Ryan et al., 2009). In a longitudinal study between layoff fairness and re-employment, McKee-Ryan et al. (2009) find that negative redundancy job loss appraisals were linked to objective underemployment in the following year. Potential explanations were that those with the

strongest negative appraisals or financial strain were the most motivated to return to work quickly, sacrificing longer search for better quality matches (McKee-Ryan et al., 2009). Additionally, negative appraisals may be from redundancy job losses where individuals had less control over the situation (see e.g. Greenhalgh et al., 1988), so they did not continue to look for jobs that would meet expectations (Kinicki et al., 2000; McKee-Ryan et al., 2009).

The adverse effects of the job loss experience may continue into re-employment where the job does not meet their economic, psychological, social and physiological needs (Kinicki et al., 2000; Latack et al., 1995). This in turn has implications for the individual and her household, as well as future employers, as the individual exhibits lower levels of trust, satisfaction, continuance commitment and engagement with work (c.f. Lange, 2013).

Despite the general tendency towards negative outcomes following displacement, for some, job loss can be a blessing in disguise (Latack & Dozier, 1986; Zikic & Klehe, 2006). It has been suggested that those likely to benefit the most from job loss are individuals who are exiting jobs that they did not prefer, that did not match what they wanted from work, or which were unsatisfactory for that person in some other way (Latack & Dozier, 1986). Some studies have found that individuals report greater satisfaction with their post-job loss employment, particularly with supervision and the prospects for promotions (Mallinckrodt, 1990; Wanberg, 1995). Although, it was suggested that the improved view of supervision may stem from a 'kill-the-messenger' effect against the displacing supervisor, lowering satisfaction at the time of the involuntary job loss.

The employees may bear a grudge against the supervisor because of the bad news, or how the news was communicated. It is common for supervisors to be ill prepared to conduct terminations meetings. (Wanberg, 1995, p. 50)

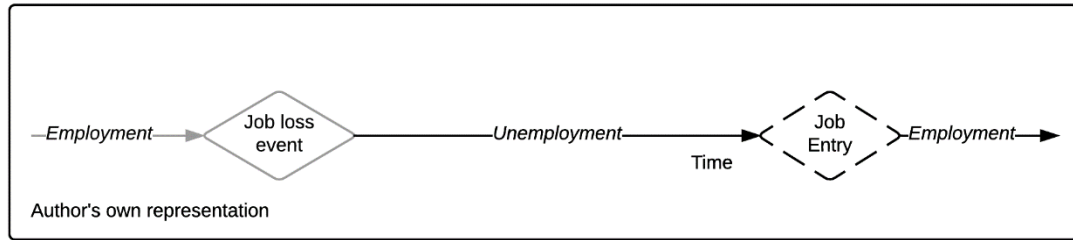
On the other hand, lower retrospective ratings of job satisfaction from the previous job may also reflect a cognitive dissonance effect for individuals who have gone through the job loss process (Wanberg, 1995). Moreover, using European data, Lange (2013) argues that anticipated unemployment significantly reduces an employee's satisfaction with the employer. When controlling for the perceived risk of unemployment in analyses of satisfaction in post-unemployment work, the 'scarring' effect of past unemployment on job satisfaction was statistically insignificant. Lange argues, "it is not unemployment experienced in the past but the fear of future unemployment that accounts for the reduction in employees' job satisfaction" (p.1107).

Therefore, the outcomes, career trajectories and the behaviours of individuals may differ depending on the interaction of situational factors surrounding the job loss and surrounding the job search period in the labour market. The quality of the transition outcome varies based on “those who move, the types of change encountered and the contexts in which they occur” (Nicholson & West, 1986, p. 195). Given the pervasiveness of negative re-employment outcomes in each spheres of research on this subject matter and the importance of job quality for individuals, future employers and society, this research conceptualises the job loss transition as a process which situates the job loss in the individual’s own context, the organisational context and the wider labour market context to consider the implications for behaviours and outcomes.

### 5.3. Understanding the job transition as a continuous process

As argued, it is not enough to focus solely on re-employment as the most desirable outcome. The quality of re-employment is also important. Although the literature identified thus far does, at times, consider the quality of re-employment outcomes, there is little connection between the job transition process and the outcome. Whereas the existing literature tends to emphasise the transition into post-unemployment work, as highlighted in Figure 5.1, this research proposes that the job loss event itself and the preceding events and circumstances may influence the transition out of unemployment. Concentrating on only one level of analysis and discipline, such as the role of individual-level variables or labour market interventions, implicitly assumes that “most of the heterogeneity is located at the chosen level, whereas alternate levels of analysis are considered to be more or less homogenous” (Rothaermel & Hess, 2007, p. 899). A focus on the individual assumes that individual agency drives re-employment successes. However, this view overlooks two particular issues. Firstly, it risks minimising the role of the environment in shaping the transition and the available opportunities. Secondly, the deconstructed nature of the job transition process in the research does not reflect the job transition experiences following job loss for those living the experience. In practice, the transition is shaped by time, is continuous and elements may interact and have cumulative impacts.

Figure 5.1 An emphasis on individual behaviours for re-employment

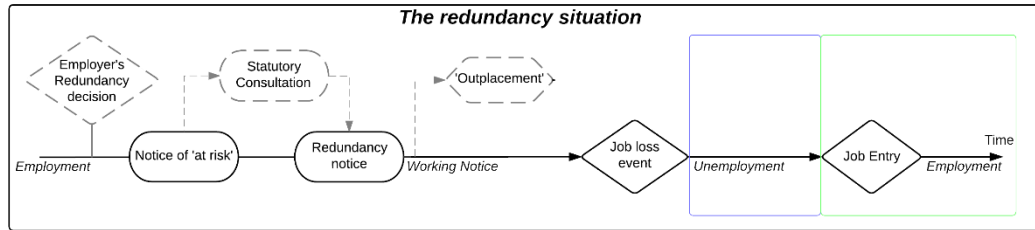


The extant literature argues that *how* the job loss arises can be detrimental to the individual worker irrespective of whether they remain in the organisation or exit (e.g. Cascio, 2005, 2014; Clarke, 2007a; Freeman, 1999; Hansson & Wigblad, 2008; Tourish et al., 2004). Thus, rather than focusing on the individual and the re-employment outcome, the job loss and the circumstances surrounding it may be seen as a point of departure in a process which intersects with and is influenced by a range of micro-, meso- and macro- level factors. In this view, the timing of events and the procedural dynamics of the downsizing scenario play central roles in shaping how and when individuals re-enter the labour market. The subsequent sections draw out the potential actors and factors in the redundancy and the labour market policy contexts identified in the preceding chapters which may influence the quality of the job transition outcomes.

### 5.3.1. Influences on the job transitions in the redundancy context

The job transition following job loss may be initiated by the employing organisation or result from a combination of pressures from push and pull factors that may induce the individual to exit with additional incentives through 'voluntary' schemes. The individual thus responds and reacts to her environment but may not be driving particular decisions related to her continuity of employment. As discussed throughout Chapters 2 and 3, the individual's interaction with organisational processes and practices prior to exiting the work role affects her job search before even entering the labour market, as shown in Figure 5.2. From these reviews, several factors and processes in the implementation of the downsizing have been observed to affect how individuals respond and affect their transition into subsequent employment. This section summarises the expected relationships between these variables and individuals in the downsizing context.

Figure 5.2 Key events in the redundancy situation



At an individual level, the response to the job loss may be connected to the person's attachment to the job and the organisation itself. Not all individuals want to stay in the role and where the job was of poor quality or poorly matched to the person, the exit may, as said earlier, be a 'blessing in disguise' (Greenhalgh & Rosenblatt, 2010; Latack & Dozier, 1986; Zikic & Klehe, 2006). Therefore desired continuity, the extent to which this is under threat and whether the job loss is unexpected or a 'shock' are important considerations for how the individual reacts and responds to the redundancy situation (Brockner et al., 1990; Frese, 1984; Greenhalgh & Rosenblatt, 2010; Tourish et al., 2004). The 'surprise' or shock of the event depends on "the person's original expectations, on the mismatch between the expectations and the given reality [...] as well as on the focus of the expectations" (Frese, 1984, p. 240). Differences between the person's desired continuity in the role and the organisation's plans may be particularly stressful where the change was unpredicted (Frese, 1984). Measures which increase employee control, voice, participation and access to information may moderate some of these stressors (Frese, 1984; Gallie et al., 2016; Greenhalgh & Rosenblatt, 2010). These are responses to the redundancy situation, but may vary based on how the downsizing is undertaken, the tactics used and supports provided.

Organisational decision-making related to downsizing practices may be influenced by forces external to the organisation. Practices are mimicked and diffused globally, with organisations following the approaches adopted by competitors, collaborators and similar organisations (Budros, 1999; C. K. Lee & Strang, 2006). Where the organisation has high levels of interactions with other firms, there is both greater likelihood of practices being shared and social pressures to conform to trends in restructuring (Budros, 1999; McKinley et al., 1995). These external pressures may normalise particular downsizing practices – including the use of more severe downsizing tactics or alternatively promote the use of less harsh, non-compulsory redundancy approaches. Where external pressures on the organisation to downsize are high, the organisation is likely to conform to expected behaviours – either minimising or maximising the appearance of restructuring, depending on the direction of pressures. Similarly, the coercive pressures are expected to influence the severity of downsizing tactics used and the provision of supports, such as



outplacement services for affected individuals (for diffusion of public sector downsizing practice, see C. K. Lee & Strang, 2006).

Organisations may balance the potential reputational and economic costs of workforce reduction. With the exception of closure situations, organisations may use a range of different procedures to implement these downsizing tactics to achieve the desired reductions to the workforce (e.g. Diaz, 2006; Greenhalgh & Rosenblatt, 1984; Thornhill & Saunders, 1998; Wass, 1996; P. White, 1983). Despite this, there has been little differentiation in the empirical literature based on the outcomes from different types of transitions (c.f. Armstrong-Stassen, 2003; Feldman, 1995). Differences in the severity of the downsizing tactic and the degree of ‘voluntariness’ – relative to feeling pushed – may have implications for job search behaviours and future work attitudes (Waters, 2007; Waters & Muller, 2004). These different exits may result in differential organisational support, resources and needs, and subsequently impact on differential access to interventions in the labour market.

The provision of outplacement supports has been said to have received a normative status in organisational downsizing (Alewell & Hauff, 2013; Doherty & Tyson, 1993). Types of outplacement services may include access to short training interventions and job searching support and allocated job search time in the close down period. While outplacement services tend to have a varied take up rate, they have been found to be taken up by those exiting into the labour market, rather than by individuals moving into other jobs or withdrawing from the workforce (Guest & Peccei, 1992). While the value of these measures in terms of skills and confidence building may be mixed, these supports may provide some scope for individuals to participate in decisions related to their futures, engage in problem-focused coping activities and re-orient the individual towards exiting the job role (Alewell & Hauff, 2013; Gowan & Nassar-McMillan, 2001; Guest & Peccei, 1992).

Organisations, based on their circumstances, make choices about how much, when and what information to provide employees about the planned job losses. Employees have some potential power in the threat of job loss situation, including possible legal action in the event of breach of contract or discrimination, but also in terms of hoarding organisational information, exiting the organisation early and persuading customers or other employees to exit with them (Greenhalgh & Rosenblatt, 2010). Organisational decision-makers may opt instead to hoard information and provide minimal information to employees. However, access to information about the rationale for the downsizing and about the downsizing process may reduce the stressfulness of the job loss experience. Furthermore, information can dispel misinformation, rumours and perceived procedural

and distributional unfairness in the downsizing process (Brockner et al., 1990; Brockner, Grover, Reed, & Dewitt, 1992; Tourish et al., 2004). Similarly, where employees are involved in activities and decisions related to their transition out of the organisation, the exit may be less stressful (Brockner et al., 2004; Hansson, Rydell, & Wigblad, 2012; Hansson & Wigblad, 2006; Tourish et al., 2004). It would be expected that where affected individuals have greater access to information and a more positive perception of involvement in decisions related to their continuity of employment, they may perceive less stress in the job transition experience.

In most advanced economies, organisations are legally required to provide some level of advance notification of the impending job loss to its affected workforce, although there is variation in the minimum notice period (for the UK, see *Employment Rights Act*, 1996; OECD, 2009; for Ontario, see Ontario Ministry of Labour, 2013; for the U.S., see U.S. Department of Labor, n.d.). As Chapter 3 establishes, the provision of advance notification is positively correlated with moving directly into employment, because it allows the individual time for on-the-job job searching, rather than waiting until unemployed. Where individuals have more notice of the impending job loss and can conduct on-the-job job searching, their duration of unemployment is expected to be reduced. Conversely, where the individual has advance notification but does not move directly into employment, the individual is likely to have difficulties moving out of unemployment.

Additionally, the review of the literature also suggests that individuals with less financial need for employment may have reduced job search motivation (Lammers, 2014; Wanberg et al., 1999). Circumstances in the redundancy context that reduce the financial strain on individuals, such as severance payment or exit incentives, may influence the immediacy of their return to work. The relationship of these extra-statutory incentives and re-employment quality, however, is not clear. Higher payments may be assumed to decrease job search intensity and motivation of affected workers. However, a study of statutory severance payment generosity from a subset of the U.S Displaced Worker Survey, Kodrzycki (1998) found – contrary to the hypotheses – those receiving more severance pay were less likely to enrol in education and training, were not out of work longer but ended up in jobs with more drastic wage cuts than those who received limited severance pay. The puzzling findings were proposed to be explained by characteristics of the workers, such as, longer tenured workers are both more likely to receive a higher level of severance but also face more drastic wage cuts in re-employment (Kodrzycki, 1998). The extent to which these are comparable to the experiences of those taking extra-statutory benefit packages is unclear.

These factors in the way the downsizing is implemented may influence patterns of job search behaviour for individuals once in the labour market, yet take place prior to the individual's entry into the labour market. These factors may have knock-on effects on whether the individual actively seeks employment and the intensity of their search.

### 5.3.2. Influence on the job transition in the labour market context

The circumstances around how the individual exits the organisation may continue to have implications for the individual and her behaviour once in the labour market.

Furthermore, the type of exit and conditions of pre-displacement employment may also impact on eligibility for labour market policy interventions and unemployment insurance. There is variation by country and regional jurisdictions (see e.g. Venn, 2012) as many programmes are closely linked with previous employment, such as eligible hours worked for contribution-based benefits, and reason for the role exits, for disentanglements from unemployment insurance (Venn, 2012; Vosko, 2006a).

Chapter 4 focused on the role of active and passive labour market policies in supporting the transitions of displaced workers back into employment. Within that literature, successful transitions tended to be seen as those with shorter durations of unemployment and offered limited consideration for the nature of post-transition employment. Where job quality was considered, it tended to look at objective measures such as remuneration and contract type. It is still possible to identify recurrent factors and themes which may influence both the transition to and the quality of subsequent employment for individuals, summarised within this section.

Current policies in the advanced economies – in particular the liberal market economies – aim to reduce unemployment duration through modifications of the generosity of the passive benefit system, including level and duration of unemployment benefit (Heyes, 2011). High levels of unemployment benefits, which provide a disincentive to seek employment, increase the duration of unemployment (Layard et al., 2005; Venn, 2012). Where individual and household finances are strained, individuals may be more likely to increase their job searching efforts and accept any job over more suitably matched or perceived better quality work. The pressure to actively job search is decreased for individuals with access to alternative forms of income, including savings or non-conditional income transfers from the state, increasing the duration of unemployment.

Higher levels of benefits provide a 'search subsidy', increasing an individual's available resources to job-seek and to find suitable employment (Marimon & Zilibotti, 1999).

Higher levels maintain an individual's commitment to work (Addison & Portugal, 2002; M. White, 1994) and support better matches between workers and jobs (Centeno, 2004; Marimon & Zilibotti, 1999). They may also smooth the transition into similarly paid employment (M. White et al., 1994), thus mitigating the expected downward transition observed in the re-employment of displaced workers (e.g. Benedict & VanderHart, 1997; Leana & Feldman, 1988; Payne & Payne, 1993). As discussed earlier, reduced financial strain by topping up unemployment insurance through savings and extra-statutory payments may reduce the need to move rapidly into employment, allowing workers to wait for better matched jobs. This, however, is not a certainty. Other studies have found no significant impact on the quality of match and benefit generosity (e.g. van Ours & Vodopivec, 2008) or generous severance payments (Kodrzycki, 1998).

Individuals' motivation and commitment to job searching is not solely affected by their interactions with employer and labour market policies and practices. The perceptions of the available supply of jobs affect an individual's motivation to actively seek employment (Gallie et al., 1994; M. White et al., 1994). Therefore, poor expectation about future earnings and future employment may decrease the efforts of the individual to find employment. This may be expected particularly under circumstances where the individual is not experiencing immediate financial strain from lack of paid employment, possibly due to prior savings, severance payments or unemployment insurance benefits (Addison et al., 2013; Lammers, 2014; Layard et al., 2005).

Active labour market policies (ALMPs) can be deployed as a means of incentivising or mandating job search activities as well as being a support mechanism aiding job search skills acquisition. The evaluation literature shows there is a great heterogeneity between programmes and their methods of evaluation with generally modest impacts for individuals (Card et al., 2010; Heckman et al., 1999). There is little consistent positive evidence towards reducing the duration of unemployment or improving the quality of the job transition outcome.

Of the range of interventions – training, subsidy, and job search assistance – job search assistance tends to have the most consistent, albeit modest, impact on flows out of unemployment for working-age adults (Card et al., 2010). Job search assistance measures can improve job search efficacy and job search skills and may reduce the time spent in unemployment (Card et al., 2010). However, if the unemployed job searchers are segregated from the rest of the job-seeking population, there is a risk that the quality of work to which they have access is limited and of poorer quality (Addison & Portugal, 2002). Therefore, modest improvement in the individual's job search skills and confidence may be expected for those who engage in active labour market programmes,

particularly in job search assistance. Additionally, shorter durations of unemployment may be expected for those who engage in job search assistance programmes, particularly where there is the threat of benefit stoppages (sanctions) and activity monitoring. Despite this, engaging with these interventions is not expected to improve the quality of post-unemployment outcomes for individuals.

Many of the interventions for working age adults target skills development at the lower end of the skills spectrum or focus on employability and job readiness (Keep & James, 2010; Keep & Mayhew, 2010; Lafer, 2002, 2004). However, for recently displaced workers with recent experience and close proximity to the labour market these interventions may not be appropriate, if they were ever appropriate for any group (e.g. Osterman, 2012). Therefore, beyond being a condition of benefit receipt, these interventions may not be targeted at or accessible to recently displaced workers. Accordingly, the extent to which displaced workers access and engage with these interventions may be variable.

### 5.3.3. Institutional and structural influences over the job transition process

Throughout the preceding literature reviews, there has been an explicit recognition of individual and workplace differences for how the displaced worker will experience the job loss. That said, individual and organisational decisions are made within a broader context of national and regional regulatory and institutional regimes. Redundancy is a legislative process and labour market interventions are services defined by labour market policy approaches. Therefore, both the redundancy situation and the labour market situation are invariably linked to institutional employment protection approaches adopted by national and regional governments.

A country's approach to employment protection legislation is relevant for understanding the job loss experiences of displaced workers. Employment protection legislation include "a variety of mandatory practices that deliberately make it harder and/or more expensive to dismiss employees" (Harcourt et al., 2007, p. 963). Invariably, the specific legislation is set by the relevant national or regional jurisdiction. The relevant sections of the employment protection legislation in advanced Western economies share many similarities, with variation in the specifics related to required employee involvement, amount of advance notification and minimum severance payments (see e.g. OECD, 2013a). Although these variations may seem slight, differences in requirements for employee consultation and involvement may have implications for the amount and

quality of information displaced workers have during the job loss and have implications for their sense of control or lack thereof in the situation. For example, in some jurisdictions, the minimum for worker involvement may be simply informing the worker of why and how she was selected for reduction, compared to actively consulting with the worker and/or the representative to find alternative employment (Harcourt et al., 2007; OECD, 2013a). Likewise, more advance notice has an influence over the amount of time exposure the person has to plan for and adjust to the impending job loss and search for other employment. Once in the labour market, the specifics surrounding access to passive and active labour market interventions are determined by state and regional policy and funding. As with the employment protection legislation, there are broad trends in the types of interventions on offer although issues of universal access, sanctions and duration of active interventions will vary with public expenditure and policy approaches (Martin, 2000; OECD, 2001, 2011a; Venn, 2012). Therefore, the experience of job loss in the context of downsizing is connected to the institutions and its agents in a political economy.

Within the political economy, multiple different actors, such as individuals, organisations, organisational consortia and government – interact and react to each other (Hall & Soskice, 2001a). Institutional structures and actors give states leverage, impose sanctions or incentivise behaviours by the actors through planning systems, public influences over funds, financial markets and currency, labour market regulation and support of education and training (see e.g. Esping-Andersen, 1990; Gallie, 2007; Hall & Soskice, 2001a; Jackson, 2010). Comparative institutional theorists have put forward different approaches for the study of advanced capitalist political economies, focusing on institutions as agencies setting norms and attitudes, exerting power over actors through sanctions, or inducing behaviour through combinations of sanctions and incentives, and through coordinated approaches. Although there are merits and criticisms of each comparative approach which are not covered here, what is relevant for this research is a recognition that state and its agents influence firm-level behaviour, labour market structure and the structure of supports with which displaced workers interact following job loss.

Liberal market economies (LMEs), such as the UK, the U.S. and Canada, have tended to view labour market rigidity as a hindrance on employing organisations' ability to respond to competitive pressures. Their approach favours levers which increase the flexibility of firms to hire additional employees, or conversely shrink to accommodate market forces (Casey et al., 1999; Lallement, 2011). The steps to addressing issues of productivity, economic growth and aggregate unemployment have been by deregulating the labour market, relaxing employment protections, reducing trade union power and commercialising the public sector (Bernard, 2008; Casey et al., 1999; Green, 2003;

Lallement, 2011; P. A. Wood, 2001). Labour market programmes in LMEs have tended to emphasise low cost supply-side labour market interventions to promote employability through activation (Lindsay, 2007). In other words, individuals – and modifications to their behaviours or skills – are the target of interventions (Lafer, 2004). Examples of interventions include downward modifications to income benefit generosity to stimulate job search activity by decreasing possible attachment to benefit receipt (Jackman, 1994; Layard et al., 2005) and active job-readiness interventions, prioritising job search skills and presentation (Card et al., 2010). While skills development and accreditation may be part of the suite of employability services, these short duration, low cost interventions may be insufficient to meet the level of improvement in skills asked of these programmes (Card et al., 2010; Keep & James, 2012).

The emphasis in LMEs towards greater numerical flexibility, lower levels of employment protection and supply-side interventions are thought to undermine internal labour markets of organisations and increased perceptions of job insecurity (Green, 2003; Osterman, 1999). Furthermore, these changes have been proposed to have shifted the ways in which downsizing and layoffs have been used as a last resort in times of economic distress towards a business practice deployed by ‘healthy’ businesses (Cascio, 2005; Osterman, 1999; Wilkinson, 2005).

Coordinated market economies (CMEs), such as Japan, Germany and France, are said to systematically differ from LMEs, reflecting the relationships between businesses, government and labour (Hall & Soskice, 2001a; Harcourt et al., 2007; P. A. Wood, 2001). CME institutions are argued to focus more on long-term national interests and more cooperatively reconcile the potentially conflicting interests of key stakeholders, such as labour and employers (Hall & Soskice, 2001a; Harcourt et al., 2007). Despite recent trends towards lower employment protection and coverage, and while recognising that CMEs do restructure and downsize, CMEs tend to provide more substantial employment protection coverage than LMEs – at least to permanent, full-time employees (Harcourt et al., 2007; Heyes, 2011).

Given the issues outlined above related to job quality, employment insecurity and less protective downsizing practices, LMEs remain an area of relevance for investigating job transitions. Although much of the existing literature has focused on downsizing and re-employment in the context of LMEs, there are existing gaps in the literature and a limited view of the intersections between micro-, meso- and macro- level issues. From a comparative perspective, the differences between worker outcomes in CMEs and LMEs may narrow the potential for contributing to existing debates and limit potential practical applications of knowledge.

## 5.4. Research questions

This chapter, with the preceding literature reviews, has posited that the job loss experience following redundancy is shaped and constrained by micro-, meso- and macro-level factors. The legacy of the redundancy situation and how the individual responded to it may influence behaviours in the labour market situation. In turn, these may influence the quality of post-unemployment outcomes of individuals. Given this cumulative process, it is valuable to consider the experience as a whole, connected process.

Once unemployed or re-employed, the evidence does not suggest a strong likelihood for positive outcomes for an individual who has involuntarily lost her job, as presented earlier. One might assume that moving into lower quality work or remaining in unemployment is an inevitable outcome for displaced workers. However, there exists a degree of heterogeneity of job transitions experiences. These exceptions – whether the result of active labour market programmes (Azrin et al., 1975; Card et al., 2010; Indergaard, 1999), downsizing-employer behaviour (Appelbaum et al., 1999; Cascio, 2005; Freeman, 1999), or individual circumstances and behaviours (Andersen, 2011; Leana & Feldman, 1988; McKee-Ryan & Kinicki, 2002) provide opportunities to challenge the bleak expectation for displaced workers.

The preceding chapters have considered the process of becoming involuntarily unemployed and moving back into subsequent employment. The literature reviewed to understand this phenomenon has been deliberately broad given the diversity of research in this area. The chapters have considered job loss coping and job search behaviours, organisational restructuring, and active and passive labour market interventions relative to re-employment outcomes and re-employment quality. Currently, these bodies of research tend to exist in distinct disciplinary spheres and are disconnected from each other, despite the commonality in their subjects of study (individuals experiencing job loss). Each area considers its own set of factors and conditions which affect how the individual transitions out of employment and into another job. Yet these offer little consideration for how the collection of features play out with and against each other.

This fragmentation of the job transition process risks overlooking the potential intersections and roles of particular factors from one sphere into the next as the transition processes in a largely sequential experience. Taking the issues arising from the literatures with the logic of enquiry established thus far, the following research questions guide this research, shown in Figure 5.3:

1. In which ways and to what extent do the actors and factors in the downsizing context – in particular, the downsizing tactics used, amount of advance notice,



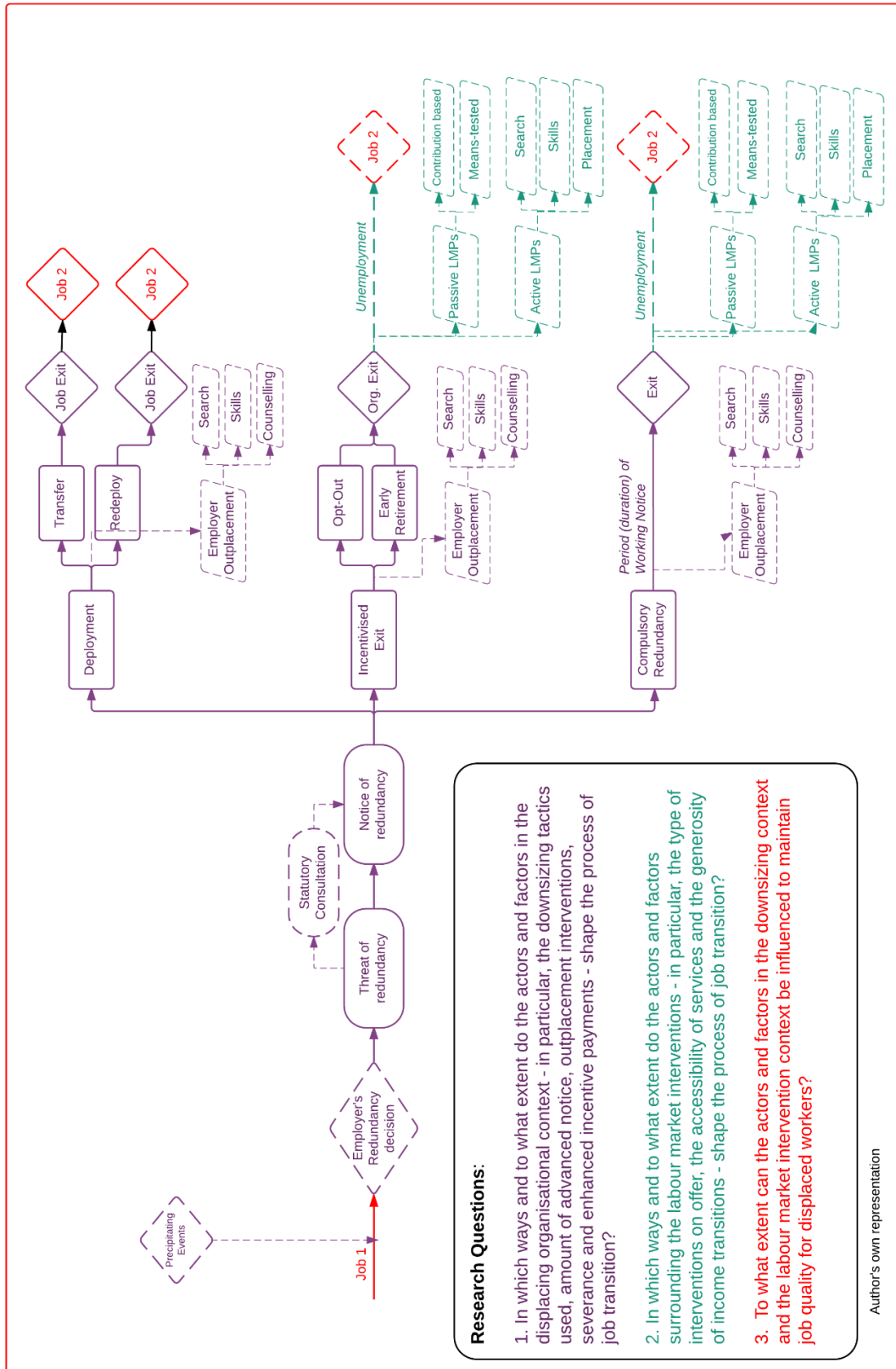
outplacement interventions and severance/enhanced incentive programmes – shape the process of job transition?

2. In which ways and to what extent do the actors and factors surrounding the labour market interventions – in particular, the type of interventions on offer, the accessibility of advisors and services and the generosity of income transfers – shape the process of job transition?
3. To what extent can the actors and factors in the downsizing context and the labour market interventions be influenced to maintain job quality for displaced workers?

These questions may be partially addressed through the evidence provided above. However, the existing research does not provide a view of how the range of factors connect with each other and impact on individuals and the quality of their re-employment. The aim of the research is to better understand the interactions and intersections of the redundancy and labour market situational factors and key actions in influencing the quality of re-employment outcomes for displaced workers. This research diverges from the current approach in two ways. Firstly, the experience of becoming re-employed following job loss through redundancy is conceptualised as a continuous process. The job transition is understood to be more than the sum of the component parts of the job loss to re-employment experience. Secondly, this transition process is the unit of analysis of the research. It does not see the individual as a completely free, rational and independent agent, but as an agent (re-)acting in constrained contexts. In focusing on the transition process, the aim is to better understand how actors and factors in the redundancy context, and labour market intervention context and differences in how these are implemented in different contexts influence the quality of re-employment outcomes.

This research does not attempt to present a generalisable theory that covers all aspects of the job transition process. To propose such a feat would be unrealistic and unmanageable. Neither does this research focus on how individuals search for work or a comparison of the search activities. It is not an evaluative piece of research on the efficacy or accessibility of labour market interventions following displacement. It is concerned with the enabling and constraining elements at the level of organisational and labour market intervention to consider what is possible for particular individuals in a given context. The research makes a theoretical contribution to the job loss, re-employment and redundancy literatures by investigating the conditions that shape and structure the outcome of the job transitions of workers.

Figure 5.3 Research questions related to the job transition process



## Chapter 6. Methodology

### 6.1. Introduction

Building on the preceding chapters, this chapter discusses the approach and methods used for the collection of primary data and the rationale behind the research design. The chapter first presents the philosophical underpinnings of this research. Secondly, it considers the phenomena of empirical investigation and the three sets of deliberate design choices made in the design of this study of the transition process: 1) The approach to studying the job transition experience as a continuous process; 2) The country selection decisions for cross-national study and within that, the choice of regions; 3) The types of workers' experiences to investigate, including organisation type and types of workers' characteristics.

Subsequently, the chapter discusses the chosen methods of data collection, i.e. expert interviews, semi-structured work history interviews with displaced workers and follow-up surveys, before considering the procedure of data collection and an overview of the data collected. The primary data used in this research was collected from two main sources: experts and stakeholders (E&S) in the relevant spheres of knowledge through expert interviews; and recently displaced workers or workers undergoing displacement through semi-structured work history interviews and qualitative follow-up questionnaires in regions of two liberal market economies – Scotland, UK and Ontario, Canada. The workers themselves were targeted as workers with employment experience and who are not the main target groups for active labour market interventions (see Martin & Grubb, 2001; OECD, 2005), or likely to receive specialist private support, e.g. professional occupations and senior managers (see Armstrong-Stassen, 2005; Doherty & Tyson, 1993; Gabriel, Gray, & Goregaokar, 2013).

Lastly, this chapter discusses how the data was analysed and the limitations of the data collected, the implications for the research and for understanding the job transition process.

### 6.2. Critical realist underpinning

This research is underpinned by a critical realist approach. Morgan (1983) argued that decisions about *how* one studies a phenomenon embodies a set of assumptions about *what* is being studied. The nature of the *what* or the object of study, and subsequently the

kinds of knowledge assumed possible will determine which research methods are the most appropriate for its investigation (Danermark, Ekstrom, Jakobsen, & Karlsson, 2002). In this research, the *what(s)* of interests are the interactions between the individual and the set of processes and institutional interventions.

A critical realist approach holds that, ontologically, the world is structured and changing. It exists externally to individuals and affects social behaviours and attitudes in ways that are comparable to material processes (Ackroyd, 2009; M. Archer, Bhaskar, & Collier, 2004; see Danermark et al., 2002). The social phenomena exist and have effects on actors – including attitudes, behaviours and actions – irrespective of the actors’ consciousness (Ackroyd, 2009). While, individual actors’ experiences are shaped by the social world, individuals are not without agency. Agency refers to the particular properties of a person that allow her to identify a particular outcome, to set goals and work towards achieving that outcome (Danermark et al., 2002). An agent has intention and can work towards fulfilling a desired goal to make ends meet. However, individual agents are always acting in a world full of opportunities and constraints that they did not produce on their own (M. Archer et al., 2004; Danermark et al., 2002; Edwards, O’Mahoney, & Vincent, 2014). Social structures are ever-present in the lives of individual actors and continuously reproduced through intentional human agency (M. Archer et al., 2004). The effects of these structures are manifested in the interests, resources, powers, constraints and predicaments that are built into each position by the web of relationships (M. Archer et al., 2004). In turn, these effects shape the material circumstances in which people act and which motivate individual actions in particular patterns (M. Archer et al., 2004).

Critical realist-influenced research aims to explain phenomena and social structures (Danermark et al., 2002) and account for the ways in which individuals have been constrained or enabled vis-à-vis the structures in which they are located (M. Archer, 1995). The configuration of the structures in which these individuals find themselves invariably reshapes the individual’s set of options and opportunities. This research is interested in the interaction of structural elements that shape and constrain the opportunities for individuals within the job loss to re-employment process. While individuals have agency over their lives, the opportunities to exert agency are constrained by the nature of the resources and opportunities created in their circumstances.

### 6.3. Research design

This research has two central aims: firstly, to see the job transition following redundancy as a continuous and sequential process; and, secondly, to better understand how the

factors and actors in the redundancy context, the labour market intervention context and differences in their implementation influence the quality of re-employment outcomes for individuals. To investigate this issue, there are three sets of deliberate design choices which were made in identifying and operationalising a transition process identified above.

### 6.3.1. Operationalising the transition process

The first set of research design decisions for this study relates to how one approaches the study of the job transition as a continuous process shaped by organisational and institutional policies and practices rather than as an individual-level role transition (c.f. Ashforth, 2001; Ebaugh, 1988; Frese, 1984; Jonczyk et al., 2016; Nicholson & West, 1986; Warr, 1984). As argued, this research is focused on the interaction between structure and individuals. This is because the objective is to better understand how the myriad factors identified in the literature come together to shape the outcomes of involuntary job transitions. Thus, this interaction is the unit of analysis for this study – that is, the entity on which this study will focus (Boyatzis, 1998). However, the focus on an intangible, dynamic element is empirically and practically challenging.

Studying interactions needs to be operationalised to deal with challenges in the real world. Possible approaches might focus on downsizing in specific organisations. This approach would provide more consistency of how downsizing policies and practices are implemented and experienced, and is the approach used to study the organisational impacts of downsizing. However, the study might offer limited understanding of variation in policies and their implication. It also places the emphasis on organisational impacts and the impacts of workers in that organisation; limiting the extent to which the restructuring processes can be disentangled from the downsizing organisation. The transition might be operationalised from the perspective of labour market interventions. However, as discussed in Chapter 4, many labour market interventions have poor levels of take-up (Hernanz et al., 2004). It may exclude those who do not access the interventions, either due to a lack of need/interest, lack of information or ineligibility. Furthermore, the eligibility criteria of labour market interventions exclude some workers relevant to understanding different types of job transitions. Empirically, this study focuses instead on the individual, both the specific person and a generalised person in context of the unit of study.

Job losses from downsizing may come about through macro-environmental factors and decisions external to the organisation (Cooper, Pandey, & Quick, 2012), such as market pressures and external trends (e.g. mimetic tendencies, see Budros, 1999; C. K. Lee & Strang, 2006). Furthermore, it is constrained by institutional norms and legislation.

Likewise, the nature of support interventions available to the displaced workers is not shaped by what the individual would like or needs, but rather by institutional approaches, the nature of the programmes available and whether or not the individual meets pre-defined eligibility criteria.

This view of the transition is a dynamic process that is the product of intersecting, overlapping and potentially conflicting factors that shape the options available for the individual. The transition is recursive, sequential and cumulative. Past features have a potential knock-on effect on future opportunities, setting constraints and shaping outcomes. The process looks to consider the timing and sequences ('time paths') of changes in the phenomena (Tuma & Hannan, 1984). This is a process of identifying and understanding 'who knew what', 'what happened', 'what were the options' and 'when' in the downsizing process. The transition may be a moving target as changes in some properties induce change in others (Tuma & Hannan, 1984). Thoughts, feelings, and actions develop and unfold within social contexts and in response to a range of social stimuli (Nowak & Vallacher, 1998).

In the context of this research, the study looks at the movement from employment, into unemployment and, where applicable, back into employment, and the circumstances surrounding these discrete events between states of being. Several key elements in focus are: how the job loss occurred, the timing of discrete events relative to others and what formal mechanisms – such as procedures, supports or interventions were made available to the person. The spaces where transitions occur (e.g. where there are shifts in employment status) may offer a density of interesting information about key actors and factors shaping that experience. It is also possible to consider other features of the experience including: how many transitions are made in and out of employment/unemployment over a particular time, and the duration of stay in the given states – such as how long was spent in or out of work (Dex, 1991; Tuma & Hannan, 1984). This allows for consideration of how discrete events – such as job loss (layoff) announcements – interact and overlap with continuous processes – such as on-going job search or training – and how these affect individual actions. While secondary material such as organisational policies and procedures can support a normative understanding of how these should be implemented, practice may be experienced differently in its implementation. In the case of downsizing policy, these subtle differences in implementation that might influence the amount of advance notice and the anticipation of job loss may lead to different experiences, irrespective of formal policy.

### 6.3.2. Selecting cross-national comparisons

This study draws on two regions of liberal market economies for a cross-national comparative study. The selection of the regions is based on similarities in their overall approaches to increase the possibility of practical transfer of knowledge. This section outlines the rationale for undertaking a cross-national study and the countries and regions selected for the comparative research.

Downsizing and labour market interventions are influenced by institutional approaches to labour market policy (Hall & Soskice, 2001b). There are differences in the ideological underpinnings of the capitalist regime, as well as practical differences in coverage of redundancy legislation and employment protections, and expenditure for labour market interventions (OECD, 2008, 2013, 2015b; Venn, 2012). Although it may have been possible to undertake a similar study in one country across different regions, a single country might limit the analysis of differences in legislation and labour market policy approaches that related to compulsory redundancy or labour market interventions. Using the UK as an illustrative example, both redundancy legislation and active and passive labour market interventions are reserved policy areas of Westminster<sup>15</sup>, and would have limited policy variation across the four countries in the UK. The inclusion of an additional country in this study offers variation in the policies that shape the job transitions.

Cross-national research can be executed differently based on the study's intent (Øyen, 1990). This research utilises the country-level as a contextual layer in which individuals are embedded within particular conditions that impact the outcome of their employment transitions. Drawing from the assumptions underlying the clustering of political economies in typological approaches (Esping-Andersen, 1990; Gallie, 2007; Hall & Soskice, 2001b), this study identified countries with similarities rather than difference. This research draws on meso-sociology, which strives to look at the patterns that connect the micro- and the macro- levels. It looks at the interactions within social networks, organisations, including workplaces, and within social institutions (Littler, Dunford, Bramble, & Hede, 1997; Plummer, 2010; Ritzer, 2007). Cross-national comparisons which focus on similarities facilitate a focus on the interaction between the meso-level interventions and the individual, rather than macro-level differences. Therefore, while the

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<sup>15</sup> Following the 2014 Scottish Independence Referendum, additional tax and welfare powers were devolved to Scotland through the Scotland Act 2016. These changes are, however, beyond the timing of this research.

study of stark difference may be empirically striking, it narrows the potential for the transfer of practical knowledge.

Liberal market economies (LMEs) have been more frequently studied in the context of downsizing and redundancy, however there are differences in the implementation of policies and programmes across LMEs. LMEs include the UK, the United States, Canada, Australia and New Zealand (Esping-Andersen, 1990; Hall & Soskice, 2001b). There are similar configurations of institutions, divisions of power across levels of government and delivery models of labour market policy relevant for this research (Heinelt & Hlepas, 2006). For example, local government has functional roles with weaker political and legal status, but is important in the delivery and shaping of services (Heinelt & Hlepas, 2006). Canada and the UK share many relevant similarities. Health services and welfare provision tend to have similar reach, particularly compared to access to health provision in the United States. Canada and the UK have comparable levels of expenditure for active labour market policies (0.3 and 0.4 percent of GDP respectively, OECD, 2011a).

In terms of employment relations, both have experienced declines in union density with around 27.4 and 25.4 per cent in Canada and the UK respectively, largely concentrated to the public sector (OECD & Visser, 2015). The OECD compiles a weighted score on the strictness of employment protection regulations in different countries. On strictness of collective and individual dismissal, Canada and the UK have similar scores (0.92 and 1.02 respectively) compared to the scores for employment protection in central European economies – e.g. Germany (2.87), the Netherlands (2.82), France (2.38), Sweden (2.61), Denmark (2.20) and Finland (2.17) (OECD, 2015b). Canada and the UK are also more similar to each other than to the United States, which has a 10.8 per cent union density and score of 0.26 points for employment protection against dismissals (OECD, 2015b; OECD & Visser, 2015).

There are differences between the two LMEs. Canada is a federal parliamentary democracy. Some aspects of employment protection legislation, such as legislation covering dismissals, mass redundancy and succession rights are the jurisdiction of provincial government. Means-test income support, health care, labour market skills interventions and local economic development are in the provincial jurisdiction with implementation often devolved to local government. The provision of contribution-based unemployment benefits (Employment Insurance or E.I.) and the state pension (Canadian Pension Plan or CPP) are federal – or Canada-wide – powers.

The UK is not a federal parliamentary system, however, some relevant powers that may influence the supports available to displaced workers are devolved to national



governments (see e.g. Cabinet Office, 2013). Employment and social security are reserved to the UK government, except for in Northern Ireland, whereas health and social care, education and training and economic development are devolved to national governments (Cabinet Office, 2013). Some interventions such as Jobseekers' Allowance and programmes through the Job Centre Plus are available across the UK. There may, however, be differences in skills development initiatives and access to health care by jurisdiction. Therefore, it was necessary to identify comparable jurisdictions within these two countries for the study. The choice to select Ontario, Canada and Scotland, UK was made in conjunction with the identification of the workers of interest based on public sector employment density, particular trends in downsizing and economic growth during the Great Recession.

### 6.3.3. Identifying the characteristics of displaced workers

Several decisions were made to narrow the criteria for inclusion in this study. The research was designed to investigate workers being displaced from public sector jobs and who would not typically be eligible or offered basic level numeracy/literacy and employability interventions or senior executive level corporate outplacement. The rationale is explained in this section.

#### Public sector workers

In empirically examining what happens to job quality, public sector workers represent an interesting group. Firstly, across various economic measures of job quality, public sector employees have had good and decent pay, sickness benefits, pensions; and opportunities for progression, including skill development, training, or career opportunities or pay progression (indicators from McGovern et al., 2004). Secondly, they are affected by the same international (and political) forces across multiple countries allowing for a comparative approach during the recession. It also represents a form of work without a direct equivalent in the private sector. Lastly, the proportion of public sector employment to total employment in Canada and the UK is broadly similar.

Using the UK as an illustrative example, public sector pay had trended above that of the private sector since 1999, although recent wage freezes and the 1 per cent wage caps which will extend into at least 2020 have altered this trend (HM Treasury, 2015). For the bottom 5 per cent of earners, public sector workers earned on average 13 per cent more than private sector equivalents after accounting for differences in job and individual characteristics (ONS, 2014a). Even with the real terms reductions in pay, the UK

Treasury stated that “public sector workers continue to benefit from a significant premium once employer pension contributions are taken into account” (HM Treasury, 2015, p. 27). Following the most recent recession, the UK private sector had an increase in number of workers in part-time hours, while the public sector had maintained full-time hours (Matthews, 2010). Although there may be variation in the terms and conditions of employment among public sector employees in the UK, 85 per cent of zero-hour contracts are found in the private sector (Pennycook, Cory, & Alakeson, 2013). Despite deteriorations in the work from new public management pressures, employment has been seen to be more secure – particularly in terms of job tenure security (Blackaby et al., 2015; Crouch, 2012; Gottschall et al., 2015; Nolan, 2004).

In the aftermath of the Great Recession from 2008, many advanced economies looked to find budgetary savings by decreasing the size of their public sectors through restructuring, targeting wage moderation and downsizing in the public sector workforce (Dao & Loungani, 2010). Exacerbated by the cost of responding to initial and ongoing crises, over three-quarters of OECD member countries in 2010 had reported being engaged in or planning some public sector reform to decrease the size of their workforces (OECD, 2011b). OECD countries spend around 24% of general public expenditure in remuneration and compensation of government employees (2009 figures, OECD, 2011b).

As a proportion of total employment, the UK public sector represented 21 per cent of total employment at a UK level and 23.1% of all jobs in Scotland (figures for 2009, Dewar, 2010; Matthews, 2010). Historically, the UK relied on public sector job creation to compensate for low private sector vacancy creation (Elsby & Smith, 2010; Froud, Johal, Law, Leaver, & Williams, 2011), with Scotland having a higher proportion of public employment (Stewart, 2009). Significant and successive budget reductions affecting the size of the public sector workforce had been announced since the UK 2010 Autumn Statement (see HM Treasury, 2010, 2016). The targeted and strategic reduction of public sector employment seems to be in contradiction with the job creation role that the public sector has traditionally played in the UK and in economies with a focus on high employment policies (Gallie, 2007).

In Canada, public sector employment represents a similar proportion of total employment as in the UK. Over the last two decades, the size of the Canadian public sector has fluctuated. As a proportion of total employment, the Canadian public sector fell from 26.1 per cent in 1992 to 22.3 per cent by 2003 and then grew slightly to 24.4 per cent of employment by 2010 (Di Matteo, 2015). However, the most significant growth in the 2000s was seen in the province of Ontario, with an increase from 20.0 per cent in 2003 to

23.2 per cent in 2013 (Di Matteo, 2015; ENAP, 2012). Over this period, the public sector in Canada also grew much more quickly than the growth in the private sector, especially in Ontario, owing to a period of increased taxation and public spending and a slowdown in private sector growth (Di Matteo, 2015). The structure of the Ontario economy is biased towards a higher proportion of public sector employment compared to the national average. Ontario is home to the National Capital Region – Ottawa and Gatineau, Quebec. Federal public sector employment in Ontario excluding the NCR represents only 14.7 per cent of total employment, while it represents 41.2 per cent of total employment in the NCR (figures for March 2012, Treasury Board of Canada Secretariat, 2012). The NCR was expected to be disproportionately affected by the staff reductions at the federal level given the concentration of federal employees. Therefore, even without considering the federal public servants elsewhere in the province and those employed as provincial or local public servants, public sector employment is likely to be some feature of the Ontario labour market.

Lastly, from an organisational perspective, the existing literature has tended to focus on downsizing and restructuring from a private sector perspective with market-decline and shareholder perceptions as influential factors (Burke & Cooper, 2000; Cameron et al., 1993; Cascio, 1993, 2005; Cooper et al., 2012; Freeman & Cameron, 1993; Freeman & Ehrhardt, 2012). Public sector downsizing is also subjected to national and international political and economic forces, which may drive decisions about if and how to downsize (C. K. Lee & Strang, 2006). Where public sector downsizing has been investigated, much of it has been in the context of developing economies (e.g. Colclough, 1997; Diwan, 1994; Rama, 1999, 2002) or in the health care/hospital sector due to facility closure and reorganisation (e.g. T. Brown, 2003; Burke & Greenglass, 2000, 2001; Hyman, Watson, & Munro, 2002). These studies have suggested that downsizing may be influenced by perceptions of the quality of service and concerned with the wider implications for the local community in ways which are different from private sector concerns. Public sector organisations may use less severe downsizing tactics in response to these pressures.

Public sector organisations make use of a range of downsizing tactics for workforce reduction, including promoting natural attrition, early retirement and ‘voluntary’/incentivised redundancies alongside redeployment in their internal labour markets (e.g. Audit Scotland, 2013; Commission on the Reform of Ontario’s Public Services, 2012; HM Treasury, 2014; Macdonald, 2012; OECD, 2011b; OPSEU, 2011b). Specifically, the Scottish Government through the public sector pay policy has been committed to a policy of ‘no compulsory redundancy’ (The Scottish Government, 2013). Other organisations, including local authorities and Canadian public sector organisations have similar priorities which emphasise redeployment and internal

movements, even without formal NCR policies (e.g. Audit Scotland, 2013; Brampton Guardian, 2011, 2011; Johnson, 2013; May, 2011, 2014; Peev, 2010).

Given the range of downsizing tactics in use, this research has adopted a broad definition of the job transition as an involuntary move between any job role (Ashforth, 2001; Nicholson & West, 1986). This includes involuntary moves out of the organisation or out of a job and into an internal labour market (P. White, 1983). Worker and job redundancies are not completely analogous. Worker redundancies result in the loss of paid employment, whereas job redundancies do not necessarily do so. There are similarities in the employer-provided interventions, including internal job searching supports and competing internally for jobs. Both groups of workers may be constrained by their circumstances and move into any job, rather than one that aligns with their interests and makes use of their skills. It has been argued that internal transfers and redeployment offer more control to the individual than other downsizing tactics (Greenhalgh et al., 1988). However, the extent to which individuals have control over their post-job redundancy roles may be debatable and vary depending on how the downsizing is undertaken. The job loss may be potentially less stressful or have different stressors than the loss of employment, but the individual may also experience both the adverse effects of being a ‘survivor’ (remaining in the organisation) and the effects of losing her job. Redeployment, like redundancy, may generate stressful and painful reactions, which may ‘block rational decision-making’ (e.g. Milne, 1989).

There is also limited research into the outcomes of job redundancy transitions (c.f. Armstrong-Stassen, 2003). Therefore, alongside the practical reasons for the inclusion of both job and worker redundancy, it raises interesting conceptual problems in the downsizing research with regards to job quality. Some individuals will invariably need to vacate the organisations to create vacancies, raising questions related to the suitability of remaining vacancies and the market between the person and the jobs. As said by the president of the Professional Institute of the Public Service of Canada, “You can’t take a rocket scientist and make an insect scientist out of them” (Curry, 2011). These issues raise questions about how downsizing procedures are deployed to transition individuals internally into new jobs while maintaining their quality of work.

## Individual characteristics as criteria for inclusion

Much of the downsizing literature with an occupational and skills-level focus has examined manual or blue-collar workers in plant closure situations (e.g. Armstrong, Bailey, de Ruyter, Mahdon, & Thomas, 2008; Armstrong-Stassen, 1993; Beer & Thomas, 2008; Mallinckrodt & Bennett, 1992) or managers and executives following

redundancy (e.g. Armstrong-Stassen, 2005; Doherty & Tyson, 1993; Feldman et al., 2002; Gabriel et al., 2013). Managerial or executive-level displaced workers and professionals are not the target of state-funded interventions, under the implicit assumption that they are not in the most need and gains in re-employment might be at the expense of other eligible workers. At the other end of the occupational spectrum, labour market programmes in LMEs have emphasised new – albeit short – skills interventions. ALMPs target redundant or ‘laid off’ workers in particular, such as Ontario’s *Second Career* programme or the UK Government’s *Rapid Response Service* through JobCentre Plus also target short term skills development. Implicit in these interventions is a suggestion that the individual’s lack of skills or obsolete skills are connected to her displacement and unemployment (Government of Ontario, 2010; B. Morgan, 2008; Scottish Government, n.d.a). Notwithstanding the critiques that these may do little to increase the skills or the quality of re-employment for anyone (Keep & James, 2012; Lafer, 2004; Osterman, 2011), these are not aligned to the downsizing circumstances in the public sector. Their job loss may not be related to inefficiencies, skills obsolescence or skills biased technological change. Rather they are driven by political decisions related to cost constraints.

Therefore, this study has opted to focus on individuals who may not be the primary targets of ALMPs or corporate intervention. This study targeted workers who were *a)* experiencing some form of involuntary job or employment loss, *b)* from a public sector organisation in Ontario or Scotland; and *c)* were not senior managers or professional workers, or low-skill workers.

#### 6.3.4. Qualitative data collection methods

Much of the research cited in the previous chapters uses survey or administrative data. However, there are observational limits inherent in the techniques and data used elsewhere that make these less suitable for studying the process of job transition. Bertaux (1991), in a study of social mobility, identifies three relevant limitations to quantitative data. Firstly, the principle of statistical representativeness is by definition decontextualising. This contradicts this study’s intention to understand experience *in situ*. Secondly, quantitative data involves standardised tools, overlooking differences in the experiences shaped by the processes. Lastly, survey and administrative data based on individual observations defocus the meso-level and institutional structures relevant to this research. Therefore, this research opted for several forms of qualitative data. Qualitative data offers an opportunity to draw out and understand the tensions that exist between structure and agency in decisions surrounding labour market participation (Walters,

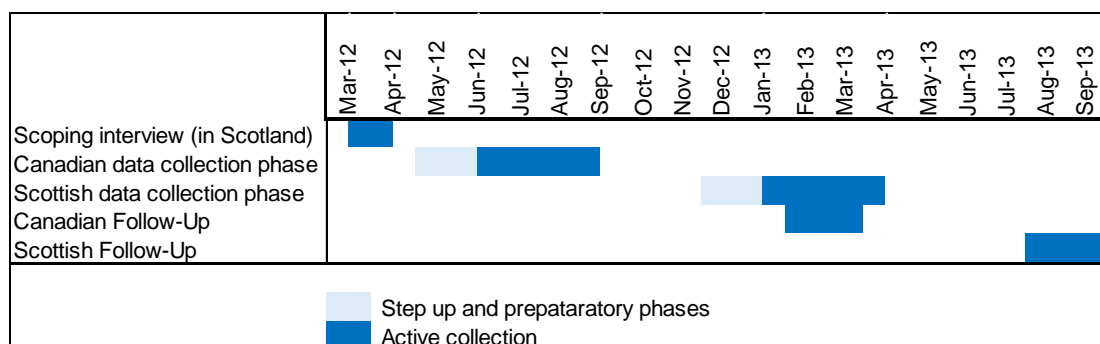
2005) and the features that shape individual opportunities. The use of several types of qualitative data aims to take “into account the interactive construction of actors and spaces in their relationships to the wider society” (Maurice, 2000, p. 18).

Data collection involved a scoping and mapping phase to explore and operationalise the key concepts ahead of the two country studies. The country studies included unstructured interviews with expert and stakeholder (E&S) respondents, and semi-structured work history interviews and a 6-month follow-up survey with displaced workers. The E&S respondents in the scoping interviews and country studies were a purposive sample based on their areas of expertise.

To focus on the job transition process, the research design for the displaced worker data aimed for diversity along individual and displacement characteristics to better understand how actors and factors interact to shape the process. The displaced worker data was sampled following a non-probability selection method for hidden populations, using a snowball sampling approach which sought to increase the independence of respondents from each other (Spren & Zwaagstra, 1994). The displaced worker data was collected through semi-structured work history interviews, covering both aspects of their employment and transitions out of employment. An online follow-up survey was distributed roughly six months after the interviews.

Overall, data collection was comprised of five stages, as in Figure 6.1. The first stage was the mapping and scoping phase in Scotland as a means of refining and operationalising key concepts in the research. This was followed with a three-month data collection period in Ontario for the Canada study in the summer of 2012, and a three-month data collection period in Scotland in early 2013. The online follow-up surveys were distributed to the Ontario worker participants in February/April 2013 and to the Scottish worker participants in August/September 2013.

**Figure 6.1 Stages of data collection**



## Work history interviews

The work history approach was chosen because past experiences and the passing of time are crucial factors in understanding the present (Dex, 1991). Life and work history data present a valuable opportunity to consider the “overlap in the chronology between individuals’ lives and social and institutional structures as well as between individuals” (Dex, 1991, p. 2). While notably the past does not necessarily determine the individual’s current status, to ignore it within the context of a more holistic view of restructuring would not answer the questions posed in this research. It was used to consider the overlap between features of the job displacement process and the coincidental experiences in chronological time in the individual’s life (Dex, 1991; Elder, 1998).

The interview schedule was structured to ask first about the information that was easiest to recall (Dex, 1991, 1995). The interview schedule (Appendix B) first covers demographic information, such as education, household composition and employment history in the public sector and their job pre-job loss notice. To understand individual assessments of job quality, a discussion of the pre-displacement job captured subjective and objective indicators of job quality (see e.g. A. Brown, Charlwood, & Spencer, 2012; Green, 2006a; Munõz de Bustillo et al., 2011). Most of the interview was semi-structured to allow for more in-depth discussions, however several structured questions on pace, influence and discretion, skills use, job security, satisfaction with pay, training and skills development from the employee survey from the 2011 Workplace Employment Relations Study (WERS) were used (see section A: BIS, 2011; see Appendix C for prompt cards). The five-point Likert scale questions were displayed as visual cue cards and participants were asked to talk through the statements and their answers. Participants were asked to provide examples, where relevant. Participants were also asked directly whether they felt the job was ‘a good job’, and prompted to discuss their response.

Given the trauma and stress of job loss, the interview schedule was segmented to direct individuals to think about their jobs without reference to the job loss until relevant in the chronology of their experience. The interview segued into discussing how the person had come to leave the job and how the transition process had occurred. This section of the interview was less structured to allow the participant to express their experience, with prompts as needed related to timing and sequencing of events, how particular information was provided, amount of notice and compensation, types of downsizing tactics used and outplacement supports offered. The interview covered future work intentions and post-displacement employment. Participants were asked about participation in education and training programmes, active and passive labour market interventions, job searching and elements of individual, environmental and career

exploration (areas of work interest, views on what work is available and the individual's prospects within that environment). The latter portion of the interview depended on the individual's circumstances. For example, if the individual was in another job, the discussion turned to the transition into that job: her entry in to the job and to assess the job relative to the WERS questions. The person was asked to assess the quality of the job – both on its own and relative to the previous job(s). Where applicable, this process was repeated for the multiple transitions.

The approach used to collect recall data about a past stress situation has its limitations, particularly in terms of the quality and completeness of the data due to recall errors and biases. To attempt to minimise issues of recall, the interview is structured in a chronological fashion around key events, which individuals tend to remember with a reasonable degree of accuracy (Dex, 1995). Individuals were not asked about the downsizing until it appeared in the chronology of their work history. The interviews were audio recorded and transcribed. In addition to recording and note taking, a pro forma was used to standardise collection of information such as year of birth/age, number of dependents in the household, qualifications, amount of notice, exit compensation, exit dates and re-employment dates. The participants were also provided with a note pad on which they could write and provide their own chronological narrative of their experience to assist with recall and dates. While this was not used by the majority of participants, several used it to provide a résumé of their employment history and/or a chronology of key events and dates. Key factors and the order of events were also repeated back to the participant for confirmation.

## Follow-up surveys

A brief follow-up survey was conducted with the displaced worker participants (see Appendix D) with the intention of capturing an update on the individual's employment status and participation in any intervention or ALMPs in the six months following the interview. The first six months of unemployment involve several key milestones. Duration of unemployment has implications for health, well-being, an individual's confidence and economic resources (see e.g. Bjørnstad, 2006; Paul & Moser, 2009), which may negatively impact search intensity and efficacy (see e.g. Caplan et al., 1989; Wanberg et al., 1999). Mental health deteriorates throughout the first year of unemployment – the deterioration peaks at the ninth month of unemployment (Paul & Moser, 2009). The timing is also relevant for interactions with ALMPs and PLMPs as requirements may change with duration of unemployment. For example, during the first 13 weeks of unemployment benefit claiming in the UK, the individual can restrict their job search to



occupationally specific work. After 13 weeks, the criteria must be broadened and at 6 months, they cannot have any restricting criteria on the job search (see Venn, 2012). Contributions-based benefits may be approaching exhaustion or have been exhausted, which are associated with search intensity and flows out of unemployment (e.g. Card et al., 2007; Gray & Grenier, 1998; Katz & Meyer, 1990b).

The survey acted as a light-touch follow-up. It was an online survey and distributed by email. The response type was free text boxes with no forced responses. As such, most responses tended to be quite brief. This was done deliberately to limit the onerousness of the task for participants – particularly given the scope and length of the initiation interview. The expectation was that individuals would be highly likely to respond having already met and spoken to the researcher.

## 6.4. Mapping phase and scoping interviews

The development of the research design began with a scoping and mapping phase in late 2011 and early 2012. The mapping phase involved three areas of review: labour market analysis, media reporting of public sector restructuring and potential labour market interventions. It was used to identify potential experts and stakeholder respondents in both countries and to identify key issues or policy problems to discuss or clarify with a selection of experts in Scotland through scoping interviews as a means of operationalising the key concepts.

The first stage of the mapping process involved a review of secondary sources with a view of better understanding the job loss and redundancy patterns in public sector contractions announced from 2010 onwards. Secondary sources included labour market statistical updates, official organisational or policy announcements, analysis of issues relevant to displaced workers, claimant counts and job vacancy rates (e.g. Clerk of the Privy Council of Canada, 2007, 2008, 2009, 2010; Commission on the Future Delivery of Public Services, 2011; Commission on the Reform of Ontario's Public Services, 2012; Scottish Government, 2010; The Scottish Government & ONS, 2011). These reports were used to identify issues in the local labour markets and issues that displaced workers may encounter in their job transitions.

Secondly, media reports were used to identify areas of public sector downsizing and relevant organisational issues, for example, closures of particular facilities or anticipated/rumoured reductions in services (e.g. May, 2011), procedural aspects of the restructuring (e.g. Pugliese, 2011) or supports available (Gentleman, 2012). These reports identified areas of the public sector where a reduction in employee headcount was

expected and the types of downsizing tactics to be used. Wherever possible, these were followed up with additional desk-based research to confirm against governmental/organisational/departmental press announcements and trade union reports or policy documents (Clerk of the Privy Council of Canada, 2007, 2008, 2009, 2010; e.g. Commission on the Future Delivery of Public Services, 2011; Ontario Ministry of Finance, 2011; OPSEU, 2011a; Scottish Government, n.d.b, 2003, 2008, 2013a). Using policy documents and additional reporting to corroborate issues and identify areas of potential downsizing increased the accuracy and reliability relative to the use of a single source of information. There were, however, limitations to the access because organisational policy documents are not always publically available or may be difficult to find online.

Thirdly, a review of the types of active and passive labour market programmes (ALMPs and PLMPs) available in each jurisdiction was undertaken. This step had two interrelated aims: first, to identify which supports were available and to whom; and, secondly, in the process, identify potential key experts and stakeholder (E&S) respondents in both countries. This was a challenging task as information related to participant eligibility and the full suite of interventions is not provided in an easy to navigate fashion. Instead, service providers tend to develop interfaces that guide the specific user based on her circumstances (see for example, [www.myworldofwork.co.uk](http://www.myworldofwork.co.uk) or [www.gov.uk/jobseekers-allowance](http://www.gov.uk/jobseekers-allowance)). Additionally, users are also encouraged to interact with the Job Centre Plus or equivalent services to receive tailored support.

In March/April 2012, six unstructured scoping interviews were undertaken with key informants in Scotland. The informants were selected because of their particular expertise and knowledge in the subject area (Ogden, 2008) based on the criteria which would later be used to identify the E&S respondents for the country studies. These individuals were identified on the basis of knowledge in at least one of the following areas: *a)* public sector restructuring and job losses; *b)* labour market interventions to support returns to work; *c)* expected outcomes for displaced workers; or *d)* wider challenges or structures in the labour market which may affect the transition. A limitation to the scoping interviews was that no employers or employer representatives were interviewed at this stage, however, they were included as part of the country studies.

Two of the interviews were with union representatives involved in some aspect of redundancy – one working directly with affected workers and the other working with employers and employees in outplacement support during the redundancy process. These two representatives were able to speak to the types of policies and procedures available to workers and also dispel misinformation or incomplete information relative to mainstream

media reporting. One interview was conducted with a senior analyst in the union who spoke more widely to issues in the economy and the state of the labour market. One interview was conducted with a senior researcher/analyst working with a community-based advocacy organisation concerned with issues related to job quality, poverty and government programmes. Together, these two interviews provided some context to issues related to employment protection legislation, employability services for the longer-term unemployed re-employment in the post-crisis period.

To better understand the labour market interventions, one interview was conducted with the head of a labour market intervention targeting those affected by redundancy. Given the nature of the programme, this individual was able to speak to what interventions were available through the various public agencies at the point of redundancy and the process by which the employer informs the government of the redundancies. This respondent was also able to speak to patterns in the redundancies that the service was seeing and barriers to supporting displaced workers. Lastly, as displaced workers may interact with the benefit system, particularly through job seeker's allowance (JSA), an interview was conducted with a local authority welfare rights officer to provide insight into the experiences and process of accessing the benefit system. As an employee in local government, this interviewee also provided an employee's perspective on changing job security and restructuring practices.

The purpose of the scoping interviews was to clarify concepts and better understand the language of redundancy processes as used in organisations with a view to refine the research tools. Given the role of these interviews as a means of clarifying and discussing key concepts, no scoping interviews were undertaken in Ontario. These interviews also helped facilitate access to other relevant E&S in the Scottish context. Furthermore, this data – particularly the interviews with the head of the redundancy intervention and the welfare rights officer – were used as part of the wider Scottish E&S data.

## 6.5. Expert and stakeholder interviews

E&S interviews were conducted for both the Ontario and the Scotland studies. Expert interviews are a method for bridging the divide between case studies and the comparison of countries, and can provide practical insider knowledge (Alexander Bogner, Littig, & Menz, 2009; Dorussen, Lenz, & Blavoukos, 2005; Richards, 1996). The sampling design for the E&S data used a purposive sample to conduct exploratory expert interviews with context experts, such as academic and policy experts and secondly, exploratory expert interviews targeting experts with practical, insider knowledge of the different parts of the

transition process. These were divided into three groups: 1) employee representative bodies; 2) employers/employer representatives; and, 3) labour market intervention providers and policymakers.

Over the period of June 21 to September 16, 2012, 22 E&S interviews and one group interview, with a total of 34 respondents were conducted in Ontario. Over the period of January to April 2013, 12 E&S interviews were conducted with 15 respondents in Scotland. Together with the scoping interviews, 18 E&S interviews with 21 respondents were conducted in Scotland. E&Ss were asked for approximately one hour of their time, which varied based on the respondent, shown in Table 6.1. Among the Ontario E&S interviews, the average length was for 1 hour and 11 minutes. In total, 27.5 hours of interview data was collected. In Scotland, the average duration was an hour with a total, 17 hours and 24 minutes of E&S data collected. This was less than the data collected in the Canadian study reflecting differences in the institutional frameworks and the number of relevant organisations, unions and service providers in the field. Table 6.2 and Table 6.3 provide a breakdown of the E&S respondents for each country.

**Table 6.1 Characteristics of expert and stakeholder data collected**

Ontario expert and stakeholder data					
Number of interviews	Number of interviewees	Shortest interview (hh:mm)	Longest interview (hh:mm)	Average length (hh:mm)	Total time (hh:mm)
22	34	00:36	02:34	01:11	27:30
Scottish expert and stakeholder data					
Number of interviews	Number of interviewees	Shortest interview (hh:mm)	Longest interview (hh:mm)	Average length (hh:mm)	Total time (hh:mm)
18	21	00:30	01:47	01:00	17:24

The first group of E&S respondents included a small number of professors and associate professors with relevant research and policy analysis backgrounds as a means of verifying and clarifying knowledge about the institutional structure of the jurisdictions. Their expertise included knowledge of downsizing practices, employment legislation and labour market policies. This group offered an efficient and concentrated method for exploring issues in the national and regional contexts (Alexander Bogner et al., 2009). The sample in Canada was identified based on relevant work in academic and policy publications regarding downsizing policy, labour market policy and quality of work in Ontario. Eight were initially contacted, three did not respond, two were unavailable but responded positively. Three participated. In Scotland, in addition to the one interviewee from the scoping interviews, four experts were contacted. Two did not respond and two

participated. Several discussions were held with academics in Department for Human Resource Management at the University of Strathclyde which informed the discussion but were not part of the formal dataset.

The second type of interviews with E&S specialised in procedural knowledge in the job transition process. The first group of experts and stakeholder respondents were union officials and representatives from the different levels of the union structure to reflect the different positions and viewpoints. These included Presidents and Vice-Presidents of the national unions, policy analysts, grievance officers and regional and workplace representatives in both Scotland and Ontario. Only one of the major public sector workers' unions did not participate in the Ontario study owing to a lack of response. In Ontario, one group interview was conducted with a union's management-employee relations committee who were overseeing a number of restructurings across Ontario at that time. This interview was recommended and organised by the union President with the support of the lead analyst. The union interviews focused on issues related to the implementation of the restructuring and workforce adjustment within the public sector, the policies, procedures, and issues related to grievances and challenges for implementation.

The second group of interviewees were senior managers and decision-makers ('employers') in public sector organisations, and in Scotland, one of the employers' representative organisations. Senior officials in Scotland responded more to 'cold' contact with regards to participation than those in Ontario. However, most of these interviews emerged from referrals from other expert respondents, including union officials. These interviews provided an understanding of the challenges in implementing and managing downsizing and redundancies and ways of managing the processes to best maintain the service quality and quality of work in the organisation.

Lastly, the third group of E&S were service providers and policymakers in areas related to ALMPs and PLMPs, including front line service managers and senior officials from the various government agencies. In Ontario, senior policy officials had not initially responded, but the research snowballed *in situ* to include more senior officials. These respondents discussed the processes and support that their services offered to users and issues related to job quality following individuals' transitions. The senior level officials in Ontario and Scotland provided information related to the suites of services as well as some of the limitations on the supports.

Table 6.2 Profile of Canadian Stakeholder and Expert Respondents

<b>Profile of Canadian Stakeholder and Expert Respondents</b>	
<b>Labour Organisations (11 interviews; 20 interviewees)</b>	
Labour Congress	• Lead Economist; Policy Analyst
National Public Sector Trade Union 1	• National President • Ontario Regional Representative
National Public Sector Trade Union 2	• National Vice-President (Policy)
National Public Sector Trade Union 3	• National Vice President
National Public Sector Trade Union 4	• Local/Employer Representative
National Mixed Public/Private Sector Trade Union 1	• Local/Employer Representative
Provincial Public Sector Trade Union 1	• President; Grievance Officer
Provincial Public Sector Trade Union 2	• President; Policy Analyst • Former Vice-President • Management Employee Relations Committee (Inc. grievance officers, negotiators, representatives)
<b>Public Sector Employers (6 interviews, 6 interviewees)</b>	
Federal Government - Corporate Staffing	• HR Specialist -Formerly in Workforce Adjustment
Health Care	• Director of Human Resources and Labour Relations • Director of Innovation and Knowledge (Former NHS England Change Manager) • Chief Financial Officer
Health Care - Shared Services	• Managing Officer (involved with service restructuring and merger)
Transfer Payment Organisation with Provincial Funding	• Programme Manager - Change of Organisation for Funding, successfully retained workers
<b>Labour Market Programmes Services Providers (3 interviews, 3 interviewees)</b>	
Ministry of Training, Colleges and Universities - Employment Ontario	• Regional Director
Employment Service Provider - Local Government	• Employment Services Counsellor
Employability and Literacy Labour Market Programme Provider	• Executive Director
<b>Research Experts (3 interviews; 3 interviewees)</b>	
Expertise in Downsizing practices and policies in a Canadian Context	• Associate Professor
Expertise Precarious Employment and Canadian Labour Markets	• Associate Professor
Expertise in Employment Insurance, Labour Market Economics and Older Workers	• Associate Professor

Table 6.3 Profile of Scottish Stakeholder and Expert Interviews

<b>Profile of Scottish Stakeholder and Expert Interviews</b>	
<b>Labour Organisations (6 interviews; 6 interviewees)</b>	
Labour Congress	• Senior Economist
National Public Sector Trade Union 1	• Scotland Representative
National Public Sector Trade Union 2	• Regional Representative • Employer-based National Representative • Employer-based Representative
National Mixed Public/Private Sector Trade Union 1	• Regional Learning Officer
<b>Public Sector Employers (2 interviews; 4 interviewees)</b>	
Regional Government Employer	• Head of HR; 2 Redundancy HR Advisors
Local Government Employer	• Head of HR/Organisational Development
<b>Public Sector Employers' Organisation (1 interview; 2 interviewees)</b>	
Public Sector Employers' Organisation	• 2 Policy Officers
<b>Labour Market Policy and Supports (6 interviews; 6 interviewees)</b>	
Department for Work and Pensions; UK-Wide LMPs	• Scotland - Partnership Manager
UK-wide Long term unemployment service provider	• Scotland Delivery Manager
UK-wide Long term unemployment service provider	• Scotland Delivery Manager
Scotland-wide Redundancy Support Programme	• National Programme Manager
Scottish older workers' retirement support programme	• National Director
Local Government Welfare Rights	• Welfare Rights Officer
<b>Research Experts (3 interviews, 3 interviewees)</b>	
Expertise in National Labour Markets	• Economic Analyst
Expertise in National Economic Development and Employment Interviews	• Professor
Expert in poverty, well-being and local economics	• Researcher

### 6.5.1. Identification and access

E&S were selected based on their potential to be a source of 'inside' information into organisational decision-making, policy processes, the functioning of procedures and/or specific programmes/interventions (Dorussen et al., 2005). It was important that these respondents were both close to the relevant component issues/processes and occupied positions in different relevant institutions (Dorussen et al., 2005). Respondents were identified through online research into relevant organisations, public agencies and policy units during the mapping stage and the sample snowballed through referrals prior to data collection and *in situ*.

In Ontario, all of the academic contacts were ‘cold’ contacts and trade union contacts were ‘cold’ contacts and emailed in May 2012, whereas in Scotland, many of these categories of respondents had contact with colleagues in the Department of Human Resource Management at the University of Strathclyde. Several of the policy and service providers were also ‘cold’ contacts but unlike the academics and trade union representatives, these were less likely to respond. An inventory of relevant boundary spanners from personal and professional networkers was undertaken to identify potential access to policymakers, senior officials – and also displaced workers – in both countries. These boundary spanners were contacted to discuss the research and to facilitate access.

On the whole, the response rates were very positive in both countries. Many contacted individuals made referrals to other relevant people in their organisations if they were unavailable or not the right person. Following the interviews, most made recommendations to other relevant E&S respondents, particularly in Ontario. This led to the large number of E&S interviews in Ontario, relative to Scotland. Only one of the public sector unions did not respond or participate, despite a number of attempts.

Like the scoping interviews, these interviews were unstructured. The interviews provided descriptive and contextual information, but respondents were also prompted to contribute more reflective and evaluative comments about the implications for displaced workers in their particular context. An unstructured approach was used to allow the professionals to speak broadly and specifically to their area of expertise as it related to the research problem of interest. The E&S were provided with a summary of the research problem and a prompt list of areas to reflect upon prior to the interview (see Appendix A). This was done to gain interest and buy-in from the respondents and the relevant gatekeepers in their organisations and to contextualise the discussion for the E&S respondents. Secondary research was conducted ahead of the E&S interviews to identify areas for prompt and further discussion – for example, union policies on workforce adjustment, their affected membership or services on offer by a particular organisation.

Following the interviews, E&S respondents were also asked to share information about the research with any displaced workers meeting the inclusion criteria. This had mixed success with most experts making referrals to other potential stakeholders and expert respondents. This access strategy for displaced workers is discussed in section 6.6.

### 6.5.2. Reliability and data limitations

The validity of the information collected through the E&S interviews depended on the quality of the experts themselves (Dorussen et al., 2005). That said, not all experts need



to be equally knowledgeable on all areas (Dorussen et al., 2005). Reliability of expert data is in what they know and how they know it. This was operationalised by asking them specifically to reflect on their own areas of knowledge.

To increase the validity of expert interviews, Abels and Behrens (2009) suggest combining expert interviews with other methods of data collection and holding interviews with experts corresponding to different organisational and institutional contexts. Respondents represented a range of different organisational and institutional views. They addressed different issues and perspectives on the process of the job transition. This data was used to explore the connections of a process, rather than as a standalone dataset. It was triangulated against the information provided by the other experts, notably those with different perspectives and biases (e.g. managers and union representatives at all levels). Most of the expert respondents made reference to or provided some formal, written policies, reports or procedures, e.g. specific clauses and negotiated workforce adjustment policies or eligibility criteria/accessibility matrices for labour market programmes. Lastly, the expert data was used to understand normative patterns and compared against the lived experienced of displaced workers.

While consideration was taken over the selection, data collection process and analysis of the E&S data, it is however not without limitations. There may be shortcomings in the relevance of their knowledge to the transition process and extrapolating from their specific knowledge base to the process more generally. Experts are not 'neutral' or free from bias (Turner, 2001). Given that experts were also used as a source of accessing displaced workers and other relevant stakeholders, some referred participants in either category may share similar views, experiences and biases.

## 6.6. Displaced workers data collection

Semi-structured work history interviews were undertaken with 38 workers (19 in each country, see Table 6.4) who had recently experienced or were experiencing involuntary job loss in and from public sector organisations. The displaced workers were in different stages of their job transition process, reflecting the nature of the downsizing tactics and processes used in the public sector organisations<sup>16</sup>. A broad definition of involuntary job

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<sup>16</sup> Data was anonymised from the point of collection and all participants have been assigned a pseudonym. Given the potential for details of a downsizing experiences to be identifiable, individuals are discussed relative to their job roles and level of public sector organisation. The area of work (e.g. Department or Unit) is not core to the understanding the research problem and may lead individuals to be identifiable, therefore, organisation type/area of work have been omitted in all discussions of the displaced worker data.

loss was applied, including those who were incentivised to exit and those experiencing redeployment within the organisation.

The Ontario displaced worker data was collected between July and September 2012 through face-to-face interviews, although two were undertaken through a Voice over IP platform. The average interview lasted 1 hour and 34 minutes, with a total of almost 30 hours of interviews across all 19 Ontario interviews. These individuals are employed or have left employment in the various guises of public sector employment along the Windsor-Ottawa corridor (Figure 6.2). The follow-up surveys were conducted in February to March 2013 and distributed by email, and via Facebook for one participant. The response rate for the Ontario participants was 11 of 19, of which one was incomplete. Key demographic characteristics of the Ontario displaced worker participants are displayed in Table 6.5.

The Scottish displaced worker data was collected from February to April 2013 through face-to-face interviews in the central belt of Scotland (Figure 6.2). On average, interviews lasted 1 hour and 27 minutes, with a total of just under 28 hours of interviews across all 19 Scottish interviews. The follow-up surveys were conducted in August and September 2013. The surveys were distributed by email and completed by 12 of 19, although one was incomplete. One of the follow-up surveys was conducted orally over the phone due to the personal circumstances of the participant and took 20 minutes. Key demographic characteristics of the Scottish displaced worker participants are displayed in Table 6.6.

**Table 6.4 Characteristics of displaced worker data collected**

Ontario displaced worker data					
Number of interviews	Shortest interview (hh:mm)	Longest interview (hh:mm)	Average length (hh:mm)	Total time (hh:mm)	Number of follow-up surveys completed
19	00:53	02:59	01:34	29:44	10 and 1 incomplete
Scottish displaced worker data					
Number of interviews	Shortest interview (hh:mm)	Longest interview (hh:mm)	Average length (hh:mm)	Total time (hh:mm)	Number of follow-up surveys completed
19	00:57	02:01	01:27	27:50	11 and 1 incomplete

Figure 6.2 Maps of the province of Ontario, highlighting the Windsor-Ottawa corridor and of the Scotland, UK highlighting the Central Belt



Produced for author by J. Vesanto

Ontario image modified from: Wikimedia Commons, 2007, Canada blank map; Wikimedia Commons, 2010, Quebec-Windsor Corridor.

Scottish image modified from Wikimedia Commons, 2007, Map of Scotland within the United Kingdom, Scottish Government (n.d.) Mineral resource map: Central Belt, available from <http://www.gov.scot/Resource/Img/224888/0065664.gif>

Table 6.5 Key demographic characteristics of Ontario displaced workers participants

Participant	Pseudonym	Gender	Age	Job Role	Type of Public Sector	Tenure (years)	Type of job transition
OnW1	Martin	M	36	IT Technician	Federal	< 1 year	End fixed term
OnW2	Ryan	M	25	IT Technician	Federal	< 1 year	End fixed term
OnW3	Mike	M	28	Correctional Officer	Federal	3	Employee-directed redeployment/transfer
OnW4	Adam	M	50	Case Investigator	Federal	21	Employer-directed redeployment
OnW5	Rebecca	F	43	Recruitment Advisor	Regional/Local	1	Compulsory redundancy
OnW6	John	M	38	Security Officer	Provincial	13	Compulsory redundancy
OnW7	Chris	M	33	Correctional Officer	Provincial	10	Employer-directed redeployment/transfer
OnW8	Jack	M	60	Correctional Officer	Provincial	10	Employer-directed redeployment/transfer
OnW9	Dennis	M	57	Correctional Officer	Provincial	26	Compulsory/Incentivised retirement
OnW10	Angela	F	47	Customer Service	Provincial	26	Compulsory redundancy
OnW11	Cindy	F	48	Planning Specialist	Local	19	Incentivised voluntary redundancy
OnW12	Jane	F	43	Employment Counsellor	Regional/Local	8	End fixed term/Employer-Directed redeployment
OnW13	Matt	M	25	Security Officer	Provincial	5	Compulsory redundancy
OnW14	Luke	M	34	Security Officer	Provincial	12	Compulsory redundancy
OnW15	Sherry	F	33	Security Officer	Provincial	10	Compulsory redundancy
OnW16	Karen	F	50	Case Investigator	Federal	10	Employer-directed redeployment
OnW17	Gerry	M	65	Group Leader	Provincial	22	Compulsory redundancy
OnW18	Jennifer	F	48	Analyst	Federal	10	Employee-directed internal search
OnW19	Mark	M	53	Analyst	Broader Public Sector	18	Compulsory redundancy

Table 6.6 Key demographic characteristics of Scottish displaced worker participants

Participant	Pseudonym	Gender	Age	Job Role	Type of Public Sector	Tenure (years)	Type of job transition (s)
ScW1	William	M	57	Pensions Processor	Reserved (UK)	37	Incentivised early retirement
ScW2	Morag	F	60	Careers Advisor	Broader Public Sector	19	Incentivised early retirement
ScW3	Cathy	F	58	Administrator	Local	37	Incentivised early retirement
ScW4	Glynis	F	65	Advisor	Broader Public Sector	36	Compulsory redundancy
ScW5	Jim	M	62	Quantity Surveyor	Local	31	Incentivised early retirement
ScW6	Theresa	F	51	Community Worker	Local	26	Employer-directed redeployment; Incentivised early retirement
ScW7	Emma	F	26	Receptionist	Broader Public Sector	4.5	Compulsory redundancy
ScW8	Debbie	F	33	Trainer	Devolved (Scotland)	8	Incentivised voluntary redundancy
ScW9	David	M	50	Senior Mechanic/Trainer	Devolved (Scotland)	14	Incentivised early retirement
ScW10	Kirsty	F	43	Office Manager	Local	24	Incentivised voluntary redundancy; awaiting redeployment
ScW11	Eleanor	F	30	HR Officer	Local	8	Employer-directed redeployment; awaiting redeployment
ScW12	Mhairi	F	33	Administrative Support	Local	4	Employer-directed redeployment; Internal search (secondment); request voluntary redundancy
ScW13	Aileen	F	51	Trainer	Reserved (UK)	26	Incentivised early retirement
ScW14	Jasmine	F	28	Clerical Assistant	Local	2	Employee-directed internal search
ScW15	Julie	F	39	Coordinator	Local	3.5	Employer-directed redeployment; employee-directed redeployment (x2)
ScW16	Judith	F	46	Office Systems Manager	Local	27	Employer-directed redeployment/transfer
ScW17	Colin	M	50	Operations Manager	Local	6.5	Employee-directed redeployment; employee-directed internal search
ScW18	Alistair	M	50	Divisional HR Manager	Local	7	Employee-directed redeployment; internal search
ScW19	Susan	F	57	Assistant Head of Services	Local	33.5	Incentivised early retirement

Table 6.7 Characteristics of displaced worker participants: Downsizing tactic by public sector employment type

Downsizing tactic by public service employment types	Local/regional Government bodies		Scottish/Ontario level Government bodies		UK/Canada level Government bodies		Broader Public Service		Total	
	Ontario	Scotland	Ontario	Scotland	Ontario	Scotland	Ontario	Scotland	Ontario	Scotland
	<b>Employee Redundancies</b>									
Compulsory Redundancy	1	0	1	0	0	0	7	2	9	2
Voluntary' (Incentivised) Redundancy	1	1	0	1	0	0	0	0	1	2
Voluntary' (Incentivised) Retirement	0	4	0	1	0	2	0	1	0	8
Fixed term contract non-renewal	0	0	0	0	2	0	1	0	3	0
<b>Employee redundancies total:</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>13</b>	<b>12</b>
	<b>Job redundancies</b>									
Own internal search	0	2*	0	1*	1	0	0	0	1	3
Involuntary redeployment to different post	0	1*	0	1*	2	0	0	0	2	2
Voluntary redeployment (choice in post)	0	3*	0	0	1	0	0	0	1	3
Direct transfer (Same job role elsewhere)	0	2	2	0	0	0	0	0	2	2
<b>Job redundancies total:</b>	<b>0</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>10</b>
<b>Total:</b>	<b>2</b>	<b>12</b>	<b>3</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>19</b>	<b>22* (19)</b>

Note: \* denotes deliberate double counting in cases within the 19 Scottish respondents. Double counting occurred where, within the span of the current restructuring, the individual experienced more than one form of downsizing tactic. This was the case with Scottish Worker 12 (Local, Law Enforcement) counted in internal search and involuntary redeployment. Despite having requested voluntary redundancy at the time of the interview, she is not counted in that column here. Scottish Worker 15 (Scottish level, Law Enforcement) is also double counted in internal search, transfer and voluntary redeployment. Scottish Worker 17 (Local, Law Enforcement) is not double counted but experienced multiple rounds of voluntary redeployment.

## 6.6.1. Access strategy and displaced worker recruitment

Displaced workers are a form of 'hidden' or 'hard-to-reach' population. This poses practical access challenges. Hidden populations are those where its members are difficult to locate or get in touch with, and/or it is difficult to assess whether individuals belong to the population or have an interest in not disclosing their status and/or are not likely to want to participate (Spreen, 1992; Spreen & Zwaagstra, 1994). Displaced workers may no longer be accessible through the displacing organisations or union. If the workers have already exited the organisation, contact is not always maintained except for personal relationships. The unemployed are also expected to have less social interaction and attachment with social structures and institutions (e.g. Fryer, 1986; Jahoda, 1982). This isolation makes them difficult to locate. Identification through a particular labour market intervention or service provider, irrespective of barriers to negotiated access, limits the heterogeneity of experiences and assumes that workers access these services. Displaced workers may be reticent to participate in a study about and coinciding with a highly stressful life event. Lastly, given the specific nature of the inclusion criteria – name, type of organisation, type of work and geographic location – even once a displaced worker has been identified, it is not immediately clear that they meet the inclusion criteria.

One of the benefits of expert interviews is the potential for access to their networks (Alexander Bogner et al., 2009). With the exception of the academic contextual experts, the majority of E&S respondents were from relevant organisations interacting with workers at risk of displacement, in the process of being displaced or who had been displaced. Therefore, they might have participated both as E&S respondents and as facilitators of access to displaced workers. The intended access strategy was to make use of the contacts held by the E&S through snowball sampling (Bogner et al., 2009). The intended strategy was supported in principle by the E&S respondents, but was limited in practice. Decentralised organisational structures limited direct connections between senior officials and the workforce, which in turn, limited opportunities for referrals. The research relied – for confidentiality reasons – on a process of backward recruiting whereby the organisation/E&S respondent would provide information to the prospective participant and they would get in touch with the researcher. This was largely inevitable but is restrictive. It relies on individuals to take the initiative to get in touch in the midst of a drastic change in their lives. Individuals need to recognise themselves in the call to participate; and they need to have a willingness or assertiveness to contact the researcher. There were also contextually specific challenges to accessing workers, which led to an amended access strategy that relied more heavily than planned on personal and professional contacts of the researcher.

In Ontario, the researcher's own extended network provided a higher level of access to displaced workers than the E&S networks, as shown in Figure 6.3. While some 'cold' contacted E&S respondents had attempted to recruit displaced workers, often no referrals materialised. In these instances, it is unknown whether the uptake from referrals may have materialised if circumstances or the researcher's actions had been different. These missed connections are included as a means of indicating the relative success of particular network paths, although may not reflect all possible missed opportunities. Included in the visual are also instances where contact was established with a prospective displaced worker, but where the individual did not participate.

In Scotland, there were similar challenges in accessing displaced workers. However, on the whole, it appears that participants in Scotland were less hard to reach in relative terms with the network access visualised in Figure 6.4. Many of the initial E&S respondents were not those who facilitated the most referrals. Instead, 'cold' contacts with organisations facing large scale restructuring and 'warm' contacts with professional and personal networks through the University of Strathclyde were more successful points of access.

Minimising bias in a non-probability sample with hidden populations presents challenges because of the 'reachability' of the members of the population (Snijders, 1992; Spreen, 1992). A reliable sample is one with more heterogeneity of experiences and where there is 'independence' (Snijders, 1992; Spreen, 1992; Spreen & Zwaagstra, 1994). Independence is achieved through different experiences and by arriving to the research in different ways (Spreen, 1992). This is challenging in a linked-network approach such as snowball sampling, but was generally achieved in both the Ontario and the Scottish samples, visualised through the access maps below.

Given the distance between the researcher and displaced worker respondents and the means by which participants were connected to the research, the types of respondents who participated may not be dissimilar to the diversity of participants had the intended strategy succeeded. It is possible that the amended strategy yielded a greater diversity of respondents with less potential bias from employer, union or service provider referrals – although this claim is tested.

Once access had been arranged, the interviews took place in a variety of locations to best accommodate the participants. Interviews took place in participants' home, in the home of fellow participants, cafés/restaurants, at their place of employment or in public spaces like a meeting room of a public library or a park. While participants were not provided with any compensation for participation, efforts were made to ensure that participants were comfortable, including the provision of refreshments and breaks as required.



Figure 6.3 Access network to Ontario displaced worker participants

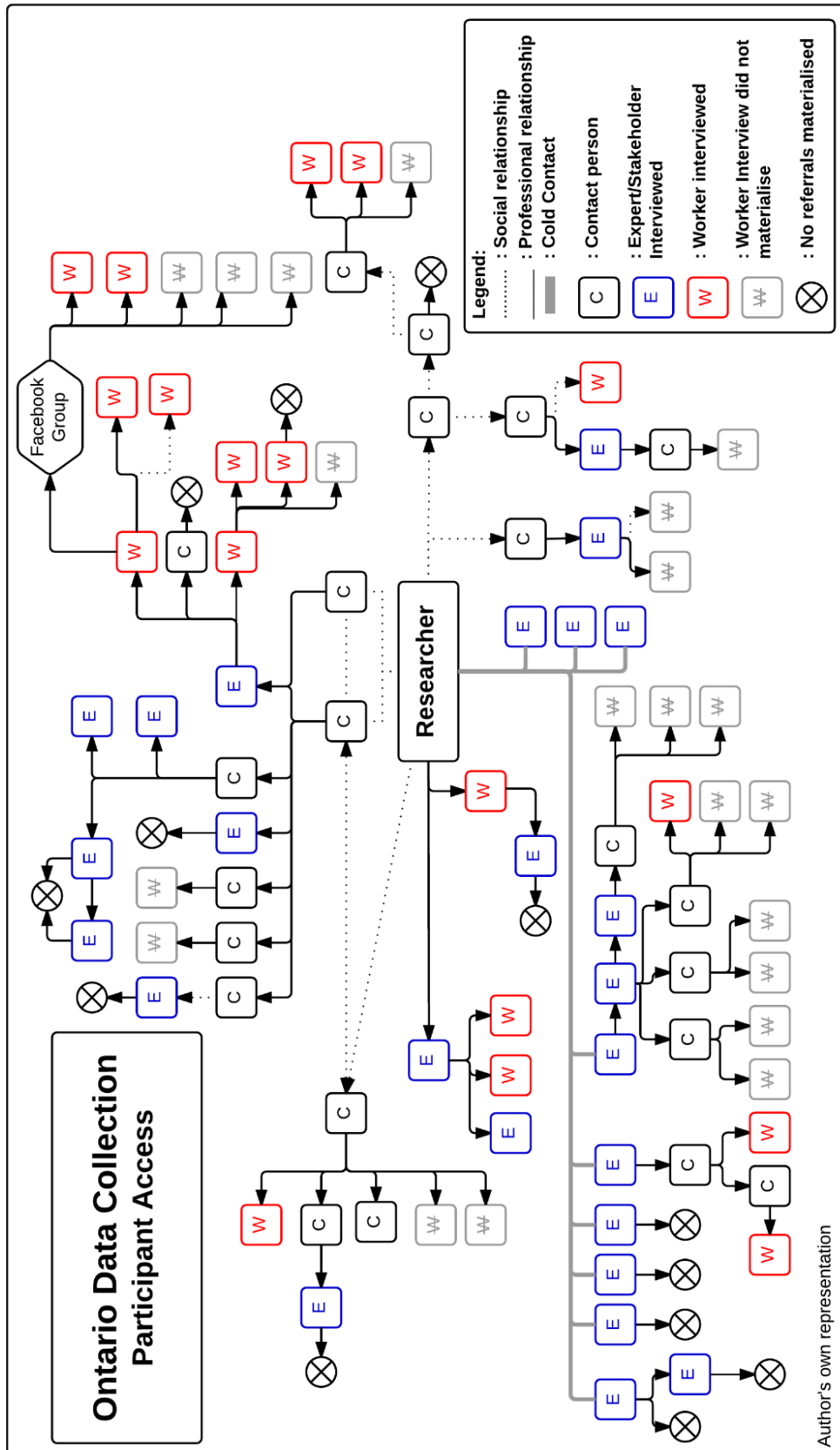
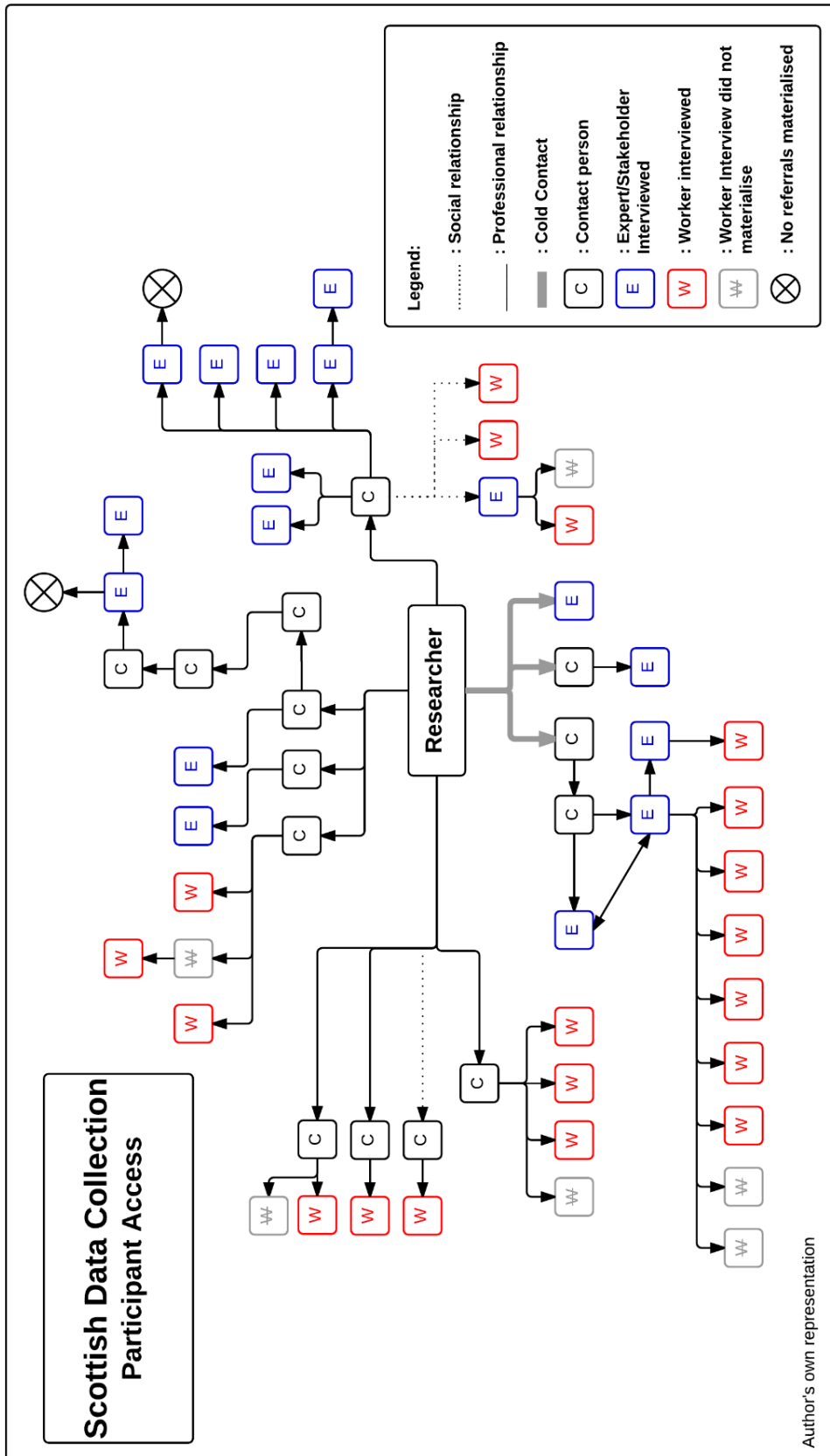


Figure 6.4 Access network to Scottish displaced worker participants



## Accessing displaced workers in Ontario

The implementation of the intended access strategy in the Ontario study had mixed success. Given the limited time for the study, the researcher reached out to a wider network of personal and professional contacts at the end of July 2012 to access displaced workers. Much of the intended Ontario strategy relied on E&S networks in the National Capital Region (NCR) of Ottawa and Gatineau-Quebec, which has the highest density of public sector workers in Canada and is the location of senior officials for the E&S interviews, as mentioned in section 6.3.3.

Upon reflection, it is possible that the lower referral and take-up rate in the NCR may have been impacted in three ways by the environment at the time. Firstly, the Federal Government had been widely and heavily criticised for the lack of transparency in how, and in which areas of public service, the job cuts would take place (CCPA, 2013; Macdonald, 2012). The lack of information for workers extending over long periods of time may have created an environment of uncertainty and stress for those at risk of being affected (Brockner et al., 1994, 1990; Hansson & Wigblad, 2008). The lack of clarity over job losses and the increased feeling of insecurity may have disincentivised individuals to participate.

Secondly, Canadian national newspapers and E&S respondents reported an increasingly contested and deteriorating relationship between the unions and the Federal Government, marked by hostility and aggressive tactics by the employer. Historically, these had been productive and manageable. At the time of data collection, the public sector unions were making a collective formal complaint to the Public Service Labour Relations and Employment Board about the downsizing procedures. Other examples of aggressive tactics reported by an E&S union representative focused on the timing of the redundancies.

Just before the Canada Day long weekend, they let go all 350-some staff... the day before the Canada Holiday! [...] And they've done a lot of that! They waited until our union was at a big convention and all our union leaders were there, and they laid off several thousand people. Gave out all these letters when they knew there was no union officials there to protect... no, not protect, to console people (Federal Union (2) – Regional representative, 2012).

The insecurity in the NCR could be overheard between public service employees discussing cutbacks, job loss and being an 'affected worker' while travelling on public transportation and in casual conversation. It was also reported to the researcher from a close personal contact that employees did not want to be directly associated with or seen

to be publically associated with any formal or public discussions of job losses or restructuring. This discomfort may have affected participation and referrals.

Lastly, restructuring had been announced long before concrete information had been communicated publicly or to workers. Whilst data collection was delayed as long as possible to align with the timing of the downsizings, it took place very early into the rounds of Federal Public Service restructuring. Whereas other areas of the public sector were further into their restructuring, many federal employees lacked information about their job transition despite knowing their job/unit would be eliminated. Given these issues, the focus was shifted to restructuring in public services outside of the NCR.

Outside of the NCR, access to displaced workers was perceived as less politically charged, even among Federal employees. Several federal union representatives were able to connect the researcher to local representatives elsewhere in the province who facilitated access to displaced workers. For example, a regional president facilitated contact to local representatives who facilitated access with an individual and to the local representative in an adjacent union, who also facilitated access to another individual. There was also success in the intended strategy from the largest provincial trade union, which had faced aggressive employer-tactics and public sector retrenchment activities since 1990s under the Conservative Mike Harris Government (Rice & Prince, 2013; Vosko, 2006b). The more chronic nature of the tensions was not a deterrent to discussing issues related to the restructuring and downsizing. The President of this union was very supportive of the research, offering the assistance of a lead analyst to connect the researcher to grievance officers and displaced workers. Unfortunately, due to scheduling constraints related to the President's availability, this access was negotiated at the end of the data collection period. These officers sought the consent of a select number of individuals, resulting in six displaced workers who were contacted – although only one ended up meeting the inclusion criteria and participating.

The slow pace of access to contacts was a challenge in gathering data. Through professional and personal networks, the researcher gained access to contacts who either worked in a branch of the public sector or who were generally highly connected with the good will to facilitate access. Through extensive email and telephone discussions with these contacts, the research and population of interest were explained. This began a faster pace of snowball recruitment that gained the interest of network contacts who 'knew someone' or who 'knew someone who might know someone'. For example, through a personal contact of the researcher, a former senior union official was contacted, who in turn connected the researcher with three local union presidents facing or having recently faced with facility closure. While one of these local presidents was unable to assist, the

second connected the researcher to a Facebook group of displaced workers. The third arranged for several workers to meet the researcher in his home.

## Accessing displaced workers in Scotland

The data collection phase in the Scottish study took place after the Ontario study, allowing more time for the displacements to take place. There were similar challenges with regards to access from E&S stakeholders, despite the positive feedback. The researcher drew on personal and professional networks, including networks through the University of Strathclyde.

From a review of the secondary data and media reports, several areas of public sector employment in the Central Belt of Scotland were identified as currently undergoing significant restructuring. The researcher made 'cold' contact with individuals at the University of Strathclyde with links to these organisations. Several of these individuals facilitated access to personal and professional colleagues who had been displaced. The most successful source of displaced worker access was through a walk-in 'cold' contact conversation with a front-desk security officer. This individual connected the researcher to a former union representative who then connected the researcher to the current representatives. They were very accommodating in facilitating access to both union- and non-union staff who had experienced job transitions. The unexpected and generous support of the 'cold' contacted organisation yielded not only a high response of displaced worker participants but also a high number of different experiences due to the size of the organisation. Additionally, they also arranged for the researcher to meet with the head of HR undertaking the restructuring who had significant prior experience in public sector downsizing. The employer also facilitated access to several workers, although only one participated. The union and the employer both provided private meeting space for the interviews. Given that both management and the union referred displaced workers to the study, this minimised some potential bias in who they referred.

Despite the challenges and frustrations during extensive restructuring, the relationships appeared to be less openly hostile. This may be due to the Scottish Government's 'no compulsory redundancy' (NCR) policy since 2007 (Scottish Government, 2013a). While NCR is only applied to employees of the Scottish Government, and is not without issue, NCR may play a role in overall tone-setting. There are clearly articulated, public commitments to employment security (Scottish Government, 2013a) and communicated rationale driving the reform agenda (see Commission on the Future Delivery of Public Services, 2011), which was not seen to be the case in Ontario. As the articulation of 'why' and 'how' are important in managing the experiences of those at the blunt end of the

restructuring (Brockner et al., 1990), this may have had implications for how affected workers responded to this research. Additionally, given the high prevalence of internal redeployment mechanisms, both employers and unions continued to have more contact with these workers than those who had left the organisation, making this group less ‘hard-to-reach’.

## 6.6.2. Analytical approach to displaced worker data

There are noticeable differences in the way in which public sector restructurings occurred in each country context. This, in turn, led to differences in the experiences of those who participated in this research. These differences provide an interesting comparison, addressing issues related to the research questions (Teddlie & Yu, 2007). This section will provide a brief overview of analytical approach for the displaced worker data.

The research participants comprised of 38 displaced workers (19 in each country) who were either in employment but were undergoing a job displacement and transition, or who had already experienced the transition. Given the nature of the downsizing tactics used in both countries the workers were in different stages of the process. Therefore, the first step in the analysis was to identify the workers position relative to the labour market at time one (the interview) and time two (the follow-up survey). In other words, seeing the experience in terms of ‘how far along’ the individual was in the process. In doing so, this situates the experience chronologically in the types of interventions and processes the person may encounter. Job transition maps were created to contextualise events, access to information and interventions in a sequence (e.g. Bellaby, 1991; Eden & Spender, 1998). These were created following the general outline of the conceptual framework transition map proposed in Chapter 5 (see simplified examples in Figure 6.5).

The mapping process has several benefits. It maintained the integrity of the individual’s experience by keeping it in context. It allows for an analysis of the experience in terms of its substantive content and a consideration of sequential and overlapping dimensions in the experience. As a collection of maps for each country, it provides a framework to explore any national patterns as well as cross-national patterns in terms of common features of the processes in action and outcomes. Additionally, it allows for consideration of the direct lived experience against the processes, policies and systems reported to be in place by the experts and stakeholders. The expert and stakeholder views can be overlaid onto the experiences of individuals to compare where or how interactions should or might have occurred and to consider their implications for individuals’ job quality outcomes.

Summary reports of each individual case were produced to identify individual level variables, work-related variables (initial job and where applicable, subsequent work), job-related, transition-related variables and the post transitional-level variables. These allowed for cross-case and cross-national comparison for the absence, presence and configurations of actors and factors in the redundancy and labour market intervention contexts.

### 6.6.3. Data limitations of the displaced worker participants

Both the Ontario and Scottish samples had heterogeneity of experiences and a range of access points to displaced workers. The researcher was able to access a large network through direct and secondary tiers, which facilitated access to different sources of knowledge and information. There were several ‘brokers’ in the network who were able to connect the researcher to separate groups that would not have been accessible (Baer, Evans, Oldham, & Boasso, 2015; Burt, 1992). This provided access to unique, non-overlapping sources of information – notably, in their access to different types of displaced public sector workers exiting under different policies/negotiated agreements, organisational conditions and circumstances. These have implications for the access to resources which displaced workers have once out of work, options for redeployment or transfers, and access and eligibility for particular services. The characteristics of the individuals differ because of the nature of the downsizing tactics used in both countries, however this may be conceptually relevant.

The main limitation of the Ontario sample is that given the timing of the downsizing, not all workers had made their job transitions. Despite this, these workers provided relevant data related to the process of job redundancy, uncertainty and the implications for job quality. Similarly, in the Scottish sample, many faced displacement through forms of incentivised and often early retirement exits or internal redeployment. However, unlike the Ontario workers, many of those experiencing job redundancy in Scotland had and continued to face continuous restructuring. These are conceptually relevant issues as they allow for an interrogation of push/pull factors to exiting downsizing organisations and the implications for job quality where job tenure is less at risk.

In both countries, there was a number of workers from the same organisations, some of whom were accessed through different sources. Both samples have a large degree of heterogeneity in the experiences, either based on the resources they brought into the labour market and the downsizing tactic by which they lost their jobs.

With regards to the follow-up survey, it had been expected that there would be a high response rate from the participants given the relationship established with the research during the interviews. However, the response rate across both countries was just over half. Among the Ontario participants, many self-identified as infrequent users of email, while others provided work-related email addresses as they were undertaking job redundancies rather than personal addresses. It is not possible to differentiate between non-responses and emails that were not received due to having exited that workplace following the interview.

The response type was free text boxes with no forced responses to reduce the onerousness of the task. This provided some high level information at a second time point, but most participants offered limited detail. On the whole, however, if this research were to be repeated, an online follow-up would not be conducted. A better follow-up data collection method may have been brief telephone interviews, like the one conducted with ScW14 14 (Jasmine, Clerical Assistant) at the participant's request. This format took 20 minutes but provided more useful information and detail than the online surveys, which took participants around 10 minutes on average to complete. In addition to the quality of data, the other benefit to a telephone survey related to minimising distress to potentially vulnerable individuals. As discussed earlier, great consideration went into putting the respondents at ease during the interview while discussing recent experiences that are highly personal and potentially distressing. The researcher paid particular attention to the sequencing of questions, to limit biases while permitting the participant to reflect on their experience. Despite this, it was not uncommon for participants to become upset when discussing their situation. Care was taken in how the interpersonal interactions were handled and managed.

This diligence is not possible in an online survey. An individual is left alone with her thoughts to complete the survey in her own time. In most cases, this was not an issue and responses were brief, but conveyed no particular emotion. Several described positive and improved experiences. However, from the literature, the risk of adverse psychological well-being and stress from longer spells of unemployment was known. Three of the Ontario participants described similarly bad or worse perceptions of their re-employment prospects and reported higher levels of financial stress than at the time of the interview. Some individuals wrote of their financial concerns, problems in the labour market and challenges in accessing unemployment benefits and conveyed stress, concerns and anxieties. While these were a small minority of participants and the survey itself was not the root cause of the distress, another format for follow-up might have been less distressing. In light of a professional and personal sense of responsibility for the

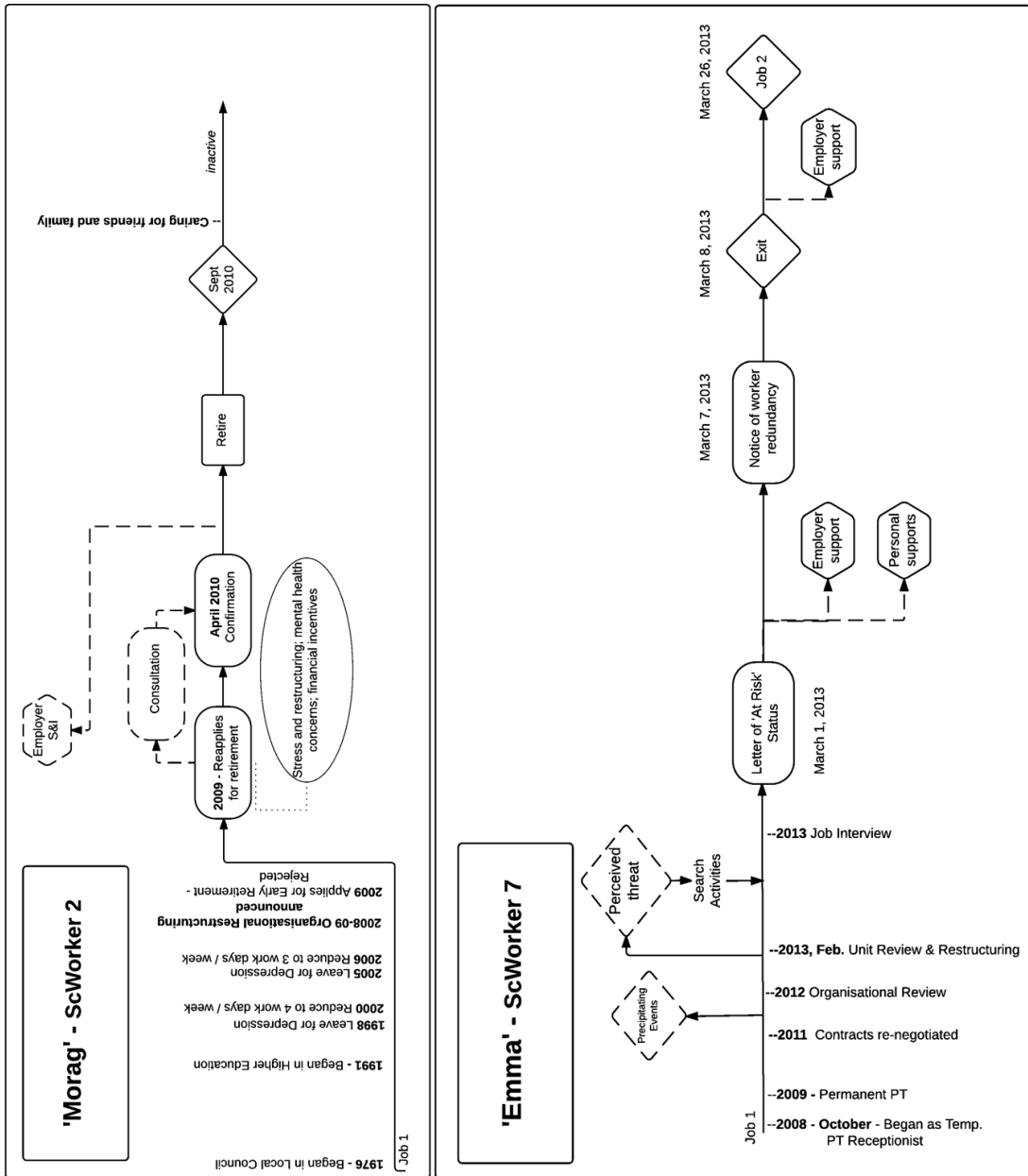


interactions of the participants and the limited value of the follow-up data, this method would be approached with caution in future with displaced workers.

## 6.7. Conclusion

The data collection for this study involved five component parts: a context mapping process in Ontario and Scotland; a series of scoping interviews with E&S respondents in Scotland; an Ontario study with displaced workers and E&S respondents; a Scottish study with workers and E&S respondents; and follow-up surveys with the displaced worker participants in both countries. The data collected allows for an analysis of the job transition as a continuous, sequential process. It allows for the interrogation of the actors and factors in the downsizing context, the labour market context and the configurations of these for maintaining similar quality of work following displacement.

Figure 6.5 Examples of simplified job transition maps for Scottish displaced workers ScW2 and ScW5



## Chapter 7. Findings from Ontario, Canada study

### 7.1. Introduction

This chapter presents the empirical data collected from the Ontario study, including both the expert and stakeholder (E&S) data and the displaced worker data. This chapter is organised to first consider the findings from the E&S data. The chapter first considers the broader context of public sector restructuring, organisational downsizing practices, followed by a consideration of the labour market context and the role of ALMPs and PLMPs in shaping the outcomes of the job transitions. This first half of the chapter identifies the factors and actors – and their expected configurations – in both contexts.

Subsequently, the focus is shifted to the displaced workers' experience of transitions. Their experiences are used to better understand how the processes are structured and the implications for re-employment outcomes. Therefore, this displaced worker data is structured to first consider the quality of their post-transition jobs, before looking more in-depth at the actors, factors and processes in the redundancy and labour market contexts and their configurations.

### 7.2. Expected impacts from the downsizing implementation

This first section considers the factors related to how organisations downsize and the factors which shaped the available downsizing measures, as identified by the E&S respondents. This first discussion offers some context to the information available to manager and union E&S respondents about the reasons for the cuts before considering the role of public sector reputation on the implementation of the restructuring. Lastly, this section considers the identified barriers to matching workers to similar quality jobs.

E&S respondents from unions and employing organisations recognised that downsizing – and indeed, hiring – in the sector was somewhat unpredictable for local decision-makers. All of these E&S respondents were concerned with issues of job insecurity and stability, but recognised that they had limited control or scope to manage these issues. Even once units were consolidated through restructuring, future restructure was still possible. However, managers recognised they would have fewer mechanisms to protect local jobs and provide job security for workers.

If my [employer] came to me today and said, ‘you no longer have a job’, I have nowhere to go. Before, if I was in one of the [other units] and lost my job, I had four other [units] I could go to, right? Now, I don’t have that. [...] So unless I move to Toronto or I go into a completely brand new career, I have nothing here. Chances are, I’m not going to go to Toronto because I’m established here. My husband has a job here... you know, like your family is here... That’s the biggest concern... and I think that’s probably in the back of all the staffs’ mind. (Manager, Provincial Shared Services Organisation, 2012)

Across all the expert respondents, there was a general consensus that there was limited information about how and where cuts to the workforce were going to occur, with concerns about job stability and security raised most frequently. Unions and employees “just don’t have a lot of detail on what’s going on”. Given the political nature of the cuts, organisational managers and union representatives were unable to predict when and which cuts would be demanded on them.

Usually, you have some sort of business case or some real need [to downsize], but it’s really political ideology that’s behind a lot of these cuts, right? The math doesn’t add up. There’s an increased need for public services. (Provincial Union (2) – Management Employee Relations Committee, 2012)

Despite the pressures – both known and unknown – to downsize, all of the managers and union respondents identified constraints and factors that restricted how they could downsize. Most identified reputational concerns and the need to maintain some service provision as influencing the downsizing process. How the public sector organisations’ stakeholders viewed the impact of the cuts were reported to have implications for how the downsizing was undertaken.

### 7.2.1. Reputational and service delivery concerns and downsizing approaches.

The extent to which E&S respondents reported reputational concern by stakeholder organisations as an influence varied depending on the nature of the organisation and the level of public sector organisation. These, in turn, were reported to influence the severity of downsizing tactics used by organisational decision-makers.

Among the core Federal public service, the expert respondents identified a tendency towards less generous exit terms centred on a negative politicised narrative of lucrative employment conditions in the public discourse– including paid sick leave, medical benefits, occupational pensions and more job security – compared with perceived

conditions among private sector workers. The need to constrain the public service and its spending was expressed to have a knock-on effect for the generosity of the exit packages available.

In the 90s, it was sort of accepted, that [leaving with a generous package] was normal behaviour, but I think in this... in 2012, it's frowned upon. Partly because money is just so much tighter. [...] Government waste is frowned upon. So people at the end of their careers getting this extra money when they would have left otherwise, it's nothing that's politically astute. (Senior Executive for Human Resources, Federal Public Sector, 2012)

Among E&S respondents working with front-line services, managers and union respondents all reported that downsizing action was constrained by public concern for reduced or lost services. In some areas, this led to greater use of non-compulsory tactics and a more systemic restructuring approach because "the hospitals didn't want it to be seen in any way that we were displacing people out in the street, right?" (Manager, Provincial Shared Services Organisation, 2012). While the manager reported following the procedures negotiated in collective agreements, the organisation reportedly extended the less harsh approach to employees not covered by the extra-statutory measures in negotiated collective agreements. This was because the organisation wanted to be perceived as treating all employees fairly. In these examples, the collective agreements were put in place that shaped the extra-statutory minimum standards for the workforce adjustment and restructuring procedures. The organisations chose whether to apply enhancements measures and to which workers beyond the negotiated coverage.

Where the maintenance of services was a priority, E&S respondents reported that the employers may be more likely to work closely with the union representatives, to take an incremental approach in the downsizing and offer the possibility of (re)training and upskilling for existing workers. One senior manager reported an example of where essential services were being outsourced to private-public partnerships. Special considerations were made to accommodate existing employees, including providing existing employees with skills upgrading and the accreditations to provide them with the graduate and post-graduate accreditations that they required for the redesigned positions. The accommodations were necessary to preserve the existing organisational and sector-specific knowledge where there was a shortage in the broader labour market and given the weak applicability of succession and transfer rights.

Because we felt that contracting out so much work all at the same time... if our employees didn't go with the work, the private sector actually wouldn't be capable of delivering. So it became... the employees landing on their feet in the private sector became a critical

success factor of the entire [restructuring] project. (Senior Executive for Human Resources, Federal Public Sector, 2012)

Where there was less concern for negative public perception, the existence of negotiated agreements did not guarantee positive outcomes. Most union respondents reported concern that the employer was not complying with the negotiated agreements. One referred to this as ‘malicious compliance’, whereby the spirit of the agreements was not followed. One senior manager suggested that non-financial pressures could be applied to encourage workers to exit voluntarily outside of the exit schemes. Given that organisations tend not to be ‘very good at firing people’ and the cost-driven impetus, poorly aligned redeployment had the potential to be used to exit workers.

Sometimes assigning [affected workers] work that you know they won’t want, or side-lining them and then they get the message and they say, ‘well I’m not happy here’ and choose to leave. Or even just sending in a manager whose management style isn’t well appreciated by employees... sometimes it’s deliberate. As much as possible, all levels of government are trying to minimise transition costs and those transition costs that have been bargained collectively are significant (Senior Executive for Human Resources, Federal Public Sector, 2012)

Employer non-compliance with negotiated measures was not always rooted in cost-saving, but was sometimes the result of the potential adverse effect of the threat of mass redundancy on the workforce. In one example, a senior union official described the union being placed in a difficult position choosing to enforce compliance where it might negatively affect the workforce or non-compliance. This was the case where significant numbers of the workforce had similar job classifications and the reduction was a wholesale shrinkage of the workforce. In this example, following the full procedure would have involved issuing ‘at risk-of-redundancy’ letters to the entire workforce across the country.

[The employer was] afraid of the panic that would ensue, [...] if all of a sudden, every [...] officer in Canada was issued an ‘affected letter’. So instead, they have gone completely outside the workforce adjustment legislation [...], which is, to be honest, probably illegal but [...] it’s a tough spot for us to push... because it’s hard for me to say, ‘Listen, you’re breaking the law, I want you to affect every one of my members.’ (Federal Union (4) – Vice President, 2012)

E&S respondents reported that reputational concerns, service stability and skills shortages were concerns for the employers which had implications for how they would restructure. These led to practices that put employee experience at the centre of the restructuring.

Managerial and union respondents discussed a more constructive relationship with each other in order to ensure positive outcomes for the workers.

## 7.2.2. Job redundancy measures and maintaining job quality

There was variation in specific procedures for how the redeployment and redundancies occurred based on established collective agreements. Across the public sector, organisations had multiple differing collective agreements covering the multiple bargaining units. For example, in one relatively small regional public service organisation, there were four bargaining units each with separate negotiated procedures and a non-union component. This provided complexities for the employer. However, where the employer was prepared to provide additional supports as discussed above, it had the potential to lead to a ‘topping-up’ of enhancements for workers with less protection for greater procedural fairness and transparency.

Organisations were not restricted from using compulsory tactics but were required to prioritise non-compulsory tactics in the first instance. Internal transfers and redeployment were commonly used but had a positive rhetoric from the employer representatives. There was a positive narrative around ‘saving a layoff’ – creating internal vacancies through incentivised exits and early retirement. This was viewed altruistically as a way of minimising the number of people who might have been made compulsorily redundant.

We do get a lot of people that do take the packages which really saves or lessens the impact of our layoffs... Before we did any layoffs, we were able to save ten of them through early retirement packages. So that’s a really good thing because that’s ten less people that have to be laid off. Or even go through the process of layoff – because at the end of the day [...] it’s an emotional thing, if you have to displace... [...] It’s hard for both parties. So before we go to the layoff, we do the early retirement or a voluntary exit package as well. Then if we can’t get enough people to accept the early retirement to save layoffs, we then have to go through the layoff process. (Director of Human Resources and Employee Relations, Provincial Public Sector Organisation, 2012)

However, given the rhetoric and negative perception of public sector workers during a period of fiscal conservatism, it was observed that exit packages were much less generous than in previous restructuring. Union respondents reported less uptake for exit packages than employers had expected. Lower uptake was expected to be to the perceived poorer alternatives in the labour market as well as the weaker exit incentives.

In practice, there was also heavy use of reductions or freezes in hiring, natural attrition and the use of compulsory redundancy where no alternative jobs could be found. These were necessary to stimulate the creation of sufficient internal vacancies needed for redeployment programmes. There was a financial drive not to extend the incentives too widely, noting that the least costly outcome for the organisation was often redeployment.

[The employers] have sat down and they've done the math. So [they] are very cautious in the decision they have to make whether or not to make any kinds of options available to employees or whether to guarantee reasonable job offers because if you can place people within 6 months internally... it's much cheaper to do that than to offer a departure incentive or a pension waiver. So my understanding is there is a big push on the internal redeployment side to minimise the costs of workforce adjustment. (Senior Executive for Human Resources, Federal Public Sector, 2012)

Negotiated adjustment measures which apply financial pressure on the employer may be a double-edged sword. On the one hand, the employer may be incentivised to displace costly employees. Conversely, for those affected by job redundancy and who can be placed into alternative jobs, salary-related clauses may support better quality job matches. Under salary protection, the employee maintains the previous higher rate salary and continues to receive cost-of-living increments. Whereas, under salary maintenance clauses, the employee who moves to a lower paying role continues to be paid at the higher rate but does not get the cost-of-living increases until the individual's rate of pay reaches the level for the grade. The downward transition has a longer term cost to the employer in terms of overcompensation for the work than had the individual made a lateral transition, though the cost tapers out overtime. This provides an incentive for the employer to ensure that people are matched to equivalent graded posts rather than moving to lower level work. For the employee, this has the potential to better support skills utilisation, or at least avoid under-utilisation.

Because of salary protection, it's not your first choice when you're redeploying someone. You really do make efforts to do it at the same level or equivalent level of salary because you want people to earn the money that they're being paid. (Senior Executive for Human Resources, Federal Public Sector, 2012)

This may not be the case among the direct provincial public service and the broader public service organisations which use 'bumping' and do not have salary protection clauses. 'Bumping' is a seniority-based reallocation process whereby if a job is being eliminated, the affected employee's seniority and skillset are used to identify roles occupied by lower seniority employees that the affected employee could fill. In pass-the-parcel (hot potato) style of redundancy, the 'at risk' of job redundancy status is passed



along until someone can no longer find a suitable role filled by someone more junior in seniority, at which point they may be made redundant. It is a lengthy process as after each 'bump', the redundancy process restarts with the next person.

Bumping tends to disadvantage younger workers who typically have less seniority in the organisation. This was identified as a reason for not using bumping in the Federal public service and was the 'single most important difference' in how the process of redundancy is managed between the Provincial and Federal levels. Seniority is not used as a method for determining the order of layoff because of the demographic impacts on the organisation.

Bumping offers little voice for the individual being bumped as it is based on seniority and qualifications. For the individual who has bumped into a role, there is the potential for this to be a positive transition if they transition into a new role that aligns with and utilises their skills and interests. Alternatively, their new role might improve the conditions of the work environment in terms of demands, resources and social supports, while maintaining the objective elements of job quality in terms of their hours, pay and seniority – assuming that it is a like-for-like lateral transition. However, employees can only bump laterally or down.

You can bump or displace to equal positions or lower. You can't displace up. One of our collective agreements allows you to displace up, I think within 5 per cent or 3 per cent of the earnings. [...] Sometimes, if there's nobody to bump equal, then you have to go down if you want to keep your job. (Director of Human Resources and Employee Relations, Provincial Public Sector Organisation, 2012)

The employee might transition to a position that is at a lower grade and wage or need to reduce their working hours from full-time to part-time, trading off aspects of their job roles to maintain employment. After the probationary period, the employee who had bumped down would move to the lower pay rate. Moving to a different job may be a positive transition depending on the circumstances of the affected employee. Given that some collective agreements stipulate that the employee must be afforded the same opportunities for training and learning as a new employee, a bump may allow for new training and development. Similarly, it might better align to personal circumstances and interests.

Years ago, some of our [registered practical nurses] bumped into housekeeping and stayed there. Never, ever left. I don't know why... I would have thought they'd go back to RPN when a vacancy [came up]... which many did. But they didn't go back. So they displaced down and took a salary cut at the end of the notice period. (Director

### 7.2.3. Barriers to quality job matches

Despite the potential incentives to ensuring good quality matches during internal redeployment, there were challenges to its implementation. The first is the availability of lateral moves within the particular geographic area. This problem is especially acute outside of regions with high densities of public sector jobs or where workers were moving from specialist units. Where specialist roles were being relocated or eliminated, there was often no equivalent roles available locally. Canada's size made the geographic displacement impossible for most employees to accept alternative job offers. Even within the province of Ontario, a consolidation of services to the major urban centres would require employees to relocate. This was a 'real bone of contention' for one of the unions where the employer was offering 'reasonable job offers' on the other side of the country.

What is deemed reasonable is in the eye of the employer [is] almost never what was deemed reasonable in the eye of my [members]. About a year ago, there were [changes] similar to what we are going through now. They transferred resources, so our hubs in Halifax, Montreal and Vancouver were [affected]. [These workers] are [subject] experts, so the folks in Vancouver obviously understand that they see a whole different sort of [expertise] than they see in Halifax. [The employer] decided that they were centralising, so they would move all those people to Ottawa – or they would move their jobs to Ottawa. For someone working in Halifax – their reasonable job offer, they received two, the reasonable job offers were in limited numbers in Montreal and the rest were in Ottawa. That's not a reasonable job offer! (Federal Union (4) – Vice President, 2012)

The respondent's example was trans-Canadian, referring to 'reasonable offers' separated by around 1,249km and 1,449km from Halifax to Montreal and Ottawa, respectively (Google Maps – Driving Directions). However, given the size of the province of Ontario, the same challenges of geographic distance are applicable even on the smaller scale.

Where the worker declines the alternative job offer, there are enhanced options available so that she may exit the organisation 'voluntarily'. At the time of the interviews, there were questions raised about whether individuals who refused the offers and who subsequently left the organisation would have been classed as 'quits' on their record of employment. As a result, the person would be disqualified from claiming employment insurance (E.I.). It later emerged in 2013 that workers had been classified as quits, although this was overturned by the Treasury Board of Canada in 2013 because the

workers had exited under a workforce reduction programme (see Treasury Board of Canada Secretariat, 2013).

The second substantial challenge other than the availability of suitable matches was the lack of organisational resources to facilitate the matching. At the best of times, facilitating large numbers of matches between vacancies and a diverse workforce across a large geographic terrain would be challenging. In addition to the logistical challenge of the task, back-office functions like HR were themselves undergoing large scale restructuring and downsizing. As such, they were seen as under-resourced to be able to cope with facilitating suitable matches. Union representatives expressed concern that their members were only being considered for vacancies available at the time the HR advisor was looking at that workers' file, rather than across the pool of openings. They referred to this as the 'match of the day'. The limited time allotted for matching workers was a concern because workers' 'at-risk' status was time limited. Workers who could not be found suitable matches could be made redundant.

Selection for determining who will be made redundant where there was a reduction in the number of similar posts, at the Federal level, is based on 'reverse order of merit' rather than seniority. As already discussed, seniority is the preferred ranking method elsewhere. 'Merit' was previously defined as best qualified, however under the Public Service Employment Act 2005 'Selection of Employees for Retention of Lay-Off Assessment' (SERLO) process, 'merit' more closely resembles 'right fit'. This definition of merit is used in hiring and in the selection for redundancy. It was seen to allow managers to have the flexibility to hire people based on the needs of their team at that time and not just based on the work. In the context of redundancy, "it's not about keeping the best qualified, it's about keeping the right fit" (Senior Executive for Human Resources, Federal Public Sector, 2012). A senior manager explained that this was the first time the definition was being applied in a redundancy context. However, union E&S respondents reported that a 'lack of transparency' and reported that the unions and their members felt the process was 'open to arbitrariness or arbitrary decisions'.

'Alternation' was one of the methods used in internal reallocating of workers in the Federal public service. It involved job swaps between at-risk workers and post-holders looking for an incentivised exit package. Most Federal expert respondents reported challenges or concerns with its implementation, most notably a lack of procedural clarity. There were reports over protectionist and silo-ing behaviours, where some Departments were keeping internal vacancies for their own at-risk workers and not allowing workers from other areas to be considered for those roles. There were also concerns over the timescales to approve and facilitate the transition as the approving body was reported to

meet infrequently. This raised similar issues to the provincial unions' concerns over the limited resources and short time scale in place to implement the redeployment initiatives relative to the maximum time for workers to be placed in another job. More broadly, a number of union respondents reported that local managers were not implementing the procedures correctly, confusing the timelines and order of implementation for different policies. This confusion on the ground was reported to be problematic for the affected workers as their timelines to find an alternative position were relatively short. Poor implementation was said to have left some workers without job roles to move into, adding to the uncertainty and stress of the situation. It also risked pushing these workers out of employment.

E&S respondents reported that the main downsizing tactics used in public sector organisations were likely to be voluntary or incentivised exits and natural attrition, with some use of voluntary early retirement programmes. These mechanisms formed part of a strategy to place displaced workers into internal vacancies. However, E&S respondents identified a number of concerns for implementing the internal transitions. These concerns related to insufficient resources and time from the HR function or body responsible for approving alternations. Concerns were also raised about procedural clarity and the limited support for those implementing restructuring at a local level. There was reported variation in how workers would be reallocated internally, with some of the processes leaving more scope for employee choice in their post-transition job roles. Table 7.1 provides an overview of the job and worker redundancy measures and the some of the implications for post-transition job quality as identified by the expert and stakeholder respondents.

<b>Table 7.1 Job and Worker Redundancy measures and implications for post-transition quality (as identified by expert/stakeholder respondents in Ontario, Canada)</b>		
<b>Job Redundancy Measures</b>	<b>Drivers for maintaining job quality</b>	<b>Barriers to maintaining job quality</b>
Worker transition via <b>Transfer of Undertaking (e.g. outsourcing)</b>	<ul style="list-style-type: none"> <li>• Procurer's need for specific skills or knowledge lacking in private sector</li> <li>• Public concern for layoffs or loss of service</li> </ul>	<ul style="list-style-type: none"> <li>• Weak legislative protection with limited coverage</li> <li>• Short contract cycle</li> <li>• Competitive tendering based on cost</li> </ul>
Worker transition via <b>Bumping</b>	<ul style="list-style-type: none"> <li>• High level of seniority</li> <li>• Skills-match with non-affected job roles at same grade</li> <li>• Low density of affected jobs</li> <li>• Constrained choice of roles</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of seniority</li> <li>• Exiting lower skill role</li> <li>• Low density of available jobs</li> <li>• Few/no lateral job roles available</li> </ul>
Worker transition via <b>Alternation</b>	<ul style="list-style-type: none"> <li>• Density of lateral jobs in organisations/departments in local area</li> <li>• Salary protection in collective agreement</li> <li>• Constrained choice of roles</li> </ul>	<ul style="list-style-type: none"> <li>• Limited organisational support for matching (e.g. departmental apprehensive, lack of HR resources)</li> <li>• Salary maintenance in collective agreement</li> <li>• Limited availability of lateral jobs in local area</li> </ul>
Worker transition via <b>Reasonable job offers</b>	<ul style="list-style-type: none"> <li>• Density of lateral jobs in organisations/departments in local area</li> </ul>	<ul style="list-style-type: none"> <li>• Limited availability of lateral jobs in local area</li> <li>• Choice of 2 reasonable job offers</li> </ul>
<b>Worker Redundancy Measures</b>	<b>Drivers for Job Quality</b>	<b>Barriers to Job Quality</b>
Worker transition via <b>Incentivised (Voluntary) exit</b>	<ul style="list-style-type: none"> <li>• Additional financial resources for job search</li> <li>• Choice of exiting and exit date</li> </ul>	<ul style="list-style-type: none"> <li>• May or may not qualify for Employment Insurance (E.I.)</li> </ul>
Worker transition via <b>Compulsory Redundancy</b>	<ul style="list-style-type: none"> <li>• These workers expected to be relatively skilled and 'work-ready'.</li> </ul>	<ul style="list-style-type: none"> <li>• E.I. and conditionality expected to encourage workers to accept any job regardless of match or quality</li> </ul>

### 7.3. Expected impacts from the labour market approach

The main workforce restructuring tactics reported by the experts and stakeholders involved reallocating workers within public service units where possible, thus maintaining employment for the majority of affected workers. However, as there was no guarantee of no compulsory redundancy, E&S respondents were asked to consider the labour market interventions and re-employment prospects for those involuntarily exiting public sector employment. This section first considers their views on the employment insurance (E.I.) programme and latterly considers the available active labour market interventions.

Many of the expert respondents reported that there was little evidence of a concerted national or provincial labour market strategy. This was reported by most E&S respondents as a long-standing and historical problem in Canada and in the province of Ontario. The vast geography and its diversity of local labour markets were barriers to meaningful labour market planning and strategising. However, a number of experts reported there that there was also a lack of political will and collaboration among relevant workplace and industry stakeholders.

It's only conjecture on my part, but I don't think the Government – or any Government that I'm aware of in Ontario or in Canada – spends any time in a meaningful way being strategic about its labour market, and developing programmes to meet what they consider to be 'needs' 10 to 15 years down the road. We don't do it with our economy, we don't do it with our industries, and we don't do it with our skill or labour. Secondly – if they don't do it strategically, they're even worse at doing it in an acute situation. (Union Congress – Policy Analyst, 2012)

It was also widely recognised that the Canadian system offered both labour market poor information, limited skills development interventions and that the E.I. programme had poor coverage and take-up amongst unemployed workers. Decades of public sector reform and cut backs were expected to have further eroded opportunities for efficient planning and delivery.

It was always fairly weak or uneven to begin with... but there's less capacity now to plan and assist workers in transition. There's no robust labour market information. It's very difficult to get E.I., which offers several weak services. And there's no national skills development training strategy... it's really patchy. [...] I don't get a sense that there's a very strong capacity to even track what's happening to workers. (Trade Union Congress – Policy Analyst, 2012)

The poor labour market information coupled with patchy levels of support were expected to be barriers for workers looking to access support and would limit the extent to which they would be able to transition to similar quality work.

### 7.3.1. Expectations of passive labour market interventions

E.I. is the main unemployment benefit for individuals who lose their jobs “through no fault of their own (for example, due to shortage of work, seasonal or mass-layoffs) and are available for and able to work, but can’t find a job” (Government of Canada, 2006). The E.I. system is a highly differentiated system due to regional variation. Jobseekers in areas of higher unemployment have longer periods of coverage compared to regions with lower unemployment rates. It is also contributions-based. Workers are required contribute a specified amount of hours to qualify. Workers in different regions with equivalent histories of employment will have different E.I. entitlements.

E.I. also has an element of conditionality with recently introduced reforms seeking to explicitly define ‘suitable employment’ that E.I. claimants would be expected to seek and accept. Additionally, these reforms look to incentivise greater geographic mobility among the unemployed. One expert respondent explained that the reforms were not coupled with a system of sanction or penalty, but increased the level of ‘hassle’ or harassment for the claimant to increase the administrative burden of claiming. An E.I. claimant has to complete a fortnightly form and “you have to basically swear on your daughter or son [...] that you are just valiantly searching for work – that you are starving for work and that you will accept most anything!” (Expert respondent on E.I. and displaced workers). Through this process, E.I. specifies low reservation wages, although it is unclear how the wage offer rival rate is enforced by the programme administrator.

The implications for workers is that they should expect high levels of pressure and expectations placed on them through administrative activity to accept any job. Thus the general expectation by all E&S respondents was that:

For the group you’re looking at... middle skill workers, I don’t see that part of the client base [in the existing programs]. The expectation is people will get another job, and if they have to take a 25-30 per cent pay cut to get it – too bad. (Union Congress – Senior Economist, 2012)

Pushing claimants to accept ‘whatever employment is possible’ was often reported as an ‘explicit intention’ and increasingly the policy focus of the E.I. programme.

We're moving further and further away from any sort of intentional or conscious worker adjustment strategy that's intended to shore up wages or you know, quality employment (Trade Union Congress – Policy Analyst, 2012)

### 7.3.2. Expectations of active labour market interventions

E.I. is administered at a federal level, whereas skills and training are a provincial responsibility. A suite of active labour market programmes (ALMPs) are delivered by provincial and municipal governments, with funding transferred from the federal government through the Labour Market Development Agreement framework. The consensus from the expert respondents was that there would be limited availability of specific services for recently displaced mid-level workers, on the assumption that they are likely to have existing qualifications beyond secondary education. Instead, the focus would be targeting people at the lower end of the labour market with a heavy focus on re-employment.

A lot of the focus of provincial programs is getting people off social assistance and into work, and not major training interventions per say. (Trade Union Congress – Senior Economist, 2012)

Specific support that might be offered to this group included CV writing and mock interview sessions. These assume that workers may not have recent experience with job searching, limited experience with online job searching and may not have recently been to a job interview. These were reportedly delivered through workshops with some one-to-one support, delivered through provincially and locally funded service providers.

The *Second Careers* programme funded by Employment Ontario, focuses on short-term training and basic level skills development, and targets laid-off workers. One senior official reported that the focus on shorter, lower cost interventions enabled the Ontario Government to provide more funded places and allow a greater number of individuals to participate. It tends to support training programmes of up to 2 years and provides a basic income allowance.

We're finding a lot more [people] can afford to do the shorter programmes because it's an income-driven methodology for your basic living allowance. So, you might be able to... if you're a single person living on 200 dollars a week for, maybe, 4 months – but you can't do it for 2 years. And if you've got a family and adult obligations, it's even more challenging. (Regional Manager, Directorate for Active Labour Market Policy, 2012)



More intensive skills development interventions may not be accessible to workers with existing qualifications. The application is assessed against a matrix of the suitability of the individual's desired training intervention, against individual 'need', and demand for the programme. The assessment criteria prioritises people without prior educational qualifications, those out of work for longer periods, and unemployment from sectors in decline. The assessment is reported to be individualised with some discretion afforded to individual advisors and local service providers.

In September and January, when more 'people make life changing commitments, you're not likely going to make it through that screening process', however at other times of the year when the service is less busy, an individual may be able to make it through (Regional Manager, Directorate for Active Labour Market Policy, 2012)

In the case of mass redundancy, service providers may offer a specially coordinated intervention, however this is on a case by case basis. The content is no different from the general suite of services available, but these may be coordinated for a more joined up delivery. This intervention is aimed at providing the displaced workers an overview of the services offered by federal, provincial and local providers during the job loss process. It was pointed out, however, that this is not available for mass redundancy from public sector organisations. This was due to 'optics' – or the negative public perception of public sector workers and put these workers at a disadvantage.

I would say where [displaced public sector workers] are disadvantaged, frankly, is from an optics perspective... The public sector are always easy to pick on with our *high wages* and our *wonderful working conditions*, and we all know *we never get laid off*... so the optics of someone then coming out of this "cushy" – and I put quotes on that – and then taking advantage of government programs... [...] Public Sector organisations are exempt from participating in [mass redundancy interventions]. For example, when [a facility] closed earlier this year – small community, huge impact, good paying jobs, right? Our guidelines prevented us from going in and setting up additional services for them. (Regional Manager, Directorate for Active Labour Market Policy, 2012)

The expert and stakeholder respondents identified that the current model of E.I. has a differential impact based on region, with many of Ontario's workers having limited access. E.I. also has high levels of administrative burden but limited sanctioning penalty. E&S respondents reported an explicit focus on workers moving into any job, increasing their travel-to-work distance and even relocating. Beyond E.I., there is limited financial support available except for the means-tested Ontario Assistance programme, which would not be available to these workers. While the suite of ALMPs have some

programmes which are universally available, there is weak support available to those with prior qualifications and recent employment experience. Furthermore, specific redundancy interventions are inaccessible to this group because of the displacing organisation. This group is expected to generally be self-sufficient in their job search and the relevant career-exploration activities.

## 7.4. Expected quality of work available for displaced workers

Most experts and stakeholder respondents recognised that public sector employment was generally seen as good quality work in its terms and conditions, access to health and medical benefits with job security. Those in administrative and associate professional roles, even without post-secondary qualifications, were ‘usually better paid’ in the public sector compared to their private sector equivalents. However, in professional and managerial roles, these roles were reported as comparatively undercompensated. For this latter group of workers, union representatives tended to hold more optimism about their re-employment opportunities. Given the view of their work as undercompensated by the public sector, either a move into retirement or to the private sector was seen as likely to lead to a financial step-up. Private sector employment was expected to provide both higher wage rates as well as access to performance-related pay unavailable in the public sector. These projected outcomes were speculative as the union representatives acknowledged they had limited actual knowledge of what happened to their former members on exiting the workplace.

For workers from the middle and lower end of the occupation structure, several of the expert respondents indicated that these people are likely to have a decline in remuneration and terms of employment.

For people who don't have a degree and who are in the positions targeted – the choices after leaving the federal public service aren't that great. And even if they can find a position where the work is similar, it's unlikely that they'll find the same kind of pay and benefits. So it's really a step backwards in their careers and in their life's planning. (Federal Union (4) – Vice President, 2012)

For this segment of the workforce, quality of work was likely to have been better in the public sector. The remunerative difference was seen as being partly due to a union wage premium in the public sector.

Due to the minimal transfer or succession rights, divesting of services was seen as a restructuring strategy that would affect middle and lower skilled occupations in the public sector. The limited scope of these rights under Ontario employment law<sup>17</sup> would adversely affect the quality of work where it had been divested. The current rights are a complex set of procedures with limited applicability of transfer rights in practice. Therefore, most of the expert respondents that raised this issue did not expect succession rights to be applicable and expected that the quality of the jobs outside the direct public service would be poorer.

Poorer quality of work was also expected to be the norm for those looking for employment as part of broader labour market issues of contracting out, cost-reduction and evading the bargaining units and unions. This is seen as part of a national “very low wage strategy as a strategy for competitiveness and for growth” (Trade Union Congress – Senior Economist, 2012). Likewise, there was concern over the prevalence and preference by employers for temporary employment contracts and the churning effect for returners to service providers.

We have people who are constantly coming [back to the service] because either they're stuck with contracts, which is bad, or they're doing temp agency jobs. Sometimes they're told it's going to be this period of time, and then it's only a week, and they're back and forth, back and forth. (Labour Market Intervention Service Provider (1) – Employment Counsellor, 2012)

The implications for displaced workers was that there was little expectation that workers would transition into equivalent quality work. Service providers were seeing both an under-utilisation of skills and high levels of insecurity through temporary contracts. Given the condition of many local labour markets and the pressure to move into work, it was expected that workers would likely move into any job.

There isn't really the opportunity to be selective on what type of work they're looking [for]. I know a few people that have actually just gone online and applied for everything, [...] hoping that these contracts eventually turn into a long term opportunity. (Labour Market Intervention Service Provider (2) – Executive Director, 2012)

There was an expectation that the reduction and loss of public sector employment opportunities would adversely affect older workers. The public sector was seen as less likely to discriminate based on age than the private sector. The issue of age discrimination

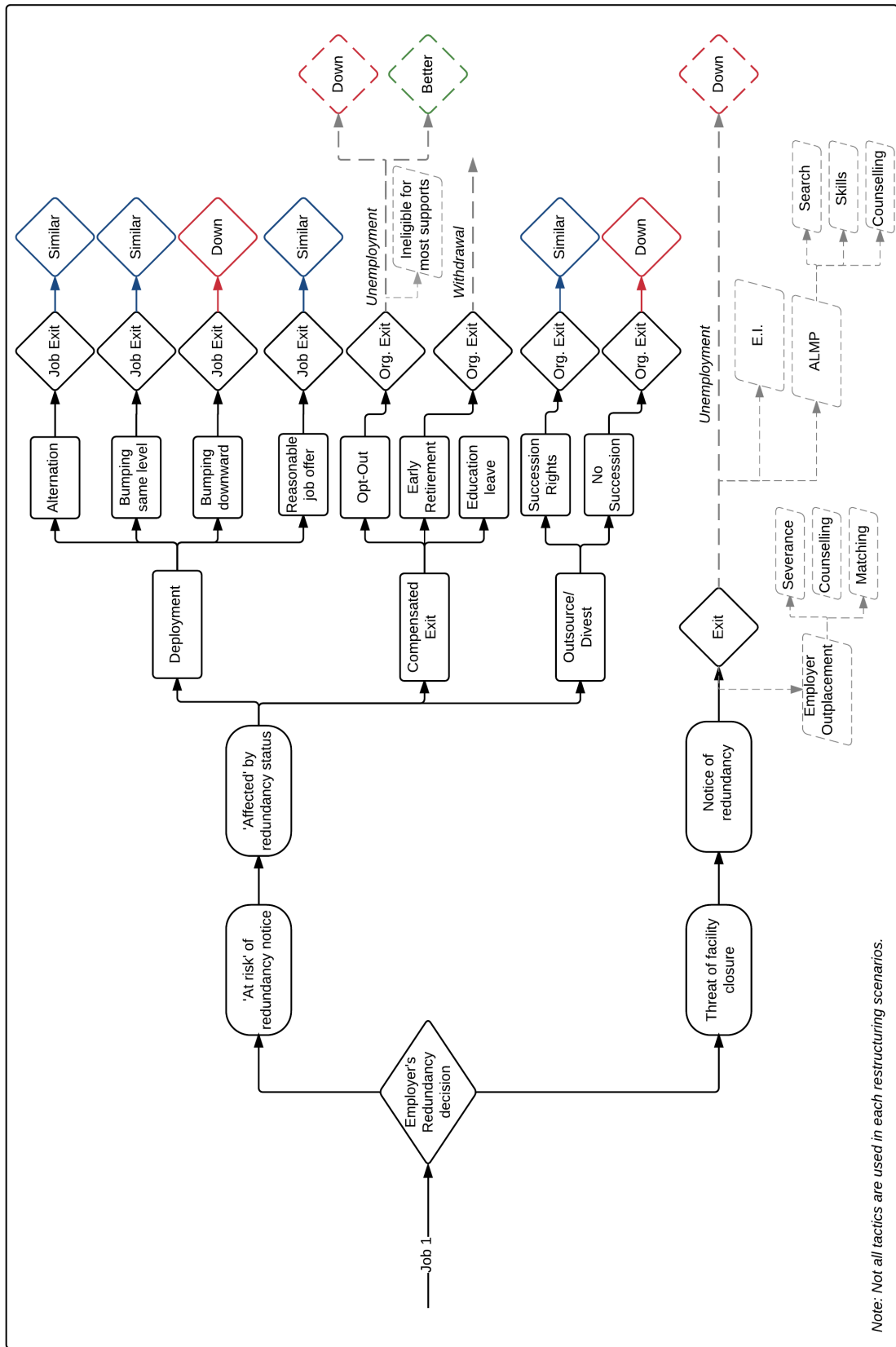
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<sup>17</sup> Labour law is a provincial matter with the exception of some Federal jurisdictions (for example, civilian employment on Federal military bases – Senior Executive for Human Resources, Federal Public Sector, 2012).

was raised by many of the stakeholder respondents, with comments like: older workers would ‘face a lot of employer discrimination’ and may need to ‘start at the bottom’. Where, however, “the risk is assumed by the worker and not the employer”, it was expected that employers could be inclined to employ older displaced workers. While this might lead to employment for these people, it brings to the fore the question of the quality of that work.

Figure 7.1 visualises the expected outcomes for displaced workers based on the understanding of the downsizing tactics used, the supports available and their understanding of the condition of the Ontario labour market, discussed in this chapter. The subsequent half of this chapter reviews the job transition process and outcomes for the displaced worker participants in the Ontario study.

Figure 7.1 Overview of expected job quality outcomes in Ontario, as expressed by expert and stakeholder respondents



## 7.5. The experience of the job transition process

The previous half of the chapter examined the institutional structures, procedures and challenges with the public sector restructuring landscape. It provided a normative view of how the workforce adjustment may take place and the potential implications for workers. It also offered some critique and consideration of limitations for existing practices for the job transition process. This section considers the job transition process as experienced by affected and displaced workers from interview and follow-up survey data. It is structure to provide a brief overview of the outcomes of the job transition in terms of job quality. Participants offered assessments of job quality, which were considered alongside objective and subjective indicators of job quality (shown in Figure 7.2 and Figure 7.3). This is a useful point of departure for discussing the factors and actors in the downsizing and labour market contexts. Subsequently, this section considers influences and configurations of actors and factors in the redundancy context and the labour market context for the transition process.

At the time of the interviews in July-September 2012, only four of 18 participants<sup>18</sup> were in a post-displacement job. Half of the participants (9 of 18) were not in work with varying degrees of labour force attachment. Just over a quarter of the participants (5 of 18) had not yet undertaken their job transitions but knew about the jobs into which they were being transitioned. Table 7.2 provides an overview of the participants' positions at both times discussed in this section.

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<sup>18</sup> 'Gerry' (OnW17 – Group Leader/Agricultural Sciences) is excluded from the present discussion because he experienced a job transition from the public sector prior to the current, post-2008 recession restructuring period.

Figure 7.2 Changes to job quality post-transition for participants undergoing job redundancies

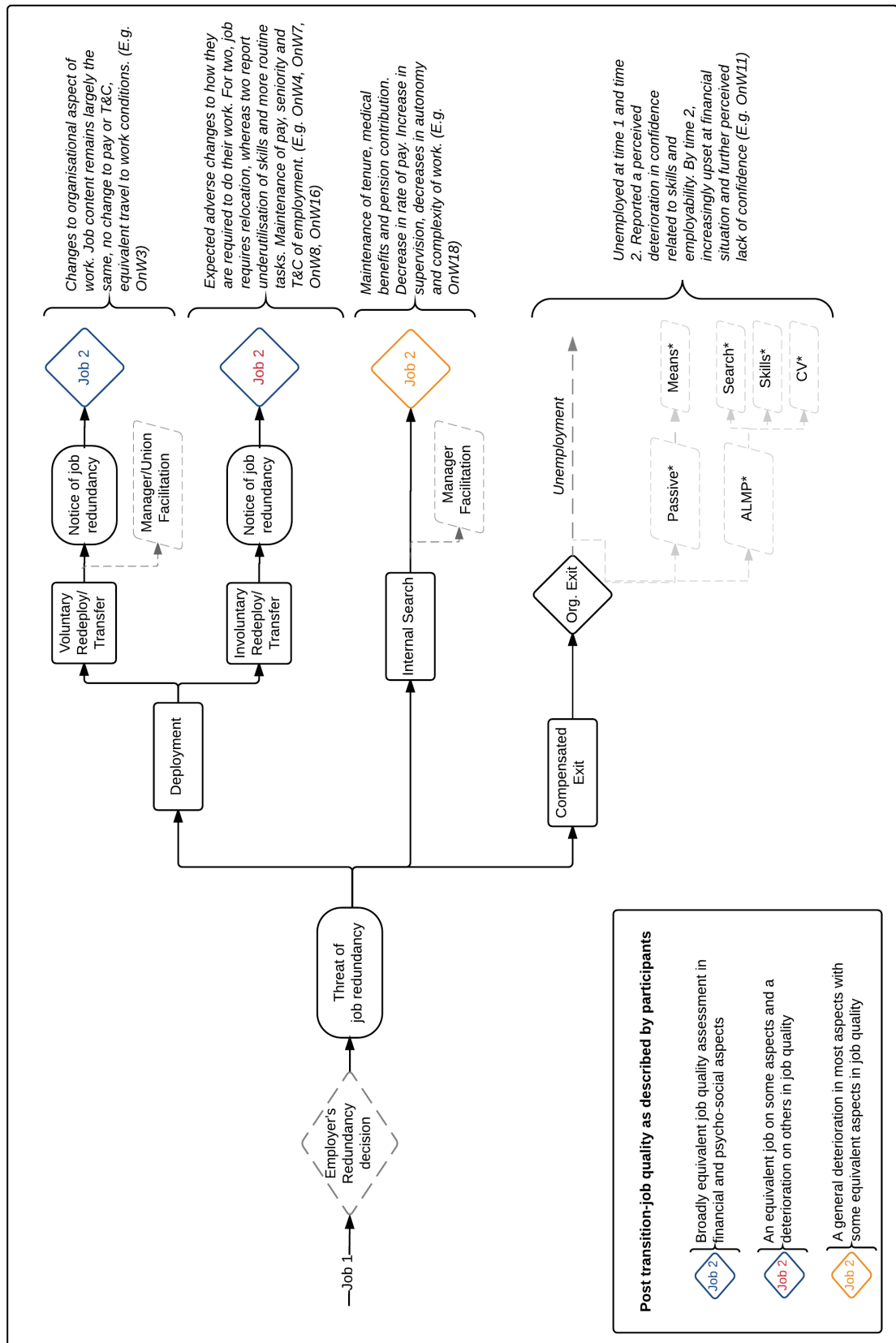


Figure 7.3 Changes to job quality post-transition for participants undergoing worker redundancies

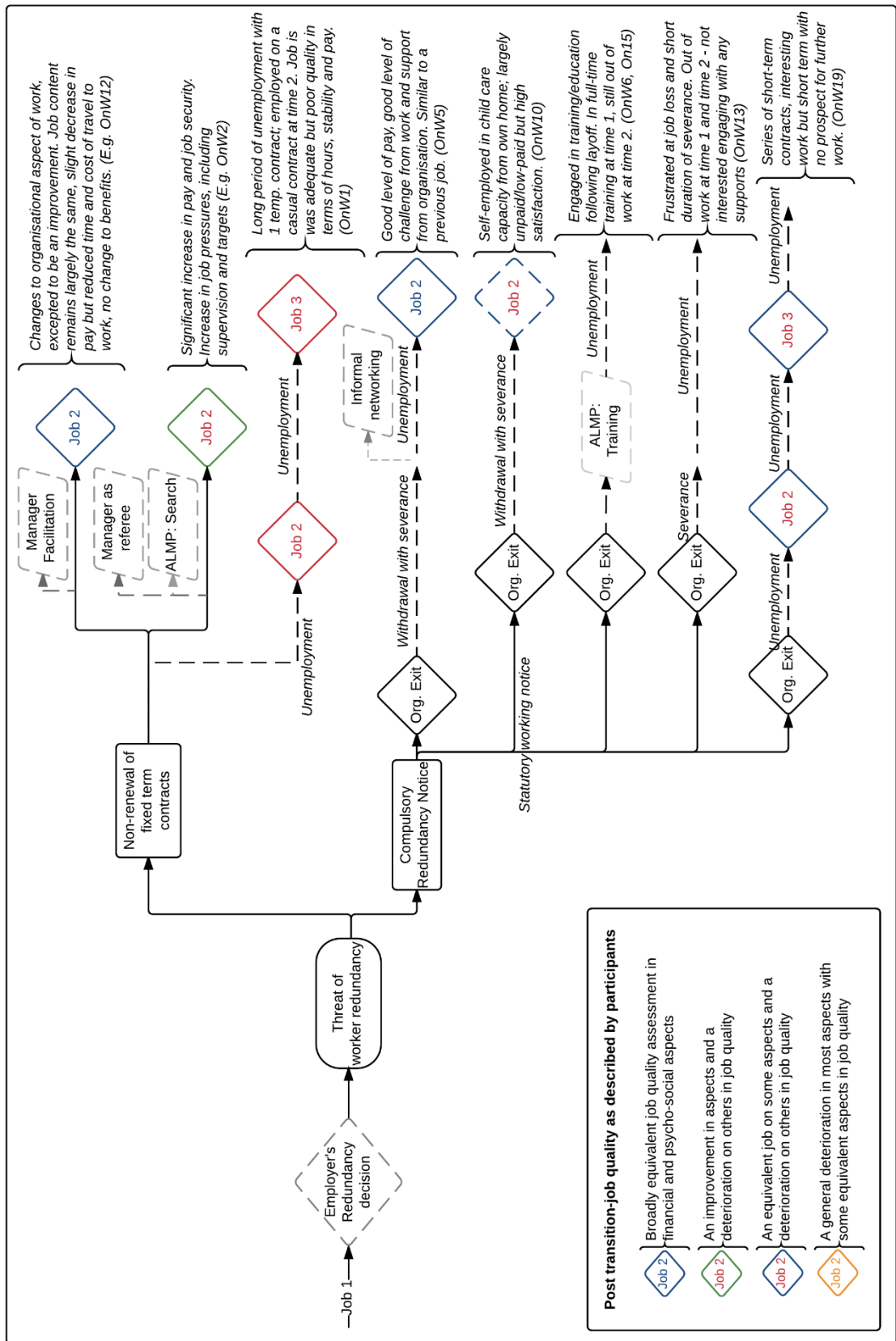




Table 7.2 Job transitions with downsizing tactic and employment status at interview (time 1) and follow-up survey (time 2)

Participant	Pseudonym	Job Role	Tenure in Public sector (years)	Type of job transition	Status at time of interview	Status at time of follow-up survey (approx. 6 months later)
OnW1	Martin	IT Technician	< 1 year	End fixed term	Not in work, wants to be	In good temporary contract work; seeking open-ended full-time employment or better T&C
OnW2	Ryan	IT Technician	< 1 year	End fixed term	In another job - better pay, more demands; currently limited security	-
OnW3	Mike	Correctional Officer	3	Employee-directed redeployment/transfer	Not yet transitioned	-
OnW4	Adam	Case Investigator	21	Employer-directed redeployment	Not yet transitioned	In another job; same pay/T&C but feels underutilised
OnW5	Rebecca	Recruitment Advisor	1	Compulsory redundancy	Not seeking work - short term	In another job; good pay and enjoys job & the organisation, similar to a previous job
OnW6	John	Security Officer	13	Compulsory redundancy	Not seeking work - short term (training)	Has not been in work, wants to be; completed training and cannot find employment
OnW7	Chris	Correctional Officer	10	Employer-directed redeployment/transfer	Not yet transitioned	In work; not yet transitioned
OnW8	Jack	Correctional Officer	10	Employer-directed redeployment/transfer	Not yet transitioned	-
OnW9	Dennis	Correctional Officer	26	Compulsory/incentivised retirement	In another job - self-employed contractor	In same job - self-employed contractor
OnW10	Angela	Customer Service	26	Compulsory redundancy	Not seeking work - medium term	Self-employed
OnW11	Cindy	Planning Specialist	19	Incentivised voluntary redundancy	Not seeking work - short term	Has not been in work, wants to be
OnW12	Jane	Employment Counsellor	8	End fixed term/Employer-Directed redeployment	In another job - similar quality and job, shorter travel to work time	-
OnW13	Matt	Security Officer	5	Compulsory redundancy	Not in work, wants to be	Has not been in work, wants to be
OnW14	Luke	Security Officer	12	Compulsory redundancy	Not seeking work - short term	-
OnW15	Sherry	Security Officer	10	Compulsory redundancy	Not seeking work - medium term	Has not been in work, wants to be; completed training
OnW16	Karen	Case Investigator	10	Employer-directed redeployment	Not yet transitioned	-
OnW17	Gery	Group Leader	22	Compulsory redundancy	In another job - poorer quality, part-time	In same job part-time; partly retired
OnW18	Jennifer	Analyst	10	Employee-directed internal search	In another job - Lower skills use, lower pay/grade, higher supervision and less autonomy. Maintained pension and benefits	-
OnW19	Mark	Analyst	18	Compulsory redundancy	Not in work, wants to be	-

Of the unemployed participants, most (6 of 9) were not actively searching for work; only three wanted to be in work. Two of those wanting work had been unemployed for 8 months and 19 months respectively and had only had casual work in the intervening period. The third had been out of two months. All three reported limited available work which they thought could provide longer term, stable employment.

Several out-of-work participants delayed their job searching due to personal circumstances or to exhaust their severance payments. The only participant in the Ontario study exited on an incentivised 'voluntary' exit package and had done so to be able to reduce her travel to work time to care for her son with additional needs and her elderly mother. While her initial delay related to her change of circumstances, she reported a loss of confidence in her skills at both the interview and again in the follow-up survey.

Seven of the nine out of work participants responded to the follow-up survey. Three were in some form of employment by the time of the follow-up survey. On the whole, those involuntarily without work reported negatively about their displacement experience and their current circumstances at both the time of the interview and the follow-up survey. Most of this group cited poor perceived prospects available. A small number of these workers blamed the circumstances around their displacement, the (lack of) support from government and their own personal skills and confidence levels.

For those who accessed post-displacement work, participants reported making trade-offs in aspects of the post-displacement jobs. None of the participants reported an improvement in every aspect of job quality. However, five participants indicated that, on a number of factors, they had positive transitions and even improvements in how they perceived the quality of their jobs overall. Two of these participants moved into broadly equivalent but slightly better positions but experienced pay decreases. One was moving from a high stress role that aggravated a pre-existing medical condition but was highly paid. The other reported a slight decrease in pay but a shorter travel to work. She also reported that the content would remain broadly the same but she had greater task variety, organisational support and would be able to better support the service users because of the organisational structure.

Only one person's assessment of job quality was related to rate of pay, although this participant was at the beginning of his career and lacked long term employment security prior of the displacement. For all other participants in the study, beyond a wage that could maintain their quality of living, remuneration was not the main criterion for assessing job quality. This was similar to those out-of-work participants who perceived the lack of decent waged work was a barrier to active job searching.

Two further participants became self-employed, trading off remunerative rewards for intrinsic benefits. Both self-employed participants had access to a large enhanced severance package, savings and had partners who were employed. The remuneration from self-employment was not comparable for these workers. One was starting a home childcare service to supplement caring responsibilities for her grandchildren. The other self-employed participant had been pushed into early retirement by his employer and was doing the maintenance work on properties that he let out with his wife. He reported that it was a significant improvement from his pre-displacement career because of the significant deteriorations in that work.

Those who reported deteriorations in job quality did not base their assessments primarily on salary. Most in this group experienced job redundancies and maintained their terms and conditions and salaries as part of their transitions. Workers who were experiencing job transitions to similar roles reported deteriorations to how they do their work and the environments in which they worked. Therefore, while the job content remained largely similar, workers reported deteriorations in their access and use of the physical workspace, scope for problem-solving, team working and autonomy over how they do their work. One worker reported about his transition to a new facility:

I think the biggest change for us will be the structure of the jail. [The former] is more of an open-concept kind of jail. We walk the ranges with 30 penal maximal security inmates out on the range at the time. [The new facility] doesn't. They don't move.... Officers do not move with inmates, everybody's secured in and behind a barrier. [...] I'll be confined to a little bubble for 16 hours... I won't have my freedom. ('Mike', OnW3, Correctional Officer)

Where workers were redeployed into a different type of job, they were more likely to report a mismatch between the person and the job, an underutilisation of skills or the lack of task complexity. Two participants were being redeployed from a specialist unit into generalist roles. Their pre-displacement roles had required knowledge specialism, high levels of problem-solving and working with external stakeholders. Both emphasised the transition as a step backwards with one specifically calling it a demotion despite maintaining the extrinsic aspects of the job. Both of these workers reported quit intentions, although recognised they may have limited alternatives.

I put the importance of my job above [the post-displacement role] because our stuff is not routine [...] I'm going back to where I started, essentially, and even though it's not a pay cut, it's a demotion. ('Adam', OnW4, Case Investigator)

Among the workers making internal transitions, only one participant reported a deterioration in both her pay and psycho-social aspects of work. Despite her identifying

that she had experienced ‘de-skilling’, increased supervision, limited task complexity, she had sought out her role because she expected it could provide her with employment security.

Most jobs for these workers were not categorically bad or good, but the jobs were not necessarily suitable or aligned to their personal circumstances. Where workers identified positive transitions, they reported improvements in supervisory support and maintaining scope for problem-solving and autonomy. Jobs that interacted with service users were seen by some workers are more secure. The removal or restriction of these features led participants to identify a deterioration in work. They reported lack of skill use, restrictions on their movements and increased supervision and a lack of task complexity. Several also identified less direct contact with service users and more demanding work. All but one participant (‘Adam’, OnW4, Investigator) were able to identify some positive aspects of their jobs.

A number of the expert respondents had identified that some people could benefit from their transition. However, only two participants, both of whom remained out of work in the follow-up, identified the job loss as having the potential to lead to a positive experience. These participants reported that they had felt stuck in boring pre-displacement roles but had not been motivated to exit the job. Indeed, ‘Sherry’ (OnW15, Security Office) described the pre-displacement job ‘a good enough job’ because of the remunerative benefits, but not a ‘good job’. However, neither were back into employment roughly 9 months following their displacement (based on the follow-up survey).

### 7.5.1. The redundancy context and job transition outcomes

This section considers workers’ experiences of why they lost their jobs, how they lost their jobs and what role the workers had in the downsizing process and the implications this had for their transitions. This section considers three related themes that appear to influence the job transition process: Firstly, the extent to which workers understood the rationale for the job losses; secondly, the extent to which they had specific information related to the timings and transition processes and how that information is provided; and lastly, the extent to which affected workers were able to participate in decision-making. The scope for workers to participate in the selection of their post-transition roles, particularly in a job redundancy situation appeared to influence their attitudes towards the roles, irrespective of indicators of job quality discussed previously.

## 7.5.2. Understanding the rationale behind job losses

The majority of the affected workers reported having varying degrees of information as to why the facilities/work units were downsizing or closing. This raised many questions as to why these people were losing their jobs, particularly in work that they had perceived or been told was valuable for the public service and society. In seeking to understand why, participants were not focused on their individual job loss. Rather they tended to focus on trying to understand the job losses and the impact for service delivery. Irrespective of whether the person maintained employment, the lack of a clear understanding of the job losses was a barrier to engaging with the displacing organisation, the services on offer and the worker's ability to transition.

Where workers understood why the unit closures or reductions were occurring, they did not dwell on it. The job loss itself was not central in either the interview or the follow-up survey to their view of themselves and their circumstances. Amongst those who understood why the loss was occurring, the rationale provided by the organisation matched the workers' understanding to the situation. For example, 'Mike' (OnW3, Correctional Officer) worked in an aging facility and reported the workforce had implicitly known that it would face closure over time.

We knew that one day it was going to close... We knew eventually down the road, but we weren't expecting for the ball to be dropped on us this soon. (Mike, OnW3, Correctional Officer/Federal Corrections)

Similarly, 'Rebecca' (OnW5, Recruiter) also was not surprised by the announcement of her job loss and reported even agreeing with the decision. She explained that, in hindsight, the organisation should have never expanded to create her role as there was not always enough work to warrant the post. She was at ease with the reason for the job loss, although she subsequently withdrew from the labour market because of how she was made redundant, which is discussed in the next section.

On the other hand, a number of other workers facing both job and worker redundancies did not understand and often vehemently disagreed with the perceived rationale for the closure. These workers argued that it was not in the public interest to close. 'Chris' and 'Jack' (OnW7 and OnW8, Correctional Officers) both argued that there was already a severe lack of facilities and the closure would further aggravate the shortage, increase the cost of service provision costs and increase the risk of harm of workers and inmates. Similarly, 'Adam' and 'Karen' (OnW4 and OnW16, Investigators) identified that they

were in income generating areas of the public sector, which in times of financial constraint, should be valued and protected.

That was my joke! I mean with the [local manufacturing] industry and how bad things were, I kept saying, ‘well, I’m collecting taxes; got nothing to worry about!’ I guess I was wrong. (‘Adam’, OnW4, Case Investigator/Tax & Revenue Agency)

The participants who experienced worker redundancy were also caught by surprise by the closure announcement and did not understand the logic of the decision. ‘John’ (OnW6), ‘Angela’ (OnW10), ‘Matt’ (OnW13), ‘Luke’ (OnW14) and ‘Sherry’ (OnW15) were displaced during a facility closure, where they had understood their work to be part of the revenue generating side of the public service. Several of these participants reported that it was widely known among the workforce that the facility had generated large surplus income. Like ‘Adam’ and ‘Karen’, the loss of income generating activities did not align with the rhetoric of austerity and lack of funds for the public sector. These workers also reported that the closure of the facility led to a loss of over 200 jobs in the local community, which was already severely affected by closures and redundancies from the private sector. This was an added reason for disagreeing with and not understanding why, and morally – how – the ‘Government’ could close the facility.

### 7.5.3. Specificity of information and organisational support

Access to specific information related to how and when the job loss process would happen – or the lack therefore – was a common theme raised by participants. The quality and quantity of information cannot be separated from the methods used to convey this information to workers. While many workers were informed individually or in small groups, others discovered their job loss through public announcements in newspapers or on television rather than from the employer or their union representatives. Specific and accurate information, with support from senior officials in the organisation and union representatives, was helpful in allowing workers to get a ‘head-start’ in job searching and in their transition.

### Limited information and short periods of advance notice

Workers experiencing job redundancies tended to have long periods (over a year) of notice that they were ‘at risk’ of job loss with limited information related to their options, timing of job loss or alternative job offer. This general ‘at-risk’ notification tended to be by letter from senior management, rather than face-to-face. These workers lacked situational

clarity over when they would transition and specific information related to their jobs. For workers experiencing direct transfers – that is, to the same role in a different facility, they had a general sense of the role but expected different work processes and systems. For ‘Chris’ and ‘Jack’ (OnW7 and OnW8), they had no indication of when they would be transferred to the new facility as it was still under construction, which could be monitored as an indication of time scale. ‘Adam’ and ‘Karen’ (OnW4 and OnW16) were going to be redeployed into different jobs at the same grade, but had spent around six months with no specific information about the role or the timings, and were instead left guessing what role they would have. Their guesses had turned out to be correct, but they had long periods of job insecurity.

Elsewhere, others received limited information about the job loss and limited notice. Where the job loss announcement was unanticipated and there was only the statutory notice, workers reported the process as insensitive to the workforce. For the group of five workers from a closed facility, the workforce was first informed through a front-page story in the local newspaper. The overnight shift was the first to see the story in print and the story had been widely disseminated among the workforce.

By the time we got to that meeting at 10 o’clock... we all came in knowing. If you didn’t read the paper, you’d heard it on the news, or somebody was texting somebody or it was on Facebook or whatever.  
(‘Angela’, OnW10, Customer Service)

Despite management knowing the impending closure, workers themselves had been in the dark until the public announcement. The all-staff meeting led to the announcement by a senior official unknown to the workforce that the over-200-person workforce would be made redundant in six weeks, the minimum legal notice period for the scale of the redundancy. The perceived insensitivity of the announcement process, along with the short-time and the lack of understanding of why the facility should close was seen very negatively by the workforce in both the interviews and follow-up surveys.

Only two participants discussed the role of unions in supporting their individual transitions. ‘Mike’s (OnW3, Correctional Officer) union, discussed in the next section, were the main facilitators of the transfer process. Elsewhere, the only other mention of unions from the largely unionised group of workers interviewed was from ‘John’ (OnW6, Security Officer). ‘John’ had been very active in his workplace union up until the redundancy announcement, but received little support during the closure.

“Like, why are we paying dues if [they’re] not going to help when we’re losing our jobs? [They just said] ‘It’s a government decision’, they’re not going to change it”. (‘John’, OnW6, Security Officer)

'Rebecca' (OnW5, Recruitment Advisor) also reported high levels of insensitivity in how she was informed of her redundancy, which adversely affect her readiness to engage with the labour market, albeit under different circumstances. As mentioned, she did not take issue with the rationale of the job loss. However, she had no advance notification and given pay-in-lieu of notice effective immediately on the day of her return from a sickness absence leave due to work stress related mental health issue. She reported a relapse in her health condition from the stress of the situation. She legally contested the circumstances of her displacement and was awarded an enhanced severance settlement, allowing her to withdraw from the labour force for a period of time.

## Advance notice and access to information

Having a clear sense of when the person would be out of work prior to the statutory notice period allowed workers to plan, actively job search within and out with the organisation. Clear, decisive information that confirmed the job loss, the process and its timings appeared to mitigate against the workers' need to know and agree with the reason for the job losses. Four of the 18 workers were provided with specific and decisive information, with substantial non-statutory advance notice given directly from their managers or senior managers. Three of these four workers also reported high levels of organisational support for their transition – including senior and line managers assisting them in accessing employment in a similar organisation, within the public service or serving as a reference in job applications. All transitioned directly into subsequent employment.

Clear and decisive information was a catalyst for intensive job searching for these workers. 'Ryan' (OnW2, IT Technician) was on a fixed-term entry level contract, but had been advised that he would be employed on an open-ended basis. Following the budget announcements of significant cuts, he had a specific conversation with his line manager about his long term prospects. Although disappointed, this led to his active job searching for other opportunities rather than focusing on maintaining his employment. His manager acted as a referee and he quickly secured employment in the private sector.

I called my former manager and he basically said, they can't hire any new full-time employees until about 2015. 'Ryan' (OnW2, IT Technician)

Similarly, 'Jane' (OnW12, Employment Counsellor) had worked for 8 years in her organisation on continuous fixed-term contracts. When her programme was being consolidated and she was told she would no longer have a role. This decisive information led her to begin investigating the *Second Careers* programme to change occupations,



although she recognised retraining would not lead to higher wages in another field. The divisional manager spoke directly to the manager of the consolidated service about hiring 'Jane' to maintain continuity for the service users. While 'Jane' reported that she was initially hesitant about moving to the new organisation, however her lack of feasible alternatives and the persistence of the manager – at the behest of the divisional manager – led her to accept the job. She expressed that she would not have other had this job offer without the direct intervention by the divisional manager.

'Jennifer' (OnW18, Analyst) also benefited from specific information, organisational support and a long period of advance notice to help maintain her employment. She and 29 of her colleagues were informed by a senior manager that their service would be discontinued in two years' time, at which point workers could access the workforce adjustment processes.

We did not get anything formal. We were simply told by the Associate Deputy Minister at the time, that: 'here's the plan – by April 1<sup>st</sup>, 2012 we were going to restructure, so if you want to be employed any more than a couple of years, you will need to find another job, [...] That's what we were told. My position – my placement in the group was the most junior in terms of seniority. ('Jennifer', OnW18, Analyst/Labour Market Information)

This informal notice gave 'Jennifer' an advance start in her internal job search. The employer provided an 'outplacement counsellor' to assist those who wanted to move somewhere else in the organisation, review CVs and facilitate transitions to other areas of the public service. Maintaining employment in the public sector was an economic imperative for 'Jennifer'. She used previous experience of past restructuring to identify areas which she expected to be less at risk of restructuring.

Most workers identified that redundancies and restructuring required advance planning but reported that workers' had little involvement or advance warning. Without anticipating the job loss, workers reporting feeling frustrated and unprepared. With long periods of notice with specific and decisive information, workers are able to plan and make alternative arrangements. These individuals participated or found their own post-transition jobs which aligned with and matched their current wants and needs. They also made use of services available to them by their employer and investigated services unlike many of the other participants.

#### 7.5.4. Participation in decisions related to continuity of employment

The workers who reported more positive post-transition jobs during job redundancy also participated in some aspect of decision-making or selection related to the post-displacement job. Participants were generally constrained in the amount of time they had available to job search, often working to a deadline to align with their exit date. They were also constrained by the jobs available, particularly in terms of geographic availability of jobs. Even though workers were making constrained choices, they tried to align their choice to their own priorities. Participation appears to mitigate negative views of the transition.

For example, 'Mike' (OnW3, Correctional Officer) had little to report about the facility closure and his job loss. Like other participants, he had been informed of the closure via the national TV news with a 1 to 1.5-year lead-time for transferring inmates and staff. Therefore, he also benefited from a long period of advance notice. He also had a pre-determined role in selecting his post-transition role, albeit constrained. Facilitated by the union, employees made their choice of preferred transfer facilities. The outcome was based on seniority. He reported that the process was transparent, fair and efficient and he was pleased with the outcome. His priority had been to reduce the risk of relocation. Similarly, 'Jennifer' (OnW18) also reported positively about how she was able to secure a role that met her priorities from a constrained set of choices.

Those without scope to participate in selecting their post-transition roles reported the experience much more negatively. A number reported mismatches in their interests and skills, and the role. They reported high levels of quit intention in both the interview and follow-up survey. Even the lack of opportunity to select into which facility they could transfer was frustrating. 'Jack' (OnW8) and 'Chris' (OnW7) were not able to select the transfer location, and were instead expected to relocate their families to maintain their employment. 'Jack' was expecting to avoid this relocation by moving into early retirement.

Workers were also frustrated at the lack of opportunity to access internal redeployment measures. In the instance of facility closure, 'John' (OnW06, Security Officer) reported that the employer was not permitting redeployment to other facilities elsewhere in the province. Any interested workers would have to apply to other facilities as external candidates to existing vacancies. This was described as a 'slap in the face' ('John', OnW06).

### 7.5.5. Outplacement support

Workers reported varying degrees of support made available by the employer. Most workers made very little use of these services, mainly due to the limited perceived usefulness of these services and limited availability. One worker ('Rebecca', OnW5, Recruiter), highlighted that her employer had provided access to a private career/employability support service at the time of the job loss. However, given her poor health situation – which she related to the stress of the job and the subsequent stress of the displacement – she did not use the service. She reported that she might have used it after a few months of displacement, but it was no longer available to her.

The group of workers from the closed facility reported that the supports were only available in the workers' own time and that most would provide certifications specific to the displacing organisation. A workers reportedly accessed generalist training like First Aid/CPR certifications. However, the outplacement offering was seen as a disingenuous act of 'looking after its workforce'. One of the more disgruntled participants summarised the feelings of these participants:

Honestly, I just didn't want any part of anything. I was basically pissed off. They were trying to offer stuff, and I was like, 'yeah that's cool, but just give me my money [so I can] just get out of there. [...] In my eyes [the training and support] was just, like charity. [...] I think they were just trying to save face with a lot of stuff at the end.  
(Matt, OnW13, Security Officer)

Therefore, most participants made little to no use of services made available by the employer, with the exception of one worker. 'Jennifer' (OnW18, Analyst) described the employer providing access to an 'outplacement counsellor'. The support had a clear remit and led to a tangible outcome for the participant. While the participant identified potential vacancies, the outplacement counsellor reportedly negotiated the job transfer. The participant reported that there was some apprehension from the senior managers around accepting new people, however her pre-displacement managers and the outplacement counsellor were instrumental in securing a role for her. While the job was a lower paid with less autonomy and more supervision than her previous role, she felt that it was good in terms of security. She also identified a strong positive attachment to the role as it was one that she had chosen, albeit her choices had been constrained.

## 7.5.6. Interaction between layoff process and labour market context

For those exiting the organisation, the amount of severance pay affected their intention to return to work. Furthermore, feelings of unfairness in the allocation of severance payments appeared to influence workers' attitudes during the notice period. For the group of workers, severance calculations favoured older, full-time workers rather than younger workers on part-time contracts, despite actual hours worked.

They did some really weird math. It's supposed to be three weeks for every year you've been there... but then they minus a whole bunch of weeks... how'd they call it... working severance? So they took off like 6 weeks at least, saying because I had all this notice, and I'm like, 'What if I just stop working now? Then can I get my whole 26 weeks?' And they said no. ('John', OnW6, Security Officer)

These workers reported that the employer was not prepared to compensate workers if they left during the notice period. Some workers reported that the severance compensation was reported 'owed', which disincentivised job searching during the closedown period. This logic is counter-intuitive in that the longer term financial benefits of re-employment would likely outweigh the short term severance package. However, the hostility in the downsizing experience led workers to feel strongly that the severance payments were compensation for the poor management of the situation and the loss of their stable, long term employment. It was not seen as bridging mechanism between jobs.

Given the shortfall in severance payments that these workers were accepting, several had to withdraw their pension contributions to cover living expenses. While a number of these workers reported financial strains, it did not appear to lead to more intensive job searching. They reported that the lack of comparable paying work in the labour market further discouraged their job search efforts.

Elsewhere, one worker reported the employer incentivising working during the notice period through additional 'productivity bonuses' on top of the negotiated severance. He reported that all the workers would receive some additional bonus for staying until the end, but "if you were a higher productivity person, your bonus would be larger" ('Mark', OnW19, Analyst). Even with the potential bonuses, this participant searched for work during this period and had even undertaken telephone and in-person job interviews, although was not successful for those jobs.

Elsewhere, 'Angela' (OnW10, Customer Service) had been emotionally and financially preparing for the eventuality of job loss, despite being employed in the organisation for 26

years. She had survived previous rounds of service consolidation and assumed her time was numbered. She reported that she had been financially preparing for her expected, forthcoming unemployment through what she called a 'fired fund'.

There was always talk that we would be moving out of that building. I always thought that would be a great opportunity to get rid of me – because I've got 26 years, I have 9 weeks' vacation – why wouldn't they want to get rid of a person like me? Because they were really weaning down to go to part-time. You could see any position that was a full-timer left, it was always replaced with a part-timer. I knew any person [with long service] would be the first to go. It doesn't take too much brains to figure out that. ('Angela', OnW10, Customer Service)

Her perceived high risk of job loss had led her to anticipate the job loss and be more prepared. Her accumulated savings and sizeable severance package allowed her withdraw from the labour force. She did not expect that she would be viewed as employable in the local labour market, primarily due to her age (46 years old) and her limited computer/technology skills. As she no longer had the financial imperative to work, she started a home childcare service to be able to provide care for her infant/toddler grandchildren.

Individuals made assessments about accepting employment and withdrawing from the labour market after assessing their perceived alternative prospects and based on their financial need. Where they debated between a poorer quality offer and the labour market, individuals considered whether LMP interventions would make them better off. For those with no choice but to leave the organisation, their confidence and preparedness to interact with the labour markets directly after the job loss appeared to be influenced by the downsizing process. The way employers downsized fostered conditions that enforced or mitigated the financial necessities of work.

### 7.5.7. The labour market context and job transition process

This section briefly considers the expectations of workers in terms of their labour market prospects. Next, it considers access and interaction to passive labour market interventions, such as employment insurance (E.I.) and lastly, access and relevance of ALMPs.

All of the participants presented a fairly bleak view of their labour market prospects, in line with the expectations of the expert and stakeholder respondents. Among the participants with 'reasonable job offers' and redeployment options, there was a general agreement that while accepting job offers within the organisation might result in receiving

a poorer quality job, it was likely to be better than external alternatives. Remaining in the organisation was always seen as preferable to exiting, largely due to accrued contributions and benefits. Anyone with an offer of another job, even where it was objectively or subjectively worse than their previous work, accepted it. The high rates of unemployment, poor job security, perceived lack of full-time employment contracts, lower rates of pay, lack of occupational pension and medical benefits were drivers to take the offer rather than risk a significant change or deterioration.

Participants assessed the quality of prospective jobs in terms of the remunerative aspects, including pay, terms and conditions such as annual leave and flexibility of working arrangements and employer-provided dental and medical benefits. Given that Canada does not have universal coverage for the cost of prescription drugs, dental and eye care (see Gagnon, 2010), the loss of employment with this coverage represented a significant shortfall.

Participants reported that most vacancies seen on public job boards tended to be casual, part-time, fixed-term and other non-standard working arrangements. Many posted vacancies were also at the lower end of the skill spectrum. These jobs were unlikely to provide health care benefits. The perceived poor quality of work and its low pay – either at or just above the provincial minimum wage (\$10.25 for adults in 2012) reportedly affected job searching.

Those who did access decent quality jobs made use of professional networks to locate opportunities or made use of specialist public job boards, such as those affiliated with colleges and universities.

### 7.5.8. ALMPs and job quality

Training interventions had mixed appeal for the displaced workers in this study. Some did not see them as relevant and a number reported a lack of interest in further education – or ‘school’. Despite this, a number reported that not engaging with education and training was seen as a barrier to re-employment. This was of particular concern where the person lacked IT skills.

I've seen people with education – educated minds with degrees working at, like, a grocery store! With their background! You expect me to go get a great paying job somewhere? I don't have a degree. I come with nothing. Not to mention my age! [...] I would love to be working in a hospital... [But] the thought of going back to school... never in a million years is that going to happen! [...] But, with no education? Lady, you ain't going nowhere! If I end up as a dishwasher

at [a restaurant], I'd be happy with that! Really, I have to be realistic.  
(Angela, OnW10, Customer Service)

Workers were not naïve in regards to the opportunity cost of engaging in training programmes. The lack of certainty as to whether it would secure employment made training less feasible. Without some certainty of an improved labour market position post-intervention, they did not see it as worthwhile.

If it's training or schooling... there's no guarantee of, like, getting an actual job. And yeah, I can go back to school – I can do 2 more years – I can do 4 more years – I can do whatever! But then, am I just doing that basically to just pass time? It just seems like a lot of work with a really grim economy outlook nationally. (Matt, OnW13, Security Officer/Lottery & Gaming)

Training interventions were reported to open up access to new areas of the labour market, such as particular sectors, but would not likely improve the wages or even offer better employment security. 'Jane' (OnW12, Employment Counsellor) had already paid a \$100 towards securing a place on a programme when she was offered a job similar to her pre-displacement role. While the remuneration of the role was slightly lower than her pre-displacement role, she factored in the wage replacement rate of the E.I. and the training allowance, which lowered her reservation wage.

We realised that for me to go to school for two years... and at the end of that the job that I would have had most likely would have been part-time and if it would have been more than what I'm earning now, it would have been minimal, right? So where I'm at now it's... it's a good rate of pay, right? ('Jane', OnW12, Employment Counsellor)

Two of the participants who were unemployed at the time of the interview participated in short term training courses through the *Second Careers* programme, one was continuing university-level education. The participants engaging in short courses through *Second Careers* held previous college diplomas which they did not expect to be useful in their post-training 'careers'. At the time of the follow-up, one of the two responded and indicated that he was still unemployed having completed his training.

A further participant was in a university level programme. 'Sherry' (OnW15, Security Officer) had been pursuing her degree part-time while in-work. At the time of the interview, she was receiving redundancy severance payments and not actively job searching. While she did not report a great loss at her redundancy, she was frustrated at the lack of government support to continue her studies. She reported high levels of unfairness given that the *Second Careers* was supporting individuals with living allowances and course fees for new accreditations. In the follow-up survey, she reported

actively job searching for decent paying work and being disappointed by her unemployed state. She also reiterated her frustrations about the lack of government assistances for the cost of her education and training because she had begun the programme prior to her layoff, compared to the support provided for others.

One participant engaged with a job creation scheme for the long term unemployed through Employment Ontario. 'Mark' (OnW19, Analyst) had been out of work for 19 months at the time of the interview. He explained that he had participated in a service that followed up on the jobs he had applied for and that Employment Ontario would offer the employer an incentive of up to \$8,000 to employ him. However, he reported no successful employment from the offer.

I don't know if it's the level of work that I was looking for or what it was... it didn't work for me. ('Mark', OnW19, Analyst)

At the time of the interview, he had already exhausted his severance pay and E.I. He reported that he was not eligible for means-tested benefits to assist him and had 'basically stopped applying for jobs because that, to me, just proved to be a process of banging my head against a wall and getting minimal responses to it'.

### 7.5.9. Passive labour market interventions and job transitions

As indicated above, interaction with ALMPs were connected to passive benefit receipt. Eligibility for active interventions was often dependent on accessing E.I. and duration of unemployment. As indicated related to 'Mark's (OnW19, Analyst) experience, there was little support available following the exhaustion of E.I. Other workers also made reference to the duration of E.I., reporting frustration at its duration relative to their continued lack of employment.

Many workers reported frustrations in the interviews and the follow-up survey related to the online claim process for E.I. and delays to E.I. payments. Despite the barriers to accessing E.I., there was little reporting of administrative burden. While the process of bi-weekly sign-on was not enjoyable, workers did not feel the process was too onerous.

You just have to go on the website and just fill out a super brief report, and then that's it... once every two weeks. It asks you stuff like, if you've changed your address, if you were able to work in the 2-week period, if you were outside the country for more than... or at all, I think. (Matt, OnW13, Security Officer)



Returning to the interaction between E.I. and active interventions, workers reported that the online claim process returned possible vacancy advertisements that might suit the person. However, these were not seen as suitable quality jobs and tended to be low pay, in line with the expectations from experts.

When you finish your report, they show you jobs that are available, but I am yet to see a job over minimum wage. And there's always jobs, but it's always minimum wage. (Matt, OnW13, Security Officer)

Participants did not see the E.I. process as encouraging or stimulating for job search, with financial strain experienced because of delays in payments. The issue of moving into low paid work was viewed as highly problematic because of existing financial obligations. Employment prospects stemming from training interventions were not expected to yield sufficient financial rewards relative to the opportunity costs of participation.

## 7.6. Conclusion

This chapter provided an overview of the job transition context and experience in Ontario for displaced public sector workers. Organisational decision-makers had little direct control over the pace and scale of cuts. Their actions were constrained by existing negotiated policies and agreements with workers' union representation and by public perception of reductions to services. Organisations had a preference for internal redeployment. Salary protection and maintenance clauses provide organisations with an incentive to match workers pre- and post-displacement grades to ensure 'value for money'. However, these policies are concerned with wage levels rather than job content, with limited space for workers to participate in decision-making. Workers, on the other hand, responded well to their post-displacement roles where they had scope to participate in decision-making. Where no 'reasonable' alternatives could be found, workers could be made redundant with enhanced packages. Given the strict timeframes for the transition, procedural confusion and malicious or non-compliance with adjustment policies had the potential to lead to workers facing unemployment.

Understanding the rationale for the restructuring was important for workers to engage with the process of displacement and redeployment. Furthermore, workers benefited from longer periods of advance notice of the impending job loss, moving directly into employment prior to the statutory redundancy process. Outside of the public sector organisations, many jobs were seen as low wage, low skill-level and would not meet the extrinsic needs of the workers. Although the experts reported that workers would be

pushed to accept these lower wage jobs in the E.I. claiming process, workers reported that they were disengaged from the job search process due to the weak fit of these jobs.

## Chapter 8. Findings from Scotland, UK

### 8.1. Introduction

This chapter presents the empirical data collected from the Scottish study, drawn from the expert and stakeholder data and the displaced worker data. This chapter is organised to consider the E&S data to understand the context, processes and constraints shaping public sector restructuring. The chapter first considers why and how organisations were being restructured and the constraints that influence how they manage this process. It considers the expected outcomes for displaced workers both those remaining in the organisation and those leaving, largely through incentivised early retirement schemes. It also considers the type of labour market interventions available for this group of workers and whether expert respondents expected them to interact with these. Next, the chapter is organised to consider the experiences of the displaced workers. Unlike Chapter 7, the latter portion of this chapter considers the experiences of transitions via incentivised redundancy schemes and internal redeployment tactics, given their prevalence in this study.

Subsequently, the focus is on the displaced worker data and is structured to first consider the quality of their post-transition jobs, before looking more in-depth at the actors, factors and processes in the redundancy and labour market contexts and their configurations.

### 8.2. Expected impacts from the downsizing implementation

The narratives surrounding restructuring and downsizing of the public sector at local and Scottish national levels were intertwined with the rhetoric and spending cuts from Westminster. The financial constraints from austerity budgets and political demand to reduce public sector spending were widely known by participants in the study. The spending cuts were announced by the UK Coalition Government as part of the October 2010 Spending Review, with near immediate financial implications for public services. It announced a 34 per cent cut in administrative budgets across central government, projecting to save £5.9 billion a year by 2014-15 (HM Treasury, 2010). In 2011-12, the Scottish budget saw a reduction of £1.3 billion, with cuts planned across all levels of government and portfolios, including Scottish Government directorates, associated agencies, non-departmental public bodies, local authorities and the NHS (Atterton, 2011;

Audit Scotland, 2013). Over the same period, police, fire and rescue organisations and further education colleges underwent significant organisational restructuring, rationalisation and mergers (Audit Scotland, 2013). As such, the scale of the cuts was widely recognised by the respondents.

Public sector restructuring was not necessarily a new phenomenon, although it had mainly been related to reviewing services and changing technology. E&S respondents reported that the workforce had generally been able to expect 'jobs for life', unless choosing to leave. However, the current restructuring was cost-driven and occurring at a more frequent and accelerated pace than previous restructurings. One union official explained that up until this point, relations with management were largely amicable. Where there were strong pre-existing relationships, management was receptive to union input and involvement in the planning of the restructuring. The union reported working with the employer to slow the pace in order to better plan and re-design and to support affected workers.

A number of HR officials reported that the restructuring trend was focused on "anything perceived as back-office – finance, HR, sometimes ICT. Areas where there's a perception that you're still protecting your frontline services and it's less visible to the public" (Head of HR, Scottish Public Agency, 2013). Therefore, back-office functions were 'politically vulnerable'. In the early rounds of restructuring, E&S respondents reported that organisations adopted 'salami slice' approaches – reducing small numbers of employees across functions and areas – or eliminating whole programmes. Respondents also reported an uneven distribution of the burden to reduce services in some areas of the public service because of ring-fencing. Ring-fencing and political commitments to increase particular types of services further constrained how the restructuring could be implemented.

There is a strong narrative that workforce reduction should be done with 'no compulsory redundancy'. The 'no compulsory redundancy' (nCR) directive is a key strand of the Scottish Government's public sector pay policy. The policy "does not lay down what flexibilities are necessary and appropriate for particular staff groups but encourages employers to negotiate no compulsory redundancy agreements with staff and their representatives" (The Scottish Government, 2013, p. 4). The policy was not a requirement for all areas of the public service in Scotland, e.g. among local authorities. Irrespective of the requirement, experts reported applying a 'principle of avoidance' of compulsory redundancy, making use of redeployment, enhanced retirement schemes and natural attrition to achieve the desired reductions. The nCR policy had been relatively long standing in Scotland, however, both union and employer representatives expressed

uncertainty and concern over its longer term feasibility in light of the incremental financial pressures and demand to drastically reduce the size of the workforce.

One senior official suggested that the commitment to nCR had made redundancy an unspeakable term among public agencies and local authorities. Despite this, both union and employer respondents recognised that involuntary exits and compulsory redundancies were occurring across the public sector.

It's political smoke and mirrors most of the time. [...] There are compulsory redundancies happening up and down public sector organisations, but they're often dressed up as the 'fig leaf of voluntary'... because at the end of the day, you're exiting people. You point them to a compulsory package, which is less than a voluntary [package], and they're going to go anyways. They'll take the voluntary [package]. At the end of the day, they're being *exited against their will* out of the organisation. (*Original emphasis*; Head of OD – Local Authority)

Furthermore, the non-renewal of fixed term contracts where there continued to be a work demand was also considered a legal form of redundancy. Contracts which would have otherwise been renewed were not renewed for the sake of reducing the headcount and making savings. Likewise, where organisations were quick to restructure, there were incidences of eliminating too many posts. This necessitated the rehiring of workers on a temporary basis given that the organisation could not hire on an open-ended basis whilst in the midst of restructuring.

Public service organisations and non-departmental agencies have the added complexity of balancing their dual positions as employers and social service providers. They need to balance service provision while minimising their contribution to local unemployment while managing the need for reduced labour costs. Particularly in areas of high unemployment and deprivation, how the organisation restructured was less focused on public perceptions but rather minimising unemployment. For example, one local authority was trying to balance opportunities for younger workers while reducing its headcount.

One of the factors to consider here, as well as downsizing, is bringing in new opportunities as well. There's big desire – and pressure – to give opportunities to apprenticeships, trainees, graduates – particularly for areas that are hard to recruit – areas of social work and some of the older manual trades. You know? We are conscious that it's not like the private sector – we have a responsibility for our local area. (Head of OD, Local Authority, 2013)

There was a clear acknowledgement from all E&S respondents that the way organisations restructured biased towards older, long tenured workers who were expected, with incentives, to be willing to leave the organisation. People with long periods of pension contribution, who had savings or other sources of income were expected to be the most likely to leave. It was thought to be an attractive prospect to those in their early 50s, where individuals had long periods of service. If they were to lose their jobs due to redundancy or efficiency, they would be able to draw down their pension without penalty. One head of HR reported that around two thirds of the redundancies in that organisation were incentivised early retirements.

The other groups expected to accept incentivised exit packages were people who had found equivalent employment opportunities outside the organisation, or people who were looking to quit the organisation irrespectively. For them, the 'voluntary' packages were a financial bonus on decisions they might have made in any case. Those that are highly qualified and mobile were expected to be more likely to leave the organisation due to having comparable alternatives.

Because there's a no compulsory redundancy – they have that safety of going, 'if I don't get [another job], then I don't have to go but if I do get something, I'll get paid to go'. [...] So there's an incentive that drives people to pull out the stops and look for suitable alternatives external to the organisation. (Head of HR, Scottish Public Agency, 2013)

Managers emphasised that highly skilled, valuable workers did continue to stay in the organisations, but that managers had less control over which people would leave compared to compulsory redundancy scenarios. Additionally, people wanting scope for job progression may also be inclined to take an incentivised package because of the restricted scope of upward mobility during extended periods of restructuring.

In attempts to shift the pattern of exits from older workers towards more mid-level employees, one organisation reported implementing a bonus scheme of £10,000 in addition to the enhanced severance package. However, this was seen by the union representatives as a 'blunt instrument', which was not having the desired effect. At best, it was thought to have the strongest incentive effect for relatively new employees from lower clerical and administrative grades, who are more likely to find comparable work in the Central Belt's service economy. The incentive was not sufficient for mid-career workers in mid-level or senior grade posts as it was not sufficient to compensate for the expected drop in remuneration from alternative work.

It was also recognised that redundancy was often used to deal with unaddressed issues with particular members of the workforce. While it was an efficient method for dealing

with underlying performance issues, managers recognised it was quite costly for the organisation.

Managers quite often see these exercises as curing problems they should have managed – so low performers – ‘can we just get rid of this person?’ So they might [...] go, ‘it’s easier to just give them something and get them out’. Now – in some respects – you’re getting a quick fix. You’re not wasting anymore management time but generally speaking in the public sector because of the package, it’s an expensive resolve to something that should have been managed through. (Head of HR, Scottish Public Agency, 2013)

Targeting particular individuals was seen as something that would inevitably creep into the process, but that it was a costly method of addressing mismatches, poor behaviour and inevitable exits.

### 8.2.1. Job redundancy measures

Unless part of negotiated agreements, the Scottish Government’s policy of nCR was not enforceable. It was a recommended guideline and widely adhered to in devolved and local public service. The implication was that organisations had to achieve the cuts to the workforce and financial savings without the use of the faster, less expensive method of compulsory redundancy.

Methods to create vacancies were critical for being able to place those remaining in the organisation. E&S respondents reported that natural attrition and hiring freezes were large parts of the strategy. These were seen as more effective in areas of high turnover, for example, in contact centres. Early retirement and incentivised voluntary redundancy packages were also imperative for stimulating the creation of vacancies. As discussed, workers eligible for early retirement were nearing the age of retirement and would likely have had long tenures in the organisation. Some local authorities were reported to have actively encouraged anyone over 50 to exit, noting that these workers would also have access to their pension without penalty from the state. The financial payback for the organisation was aimed at recouping salary savings within three years to five.

The specific procedures for redeployment and internal transfer arrangements depended on the organisation and these tended to have been negotiated with the respective trade unions. Organisations made use of internal vacancy pools to place workers, and redeployment pools as a means of utilising unassigned labour until substantive posts could be located. Vacancy and redeployment pools operate in conjunction with each other. As jobs are eliminated or modified in ways that would have made the worker

compulsorily redundant, individuals are consulted and presented with their options. Options may include moving into early retirement or incentivised voluntary redundancy or into the redeployment pool for redeployment. If redeployment is selected, the individual reports to a different line manager, signs an agreement that she will undertake tasks, short-term projects that would have otherwise been seconded or filled through fixed term contracts commensurate with her current grade.

HR official from a large public agency reported that their HR team tried to match redeployment assignments as near as possible to the substantive grade of the individual to give the individual meaningful work, utilise their skills and to get 'value for money' due to the salary protections. The official also reported a concerted effort to expose individuals to other areas of work to broaden their organisational specific knowledge and skills.

Unions reported that the redeployment pools were an important mechanism for preserving workers grades, terms and conditions during the period of uncertainty. The individual maintains her current contractual terms and conditions, including rate of pay and contractual payments or allowances – such as those for roles with anti-social hours. Any non-contractual payments are ceased. The individual should be given time to undertake meaningful job exploration and search. Individuals are expected to be fairly flexible in accepting the redeployment posts that they are offered as long as they have the skills and the ability to undertake the role at a basic level, usually at the same grade or one below.

To move into a substantive alternative post, the redeployment individual is expected to apply to jobs posted on the internal vacancy boards following normal internal recruitment procedures. Although individuals are most likely to seek vacancies at their current grade or one below, they could apply for posts at a higher grade and be successful if they had the necessary skills and competencies.

This mechanism, while available for all affected workers, was expected to have the most benefit for those in lower grade roles. More complex, skill-specific roles in the higher grades were thought to be more difficult to match from the existing slack labour supply. There was also a greater number of lower grade jobs available and greater turnover amongst them, increasing the number of vacancies.

## 8.2.2. Barriers to job quality in redeployment

Restructuring, particularly where there is an approach of nCR, is complex and multifaceted. Employer representatives and senior officials reported that public sector organisations had limited experience undertaking large scale restructuring. They expected



this to lead to ‘shock’ at the loss of job security for affected workers and those secure in their present roles, while at the same time needing to maintain a productive workforce. Responding to these issues and supporting the workforce presented a ‘learning curve’ for all workers and also for their managers.

In many cases, it’s possible that you never build that trust back up. In a compulsory redundancy, you’d be able to get rid of those who can’t continue to trust the organisation, but that’s not an option with no compulsory redundancy. (Head of HR, Scottish Public Agency, 2013)

Expert respondents reported that HR functions had important roles in supporting and managing the restructuring process, working closely with workers, and with senior and line management. Both HR officials and union representatives needed to ensure that processes followed the law. Challenges in this area were, for example, in the creation of new and interim posts for redeployment workers. The redeployment status preserves the person’s terms, conditions and pay while seeking a permanent post. However, in areas where new posts were being created, there were concerns around scaling back of terms and conditions, which would be reduced in the substantive roles. Similarly, there were concerted efforts to undertake job evaluations as part of the restructuring process. However, despite this, in interim posts, there were concerns about jobs being advertised outside of negotiated pay scales, for example, allowing for ‘responsibility allowances’. This had broader implications as these new, promoted posts were falling out with the existing pay bands.

The affected individuals were seen by the organisations as responsible for their own key decisions regarding their continuity of employment – either accepting an incentivised exit package or seeking work internally. Despite the individualised focus, workers needed support to ensure they moved into equivalent quality roles so that they remained best utilised. Given the stress of job loss, respondents expected workers to require encouragement and further development before pursuing their internal job search. Several HR advisors reported that they provided one-to-one sessions and workshops to support workers in identifying transferrable skills, offering refreshers on the interview process and training on how to complete competency-based interviews. They reported that mid-career and older workers sometimes felt disadvantaged by the focus on competency-based selection and that these workers needed help in their jobs search, more than younger workers and recent hires.

HR officials also recognised that line managers were often best placed to support the affected workers in identifying skills and areas of interest elsewhere in the organisation. However, line managers needed the support from HR officials in delivering the job loss

news and providing useful information to the workforce. Given the unease in delivering job loss news, HR were particularly concerned that line managers were not always providing workers with clear, ‘without a doubt’ information.

At the end of it, you’re still sitting there wondering [...] ‘so have they, or have they not, told that person that their job is going?’ Because [managers] say it in such a roundabout way, you could be coming out of the meeting [...] going, ‘what does that even mean?’ (Head of HR, Scottish Public Agency, 2013)

Getting line managers to behave sensitively and appropriately was critical as they are the ‘first port-of-call’ for information and guidance once the initial shock of job loss wears off. Describing a recent redundancy experience, the head of HR in one organisation explained that they pulled all of the senior and middle managers together to provide basic training. The managers reported that they did not take the session seriously and that they did not expect delivering job loss news to be difficult. However, the post-announcement feedback from managers was that they should have better engaged in the process and used the information provided. The HR officials reflected this was part of the learning curve and based on ‘lived experience’ of the redundancy process.

Redeployment processes were reported to be implemented most smoothly for workers where HR and the line managers were both involved and knew the individual and her specific situation in order to make the best suited matches.

The success of the system has a component of being able to work with the individual... Build the trust [and] the confidence again, and of understanding what they need... So advising them, pushing them [towards taking training course or advice], but you can only do that if you get to know an individual. (Head of HR, Scottish Public Agency, 2013)

However, the ability to be involved so intensively in large scale restructuring and to provide comprehensive support and information for union representatives, workers, line and senior management was hindered by cutbacks in the HR function. As a back-office function, HR was one of the areas affected by current trends in restructuring in many organisations. In the organisation discussed above, the HR department had already undergone two restructurings while the rest of the organisation was still undergoing changes. The implication of this is both the loss of resources and a loss of expertise. This led to confusion, misinformation and a higher risk of non-compliance with legal requirements as those with the expertise were themselves experiencing job loss. It was reflected that ‘HR should be the last area to be restructured’. Indeed, HR themselves reflected that when their function was well-resourced they were better able to support good quality matches between vacancies and workers.

<b>Job Redundancy Measures</b>	<b>Drivers for maintaining job quality</b>	<b>Barriers to maintaining job quality</b>
Worker transition via <b>Transfer of Undertaking (e.g. outsourcing)</b>	<ul style="list-style-type: none"> <li>Legislative framework on preserving terms and conditions</li> <li>Union involvement</li> </ul>	<ul style="list-style-type: none"> <li>Reclassification of work as 'new work' with modified terms and conditions</li> <li>Lack of clarity on whether part of 'interim' posts or final promoted posts</li> </ul>
Worker transition via <b>Redeployment</b>	<ul style="list-style-type: none"> <li>Expected to benefit low and mid-level workers</li> <li>Keeps workers in activity while searching for internal jobs</li> <li>Offers access to range of new work experience and sources of organisation knowledge/skills</li> <li>Protects terms and conditions while seeking new internal job</li> </ul>	<ul style="list-style-type: none"> <li>Expected to be less useful for those from jobs with specific skills and higher levels</li> <li>Unclear about longer-term feasibility of 'pool'</li> <li>Limited job stability for individuals in the pool</li> <li>Moving out of redeployment is constrained by available vacancies of substantive posts</li> </ul>
Worker transition via <b>Internal job search</b>	<ul style="list-style-type: none"> <li>Density of lateral jobs in organisations/departments in local area</li> <li>'Less competition' than applying externally</li> <li>Individual self-efficacy &amp; organisation job seeking support for job-person matches</li> <li>Access to 'trial' periods in the employment protection legislation</li> </ul>	<ul style="list-style-type: none"> <li>Limited availability of comparable/lateral jobs in 'post-restructured' organisation</li> <li>Whether the job is part of 'post-restructuring' structure or an interim post</li> </ul>
<b>Worker Redundancy Measures</b>	<b>Drivers for Job Quality</b>	<b>Barriers to Job Quality</b>
Worker transition via <b>Incentivised (Voluntary) exit</b>	<ul style="list-style-type: none"> <li>Additional financial resources for job search</li> <li>Expected to have already identified equivalent/better opportunities before exiting</li> <li>Employee-driven decision</li> </ul>	<ul style="list-style-type: none"> <li>Fewer equivalent jobs in public service organisations</li> </ul>
Worker transition via <b>Early retirement</b>	<ul style="list-style-type: none"> <li>Not application as stakeholders expected individuals to withdraw from the labour market</li> <li>Where individuals did not withdraw from the labour market, they are expected to voluntarily choose to accept part-time, lower skilled work ('wee part-time job') as a source of pass-time or likely provide unpaid caring support for family (women).</li> </ul>	

### 8.3. Labour market context and expected outcomes

The focus in the workforce reductions was to incentivise those preferring to leave – notably older workers – while retaining those who wanted to stay. As such, experts had views on both the internal and the external prospects for workers affected by redundancy.

As discussed, the redeployment process was expected to benefit workers in lower grades due to less role-specific skill sets, more transferrable skills, and lower barriers to entry into a greater number of roles. These workers were also expected to be more inclined to accept incentivised schemes because of less differential pay in lower grade roles in the private sector – particularly in administrative and clerical roles. For individuals in middle and higher grade jobs, there may be a scarcity of equivalent roles in the internal job pool. However, the person was expected to have a better chance of access as the competition was restricted to internal candidates. There was some identification of organisational siloing, which may hinder individuals from accessing all internal vacancies. In general, however, expert respondents expected that those wanting to stay in employment in the public agencies would be able to find an alternate job role.

Due to the bias towards older workers, E&S respondents assumed that most workers exiting would withdraw from the labour market and many would take on (unpaid) caring responsibilities. This latter assumption about withdrawing for unpaid caring responsibilities for grandchildren was only directed at women, not men, who exited on early retirement packages. Where early retirees might seek further employment, stakeholder respondents expected these jobs to be in lower level positions with fewer responsibilities and pressures because of reduced interest in working at a higher capacity and reduced financial need. Working part-time or less was also described as pastimes or even as a hobby, rather than as part of work. This assumption about post-exit outcomes affected the available supports for workers. Transitional supports tended to target financial education and pension information with little discussion of supports to assist workers to find alternative employment.

Employer and union respondents argued that public sector workers have highly transferrable skills, which would benefit them in further employment. Most doubted, however, whether individuals would seek work. Where workers might want further employment, stakeholders discussed several prospective scenarios. Firstly, considering the issue of depressed local labour markets in large parts of Scotland, displaced public sector workers would have little trouble accessing work because of their recent work history. This would place them at the front of the ‘jobs queue’, ahead of a local workforce with longer spells of unemployment. This may be particularly the case where individuals were

looking for 'wee part-time' jobs rather than equivalent employment. A second scenario was that, due to the scale of public sector restructuring across the whole of the Scottish and UK public service organisations, there would be fewer equivalent chances of moving into the public sector, few equivalent roles in the private sector and the issue of geographical matching of the decent vacancies and the newly unemployed. The third sector was identified as potentially offering similar types of jobs, but would have reduced terms and conditions of employment. Expert respondents did not expect that workers would be moving into the third sector. They emphasised 'wee, part-time jobs' and withdrawals from the labour force.

### 8.3.1. Labour market interventions

The expectation from workplace stakeholders and public sector officials was that most of the affected workers would voluntarily withdraw from the labour market, and therefore have little need for labour market interventions. However, stakeholder respondents from labour market programmes and interventions provided an overview of what would be available should individuals continue job seeking.

The first response for workers affected by either the threat of or redundancy would, ideally, be an interaction with the Partnership Action for Continuing Employment (PACE) initiative. PACE is coordinated by Skills Development Scotland (SDS), which involves 22 organisations, including the Department for Work and Pensions (DWP) through the JobCentre Plus service, local authorities and training providers. PACE offers a coordinated interface between the various services. This service is freely available, providing information sessions prior to the losses and supporting workers thereafter. The rationale is to reduce the number of services individuals or employers would need to contact separately. PACE, via the partners, provide information session to affected workers on accessing benefits, making claims, accessing retraining and employability support and does not have restrictions on which sectors and organisations they will support. While badged as an interface intervention, the same supports are available to workers by similar agencies without the formal partnership to workers in the rest of the UK.

PACE are notified of redundancy and job losses by central government when the employer files the formal notification of redundancy with the UK Government. However, where there are no redundancies which are not through early retirements and other incentivised schemes, the employer may notify PACE directly. Alternatively, PACE may get in touch with the organisation if notified through public announcements. PACE relies on employers knowing about the service offered by the organisations in the partnership

and taking the initiative to get in touch with any of them. This requires organisations to be aware and feel the service is relevant and appropriate for their workforce. At the time of the interviews, PACE was trying new communication strategies to make the general public aware of the initiative, such as radio advertisements. In the case of public sector workers, where whole facilities were not closing, but rather small numbers of individual workers were leaving via various tactics from a number of facilities, it was difficult for PACE to access and support workers. Small batches also made providing group information sessions very challenging.

Beyond the initial interface, workers may access income benefits through the JobCentre Plus. The individual would first need to exhaust any severance payments paid by the employer before signing on to benefits. In the first instance, individuals with the accumulated contributions would likely access Contribution-based Jobseekers Allowance (JSA), which is only available for 6 months – although previously available for up to a year. While redundancy payments should be excluded from calculations for contribution-based benefits, if the individual had savings or money left on those payments when seeking income-based (means-tested) benefits, this would count towards the individual's income. Both redundancy payments and access to pensions could take the individual over the means-tested threshold for assess JSA.

Even for individuals with no caring commitments, contribution-based and means-tested benefits provide very low levels of financial support but have high levels of compliance requirements, with possible sanctions/penalties for non-compliance. The length of time that it takes to process benefits claims and the low levels of financial support can put individuals in 'very difficult' financial situations, straining households quite soon after the job loss. Interactions with the benefit system are primarily online and through scripted call centre interactions. The key concern raised around this was that benefit recipients could find themselves disallowed based on the wording of their responses.

Individuals on benefits can access housing and council tax benefits. While this provides some financial reprieve, for individuals in private rented accommodation, the difference between the cost of rent and the allowance falls on the tenant, rather than the landlord. Furthermore, for individuals with mortgages, there is limited support available for interest-only at the rate of the Bank of England. This may have implications for displaced public sector workers.

Benefits will not be enough to cover it! If you have a mortgage, you've got problems! After week 13, you have to start paying the mortgage. It used to be 39 weeks, but with recession, this is a major problem for homeowners.

You work, you pay into the system, and then you're pretty much destined for the poverty trap. The only way to avoid the poverty trap is to stay in work. It's the people with the reasonable income that are probably the worst off when they lose their jobs because of mortgages, their age range, etc. (Welfare Rights Officer, Local Authority, 2012)

Individuals would be able to have access to one-to-one appointments with an advisor at the Job Centre Plus. They might refer the person to more specific training interventions depending on their circumstances. While careers advisors have been scaled back, some in-person appointments were still available. Basic interventions include support for CV writing and computer use. DWP may also be able to subcontract for short training or employability supports, if there is sufficient demand in a local region.

The emphasis for those recently moving out of work or at risk of losing work is on 'short, sharp' interventions. For example, through *Rapid Response*, an individual either at risk of redundancy or within 6 months of the job loss can access funds for a short course. The training is not intended to facilitate a change of career direction, but rather may provide a competitive advantage to the individual in the labour market or be a certification that an employer would otherwise need to pay for – for example, food handling certificates.

Where individuals are out of work and on benefits for longer than two years, they may be directed to the Work Programme – a sub-contracted programme with elements of compulsion and voluntary support interventions. These interventions are not likely to be the main source of support for displaced workers given the targeting of the long term unemployed and individuals with multiple barriers to re-employment.

Experts and stakeholders from policy and service providers reiterated that skills development is a devolved issue in Scotland. Therefore, coordination between UK-level agencies and those in Scotland was required and this added additional administrative coordination compared to elsewhere in the UK.

## 8.4. Summary of expected transitions

These last sections have presented the views of the range of stakeholders and experts from workplace and labour market organisations in Scotland. On the whole, the policy focus of no compulsory redundancies led to the use of incentivised exits and early retirement schemes to stimulate vacancy recreation alongside forms of internal redeployment. Despite the economic downturn and weak demand for labour in the external labour market, stakeholders had limited expectation that these workers would want to seek further employment. They expected individuals to move into retirement, or, at most, a low-skill, low-responsibility part-time role. If individuals were seeking work, they

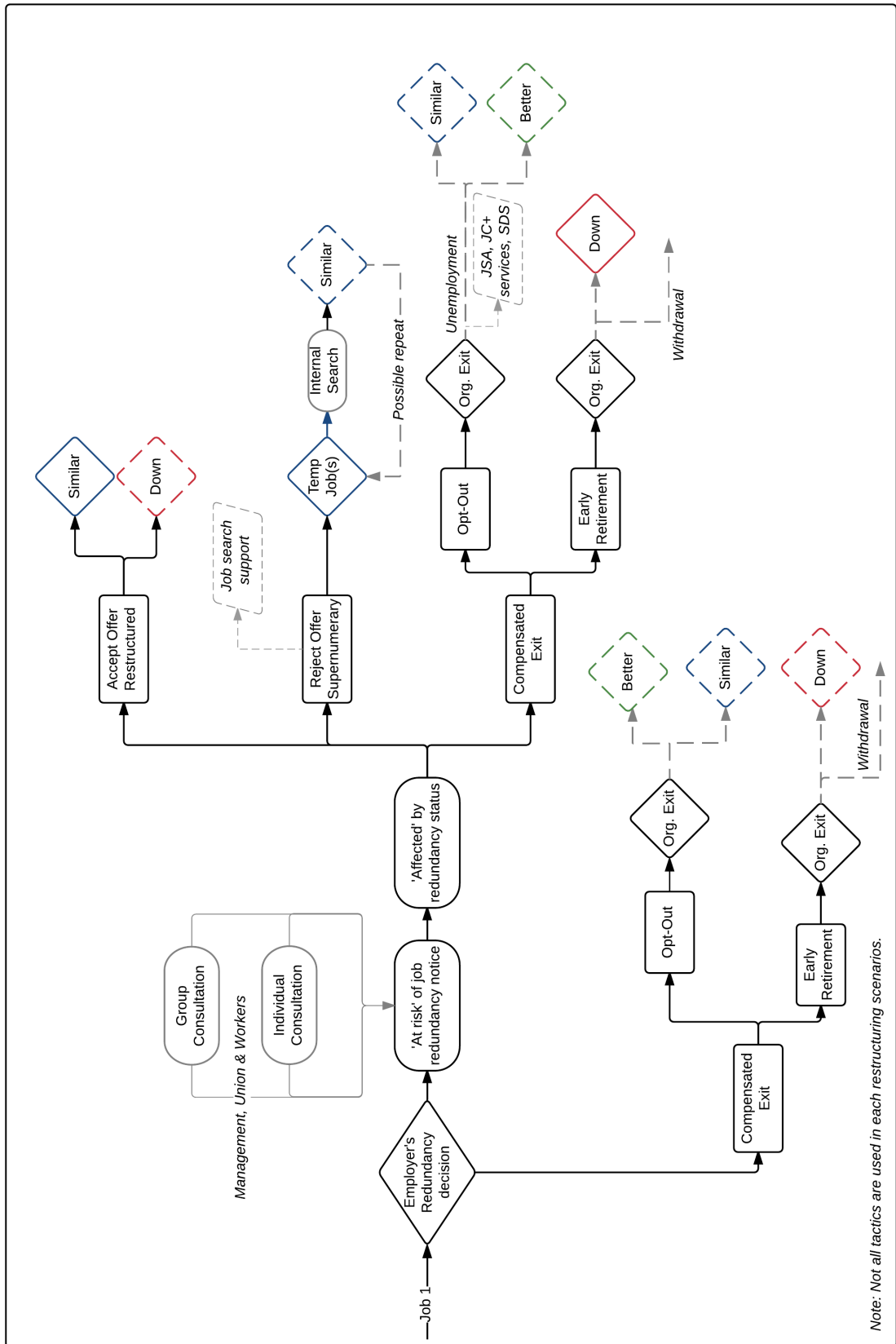
surmised that the person would have already identified equivalent opportunities prior to accepting an incentivised package. These expected transitions are shown in Figure 8.1.

Internally, stakeholders tended to have positive expectations that the mechanisms for redeployment would preserve the quality of individuals' work. Those stakeholders from HR functions counted on internal redeployment as a means of preserving organisational commitment and effort from workers who had experienced breaches of trust in 'jobs for life', given that they could not remove these workers through compulsory means. While in some organisations, unions had strong working relationships with managers in the restructuring process, the pace and scale of the organisational restructuring added much confusion and complications to the process.

The subsequent section considers the experiences of displaced workers.



Figure 8.1 Overview of expected job quality outcomes in Scotland, as expressed by expert and stakeholder respondents



## 8.5. The experience of the job transition process

All of the participants reported an awareness of widespread public sector reforms and the political drive to reduce the size of the workforce. The majority of the participants (18 of 19) noted there were key anticipatory events leading up to their own restructuring, although they had not necessarily anticipated their own positions would be eliminated or restructured. Through efforts to find ‘new ways of working’ with limited resources, without the use of compulsory redundancies, organisations were undergoing multiple changes in how and where employees work. Experiences of successive job transition was fairly common, and as an illustration of this issue, ‘Mhairi’ (ScW12, Administrative Support) had experienced 5 involuntary job transitions over the course of a 4-year period, leading her to request voluntary redundancy.

Ten of the 19 Scottish participants exited employment through a form of incentivised exit, and eight through early retirements, as shown in Table 8.2. Of the early retirees, several intended to return to work in lower responsibility jobs or in a consultancy capacity, although only two were employed at the time of interview and follow-up. A further two participants exited through incentivised schemes, both of whom were in employment or education and training at the time of the interview or follow-up. Only two participants exited through compulsory redundancy, both of whom were in activity – either paid or unpaid work. The remaining seven workers remained in employment in their organisation, experiencing at least one job transition. Given the differing intentions to work and that the ten who exited through schemes participated to some extent in the exit decision, the transitions of these ten experiences are considered separately to the remaining participants.

This latter portion of the chapter considers the labour market outcomes of those exiting on incentivised schemes, and the factors in the organisational and redundancy context that influenced their decision and their engagement with any labour market interventions. Subsequently, the chapter follows a similar pattern for exiting their roles through compulsory redundancy. Lastly, it considers those making job transitions following job redundancies, first considering the quality of those roles then the circumstances and supports shaping their transition.

Table 8.2 Downsizing tactic and employment status at interview (time 1) and follow-up survey (time 2)

Participant	Pseudonym	Job Role	Tenure in Public sector (years)	Type of job transition	Status at time of interview	Status at time of follow-up survey (approx. 6 months later)
ScW01	William	Pensions Processor	37	Incentivised early retirement	Not seeking work - medium term	In voluntary unpaid work, not seeking work until one year after exit
ScW02	Morag	Student Admsor	19	Incentivised early retirement	Not seeking work - long term	Retired, in short education courses
ScW03	Cathy	Administrator	37	Incentivised early retirement	In another job	In same job as time of interview but reduced hours to accommodate younger colleague
ScW04	Glynis	Unit Head	36	Compulsory redundancy	In another job	In same job as time of interview and also about to start full time education
ScW05	Jim	Quantity Surveyor	31	Incentivised early retirement	Retired	-
ScW06	Theresa	Community Worker	26	Employer-directed redeployment; Incentivised early retirement	About to start another job, better in terms of content but lower remuneration and short contract	-
ScW07	Emma	Receptionist	4.5	Compulsory redundancy	In a similar administrative role in another organisation	In a different, similar role but seeking work as it is highly stressful and very demanding'
ScW08	Debbie	Trainer	8	Incentivised voluntary redundancy	Not in work, wants to be	Worked in 3 month role, now in full-time education. Not seeking work.
ScW09	Dawd	Senior Mechanic/Trainer	14	Incentivised early retirement	Not seeking work - short term	Not in work, not seeking work in the medium term but has been offered 'small' jobs.
ScW10	Kirsty	Office Manager	24	Incentivised voluntary redundancy; awaiting redeployment	In another job - entry level, lower level and lower rate of pay.	-
ScW11	Eleanor	HR Officer	8	Employer-directed redeployment; awaiting redeployment	Transferred to another job; awaiting further restructuring	-
ScW12	Mhairi	Administrative Support	4	Employer-directed redeployment; Internal search (secondment); request voluntary redundancy	In another job; awaiting further restructuring. Requested voluntary redundancy and seeking work outside organisation.	-
ScW13	Aileen	Trainer	26	Incentivised early retirement	Not seeking work - short term	Not in work - not seeking work in the longer term. Contemplating relocated elsewhere in country.
ScW14	Jasmine	Clerical Assistant	2	Employee-directed internal search	In a better job in the organisation; better suited.	In an even better job outwith the organisation; has relocated to elsewhere in country.
ScW15	Julie	Coordinator	3.5	Employer-directed redeployment; employee-directed redeployment (x2)	Redeployed to another job; restructured several times; awaiting further restructuring	In same job as at interview, well-matched job but current anxious as location of work is due to move which presents challenges for personal circumstances.
ScW16	Judith	Office Manager	27	Employer-directed redeployment/transfer	Transferred to another job in new site; awaiting further restructuring	In same job at time of interview however expecting to need to search for work. Reported low morale at work due to workers being 'uncertain of the future of their posts' and little communication or updates of timescales by employer.
ScW17	Colin	Operations Manager	6.5	Employee-directed redeployment; employee-directed internal search	In another job; awaiting further restructuring but searching for other work.	-
ScW18	Alistair	Divisional Manager	7	Employee-directed redeployment;	In another job	-
ScW19	Susan	Assistant Head of Services	33.5	Incentivised early retirement	Not seeking work - medium term	-

## 8.6. Outcomes following incentivised exits and early retirement

Just under half of the Scottish participants (8 of 19) exited their roles through an early retirement scheme and two exited on enhanced 'voluntary' (incentivised schemes). Given the similarities in the reasons for exiting and the varied labour market attachment of workers who exited through some form of package, these are considered together. As anticipated by many of the expert and stakeholder respondents, many of those taking early retirement packages intended to or had withdrawn from the labour market for the foreseeable future. Similarly, in line with stakeholder views, those who had exited on incentivised schemes had also identified alternative opportunities and found remaining in the organisation untenable. The eight individuals who exited on early retirement packages ranged in age from 50 at the youngest to 60 at the time they exited their roles, whereas the two people exiting on incentivised schemes were 30 and 43.

Two of the early retirees expressed little interest in any form of paid employment. One of these two people had undertaken small paid and unpaid projects that drew on his professional expertise. Similarly, the other had some plans to get involved in organised volunteer work, but had been occupied by supporting family friends with their caring responsibilities. The third is discussed elsewhere.

A further two workers reported some intention to search for 'wee part-time' jobs as a means of passing the time and earning 'spending money', but had not yet done so for quite different reasons. 'David' (ScW09, Trainer), was the youngest early retiree at age 50 and was interested in working to pass the time until his wife could take early retirement and until his children were independent. 'William' (ScW01, Pensions Processor) had been aware of and calculating the optimal time for him to retire under the successive round of early retirement campaigns. He was waiting until the new financial year due to the tax implications of starting a low paid job in the same year that he had earned a full-time, senior level wage. He was not wedded to the notion of moving back into work, recognising that there might be limited available jobs in his remote community.

Two further participants from relatively senior positions reported some intention to continue in work, preferable as self-employed consultants related to their knowledge areas from work. Neither had yet moved forward with this. Since exiting work, both had been occupied by caring for relatives and dealing with the estates of deceased family members and household issues.

Two early retirees had moved into work, although with different objectives. One was looking for lower responsibility work, while the other wanted to return to complex, interesting work that she had lost through successive rounds of public sector cutbacks (discussed in the next section). The first, 'Cathy' (ScW03, Administrator) moved into part-time receptionist work earning minimum wage before moving to a less-stressful, low paid receptionist job following her exit from her full-time work. At the time of her exit, she intended to seek further employment with fewer responsibilities and pressures, where she "can go home at night and not have to think about it". The income from part-time work along with her pension provided a roughly comparable income as her full-time work in the local authority. Following her exit, she had a brief period of claiming JSA, before securing a job paying slightly over the 2012 national minimum wage (NMW). She subsequently moved into the role mentioned above which paid slightly more and was less demanding. At the time of the interview, she was contemplating reducing her working hours to accommodate a younger staff member with more hours. This suited her as her partner was going to be moving into retirement as well.

Similarly to 'Cathy', 'Kirsty' (ScW10, Office Manager) had exited on an incentivised voluntary redundancy package when her role was going to be expanded and would have had to compete for the deteriorated version of her job. She had little information about other options such as redeployment or deployment pools and did not want to pursue roles that were located far from her home. At the time of her exit, she had no intention to seek work right away, but rather wanted a 'break' following the stress of the restructuring process. After her break, she approached the JobCentre Plus to claim JSA and began actively job searching. She came across an entry-level clerical role in her former organisation, which she applied for. The role was significantly lower responsibility than her previous role, dropping from a Grade 6 post to the Grade 1 vacancy. She applied for the role because she felt that she was able to do the job and that she did not enjoy job searching. Objectively, this new role was a significant step down in terms of applying her skills and experience, her wages and her lost seniority. Despite this, she reported that she enjoyed not having to manage people and ensure the responsibilities of the unit. She reported that once the wide-spread organisational change and restructuring 'settles down' that she would prefer to 'climb upwards'.

Only two people who exited on schemes went on to build on the skills developed in their pre-transition public service roles. One early retiree went into roughly equivalent, longer-term 'career-like' employment, while one person enrolled in a postgraduate degree in teaching, building on her role as a trainer in the public sector. Both took these exits due to deteriorating conditions in their jobs, high levels of stress and health issues stemming from work-related stress. Due to the poor conditions in the organisations, both intended

to leave with or without the enhanced exit packages. Both reported these transitions to be positive.

## 8.7. Push factors driving incentivised exit decisions

The participants who exited their jobs through incentivised and early retirement schemes reported the financial incentives in the schemes alone were not sufficient to drive exits from the organisation. Many participants stated sentiments like, “I wasn’t desperate to go”. It was the combination of push factors related to deteriorating job quality and working conditions that motivated participants to leave. While most participants had lengthy notice periods or participated in selecting their exit dates, three people had very short periods of notice driven by the organisations’ attempts to achieve their desired reductions before the end of the financial year.

This section considers the economic incentives in pushing individuals from work before considering access to information about alternatives and deteriorating job quality as influences in participants’ decisions. Lastly, the section considers the supports available to them in the redundancy and labour market context.

### 8.7.1. Economic positions: A push and pull factor

Participants were not solely motivated to exit based on the generosity of the exit packages. Instead, the real value of the packages was increased by the real loss in wages from the public sector pay freezes and rising costs of living. The downward pressure on take-home pay improved the economic attractiveness of leaving. For example, ‘William’ (ScW1, Pension Processor, age 57) had 37 years of service. He explained his economic rationale for applying for early retirement:

I’m 57 – three years before my pension kicked in. I thought, well... there’s no pay rise... for the next three years. [...] Because of my salary and my position... I wouldn’t get 1% [...] I wouldn’t even get 0.25% because that would go to the lower paid workforce. [...] So basically the thought of working all three years without any pay rise... and I’m commuting. [Transportation] prices have gone up. To me, that wasn’t cost-effective to continue working... My final pension is not going to be any different [now] than it’s going to be at 60. (‘William’, ScW01, Pension Processor)

This sentiment of parity in the final pension to wages when factoring the cost of living and pay freezes was echoed across all of the early retirees. For these participants, the gains for staying in work were outweighed by the pay freezes, rising costs and stresses of

work rather than the generosity of the early retirement schemes alone. However, these calculations and financial awareness were common among the older early retirees (over 55), whereas this was less prominent among those aged 50 to 55 and people leaving on incentivised ‘voluntary’ schemes.

## 8.7.2. Access to information to leave or remain

There were two main scenarios expressed by participants in terms of information provided. Many workers exiting on incentivised packages had long periods of time where they were aware of the packages on offer and could plan their transition and its timing. These workers were not those at risk of job redundancy but were part of the general headcount reduction. Other participants whose jobs were at risk reported little information about alternatives other than exiting, which resulted in feeling ‘pushed out’ of the organisation.

Of the first category of workers, most applied for exit packages in the second and third rounds of exits. This allowed them to observe the process, provided additional time to evaluate their decision and make financial and personal arrangements. In doing so, they tended to have high levels of control over when they left work – in both broad and specific terms. Most looked to time their exits strategically to maximise their pensions or align with ebbs flows of their work.

The other four participants who exited on incentivised packages had very little notice and little time to plan – two on early retirement schemes and two on incentivised exit schemes. These participants applied to the exit schemes as a response to their work situation rather than for the opportunity to leave. They reported limited information about the process, timing or alternatives other than exiting. Three reported that it was not immediately clear from the documentation whether or not ‘playing’ with the online calculator was itself considered an application of interest to exit. ‘David’ (ScW07, Trainer) submitted his calculations out of curiosity, without the full intention of exiting. The other three submitted theirs with the intention to exit.

We never really got told very much about it. [...] It was a bit of a farce, really. They sent out an email and you went onto the Intranet, and it had a calculator for you to work out what you would be getting [if you took the package]. [...] It was just really confusing. So a lot of people put in the form looking for, ‘what will I get’, not ‘I’m taking it’. But there was no clear indication... I read it as being an application and I was applying to leave, whereas some people put it in as, ‘I want to see what my figures are’. (‘Debbie’, ScW08, Trainer)

Beyond the lack of clarity surrounding the applications, these workers also reported a lack of information about alternatives other than exiting the organisation. ‘Debbie’ (ScW08, Trainer) knew that she would be returning to role from which she had exited for a work-stress related leave. She saw no other option but to leave. ‘Theresa’s’ (ScW06, Community worker) and ‘Kirsty’s’ (ScW10) jobs were at risk through significant restructuring, with little information about the new structure. For ‘Theresa’ (ScW06), she had not initially considered leaving the organisation, thinking she might be redeployed, but changed her mind due to a lack of information about any other options.

We had had no more information from our managers. So no information about [...] what the newly formed service would look like, no information about any possible redeployment opportunities, and the only information that we could get for ourselves was the redundancy package. (Theresa, ScW06, Community Worker)

In line with the views from expert respondents, several workers did not consider their exits to be ‘voluntary’ because they lacked other options. The lack of alternatives, pressures on exiting and the deterioration of work compounded in feelings of being ‘pushed from work’.

If you take voluntary redundancy or voluntary retirement, the money you get is more than compulsory. So nobody in their right mind would take the compulsory. *[Laughing]* It’s a little bit of a blackmail, if you like, from the Departments. That way they can say there are no compulsory redundancies. (Aileen, ScW13, Trainer)

Where participants were sufficiently frustrated and angered by their employment situation, they actively searched for alternative work, without having clear information about their exit. These people drove their exits based on their own timing and circumstances.

I think if you’re going to make an informed decision about the future, you need to know all the options. And we didn’t. We didn’t know all the options. (Theresa, ScW06, Community Worker)

Therefore, exiting became the only viable option perceived to be available.

### 8.7.3. Deterioration of work as a push factor

All the respondents who exited on a package recognised and anticipated that the drastic reductions in staff would reduce the quality of the work in the organisation. Participants had identified that their jobs had been good jobs, which had provided development and progression over their careers, had autonomy and decent rates of remuneration. Most



recognised an intensification of work and increased demands leading up to the current period of restructuring. They reported that the current changes to work were expected to further deteriorate their jobs. This was a strong motivator behind their exit decisions.

Workers reported increased pressures due to large numbers of people leaving the organisation and more work-related stress. The financial packages on offer provided an easy escape from a deteriorating environment. The sentiment of ‘why stay if you can leave’ was prevalent among these workers.

‘Cathy’ (ScW03) reported the loss of discretion over how she did her work and managed her time once her work was restructured to a Shared Services format. The loss of flexibility and increased demands with the loss of organisational support conflicted with her family responsibilities.

I was going through an awful personal time with my [family member]... I’d be getting phone calls at work... she’s locked [out of her house], or, ‘we’ve found her wandering about Tesco’ [...] So I had people phoning me, people phoning before I went to work, getting phone calls at my work... she was supposed to have a robust care package! [...] I’m working full-time. So I had all that stress, plus the stress of being [at the Shared Service Centre], and it just eventually... you know, kind of made my decision for me. (Cathy, ScW02, Administrator)

Many participants discussed an increasingly negative experience of work. ‘Susan’ (ScW19, Assistant Chief of Service, Local Authority) felt that work in her organisation was changing and was becoming more demanding with fewer resources. She reported a fatigue with the continuous cycles of restructuring of services and the loss of experienced workers. She felt under pressure to provide tacit knowledge for the organisation on top of her increased workload as a senior employee. Therefore, the combination of changes to work, the increased pressure, and her desire for more quality time for herself and family with the financial incentives motivated her exit decision. Although she “loved” what she was doing, remaining in the organisation would not become a good experience of work.

Workers consulted their families before making decisions related to their exits. For all of the participants, the personal contacts of the participants were supportive of the participants’ decisions to exit.

Because of the work experience [I’d been having], everybody that I’d been speaking to was saying, “Get the hell out of there! Get the hell out of there, it’s not healthy. It’s not healthy; you have to get out of there”. (Theresa, ScW06, Community Worker, Community Development)

The intensification of work was adversely related to the health of many of the workers, with two participants having experienced periods of stress-related sick leave. Given the stressfulness of work and the increased demands that would be placed on them and that stress was a trigger for their health issues, these workers cited that concern and the anticipated deterioration of work was a reason to exit the organisation.

I wasn't happy with the way it looked as if it was going. [...] My health came into [the decision] a wee bit because I've got a history of depression – and stress is definitely a contributory factor. It was a big contributory factor to the two bouts that I'd had. ('Morag', ScW02, Careers Advisor).

While 'Morag' health concerns related to anticipated changes, 'Debbie' (ScW08) was experiencing stress-related health issues at the time of her exit. She had sought help from the organisation and requested a move to a different role in her unit and requested assistance with her workload, which were denied.

I did ask for help [...] because the work load was so heavy and I was slightly emotional – as you are with stress. [...] [The Superior decided] it was going to stay like that [...] All in that patronising kind of [way]. I went off sick about a week later... I couldn't even be in the same room as him. [...] I would be going back into the same situation [after sick leave...] that I was coming out of... So my options were quite limited because I didn't want to go back. So my option was probably leave. (Debbie, ScW08, Trainer)

These workers reported both current and anticipated increases in work demands and pressures, threats to job security and stresses that affect their health with limited organisational support. The deteriorating conditions of work served as an enticement to 'get out while you can' for those who are able to move into early retirement.

#### 8.7.4. Exit supports for incentivised exits and engagement with labour market interventions

The supports available from their employers to early retirees and those taking incentivised exit packages focused on financial education and pension information provision. The information sessions had some influence over decisions related to pension pay-outs, such as lump sums or monthly payments.

Access to individualised support from the HR function was varied. Some participants reported that even in one-to-one sessions, the quality of the advice was not specific to

their situation and was not useful. There were also limited availability for sessions being offered.

They had an early retirement [session] [...] but they only ran it now and again, and it wasn't available when I was leaving. They did say they could possibly arrange to have a one-to-one over the phone with an expert, but I'd already looked up my own information and knew what I was doing, so I didn't waste the time. But no... to be honest, I think, for the people who were in my position, they didn't get much help at all. (Aileen, ScW13, Trainer).

Workers also reported limited support related to job search and continued labour market participation. Workers with further work intention reported little to no supports related to finding and applying for work, even though many had not written a CV or attended a job interview for several decades. Many workers reported confidence issues related to their job search self-efficacy. Lack of confidence in job searching was a concern identified by these workers, although they were successful in securing other work with the support of personal networks. Workers' job search concerns also appeared to be compounded by the threat of competing with former colleagues who were also losing their jobs.

We were joking about [job searching] in the office actually... how there would be this pool of us, probably meeting up at different interviews for all the same jobs, and I was saying, I'll be the last one. I'll still be here in 6 months and you will all have jobs. I never thought in a million years [I would get a job so quickly] (*laughs*) ('Theresa', ScW06, Community worker).

The resounding sentiment was the available supports were targeted to people exiting work at the statutory retirement age, rather than early retirees or younger voluntary exits. The content was narrowly focussed on financial information related to pension and retirement savings. The timing of these workshops did not always coincide with the exit dates of workers, leaving them unable to access these supports. For workers with further work intentions, there were no supports related to writing CVs, attending interviews or related to further employment.

Participants that wanted to access alternative employment were generally on their own and received little support from the displacing organisation or from labour market programme providers. Two participants, 'Cathy' (ScW03) and 'Kirsty' (ScW10), were the only participants to claim JSA and engage with LMPs. 'Kirsty' attended a half-day workshop, but was subsequently told that if she was not looking for work immediately, there was no further assistance that could be provided. She said, "Their idea was that you finish work on Friday, and you come and see them on Monday morning", which did not align to her circumstances. When she did decide to actively search for work, she received

assistance in putting together a CV, signing onto JSA but was not able to access any further support or development.

Because I hadn't signed on as being unemployed, and they also looked at my skill set and after a short interview – the fellow, basically said... his words were, "I don't think you'll have any problem finding another job." So I wasn't a priority for them. ('Kirsty', ScW10, Office Manager)

In her fatigue of searching for work and with the process of claiming JSA, she applied for an entry level position with her former organisation. Her move was to a significantly lower post – moving from a Grade 6 administrative manager role to an entry level, Grade 1 administrator.

Like 'Kirsty', 'Cathy' (ScW03) received little support with her job search from the JobCentre Plus and public agencies while claiming benefits. She began 'seriously' looking for work after claiming JSA, and received several interviews. Her interactions with the benefit system were positive for her job search intensity, reporting that she hated the experience of fortnightly reporting. She reported that 'they were pretty good, but any jobs I did find, I found on my own'. She identified her own job opportunities, making use of recommendations from her own personal contacts.

## 8.8. Outcomes following compulsory redundancies

While the Scottish Government policy of no compulsory redundancies influenced the majority of the exits of the participants, two workers experienced compulsory redundancies, albeit under different circumstances. 'Glynis' (ScW04, Head of Service, age 63) was at the later stages of her career and had the financial resources from her occupational pension to be able to move into low paid and unpaid work that aligned to her interests. Conversely, 'Emma' (ScW07, Administrator, age 26) was still quite early in her working life at age 26 and was looking to continue in full-time, paid employment. Both were in other work at the time of the interview and the follow-up surveys.

Their job losses arose out of organisational restructuring which would eliminate their roles altogether. Neither employer had found alternative job opportunities in the organisation. 'Glynis' (ScW04) reported her employer assumed she would want to move into retirement, whereas she would have preferred and expected to stay in full-time employment. 'Emma' (ScW07) reported a lack of alternatives due to a skills match between herself and possible roles in the organisation.

Following a distressing exit from the organisation, ‘Glynis’ moved out of full-time paid employment, reporting that she did not need the income from work. She recognised, however, that she would be unlikely to get full-time paid employment and that this would also be difficult for managing her new unpaid commitments. Despite her forced exit from her organisation, her reduced need for work-based income and her combined paid and unpaid activities, offer a degree of similarity with the retirees in this study. Like them, she would have continued in the role or organisation had her role, or an alternative suitable role, been available.

Unlike ‘Glynis’, ‘Emma’ (ScW07, Administrator) was at a different stage of her career and needed full-time, longer term employment. ‘Emma’ was part-time in her pre-displacement role and had been asking for additional hours over the course of her four years in the organisation. She had already casually begun searching for alternative employment, however the intensity of her search increased when her unit became ‘under review’. She had secured a full-time role in the week that she was advised that she was going to be made redundant, opting for pay in lieu of notice.

Her post-job-loss role was a full-time administrative role on an open-ended contract, with more responsibility than her previous role. She expected that the role was going to be more complex than her reception role and have more scope for development, learning and progression – with associated pay increases. She expected that she would have less influence over her job because it was a bigger organisation with a more narrowly defined job role.

### 8.8.1. Redundancy context

Both workers who were made compulsorily redundant were unable to be placed in alternative roles in the organisation. This had been known to ‘Emma’ (ScW07), and she had been prepared to exit the organisation prior to the restructuring. It was a surprise and disappointment for ‘Glynis’ (ScW04) who wanted to remain in work and in the organisation. Their situations were also very different in that ‘Emma’ reported a highly supportive environment and with clear information from her line manager and the head of the organisation. This was the inverse for ‘Glynis’ (ScW04).

In the statutory consultation process, both reported little scope for meaningful involvement, though they had different expectations. ‘Emma’ (ScW07) worked in an administrator role on a part-time basis in a highly technical organisation. It was clear to her that if they were reducing the size of the administrative support, there would be no alternative roles in the organisation. During the process, she reported high levels of

supervisory support and scope to ask questions. The line manager provided her with space to reflect on the initial information, discuss with her family, offered opportunities for discussion and to ask questions. While the organisation undertook its search for alternative opportunities, management provided regular updates about the situation. These steps did not change the ultimate outcome, however, she reported that it helped prepare her for the formal process and better understand the procedures, her options and the specifics of her enhanced severance payments. By the third meeting, she requested to be paid in lieu of notice, explaining:

I didn't want to drag it out. I just really don't want to be... every day you go into work, you're like, 'oh they don't want me here, they don't want me here'. That's all you can think about. You can't do your work to the same standard, so there's no point in being there. It's not good for you – psychologically speaking! ('Emma', ScW07, Administrator)

Throughout the process, she reported being treated with respect and dignity by her line managers, colleagues and senior managers. She had no control or means to participate to change the outcome of the restructuring, but this had been clear to her and well communicated throughout the process.

'Glynis' (ScW04, Head of Service) reported feeling devalued, treated unfairly and disadvantaged because of her age. Despite participating in the statutory consultation process and providing an alternative restructuring plan with her colleagues, she reported that there was little meaningful participation. She reported limited communication between those responsible for implementing the restructuring and communicating with the unit.

We provided that solution to the person who was our line manager. I thought the solution had been accepted until [...] I was told [the end of the next month by] my [second in command] would be in charge and basically that was it. It was a *very, very painful* way of this happening. ('Glynis', ScW04, Head of Service – original emphases).

Her employer had offered her an enhanced retirement package and encouraged her to exit. She reported that there was little consideration of possibilities for her to remain in employment, with the employer assuming she would want to exit due to her age. She had a lengthy legal dispute with the organisation in the lead up to her exit. She reported the employer had not properly engaged in the process of identifying a new position for her. She refused any additional payments above the statutory amount, stating she would not be 'bought off'. She insisted on being made compulsorily redundant in protest of the outcome of the restructuring. On the whole, she reported the experience was very distressing and that she was not treated with respect and dignity. Shortly before exiting,

she identified interesting volunteer work and training courses that she was interested in, which helped her come to terms with her exit.

Neither reported much in the way of specific outplacement support, although ‘Emma’ (ScW07) had already secured alternative employment in the days preceding her exit. She reported being supported even after her exit by her line and senior managers, who had offered to look over her CV and write letters of reference to assist her to get a new job. ‘Emma’ repeated frequently about the degree of support she received. ‘Glynis’ (ScW04) was offered financial and retirement information and guidance through a third party, but she did not participate in any of those, reflecting that she was not moving into retirement. Her redundancy process, as mentioned, also involved extensive negotiations with lawyers as the organisation tried to offer her a settlement, which she ultimately ended up refusing and ended up paying for her own legal counsel.

There are important differences in the individual circumstances of these two workers – including age and life stages, as well as their attachment to the work they were doing. Unlike ‘Glynis’, ‘Emma’ (ScW07, Administrator) did not feel as well matched to her role. She reported that she had been asking for additional hours since she started in the organisation, but the employer had opted to hire a second part-time administrator instead. Although her role was well remunerated ‘for the job she was doing’, she had already begun to consider leaving the organisation before the redundancy process began. In spite of these individual differences, their experiences of the redundancy process and access to support and information also offer stark contrasts that affected the stress of their experiences and how they were treated.

## 8.9. Outcomes of job transitions following redeployment

The no compulsory redundancy (nCR) policy led to a large number of participants (seven of 19) experiencing job transitions through redeployment, transfers and internal job searches. Many had already experienced more than one job redundancy and were awaiting further restructuring. Furthermore, ‘Kirsty’ (ScW10) who had taken an incentivised exit and returned to the organisation in an entry-level role was also awaiting another transition. Excluding ‘Kirsty’, five of these seven workers reported being in equivalently good or better jobs as their pre-transition roles at the time of the interview, while two reported being in worse positions. Despite the positive outcomes, these workers reported high levels of stress and uncertainty during the process. Many moved first into poor quality jobs that did not suit them. Even once in their good quality jobs at the time of the interviews and follow-up, the high levels of uncertainty and job instability did not

dissipate. Several reported a downgrading of their expectations with their positions being 'good enough for now'.

As discussed by the expert respondents, several workers had moved through multiple roles facilitated by the redeployment process. They moved from full-time stable roles which were eliminated, into short-term posts through redeployment and secondment, while trying to identify substantive positions. Many positions were extended while the person was in post, with the hope and expectation from local managers and the worker that these would turn into substantive roles. However, given that the worker was expected to continue job searching internally until confirmed in a post, issues related to timing – how long the person was in post and how long they had left in the role – were frequently articulated concerns. The discourse around their transitions was comparable to a process of 'musical chairs', where the focus is on ensuring one's place in a position at a particular grade and with a degree of security, rather than a qualitative match between the person and the role.

Given the complexities of these transition experiences, whereby the same person experienced multiple changes of job roles, these will be discussed as separate transitions, beginning with the changes to jobs that lead to the transition decisions.

### 8.9.1. Employer directed transfers: Accepting a deteriorated role

The redeployees similarly reported a pattern of deteriorating work and an expectation of further deterioration as those who had exited. Participants reported being offered transfers into enlarged roles or asked to compete against their colleagues for their jobs. Where workers lacked information about alternative options, could not exit the organisation, or did not think they could effectively compete in internal and external labour markets, they were likely to move into these roles.

Workers in more senior, mid-level managerial roles reported job enlargement and reduced capacity to support and manage their team. The new structure of mid-level roles involved supervisory tasks across multiple sites and large geographic terrains. These additional responsibilities came without any additional extra pay, with additional travel costs, and at the expense of the time to reflect on her job, or to participate in training and development opportunities. For example, 'Judith' (ScW16, Office Manager) had been in the organisation for 19 years, starting in a clerical post and progressing into a managerial role. Part of the job change involved a change of location, leading many of her colleagues to exit on enhanced packages as they reported they would not be able to afford the



commute without additional remuneration. 'Judith' did not think she would be able to find alternative work outside the organisation, noting her lack of degree-level education as a barrier to equivalent employment in the private sector. She had an additional 10 years contributions in the public sector that contributed towards her pension, reflecting that she was too young (46 years old) to access her pension and needed to maintain her employment. She accepted the enlarged supervisory role but reported a significant deterioration in the quality of work.

Others reported having much greater access to information about the job changes, the processes in the interim and the available resources. 'Colin' (ScW17, Operations Manager) and 'Alistair' (ScW17, Operations Manager) were in similar situations. They were asked to compete for a new job at a lower grade. They reported that they were unable to take an exit package and were drawn to protecting their overall employment, over the specific job they were doing – although 'Alistair' had been searching internally and externally for other work. 'Colin' (ScW17) had specifically moved to the public sector organisation after two past experience of private sector redundancy and a 6-month spell of unemployment.

When I wasn't working for six months, I was looking more for security, as opposed to a career where I would be able to move up a set career path. ('Colin', ScW17, Operations Manager)

Both 'Colin' and 'Alistair' emphasised the importance of maintaining their current grade and were confident in their past skills and experiences to risk moving into the uncertainty of the redeployment pool to look for other options. 'Alistair' also reported being supported and encouraged to broaden his internal search by HR advisors. Both moved into the redeployment pool to find alternative employment rather than accept the poorer quality role.

While more senior roles faced greater time pressures and demands, squeezing out valued aspects of the role, lower grade posts were reported to be deskilled, with valued aspects being stripped away as a means of eliminating the role. They reported a lack of supervisory support and role clarity, a connected problem to the delay and job enlargement process for the senior roles. At the lower end, some workers reported an uneven distribution of tasks between workers in the same roles, with supervisory relationships being a driver in who was tasked with the interesting activities. This led workers to report concern for the stability of the roles as the post-holder was easily substitutable. For one worker in an entry-level job, this internal precariousness and substitutability had resulted in her being transferred between 5 jobs in 4 years in the organisation through the elimination of work.

I moved into that job because my post was removed from the structure and was moved into that [3-month long job]. I'd only been in that post for a few weeks and they were [...] putting through all the paperwork to get it confirmed – and then discovered that that post was being removed from the structure. So that's why I then had to move again very quickly. I would rather have stayed in that post, but... yeah. ('Mhairi', ScW12, Administrative Support)

'Mhairi' had taken a higher grade secondment with the hopes of moving into a higher grade more permanently, but reported that most of the interesting work there was being allocated to other workers in similar roles. She reflected that her substantive post was being eroded and expected based on the information from HR that it was likely to be eliminated shortly after her return to the post. In both her substantive post and her seconded role, she reported concerns about her tasks and responsibilities being gradually degraded and that she was often being given 'busy tasks' when asking some of the managers for additional work. The chipping away of work was possible due to the broader organisational changes and the lack of complexities in her work.

All of my job is easily taken over by someone else. [...] It's not a very specialised job, so [...] anybody with some kind of admin background could come in and do it. And probably – we'll see what happens – probably at the end of June, that's what will happen... that the job will be divided up amongst people. ('Mhairi', ScW12, Administrative Support)

As her role was not currently 'at risk', she did not have access to redeployment measures, such as prioritised interviews, or the redeployment jobs, or priority for incentivised exit schemes – in her restructuring fatigue, she had applied for 'voluntary release', which was rejected. She could apply for internal vacancies in the standard process, but given the scale of the organisational changes, she was disadvantaged through lack of preference and was limited by her grade. Despite her four-year tenure, she reported a preference to staying in the organisation to maintain her pension contributions and accrued holiday entitlements, but wanted a role where she was effectively utilised and not bored.

'Judith' (ScW16) and 'Mhairi' (ScW12) reported negative job outcomes from their employer-directed transitions, where others had rejected the employer-directed offer. However, for 'Eleanor' (ScW11, HR Officer), she benefited from the changes made by the employer because it had not lead to a deterioration of work, but rather upskilling through specialisation and scope to develop skills and experience. There was little risk of job loss from the restructuring as the 19.5 FTE roles were maintained of 21 roles. While it was stressful at the time, this was largely due to the uncertainty and lack of information about the remaining roles and the new organisational structure. At the time of the interview, she was expecting another job transition but was not worried given her

familiarity with the process and her past positive experience. She also identified that given her length of service (almost a decade) and level of experience, she would be in an advantageous position in the external market and benefit from a generous severance package if she needed to exit. The way her role was restructured gave her additional specialisation which was valuable to other employers and reduced the stress of the current restructuring.

There was variation in the perceived quality of the post-transition jobs, with several workers remarking that their pre-transition jobs had deteriorated, with responsibilities being piecemealed out to other workers prior to their transition. This might have led to the roles being downgraded during the pre-restructuring evaluations prior to the person being 'at risk', thus affecting their position in the redeployment pool and the roles they could apply for. Workers appeared to move around between roles, undergoing multiple transitions – moving between better and worse roles. Participants described a pattern whereby tasks were being allocated away from some roles leading to job redundancies, a centralisation of supervisors and managers as a result of delayering, and elsewhere, job enlargement with more responsibilities for the same pay. Workers who used the redeployment pool to maintain their grade were able to move into good quality, stimulating and challenging roles after less well suited roles, but raised concerns over the stability and security of these jobs. Where employees were transferred into roles as directed by the employer, there were mixed outcomes.

### 8.9.2. Employee participation in post-transition job selection

Once put 'at risk' of redundancy, individuals reported much more scope to engage in internal career exploration and seek jobs that were matched to their own skills – if they had information about the redeployment processes and some support in their job search. Prior to the job elimination process, many organisations undertook job evaluations which had the potential to benefit the worker. Increasing one's grade point prior to formally entering the redeployment pool, as mentioned by the experts, increased the number of opportunities available to the person given that they could accept a lower grade but could not go up. Where individuals had not yet had their roles eliminated, they could identify a suitable position – either a temporary role or a substantive position – while in their pre-transition role. This was the situation for both 'Alistair' (ScW18, Divisional Manager) and 'Colin' (Operations Manager) who declined to compete for their newly restructured roles, instead taking a chance with the internal vacancies. Workers in redeployment were also allocated an advisor to assist them in accessing the right supports to be able to

undertake job interviews and to provide feedback on suitable jobs. All three of the participants that engaged with redeployment cited these advisors or HR as playing a role in informing them about suitable vacancies. 'Julie' (ScW15) and 'Alistair' (ScW18) also mentioned that these individuals, along with past line managers, were important actors in encouraging them to broaden their search criteria and apply for jobs they might have otherwise overlooked.

Those who engaged in the redeployment pool were likely to go through a number of jobs of varying durations. The reasons for the short durations varied. For some it was to try out a role before substantively accepting that post, whereas other times it was because of a fixed duration of the role with time extensions to the role. In other areas, the redeployment status was used as a place holder for preferable terms and conditions of employment and grade. For example, for 'Colin' (ScW17, Operations Manager), the focus of his job transitions was on maintaining his employment security, which was a significant driver for his entry into the public sector after past experiences of private sector redundancy. He refused to compete and move to the lower grade, enlarged version of his previous role as proposed by the employer. He opted to move to redeployment status and secured a lateral position in a 'Systems Manager' role through competitive application. This was a technical role with a long learning curve, which he expected would take some time. After a brief period in the role, he was informed that the role was slated to be downgraded by one grade. He received one month's notice to decide whether to stay in the role or to enter into the redeployment pool. He opted to move into redeployment forfeiting a decent post for more options in the longer term by maintaining his higher grade, explaining that:

So I thought... my role might not be secure in the future. I was quite happy to continue in it, but because I didn't know what was going to happen in the future... with this immediate downgrading of the role, I thought I have two options. Either to accept the downgrading of the post, which was [Grade 6] and stay in the role. [...] However three months [...], or six months [...], or a year down the line, the role might not be in the new structure and I would be in the redeployment pool [at the lower grade]. Or I could choose to go into the [redemption pool] at my current grade, at the higher grade just now, and see what opportunities develop. [...] By choosing to go into [the redeployment pool] just now, it was giving me all maximised opportunities that might develop down the line. ('Colin', ScW17, Operations Manager).

'Colin' moved to a six-month secondment as a Project Officer, maintaining his 'redemption' status. He reported that it was a good job in that it gave him a sense of achievement as he could see projects being moved from ideas to completion in the

context of a changing organisation. If offered this role on an open-ended basis, he reported that he would take it. As an interim position, 'Colin' did not feel secure in the role or that there was scope for progression or development. Given his 'redeployment' status, he was required to continue looking for a permanent post in the organisation.

In a similar situation, 'Alistair' (ScW18, Divisional Manager) moved from a specialist management role that involved a high degree of complexity and diversity of tasks into the redeployment pool when his position was being consolidated from 15 posts to 5. Unlike others, he had applied but had not been successful in securing the remaining post and was moved into 'redeployment' status. From his previous role, he knew senior members of the HR and management function who allocated small tasks and projects to him while he searched for a post in the supernumerary pool.

'Alistair' secured a 5-month post managing a contact centre, which he reported was a very bad job. It was a high pressure environment with no influence to resolve the issues and a lot of demands placed on him. This negative experience led him to change his job search direction in the redeployment pool, broadening his search from the type of management role he had previously done. He had secured a permanent project manager post that he had been in for 14 months at the time of the interview. He reported that this job was quite different from the work he had previously undertaken as the project was to deliver a complicated piece of technology to use in the field. He was satisfied in the work and he retained the same grade as his original post. He reported that he found a sense of achievement from the tangible output of the work and the improvements he was contributing towards in the organisation. For him, it was 'a good job, but not forever'. He was not sure how the role would develop over time and would be interested in seeing if there were other, better suited roles available to him.

Where 'Colin' had avoided a period of unallocated time in the redeployment pool, and 'Alistair' was able to be useful based on his previous position in the organisation, 'Julie' (ScW15, Coordinator) reported being extremely isolated and 'treated like a leper' while unallocated in the redeployment pool. Unlike the others, she had experienced one restructuring prior to her role being eliminated, and then moved through two jobs in the redeployment process. Like 'Mhairi' (ScW12, discussed above), she joined the organisation in an entry-level position to get a 'foot in the door'. While her first job was in a supportive team and provided her with a strong sense of achievement, she noted that she was underpaid for the level and amount of responsibilities and tasks she had. Her team was restructured from six to two, increasing the variety of tasks and the demands on her. She reported that the job became quite stressful and she no longer had support from her line manager and lacked role clarity. She reported that she had moved from a good

job into a bad job. To her benefit, however, a job evaluation was undertaken which upgraded her post from a Grade 1 to 3, reflecting the amount of responsibility she had. Serendipitously, this was to her benefit in the longer term.

Upon her return from her second maternity leave, she was informed her post had been eliminated and she began her formal consultation with HR. This left her in a 'limbo' position as she did not have a job to do and had not yet identified a redeployment position, unlike the others who continued in their roles while job searching. She spent four months without an assignment, applying for project work, waiting for suitable vacancies to arise and attending the occasional interview skills and job search support workshops held by the organisation. In this early period, she reported little guidance or support from the organisation. In addition to the lack of organisational support, she lacked social support from the remaining workers in the organisation. It was 'very isolating' as she was physically located with her old colleagues who were unclear of her status and how to relate to her. She reported feeling 'like a leper'. She had no work to do, no one to whom she could ask questions and where no one knew whether they should talk to her.

After four months, she was successful in a short-term appointment to a position as a trainer, guaranteed for three months. She nearly refused due to the 1.5-hour travel to work time and the need to balance her childcare responsibilities. Given the shift-pattern of her husband's employment, she had primary childcare responsibility. Her 'redeployment officer' had been the one to encourage her to take the role, citing that it would have training opportunities which might be beneficial down the line. 'Julie' reflected after the interview that the redeployment officer had been a strong champion of her taking the role and looking for ways to adjust the working pattern to three days on site and two days from home to accommodate her circumstances, adding 'maybe because we're both women, she could sympathise with my situation'.

In the trainer role, she received access to training that provided external accreditations. She also developed new skills and her manager provided lots of feedback and positive support. The three-month post was extended on a rolling basis as the unit tried to make the role a full-time permanent post. The high level of uncertainty related to the duration of this role, which she found to be interesting and good, was a source of frustration. She also received somewhat conflicting messages about her status. Line managers provided positive feedback and wanted to keep her in the role on an open-ended basis, but no concrete information could be provided as decisions were made centrally. After almost 15 months in the role, her line manager from her first, pre-restructured position approached her to gauge her interest in an 18-month project located near her home with a flexible

working pattern. Given that the trainer role could not be secured in the longer term and with the encouragement of her redeployment officer, she moved to this new role. This role is also very well-suited for her current skills and well aligned to her family circumstances. It had the potential to provide good long term prospects, but again lacked the security of an open-ended position. At the time of the follow-up survey, 'Julie' continued to find the role to be stimulating and challenging but expressed concerns about the security of her employment.

The redeployed workers were successful in moving to good or better jobs in terms of their interests, skills utilisation and the demands placed on them. However, the process is one that drives workers to look to secure a role at the appropriate grade over the nature of the job. Redeployment pools provide some flexibility and security over their status, however amplify concerns related to the security and stability of roles. Each reported residual concern about their longer term prospects, as previously articulated by the union officials. Each asked when will the no compulsory redundancy protections end, what happens to workers without substantive posts and at what point does the organisation move beyond its restructuring phase. Concerns related to the duration of the protections place a focus on finding and securing a role at the right level to be in a role when the protections stop – as in a round of musical chairs.

The one doubt that I have that no one can answer yet is: the current [redeployment pool] for the [consolidated service is] guaranteed up until March 2014; but no one knows what the agreement is going to be after [that]. So if there are people who are still in [the redeployment] pool after March '14 and haven't found a post, what will happen to them? Is that when... are they going to introduce compulsory redundancy then? Or we will continue the [redeployment]? No one knows. The union doesn't know, HR doesn't know – all they can say is that things are guaranteed up until March 2014 because I assume that they need to see how the structures and the organisation pans out over the next year. ('Colin', ScW17, Operations Manager)

Therefore, these workers saw a potential ticking clock on the time they had remaining in the organisation before they would be pushed to exit through 'incentivised' exits or compulsory redundancy if they failed to secure an open-ended role in the new structure. Workers also identified that this was potentially problematic for the organisation, particularly related to the demotivation and devaluation experienced while 'unassigned' in the redeployment pool.

### 8.9.3. Employee-driven job search

Several participants identified having little information about alternative options, leading some to wait until the situation was clear or take the exit on offer. One participant, rather than wait until the employer had directed the transition, actively initiated her own internal job search when no further information was provided. ‘Jasmine’ (ScW14, Clerical Assistant) was the only participant to have sought work outside of the redeployment processes and the only participant to progress in her job grade. In doing so, she moved from a low skill, high demand Grade 1 role into a high skill, complex and supportive job at a Grade 4 level.

‘Jasmine’ had entered the organisation in a clerical assistant role, like the others in Grade 1 roles, as an improvement over unemployment and to get her foot in the door. However, it was a high demand, fast paced and repetitive role, which was already under-resourced. She was put at risk along with her team, slated to be downsized from three workers to two. As the newest member of staff, she expected to be most vulnerable and set out to find alternative opportunities on her own as she lacked information about the redeployment process and her options.

It was never clear. They just said, one of three were going to leave [...] All three of us started looking for jobs, but we weren’t even told we were allowed to look for jobs. [...] [The union representative] was quite good in giving us advice and actually saying, look, you are entitled to look for other jobs. You are technically going to be in the redeployment pool – but we weren’t told we actually were in the redeployment pool (‘Jasmine’, ScW14, Clerical Assistant)

She was successful in securing the Grade 4 level post that was similar to a job she had held prior to coming to the organisation. Her application had not been prioritised as a redeployment candidate because she was not ‘at risk’ following the redeployment process. She reported that the job was a significant improvement in every way from her role as a clerical assistant and a positive step forward in her career. At the time of the follow-up interview, she had made another job change into a more senior position in the UK Civil Service because of her experience in her post-restructuring role. She described the post-restructuring role as a ‘fantastic job’ and had only left it because she relocated elsewhere in the UK for family reasons.

While ‘Jasmine’ had information provided by the union representative about the process, she reported little information or support from the organisation. The restructuring, however, was a catalyst for her to move from a job that she did not enjoy and which did not support her career development.



That was the first time it hit me that my job's not safe – it's not secure. [...] That was a change of mind-set, maybe it made me more mature, more efficient when I'm doing my job search. [...]

It was the redeployment that spurred me to look for a better job even within the [organisation] because obviously I wanted to stay within that organisation. I don't think I would be where I am now, if it wasn't for that push. ('Jasmine', ScW14, Clerical Assistant)

#### 8.9.4. Supports in the redundancy context

Despite their positive outcomes, employees had high levels of uncertainty related to the stability and long-term prospect of their roles. While on the surface, five of seven suggests that these were positive experiences, most reported time spent in poor quality work, high levels of uncertainty and stress, and varying levels of organisational support to mitigate the stress of the job loss. Those who participated in identifying their own jobs through the redeployment process were able to try new roles, broaden their organisational knowledge and protect their grade and accrued benefits. All of the workers who had remained in the Scottish public sector organisations reported concerns about future restructuring and the implications of their jobs, even where they were not aware of any specific plans. For the redeployment workers, more so than those who secured substantive posts, they remained concerned about the prospective loss of valued aspects of their work and about the security of their employment. These workers reported varying reasons for not moving out of the organisation on an incentivised package and were concerned that they would be forced out either through a package or through compulsory redundancy in time.

Few participants reported room for progression and development in their roles. Some caveated stalled developed with an 'until the restructuring is complete' and the organisational environment had 'calmed down'. Others reported that workers were discouraged from engaging in development and seen as trying to get away from job demands.

As discussed earlier, many workers had line managers, HR advisors or redeployment advisors providing some support during the transition itself. For some, this support was useful in encouraging the worker to broaden the job search criteria and consider additional roles. For 'Julie' (ScW15), her redeployment advisor assisted her in arranging a flexible working pattern so that she accept a more advantageous role that she would not have taken for personal reasons.

The UK requires a statutory consultation period as part of the restructuring process, however the extent to which this was meaningful was questioned by participants –

including those who exited through early retirement, incentivised schemes and even compulsory redundancy. Where groups of workers were affected, many participants reported offering equally cost-efficient alternatives, all of which were rejected in favour of the original, employer-decided plan. In four of the six examples, the proposed restructurings were expected by workers to significantly deteriorate jobs, enough that other workers either exited or opted for redeployment than positions that were left vacant. Only those who did not or could not identify alternative options for themselves were left to take the vacancies. As identified by the union respondents, the pace of change and the erosion of jobs presented difficulties for meaningful consultation.

I know there's been changes that have happened already that haven't been negotiated with the unions, and are things I've kind of flagged up to the unions to say, 'this is changing, and this is changing!' And the unions have come back saying, no it's not. I've said, well it definitely is. But the unions aren't being kept up to date either, so it's difficult. I suppose it's difficult when they're changing your job a little bit at a time. Chipping away at it and chipping away at it, as opposed to doing one big change ('Mhairi', ScW12, Administrative Support)

Many of the organisations also provided some level of employability-related workshops and training to assist those seeking work. Some workers reported participating in CV writing and mock interview sessions. Others, however, struggled to access these sessions based on work schedules, workshop availability and redeployment status. These participants maintained their employment in their organisations and as such, did not interact with any active or passive labour market interventions. They also did not have any contact with the PACE programme to support their continued employment.

## 8.10. Conclusion

This chapter has presented the findings from the data provided by experts and stakeholders from employers, unions, community organisations and labour market programme providers in Scotland alongside the experiences reported by workers themselves. The experience in Scotland was shaped by the overarching policy commitment of the Scottish Government to nCR. Organisations looked to other workforce adjustment tactics to reduce the size of their workforce and reshape the structure of their organisations. As predicted by the experts and stakeholders, many workers over the age of 50 were drawn to take incentivised early retirement packages. However, they were not driven by the economic push alone. The reductions in staff, the increases in work pressures and demands, and for some – personal circumstances – culminated to make leaving a better option than staying. For all the early retirees except

'Aileen' (ScW13), participants reported being as well off in work as out of work. Few went on to actively seek other employment, although the ones that did reported that they were able to undertake work that was interesting and meaningful without the need for high rates of pay.

For those who were unable or unwilling to exit the organisation, workers – wherever the opportunity existed – preferred to remain in the organisation rather than exit. Many, even younger workers with short periods of employment tenure – reported pension contributions and years of seniority as drivers for wanting to stay. Workers reported being invested in the organisation.

Workers who were directly transferred to comparable roles by their employer, despite the reported deteriorations in the conditions and quality of work, were less worried about the continuity of their jobs. They reflected that they would compete to stay in their role as a first choice, move to redeployment as a second or exit on an incentivised package as their third choice. Conversely, for those already in the redeployment pool, these workers were already actively working to maintain their employment in the organisation by applying and competing for internal vacancies and filling temporary assignments. These workers, having already lost their job roles, were more concerned with the longer term viability of the pools and their 'limbo' status after which time, if they had not yet secured open-ended posts, they feared having to exit the organisation. Although the redeployed workers tended to move into equivalent roles which were interesting and challenging, the lack of security and stability and the pressure to continue to apply to open-ended posts and potentially move jobs with no notice were seen as downsides.

The experts and stakeholders identified the benefits of the redeployment pool in terms of protecting and maintaining terms and conditions, and rates of remuneration, for the workers themselves. Whereas the workers themselves saw the benefit of redeployment pool in the protection of their previous grading and widening of potential pool of jobs for which they could apply, they noted that they could apply to lower grade posts but not higher posts. Therefore, these three workers explained behaviours whereby they acted to preserve their grading as a means of job protection.

For those entering an organisation at an entry-level because they took 'any job', periods of organisational restructuring present challenges for progression and development. Few participants across the Scottish interviewees saw scope for development or progression with little training since 2007. The redeployment and redeployment mechanisms offered little scope to progress upwards, but offered protection from downward sliding. The job evaluations which preceded the restructuring in these organisations were critical in protecting workers, particularly in the case of 'Julie' (ScW15) where her role was

upgraded by 2 grades expanding the volume and the complexity of vacancies available to her. 'Mhairi' (ScW12), on the other hand, despite reporting being underemployed, felt little scope for movement into better jobs and saw few internal vacancies that would allow her to progress. 'Jasmine' (ScW14) conversely went outwith the redeployment and redeployment structures and applied for a well-suited job, jumping up 3 grade levels. Due to her individual skillset and her underutilisation and unhappiness in her entry-level role, the threat of job loss was a 'blessing in disguise' to motivate her to find a better job.

## Chapter 9. Discussion and conclusion

### 9.1. Introduction

This research has examined the job transition process following redundancy as a continuous process. Specifically, it has sought to explore the intersection and overlap in factors, actions and decisions made by actors in one part of transition process, with a view to better understand the implications for future opportunities and re-employment job quality. This research has differed from the extant literature by conceptualising the job transition following job displacement as a process and made this the unit of analysis. The individuals experiencing the job transition interact with and react to a sequence of events and opportunities which are shaped by the circumstances of their transition. These factors and actors were studied empirically through a mapping and scoping phase to conceptualise and contextualise the issues, and was followed by two country studies in Ontario, Canada and Scotland, UK. Each country study involved two parts. Firstly, expert and stakeholder (E&S) interviews were carried out with experts involved in different aspects of the transition process, including academic and policy experts, employers/senior managers, union representatives and labour market programme service providers. In Ontario, 22 interviews with 34 E&S respondents were conducted, while 18 interviews with 21 E&S interviews were conducted in Scotland. Secondly, 19 semi-structured work history interviews with displaced workers from public sector organisations were conducted in each country. A brief online follow-up survey was conducted, with a response rate of just over 50 per cent.

This research has sought to address the following three research questions:

1. In which ways and to what extent do the actors and factors in the downsizing context – in particular, the downsizing tactics used, amount of advance notice, outplacement interventions and severance/enhanced incentive programmes – shape the process of job transition?
2. In which ways and to what extent do the actors and factors surrounding the labour market interventions – in particular, the type of interventions on offer, the accessibility of advisors and services and the generosity of income transfers – shape the process of the job transitions?
3. To what extent can the actors and factors in the downsizing context and the labour market interventions be influenced to maintain job quality for displaced workers?

The objective of this final chapter is to reiterate the main findings of this study and interpret them in the context of a comparison between countries and the key literature. This chapter is organised to first present a comparison of the country studies. Next, this chapter considers the findings related to the downsizing process and the implications for job transitions. This is followed by a consideration of the implications for access to labour market interventions, and in turn, the interventions' influences on the transition process. The chapter considers the findings related to the configurations of the factors and actors in both contexts and the implications for maintaining job quality following displacement. This chapter offers some reflections on the limitations of this study and potential future research in this area. The chapter concludes with some practical implications for displacing organisations, before highlighting the theoretical contributions of this research.

## 9.2. Cross-national comparison

The job transition process is shaped by a political economy's overall approach to employment protection (Franzese, Jr., 2001; Harcourt et al., 2007). Liberal market economies (LMEs) such as the UK and Canada tend to favour approaches which minimise the cost of accessing, hiring and dismissing workers as a strategy to stimulate job creation and economic growth (Bernard, 2008; Casey et al., 1999; Lallement, 2011; P. A. Wood, 2001). The selection of Ontario, Canada and Scotland, UK for comparative study was made on the basis of two policy areas relevant to the job transition process: 1) redundancy and mass termination legislation; and, 2) labour market policies and programmes. There were many similarities in the policy intentions, although there were also differences in implementation and in outcomes.

In both countries, there was limited interconnection between policy and actions which remove people from work through redundancy, and the labour market policies aimed to return people to work. On the whole, as has been argued about LMEs, there is limited economic planning and active industrial policy (Hall, 2015). There was, however, an awareness among the experts from public sector organisations of how their actions would influence their local labour markets. The public sector plays a dual role as an employer and service provider. As a service provider, downsizing has potential implications in terms of increased local unemployment and demand for social services. As an employer, downsizing is the response to macro-level trends and external budgets stipulating a headcount reduction without coinciding reduction in demand. These pressures influence downsizing decisions with regards to the severity of the tactics used, such as less harsh tactics where community impact or response is high. However, the extent of these

pressures is mitigated by the wider political context. This section offers comparative findings related to the three research questions.

### 9.2.1. Downsizing context

Ontario and Scotland share similarities in their overall approaches to employment protection but differ in the ways these are implemented differentially impacting the transitions of workers. Two main differences are in the legislative requirements and in the political articulation and commitment to no compulsory redundancy. These two points are discussed here. Lastly, this section also considers one main similarity related to the implementation of restructuring.

#### Legislative requirement for consultation

At a legislative level, the main difference is the UK's requirement for a consultation period with employees, irrespective of the number of workers being dismissed, which Canada does not require (BIS, n.d.b; *Employment Rights Act*, 1996; c.f. Government of Canada, 2016; Ontario Ministry of Labour, 2013). Ontario also does not require or advise employers in guidance documents to make efforts to avoid compulsory redundancies through incentivised exits, restricting recruitment and placing employees elsewhere in the organisation. In this study, any requirements of that nature were stipulated by collectively bargained workforce adjustment policies, which differed slightly based on the bargaining unit and group of workers.

Consultation might be expected to increase participation and engagement in the downsizing, improve access to information and increase perceptions of control as employees have a better understanding of why the restructuring is necessary (c.f. Brockner et al., 2004, 1990; Frese, 1984; Gallie, 2013; Guest & Peccei, 1992; Tourish et al., 2004). However, in this study, there was no clear advantage to the consultation period. Whilst the Scottish workers had the opportunity to suggest alternative arrangements, no employee-provided suggestions were implemented in place of those initially offered by the employer. The limited scope to participate in consultation was, at best, a missed opportunity in terms of maintaining job quality and involving employees. At worst, it may have undermined a sense of participation in the process, which may have implications for attitudes and behaviours post-restructuring (Appelbaum et al., 1997, 1999; Brockner et al., 2004; Mishra & Mishra, 1994).

Advanced consultation may have had the unintended consequence of increasing the amount of time where employees had specific information related to the continuity of their work unit and job roles. It may have offered a form of informal notice compared to the Ontario workers, thereby offering more time to react to the change of circumstance (Frese, 1984) and offering additional time for finding alternative employment (Addison & Blackburn, 1995). However, in practice, the advance consultation phase did not provide workers with a confirmed plan, increasing the duration to which they were exposed to uncertainty (Hansson & Wigblad, 2006, 2008). In response, individuals reacted to the incomplete information provided, making decisions to find alternative work or exit the organisation. Workers reported vacancies in the pre-displacement work units as the pool of existing workers sought roles elsewhere in response to the lack of information.

## Formal commitment to no compulsory redundancy

Public sector organisations in both countries reported, via expert interviews and secondary sources, a preference towards downsizing which did not use compulsory redundancy (nCR). In Scotland, however, the commitment to nCR is formal and explicit in the Scottish Government's public sector pay policy (Scottish Government, 2013a). The formal nCR policy pre-dates the recession and endorsed and encouraged by Scottish unions and the Scottish Trade Union Congress. It was generally adhered to across all non-reserved areas of the public sector.

While Scotland had a formal employer-driven nCR policy, the UK, Canadian and Ontarian public sector organisations prioritised non-compulsory tactics as stipulated in negotiated policies pre-dating the period of study. An nCR featured less in the public discourse and the data. It was not formalised in the employer's pay policy as it was in Scotland. In these areas, employer behaviour was acknowledged to have been constrained by union representation and negotiated workforce adjustment policies. Despite this difference, the procedures, tactics and practices appear to be fairly consistent in what was negotiated elsewhere and reflects similar practices in other public sector restructuring across the OECD. This may suggest some mimetic tendencies from both the employers and unions in policy choices (Diaz, 2006; Haltiwanger & Singh, 1999; C. K. Lee & Strang, 2006; OECD, 2011b; Rama, 1999).

The vocal and formal narrative around nCR from the Scottish Government may have related to the highly political nature of public sector reform during the recession and ongoing through to 2020 (see HM Treasury, 2016). During this period, there was a strong political will to distinguish themselves from the more conservative governments in Westminster, specifically the Liberal Democrat-Conservative Coalition Government and



successive Conservative Government, both under David Cameron. At the time of data collection, the Scottish Government was formed with a majority from the Scottish National Party (left-of-centre), who had opposed Westminster-driven austerity cuts. It was in the midst of the 2014 Scottish Independence Referendum, where the Scottish Government presented itself as both strongly opposing and working to mitigate UK spending cuts and protect public services (Commission on the Future Delivery of Public Services, 2011; Scottish Government, 2013, 2014). This political commitment, and the public awareness and acceptance of the policy were factors influencing the generosity of exit packages and their perceived acceptability. In Ontario, a more conservative public and political campaign against public sector employees drove a justification of less generous packages than in the 1990s and de-emphasised the mitigation of compulsory redundancy in the public discourse.

Scotland's formal tone, set by the Scottish Government, is distinct from the Ontario study. This has implications for the available tactics and mechanisms available to achieve the desired reductions in the workforce. It presents a potential longer-term dilemma should the need for contraction continue. Without removing workers through compulsory redundancy while continuing to reduce the headcount, organisational decision-makers may need to find ways to create vacancies for those experiencing job redundancy. While they rely on natural wastage and incentivised exits, there is a risk of a 'musical chairs' scenario. Even without considering workers' skills and preferences relative to vacancies, the number of jobs removed from the organisational structure should not be greater than the number of vacancies available. This is necessary to avoid making a worker redundant by removing her job from under her. This presents a dilemma. More severe downsizing tactics can be used when the incentivised and voluntary measures do not attract sufficient leavers (Chhinzer, 2007). This is not an option with a formal nCR policy. To continue reducing headcount, thereby freeing up job roles for the internally displaced, an organisation could make work less desirable in the organisation to motivate accepting a package or quitting (Diaz, 2006; Diwan, 1994); or expand the eligibility criteria and generosity of incentive packages. The latter option is continuously more costly and raises questions about the loss of skills, tacit knowledge and 'top performers' (Kets de Vries & Balazs, 1997). The latter option was, however, reported in the Scottish study with examples of expanding the minimum age for retirement.

For those remaining in the organisation and transitioning through internal mechanisms, the formal commitment to nCR may be expected to have reduced the fears of job loss. However, this fear seemed to have been exacerbated by the time limited nature of the public sector pay policy. Workers were aware of the macro-level factors driving the required reductions. They questioned the long-term viability of the nCR policy and the

availability of resources to support it in light of the financial pressures. For workers with open-ended employment contracts but in fixed-term project roles, they reported a vulnerability and sense of insecurity related to the upcoming expiration of the policy. Neither the union nor the employer had any further information to provide them given that it was a Scottish Government level policy. Following the period of study, the policy was extended, which may have allayed some threat of job loss.

Furthermore, given the employment protections offered to workers, workers in the Scottish study tended to experience successive internal transitions. There was persistent concern related to the stability of job roles, confounded by non-affected workers and managers trying to continue with day-to-day operations. The workers in the study also reported issues of change fatigue from continuous restructuring (Bernerth, Walker, & Harris, 2011; Kalimo, Taris, & Schaufeli, 2003). This was one of the more notable differences from the Ontario study. Ontario workers did not experience multiple transitions, instead they moved to another role and were not expecting any further moves. The policies were such that if an alternative, suitable job was not found for the work, then they would begin the exit process. Therefore, once in another job, concerns over job tenure insecurity were largely dissipated.

Workers who were not experiencing compulsory redundancy in both countries were concerned about the threat of and actual loss of valued aspects to work. This concern extended, in the Scottish study, to those who had left the organisation through incentivised schemes. Their decisions were driven by both the actual deterioration of their jobs and the threat of loss of valued aspects to their work (Cheng & Chan, 2008; Gallie et al., 2016; Greenhalgh & Rosenblatt, 2010).

## Planning for future cuts

In both countries, expert respondents reported a preference for systemic restructuring approaches as a means of reforming public services (see e.g. Cameron, 1994; Cascio, 1993). To an extent, both the preference for, and requirement to, nCR lends itself to the longer term, slower approach to restructuring the organisation. However, the conditions and pace of reduction imposed by political decision-makers contradict the required extensive planning – and attendant longer time scales – to change organisational norms, structure of work and modes of service delivery. Systemic restructuring is also more resource intensive, which appears to be in conflict with the prioritisation of reduction to back office functions needed to implement the reforms. Organisations' ability – or perceived ability – to undertake a long term improvement strategy is at odds with the

political cycle and the long term unpredictability of future cuts. The implications for workers were a lack of information and a long exposure to high levels of uncertainty.

It was recognised by E&S respondents and workers in Ontario that shrinking organisations meant fewer job opportunities for redeployees in future rounds of reductions. This would have implications for the local availability of work. More broadly however, the issue of relocation of work was an issue in both countries, particularly as services were being centralised from more remote areas. These issues connect with the concerns raised relating to the impact on local communities. However, concerns were reported where decisions were not taken at local levels but from central, senior decision-makers. In Scotland, workers recognised that jobs that moved across the Central Belt were still accessible to them, particularly where jobs had opportunities for flexible working. However, the relocation of work would render these jobs inaccessible in Ontario without a physical relocation of the displaced workers' households (see Figure 9.1). This issue contributed to longer term concerns over job loss.

**Figure 9.1 Scale comparison of main population corridors in Ontario and Scotland**



Produced for author by J. Vesanto

Sources: images modified from Wikimedia Commons, 2012, Map of Scotland within the United Kingdom; Wikimedia Commons, 2007, Canada blank map. Adjusted to comparable scale.

## 9.2.2. Labour market intervention context

The approaches to ALMPs and PLMPs were similar in both countries, as expected in LMEs (Hall, 2015; Peck, 2001; P. A. Wood, 2001). Workers were more likely to have accessed PLMPs than ALMPs. Of those who had accessed PLMPs – either Jobseekers' Allowance (JSA) or Employment Insurance (E.I.<sup>19</sup>), access was based on contributions rather than a means-tested benefit. Accessing any type of service was more common among the Ontario workers in this study than the Scottish workers given that many of the Scottish participants exited the labour market completely based on specific downsizing tactics and generosity of incentivised packages.

Both countries offered some interventions which could be tailored for a large group during mass redundancy and facility closure. The offering, however, provided little beyond the standard, limited suite of ALMPs and PLMPs. A key difference related to the political rhetoric and public perception of public sector workers discussed previously, which made this service unavailable in the event of the job losses in public sector organisations in Ontario. There was no such restriction for Scottish agencies. Barriers for them, however, were in offering this service where small numbers of workers were displaced from a number of work units/agencies.

Scotland and Ontario differed in the format of training interventions targeting displaced workers. The Second Careers' programme in Ontario prioritises displaced workers with longer spells of unemployment, without prior qualifications and would support them to complete a college/vocational qualification where the training would lead to employment. Whereas, in the UK, Rapid Response prioritised those at risk of unemployment and the newly unemployed. The Ontario programme was a longer term intervention targeted at new educational and skill direction for the individual. The UK programme focused instead on short courses and accreditation of a few weeks in duration, such as food handling certifications, which would make the worker more desirable to a prospective employer. The Ontario programme was accessed by several workers, with entry requirements fluctuating based on spare capacity. While all the workers in this study who accessed the programme had prior qualifications, they were able to access the programme due to timing. None of the Scottish workers accessed Rapid Response. Both interventions were implicit in positing that skills deficits are connected to the job loss of the worker and a solution to their unemployment (e.g. Keep & Mayhew, 2010; Lafer, 2004).

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<sup>19</sup> Employment Insurance is a Federal (Canada-wide) programme and is contributions-based and time-limited. Ontario Assistance is a provincially-run programme for means-tested social assistance benefits.

Furthermore, the programmes – particularly in Ontario – prioritise the acquisition of new skills rather than building on the individual’s prior human capital investment. Given the cost per participant, the type of programmes on offer and their duration, it may be questioned whether these lead to progressive job transitions.

### 9.3. Downsizing context and the transition process

Moving beyond the comparisons between Ontario and Scotland, the first research question in this research asked, to what extent particular features and actors in the downsizing context influenced the quality of re-employment outcomes. The identified factors and actors from the literature included: 1) downsizing tactic used; 2) amount of advance notice; 3) access to outplacement interventions; and 4) severance/enhanced incentive programmes as a gauge of economic resources. The downsizing tactic influences the overall set of procedures that shaped the individual’s exit. The other factors, however, have particular objectives. Advance notice allows workers time to react, adjust to the impending loss of employment and begin their job search (Addison & Blackburn, 1995; Latack & Dozier, 1986). Outplacement services aim to assist the affected workers in beginning their exit by encouraging problem-focused coping (Gowan & Nassar-McMillan, 2001). Severance and enhanced payment packages aim to compensate for the loss of long-term employment and seek to ease financial burden of the job loss during job search (Garaudel, Beaujolin, Noël, & Schmidt, 2016; Kodrzycki, 1998).

Empirically, these factors were interconnected. Across those four factors were the following important elements: 1) the availability and quality of information for workers; 2) the time exposure to adjust to the shock of job loss, or conversely the exposure to uncertainty and lack of clarity; and, 3) the resources available to support the adjustment during the notice period and following the exit. These three characteristics were relevant across the range of transitions and tactics used in this study, including compulsory redundancy, incentivised redundancy and early retirement, internal redeployment and job transfers. The presence, absence and configuration of the characteristics had implications for individual responses and actions as they shaped their perceived availability of options.

This section considers firstly a definition of the quality of information and how this relates to the time and resources, the role of key actors in providing this information, push and pull factors influencing incentivised exit decision, and lastly, an observed difference in individual behaviour between men and women being displaced.

### 9.3.1. Quality of information and the implications for job transitions

The decisions driving involuntary job loss are not made by individuals themselves. Workers who experience job loss or the threat of job loss experience a loss of control related to planning of future activity and income (Caplan et al., 1989; O'Brien, 1986). This experience is highly stressful (e.g. J. Archer & Rhodes, 1995; Latack et al., 1995; Sverke, Hellgren, & Näswall, 2002). Measures which involve employees in the process and in decision-making may reduce perceptions of loss of control, threat of job tenure insecurity and job status insecurity (Gallie et al., 2016; Greenhalgh & Rosenblatt, 2010; Latack & Dozier, 1986). This may be achieved by providing workers with better access to information about what is happening, future plans and the available processes (Armstrong-Stassen, 1998; Luthans & Sommer, 1999; Tourish et al., 2004). This heightens the predictability of difficult events and allows workers to better assess their choices (Green, 2006b; Latack et al., 1995).

It might have been expected in this study that workers experiencing job redundancies would report less insecurity due to the mechanisms in place to maintain continuity of employment and extrinsic elements of work, such as grade, salary, seniority and other benefits. However, as reported above, this was not the case for the majority of participants. Workers and E&S respondents reported job tenure insecurity related to the threat of future job loss and restructuring. This is consistent with the view that public sector organisations respond acyclically to pressures outside the organisation's control (Gottschall et al., 2015; Hall, 2015). It is also consistent with the repetitive nature of downsizing to achieve spurious productivity and efficient gains through workforce reduction (Budros, 1999, 2002; Cascio, 1993; Freeman, 1999; Thornhill & Saunders, 1998).

Workers and workplace-based E&S respondents reported receiving varying degrees of information about restructurings. Consistent with the previous research, workers' experiences of all forms of job transitions benefitted from the provision of clear, accurate and timely information about the job loss and transition processes. While the existing literature has emphasised the importance of information and communication (e.g. Brockner et al., 1990; Tourish et al., 2004; Wigblad & Lewer, 2007), there has been limited research into the definition of information quality for displaced workers.

Types of information can be categorised along the 'Five Ws and one H' for information-gathering: what, why, who, when, where and how, shown in Table 9.1. Notably, information may become available from different sources, reflecting the importance of

dispelling rumours and misinformation (Appelbaum, Leblanc, & Shapiro, 1998; Tourish et al., 2004). Information, irrespective of the source, should also have internal coherence and consistency, particularly where the big picture ('what') does not align with the rationale behind the specific job losses (Brockner et al., 1990). From this study, an example is where cutting jobs and capacity from income generating services for government ('why'). It was broadly inconsistent with the message of government deficits driving reform. This incoherence limits the extent to which the reductions can be seen as logical or predictable, limiting workers' capacity to effectively re-assess the risk of future job loss (Brockner et al., 1990; Green, 2006b).

<b>What</b>	What is happening to the organisation/sector at large?
<b>Why</b>	Rationale for specific restructuring/downsizing which affects workers' jobs
<b>Who</b>	To which workers and how are they selected?
<b>When</b>	When will individuals have confirmation of the job loss and when will they exit?
<b>Where</b>	To where are workers being displaced (e.g. internally/externally)?
<b>How</b>	With which resources will individuals exit - access to specific information about the processes, options and supports.

The completeness of the information provided permitted workers time to react to the job loss and readjust their expectations (e.g. Frese, 1984; Hiltrop, 1996; Latack & Dozier, 1986), make decisions that suited their circumstances and begin to actively job search prior to the job loss event (Addison & Blackburn, 1995, 1997). Few workers had access to all of the types of information identified as relevant for their transition; yet more information offered control and scope to respond. The majority of the workers in both countries had access to information about 'what' or the big picture of what was happening to the organisation, department or sector, such as austerity-driven financial constraints, centralisation of services or facility closures. This information was often provided from external sources such as budget announcements, mainstream media reporting and observing organisational trends and patterns. However, the other types of information are more contextually and individually specific, and are more useful for their transitions. Few workers had information about why their service, unit and jobs were being restructured beyond general cost-cutting and reductions of services. The lack of information and inconsistencies between what was happening to the service and why the job losses were occurring appeared to influence workers' perceptions of insecurity and control. Workers with limited understanding of the reason for the job loss and limited

information overall appeared to remain more focused on the job loss experience (c.f. Lange, 2013).

‘Who’ and ‘when’ have implications for workers’ exposure to insecurity and uncertainty. Workers experienced long periods of time where they were aware of impending job losses, but lacked clarity over the scale of job losses, who specifically was going to lose their job, when the confirmation would be provided and when individuals would lose their jobs. In Ontario, internally displaced workers tended to have long periods of ‘affected’ status, but lacked clarity for when – and often – where they were being transitioned to. Conversely, Scottish participants tended to have multiple shorter periods of ambiguity. However, in total, many had long periods of time where they were expecting another job transition, but lacked clarity of whether it would affect them personally and when that would take place. Long exposures with specific information can serve as an informal notification period, expanding the period in which they can search for work (Addison & Blackburn, 1995; Latack & Dozier, 1986). However, non-specific information increases feelings of insecurity and anxiety among workers, as well as decreases productivity and positive work-related behaviours for the organisation in the interim (Hansson & Wigblad, 2006; Wigblad et al., 2007).

Lastly, the ‘where’ and ‘how’ of information for workers relates to the options available in terms of downsizing or displacement tactics and the resources available to assist them. Wass (1996) argues that, even under induced and voluntary exit schemes, the employer retains control over who exits through modifications to the incentive packages. This study is consistent with those findings. Employees, particularly in Scotland, reported limited information about alternative options other than exiting through incentivised schemes. Workers reported acting on the option for which they had the most information rather than being able to assess all options equally. The implication of this was, while several chose to leave the organisation where they might not have otherwise done so, others looked for alternative work internally. For the organisation, a number of workers reported vacancies in the reduced post-restructured structure as the pool of candidates sought other options because of the lack of information. For workers who were being made compulsorily redundant, the lack of available information about supports and explanation of severance package calculations appeared to increase perceptions of distributive unfairness among the displaced workers (e.g. Brockner et al., 1993). Poor information about the process may have also led to the mixed levels of engagement with any available outplacement supports. The key issues they identified were that the programmes were not available when people wanted to access them, that workers had insufficient time from work to use them and that the programmes were inappropriate for supporting re-employment.



### 9.3.2. Access to information through key actors

Access to information, as discussed above, had important benefits for reacting to job loss and beginning to undertake the transition. This section considers two ways that workers accessed accurate, quality information that better enabled them to undertake the job transition process: 1) a key person; 2) the Human Resources (HR) function.

As argued, useful information for workers during the job transition process is ideally as complete as possible, but is also useful when confirmed information is provided with as much notice as possible. Informal notice of job loss – that is before the official or statutory notice periods – can extend the amount of time available to an individual to react to the situation, anticipate the change of circumstances and undertake job search activities (e.g. Addison & Blackburn, 1997; Ashforth, 2001; Ebaugh, 1988). The informal notice should offer certainty over the situation, rather than introduce uncertainty (Hansson & Wigblad, 2006).

In this study, many of the workers who ended up in decent quality work had a key person in the displacement experience who was able to provide quality information and answer questions about the procedures. The key people tended to be line managers or unit managers, union representatives or delegated support individuals like redeployment managers. The key person tended to be sufficiently senior or involved in the restructuring in order for the information to be accurate and current. The job loss situation was often time consuming, with lengthy review processes for job evaluations, unit reviews and external factors influencing the pace of decision-making related to whether the person's job would be eliminated. The key actors were able to minimise the degree of uncertainty in the period preceding the confirmation of job loss by providing information updates (c.f. Hansson & Wigblad, 2006). This allowed the person to assess and re-assess her current risk of job loss (Green, 2006b).

The key person often provided accurate, early information that served as a form of informal notice of job loss, giving these workers an early advantage in their job search (Addison & Blackburn, 1995). Many were supportive of the workers' job searches, offering to act as referees or even facilitating the affected worker moving into particular roles within the organisation or external to the organisation. In some instances, the key person also acted as a 'critical friend', encouraging career exploration activities (Gowan & Nassar-McMillan, 2001; Milne, 1989). While the career and job search activities can be seen as a form of outplacement support or counselling, that was not always the context in which it was offered. This role for key actors is different from the literature's investigation of 'executioners' or 'envoys', whereby the focus is on the experience of the key actors

delivering the job loss news rather than the role they play for those being displaced (e.g. Ashman, 2012; Clair et al., 2006; Kets de Vries & Balazs, 1997). In this study, these key actors appear to have assisted individuals to move into similar quality work or compromise roles aligning to individual preferences.

The HR function was recognised as having the potential to play an important role in the process, consistent with previous studies (e.g. McMahan et al., 2012; Sahdev et al., 1999). However, as with previous studies, the role of the HR function was to support the implementation of the downsizing and was often limited to being at arms-length through managers and line managers (see also Sahdev et al., 1999; Wilkinson, 2005). Key functions that HR could provide – and that E&S respondents and workers expected – included more and better quality access to information about the downsizing processes and tactics used, more timely information about the post-restructuring organisational structure and the available roles, and the options for workers in terms of staying or leaving the organisation. Crucially, the role of matching displaced workers to vacancies that maintain job quality was an important function. In the context of nCR policies and where salary protections are in place, the organisation has a stake in ensuring that the skills and knowledge of workers are fully utilised to the benefit of both the person and the organisation.

In both countries, the HR function was and is vulnerable as a ‘back office function’ to restructuring under the patterns of cuts. E&S respondents in both countries discussed HR as one of the first functions to be restructured, directly limiting their capacity to support the overall organisational restructuring, those implementing the restructuring and displaced workers. This has potential implications for quality of matches for workers displaced internally as it was reported that workers were only matched and supported on an ‘as-needed’ or ad hoc basis rather than consistently throughout the process. Additionally, it led to disjointed information being provided to workplace stakeholders such as union representatives as those managing the restructuring were going through their own restructuring or were already under-resourced. The recommendation from stakeholders was – the perhaps obvious conclusion – that this function should be restructured last rather than limiting this function at the beginning of the process.

### 9.3.3. Push and pull factors driving exit decisions

Redundancy is a form of employer-initiated separation, with the locus of control over decision making remaining largely with the employer. The employer decides the types and amounts of compensation on offer, and the types of transition pathways available to workers affected by both job and worker redundancy. With this decision-making power,

“it is the employer who gains control over both the quantity and quality of redundancy outcomes” (Wass, 1996, p. 262). This is reflected in the criticisms levelled in Scotland against the nCR stance, namely that ‘voluntary’ exit packages and enhanced early retirements were covering involuntary redundancies. The target demographic groups for nCR were long-tenured workers, back office functionaries such as HR, finance and IT workers and low- and mid-level managers. These target groups were widely recognised by the workers. People in those categories were aware of their precariousness and tended to modify their behaviour accordingly. Some looked to move to work that was ‘less at risk’, while others reported having saved for when they would lose their jobs.

In Scotland, there was an explicit focus on early retirement, targeting those 55 and up – and upwards of age 50 in other organisations. As predicted by the expert respondents, organisations were able to motivate this group to exit by combining added years to their pensions as an enhanced lump sum. What was not discussed by the experts however, is the impact of compression on wages (see e.g. Diaz, 2006; Rama, 1997, 1999; see also HM Treasury, 2010; Diwan, 1994) through pay freezes, tapered pay caps with restricted scope for progression or pay rises over the remainder of their working lives. These measures were exacerbated by rising costs of living – particular in fuel, transportation and food costs – in both countries at the time of this research (Brennan, 2012; Hirsch, 2013). The compression of workers’ real wages along with the enhanced financial package levelled out the economic benefits in remaining in work for those in the targeted early retirement group in Scotland. There was no longer an economic imperative for them to remain in work and they exited because they no longer wanted to stay – namely due to ongoing changes to the work and the work environment and they had the financial means to leave.

This led to a segregation of those who could afford to leave and those who could not exit for other reasons, including economic value of the job (e.g. access to pension and medical benefits and their tenure), or lack of perceived good quality alternatives available in the external labour market. For those displaced from their work and remaining in the organisation, many experienced a deterioration in the quality of their jobs with little perceived scope to remedy their situation. This left a situation where those who could leave for better work or retirements, did so.

This was recognised by the E&S respondents and in part of the workers’ experiences, where under all types of exits, workers reported feeling pushed out because of a lack of information about alternatives or because it no longer made financial sense to stay. Due to this strong sentiment, the voluntariness of these exits can be questioned, which is why through this research, these have been recognised as incentivised exit schemes.

### 9.3.4. Individual decision-making

This research saw some differences between men and women in how they made their decisions related to trade-offs in job quality. Given the gender composition of the public sector and that the public sector pay premium favours women and low paid workers (Blackaby et al., 2015), it was proposed from the evidence review and from some of the scoping interviews that there might be a gendered impact to restructuring. Although individual level differences have not been the focus of this study, women have been shown to use different job search methods and have poorer quality re-employment outcomes than men (e.g. hours and income) (see Gowan & Nassar-McMillan, 2001). Most E&S respondents were relatively silent on gender differences. Several of the Scottish experts identified that they expected more women to apply for incentivised exit packages, based on the following assumptions. Firstly, for younger people in administrative type roles, predominantly filled by women and which might command a comparable wage elsewhere, incentivised deals might be relatively tempting. Secondly, long-tenured, older women might be expected to take an early retirement package to move into (unpaid) caring responsibilities for grandchildren and their parents.

Only one worker in this research (from Ontario) took an enhanced package where the primary reason was caring responsibilities. Despite this, women in both countries were likely to make decisions related to their continuity of employment and their post-transition outcomes based on family and caring responsibilities. This was not a feature of the experience of the men – albeit one man identified being unable to move beyond the Scottish Central Belt because of foster-care commitments. Women were more likely to move into work with poorer quality aspects to maintain the aspects which were most useful for her household, e.g. flexibility for caring or employer-provided pension/medical benefits.

Women who were primary carers for children and older family members-required employer-flexibility in how they managed their work and how the work was organised. Women who juggled caring responsibilities made choices about which jobs they could accept during redeployment or opted to take incentivised packages because of their accommodations – or lack thereof. Once out of work, a number of women in this study found themselves offering primary care for grandchildren and elderly parents. Among the Scottish participants (who were older than the Ontario women participants), a number of women became responsible for house clearances following the death of a relative in their post-transition period. Women were also likely to report that they were available once out of work to support their wider family and personal networks with childcare and other caring.

Under redeployment, limitations to flexibility for caring had the potential to constrain an already constricted pool of vacancies. Constraints on their work which affect caring responsibilities can also push women out of work, where they had not intended to exit. Once out of work, women were responsible for the majority of the caring responsibilities for immediate and extended families. Although they did not identify this as a direct barrier to moving back into subsequent employment, it constrained their decisions and availability for work.

## 9.4. Labour market interventions and the transition process

The second research question guiding this investigation asked, in which ways and to what extent do factors surrounding the labour market interventions influence the job transition process. The overall condition of the labour market and availability of jobs has not been in focus. However, in this study, workers evaluated their situation, circumstances and prospects against the state of local and wider (e.g. national or provincial) labour markets (Green, 2006a; Kalleberg & Sorensen, 1979). For those facing internal displacement to jobs with poorer intrinsic features, workers compared the potential downward internal transition to their perceived external prospects. The majority opted to stay in the organisation despite an expressed desire to exit due to the perceived lack of prospects. In maintaining their employment, they would have more safeguards over extrinsic job quality aspects (e.g. remuneration, continuity of medical coverage and maintaining their tenure and pension contributions). For those displaced out of the organisation, how they perceived the quality of the vacancies influenced the extent to which they were interested in engaging with job search activities and ALMPs, irrespective of their engagement with PLMPs.

Building on the sequential nature of the transition process, there were mixed levels of interaction with labour market interventions based on the characteristics of the displaced workers. Older workers with more generous severance packages could exit the labour force, while younger and mid-career workers with longer periods of formal or informal notice periods were able to move directly into another job. This section provides an overview of the findings of the role of labour market interventions for the downsizing transition.

### 9.4.1. Passive interventions

The approach to PLMPs were broadly similar in both countries, favouring shorter duration with required regular 'signing on' to report job seeking activity levels (Jackman, 1994; Venn, 2012). Workers in this study only accessed the contribution based benefits, such as Jobseekers' Allowance (JSA) and Employment and Support Allowance (ESA) in the UK or Employment Insurance (E.I.) in Ontario. These are time limited-benefits. Most participants reported that they had never accessed benefits before this claim, despite the long working lives of contributing to the benefit system. Accessing benefits is expected to decrease job search effort, increasing the duration of time in unemployment (Jackman, 1994; Layard et al., 2005). Workers are expected to be reluctant to accept lower wages than their pre-displacement job, hindering the pace at which they return to work (Addison et al., 2013; Feldstein & Poterba, 1984).

In this study, the impact of required activity, such as the regular reporting of job search activities, had reported differences between countries. In Ontario, workers reported consistent job search effort, but low levels of actual job applications, in line with findings from White et al. (1994). These workers reported poor available opportunities in terms of sufficient wages and job stability, which White et al. (1994) also found to depress effort. In the UK, however, the workers who accessed the income benefits also had generous extra-statutory pay packages. While alternative income and savings might have been expected to depress or delay job search activity (e.g. Lammers, 2014), these workers reported high levels of work commitment (e.g. Gallie et al., 1994; Nordenmark, 1999; Steiber, 2013). The inconvenience of the mandated activity was a reported driver to accept low wage, lower responsibility employment as quickly as possible.

These findings suggest that the pressures put in place to minimise benefit take up were, in the small numbers in this study, effective in moving individuals into any job – mainly low wage roles because individuals did not have the same economic needs related to work. However, where workers did not perceive work would adequately meet their financial needs, the inconvenience of signing on was not perceived as a driver into inadequate employment. The limited support and low levels of income from benefits may also reinforce a segmentation of benefit claimants into those who can afford not to claim benefits and people who need them, branding benefits as a poor benefit (Gugushvili & Hirsch, 2014; W. Korpi & Palme, 1998; Rothstein, 2001).

At the point of benefit exhaustion, workers are expected to increase their job search efforts and move into re-employment (Card et al., 2007; Gray & Grenier, 1998; van Ours & Vodopivec, 2008). Workers at this point reduce their reservation wages and are more

likely to accept any type of job based on the financial strain (Arni et al., 2009; Marimon & Zilibotti, 1999; c.f. van Ours & Vodopivec, 2008). The Scottish workers had already moved into work prior to benefit exhaustion, whereas in Ontario, it is unclear from this study whether it had implications for returning to work. Many of the workers delayed accessing E.I. because they were receiving severance payments. Therefore, benefit exhaustion fell outside of the period of study and in other cases, the individual did not provide follow-up data.

## 9.4.2. Active interventions

Active labour market interventions are expected to have some modest positive effects for re-employment at best, and little adverse effect beyond potential opportunity costs, at worst (see Card et al., 2010). Workers in this study reported that basic job search support interventions, such as access to public job boards, were not seen as useful sources of vacancy information as they lacked good quality work that would meet the needs of the workers (Addison & Portugal, 2002). Several workers in both countries tried to access CV and interview workshops aimed at a general population. For workers who had not job-searched in many years (or decades), these were useful general supports. However, all of the workers who engaged with these interventions reported limited real assistance. Workers reported limited success with jobs posted on the public job boards. In Ontario, workers reported that these posted only poor quality jobs (see e.g. Addison & Portugal, 2002).

There was limited interaction with training and development interventions. However, the findings from the mapping and E&S interviews and the Ontario worker interviews suggests that training interventions for displaced workers prioritise new low-level skills development over building on prior human capital investment. The findings of this study also raise questions about how and when displaced workers are expected to access services, particularly in the UK. A number of E&S respondents and workers reported an assumption and expectation that the worker should try to access interventions immediately following the displacement. Indeed, the tailored presentation for displacing organisations aims to intervene prior to workers' exiting work. While this is preferable for individuals' re-employment and local unemployment (Addison & Blackburn, 1995; Weber & Taylor, 1963; Wigblad, 1995), most workers reported delaying their job search following their exits to adapt to and re-assess their change of circumstances. Several reported that once they were ready to engage – either with public or employer-provided services – often too much time had elapsed and they were no longer eligible for the redundancy support services.

## 9.5. Configurations to maintain job quality following the job transition

The job transition process is shaped by a political economy's overall approach to employment protection (Franzese, Jr., 2001; Harcourt et al., 2007). Liberal market economies (LMEs) tend to favour approaches which minimise the cost of accessing, hiring and dismissing workers as a strategy to stimulate job creation and economic growth (Bernard, 2008; Casey et al., 1999; Lallement, 2011; P. A. Wood, 2001). This approach influences the job transition through two distinct areas of policy: firstly, redundancy and mass termination legislation; and secondly, through labour market programmes. This research has found that these policy spheres have limited overlap in practice. Where these met, it has tended to be that labour market programmes react to redundancy/mass dismissal and try to reach displaced workers through basic skills interventions or job search services. The organisational context and circumstances surrounding redundancies remains largely a black box until such point as the job losses have been put into motion. Redundancy is reactionary, with organisations being largely unprepared (Cascio, 1993). The displacing organisation must first notify the relevant Government agency, which in turn, notifies the service providers offering a tailored service for displaced workers. This format offers limited space for preventative action. In this study, pre-displacement and labour market interventions had limited reach for mid-level employees with recent work experience.

Practically, the limited involvement and information about the pre-restructuring conditions of organisations offers limited obvious scope for public policy intervention in an LME context. Organisations of all types may be hesitant and resistant to openly discussing potential job loss and in involving workers in the process (discussed further below). As such, this research is hesitant to recommend public interventions specifically related to downsizing. As discussed in this study, there are existing services targeting recently displaced workers, which have had limited reach for those in this study. Given the reactionary and negative perceptions of organisational difficulties, and ultimately downsizing, it is unlikely that organisations will become more forthcoming about their situations and seek assistance if they are not accustomed to engaging with public services. Current procedures and legislation require organisations to notify the government, but by that point, decisions have already been made. Under nCR policies, employers may not even be required to inform relevant authorities, thus not alerting the support interventions. While there may be value in engaging in more progressive ways to restructure, redesign work and downsize, the time for engagement might be much earlier



in the process. However, given the arms-length approaches to workplace interventions in LMEs, this may be an agenda more suited for direct engagement by businesses and employing organisations than from the public sector. As such, the findings from the third research question related to the configurations which might maintain job quality for workers, and focuses more heavily on the role for the displacing organisation in maintaining job quality.

### 9.5.1. Constraints on employer choice and downsizing tactics

In this study, downsizing arose from macro-level conditions and was shaped by politically-set budgets and politically-promised reductions to deliver ‘value for money’ (Clerk of the Privy Council of Canada, 2010; Commission on the Future Delivery of Public Services, 2011; HM Treasury, 2010, 2014; Ontario Ministry of Finance, 2011). In a public sector restructuring context, the decision-makers were not necessarily those directly involved with organisational restructuring. Local or organisational decision-makers did not necessarily have complete or long-term information about the context in which they are operating. This constrained the extent to which restructuring could be undertaken strategically for the organisation.

This study also highlighted that employer-led decision-making was constrained and modified by the presence of recognised trade unions in public sector organisations. The general preferences against compulsory redundancy, along with decisions related to extra-statutory severance arrangements, selection processes and timelines were part of pre-negotiated agreements between the recognised unions and the employer in this study. These agreements also set out the procedures for internal redeployment and transfer options. For many workers, these policies offered protections on salary, hours of work and grade. Unions therefore played important roles in putting in place procedures before making the decisions on restructuring that were made, potentially allowing organisations to be more prepared (c.f. Cascio, 1993). Furthermore, for some workers, union representatives played a facilitating role by working with the employees to find suitable redeployment opportunities. Therefore, the role of the union in rule-setting behaviour, and as an arbiter and facilitator, had the potential for more transparent procedures and greater access to information for workers.

Maintaining and/or improving the quality of work for displaced workers in the organisation was not the priority. The priority for the decision-makers is the reduction in cost and headcount. For the unions and workforce representatives, their policies prioritise

maintaining employment, protecting workers' extrinsic aspects of work – pay, grade, hours, terms and conditions and pension/benefits – where they remained in the organisation, and ensuring financial compensatory arrangements for those exiting. These policies, therefore, prioritise job tenure security, stability and predictability of hours and income. There was little explicit focus on matching the post-displacement jobs to the skills, knowledge and interests that the worker wanted to use. In both countries where workers were not involved with their post-displacement job selection, workers reported feeling that the jobs were demotions. While they reported the intention to quit, they simultaneously reported a lack of alternatives.

Several employer E&S respondents reported that salary protection and maintenance clauses offered some incentives for HR practitioners and managers to have an interest in the outcomes of redeployment. However, this was contextualised as ensuring 'value for money' and ensuring workers are not underutilised, given the fixed salary arrangements. Union E&S respondents were concerned about other changes to work, such as tasks being removed, requirements for multi-skilling, work being done by different types of workers (e.g. different contractual arrangements or consultants) and work being intensified. However, these concerns tended to be reflected in terms of their implications for workers' regrading, pay and the number of roles affected.

In the context of an environment that sees maintaining a job in the organisation – any job – as better than being made redundant, practices that look to preserve or improve the quality of work for individuals based on their skills, interests and circumstances are not the priority. Through practices like salary protection and lateral transfers, good quality work beyond equivalent remuneration is a bi-product rather than a driving consideration.

### 9.5.2. Implications for job quality in downsizing process

Despite these internal and external constraining factors, downsizing and the design of post-downsized jobs in the organisation are firm-level activities. It requires a 'deliberate organisational decision' and is achieved through a set of managerial actions (Cascio, 1993; Freeman, 1999; Kozlowski, Chao, Smith, & Hedlund, 1993). The organisation – implicitly or explicitly – adopts a downsizing strategy through managerial choices and decisions related to the types of downsizing tactics, the timelines and the types of changes to the work that they will deploy (see e.g. Appelbaum et al., 1999; Cameron, 1994), a workforce reduction strategy, a work redesign strategy or a systemic strategy. These vary in their benefits, implementation challenges and require different resources – in both time and money (Cameron et al., 1993; Freeman, 1999; Freeman & Cameron, 1993).

Organisations should have an interest in maintaining the quality of work for displaced individuals, beyond extrinsic features for the long term functioning of the organisation (e.g. Appelbaum et al., 1997; Armstrong-Stassen, 2002; Brockner et al., 1992). In this study, the use of nCR appears to hide what is happening to the quality of work for displaced but remaining workers. These policies may have similar organisational impacts as long-term hiring freezes. Hiring freezes restrict the flow of labour into the organisation and may increase workloads for workers where demands are not reduced in tandem (Kettner & Martin, 1996; McMurtry, Netting, & Kettner, 1990). These types of changes to working conditions and demands have been reported elsewhere in the survivor of downsizing literature (e.g. Appelbaum et al., 1997; Kalimo et al., 2003) and were similarly reported by many workers in this study. E&S respondents recognised that their organisations were at risk of losing skilled and mobile workers (see e.g. Appelbaum et al., 1997; Brockner et al., 1992).

Organisational expert respondents emphasised both the possibility and examples of where individuals moved to better quality, better matched work as a result of their job loss. This was presented as a 'happy ending' scenario, with the HR personnel and policies playing central roles in facilitating that positive transition. The quality of the pre-transition role was not a feature of the experts' narratives. However, this was not a common occurrence in the workers' experiences. This 'blessing in disguise' scenario only occurred in one of the 38 workers who participated in this study. This individual was initially under-employed in a low skill, high demands and low resource role. Her transition was into a more complex role with supervisory support, scope for discretion and problem-solving and continuous training and development that assisted the worker in making a second progressive positive transition. This suggests that while positive experiences are both desirable and preferable, the frequency at which they occur should be interrogated in the discourse.

In this study, deteriorations in job quality appear to be a significant factor for individuals to exit, often compounded by pull factors. Despite this, no workers reported undertaking an exit interview or discussions related to the reasons why they were choosing to leave. It might have been assumed that individuals were driven by economic incentives. However, understanding the drivers for exiting may offer the organisation relevant insight into planning for the future. This may seem like a futile activity during periods of contraction. However, an organisation's experience of downsizing is a strong predictor of future downsizing (Budros, 1999, 2002; Datta et al., 2010) and public service organisations cannot reduce demand or cease to offer statutory services. Therefore, understanding what is happening to jobs at the workplace-level may assist in a more strategic planning of current and future restructuring.

As was found in relation to the previous research questions, workers reacted to and made job-related decisions based on the limited information that they had. Wherever possible, workers behaved in ways which maintained their most desirable aspects of work. Workers did so by accessing lower pay, accepting less interesting work in the interim, moving between jobs to preserve their grade for future opportunities, or otherwise exiting the organisation. This finding raises interesting implications for organisations. Large scale restructuring is, by its very nature, disruptive and full of change. On one hand, the process of restructuring involves instability for workers and moving individuals between jobs, which can be problematic, as argued thus far. However, beyond the changes realised directly from restructuring, workers themselves may look to identify alternative options, may move between roles to optimise their positions or otherwise disengage from their work, increasing organisational disruption.

This may be minimised through the provision of quality information about the restructuring and the relevant processes. Organisational decision-makers may choose to hoard information about the threat and need to downsize and restructure, particularly where there may be negative reactions from stakeholders (Datta et al., 2010; Worrell et al., 1991). This may be less the case in public sector organisations given the accessibility of information related to public finances. Under nCR restructuring, organisations may prefer to hoard information to limit the loss of labour leading up to the programme or facility closure, as it appeared among some of the Ontario workers. With the exception of facility closure, the incremental nature of public sector restructuring does not appear to lend itself to secretive restructuring plans.

In both countries, greater access to quality information appeared to enable workers to participate and regain some control over their transition processes. These participants appeared to have more time to react, re-adjust their expectations and engage in job search activity. Their participation or lack thereof appears to be a recurrent factor in improving their outlook on their situation, their engagement with the transition processes and their perceptions of their post-transition job. That is not to say that workers should always be given full control over decision-making; this may be unachievable depending on organisational circumstances, available vacancies and other reasons. However, where people understood that their jobs were going to be eliminated and that change was required, they were prepared to engage in difficult choices about how they could continue in employment in the organisation. Where they had no scope to participate, people expressed wanting some input and wanting to be able to search for work internally. Even low level, constrained participation, for example, picking a preferred post-transfer location and having those preferences ranked in a seniority list, was seen as a form of control.

Beyond access to information and in spite of the constraints placed on organisations relative to the unknown future pressures to downsize, this research has highlighted a need for a procedural and practical focus on matching workers to jobs aligned to their intrinsic needs from work. The implications of poorly matched jobs include an underutilisation of their skills and knowledge at a time where skills and knowledge are a depleting resources, as well as the implications for reduced work engagement and satisfaction. Practically, at a minimum, organisations may want to consider the order in which they undertake their restructuring and the implications of their downsizing choices for the workloads of those implementing their restructuring and their capacity to facilitate good quality matches.

## 9.6. Limitations and future research

There are two main limitations of this research which raise possible areas for further research: firstly, issues related to the data collection timing and the participants, and secondly, the extent to which this research can be applied to the private sector.

This study arose, in part, out of announced patterns of job losses and organisational restructuring stemming from the global Great Recession from 2008. However, as discussed in Chapter 6, data collection, particularly in the Ontario study, was delayed to allow time for the job displacement processes to take place. Despite these delays, many workers in the study were still going through the process of restructuring. These participants were among those in the early stages of contemporary public sector restructuring. Furthermore, the approaches adopted by the displacing organisations – and the public sector employer – influenced the demographics of the participants. Given the emphasis on early retirement, the Scottish worker participants were older on average than the Ontario workers. Many of the Scottish participants were, however, relatively young retirees. This raises interesting questions related to lost skills in the economy and lost knowledge in the organisations. Given the extended durations of pension top-ups and extra-statutory severance, their early exits raise questions of the overall cost-benefit of paying out large packages relative to the barriers to re-employment faced by older workers.

For workers who had been made redundant from the organisation, their experiences in the labour market at the height of the ongoing economic crisis may have been different from an experience once the recovery had begun – with possibly better outcomes during the recovery. Alternatively, those displaced internally may have still had access to a larger pool of vacancies at the time of the study, as the full scale of the required reductions was not yet known. Therefore, the experiences of workers is restricted to the context in which

they are embedded. This research also had limited real time understanding of what was happening within the organisations, opting instead to use recent recall data from individuals. Future research which uses the job transition as the unit of analysis but which follows transitions from and within one organisation may offer additional insight into the nuances of organisational policies, key actors and individual differences.

As public sector restructuring continues, five broad and significant questions arise for future research:

1. To what extent are displacing organisations able to maintain policies of no compulsory redundancy;
2. To what extent do displaced workers manage to access similar quality jobs within these organisations?

Furthermore, from an organisational perspective:

3. To what extent and in which ways are incentivised schemes modified to continue to achieve the desired reductions in headcount; and,
4. To what extent and how are organisations able to maintain talent and skills in their post-restructured workforce?

For public sector organisations delivering statutory services:

5. To what extent is the quality of service and service user/customer care able to be maintained under these circumstances?

It is worth noting that the extent to which compulsory redundancy was used in Ontario may be over-represented in this study. The participants who had experienced mass compulsory redundancy came from facility closures. The wider division in the organisation was undergoing several large closures across the province with more closures planned. While workers would have had access to enhanced severance packages as negotiated and as per the contracts of the non-unionised workers, there was no access to internal redeployment or transfers. This was a point of contention raised by workers. However, given the division-wide cuts and the large geographic distances between facilities, the decision-makers may have reasonably assumed that compulsory redundancy was their best option. It might be reasonable for the employer not to have expected displaced workers to relocate their households across the province of Ontario for low- to mid-level roles. Alternatively, had internal applications been permitted, the employer is faced with the risk that demand might have vastly outstripped any available vacancies in a shrinking service, leading to disappointment and a similar outcome as compulsory redundancy. This raises an interesting area for future downsizing research.

This research has suggested that low cost, information- and participation-based measures may offer scope for improving individual re-employment outcomes. Furthermore, labour market programmes in Canada and the UK increase the travel-to-work distance and acceptable work criteria with longer periods of unemployment (Venn, 2012).

Policymakers, particularly in Canada, have expressed an interest in a more geographically mobile workforce. Therefore, to what extent do geographically expanded internal labour markets, with differing amounts of resources (e.g. financial support for relocation), stimulate geographic mobility while maintaining job quality?

Lastly, the extent to which these findings are applicable to the private sector may depend on the circumstances under which the organisation is downsizing. While private sector firms may not have formal nCR policies, medium, large and multi-national firms may still have large, diverse internal labour markets with vacancies that enable matches to good quality jobs. In the UK, firms have a legal requirement to avoid compulsory redundancy and find alternative jobs for displaced workers to avoid unfair dismissal. However, the extent to which this is a reality for displaced workers may be different; particularly under the recent changes to employment tribunals which make it difficult for workers to seek remedy (see Justice Committee, 2016).

In Ontario, there is no formal requirement to find at-risk workers alternative jobs. These firms could extend this opportunity to workers in place of facing redundancy. Where facilities are being relocated or closed, employers could allow workers access to transfer and redeployment options in other locations – even where the onus and cost of redeployment is left with the individual. These opportunities expand the scope for workers to participate and have control over their job loss situation, at little cost to the displacing organisation. The decision to relocate instead of exiting the organisation would be one made by the individual based on her own circumstance. This raises similar questions for research as above. The low cost of hiring and firing in LMEs may disincentivise businesses from doing so. Conversely, businesses may be in a better position to protect the quality of work. Whereas the public sector is unlikely to see drastic reductions in demand for services in a recessionary climate, private sector firms may be able to reduce job demands and workloads. As such, private sector businesses may have greater capacity and an interest in maintaining job quality, however, deliberate action during downsizing would be required.

The private sector may also differ in its relationship to ‘surprise’ and openly communicating information to benefit from or mitigate particular signals to the market (e.g. Doiron, 1995; Hallock, Strain, & Webber, 2012). The need to maintain secrecy was less of an issue in the public sector, with many workers deducing their situation from

public announcements. Providing comprehensive information to workers may require more proactive planning to implement mechanisms for voice, participation and opportunity in downsizing because of fewer constraints on their actions. Unions were important actors in negotiating the procedures before the downsizing occurred, leading organisations to be more prepared (c.f. Cameron et al., 1993; Kets de Vries & Balazs, 1997). Unions may provide support and information to workers, and assist them in understanding and responding to the job loss. Given the lower trade union density in the private sector compared with the public sector (OECD & Visser, 2015), these businesses may have fewer existing policies and procedures for workforce adjustment in place. Therefore, these findings may be relevant for these private sector firms, however it is likely that the businesses themselves would need to drive their own procedural and behavioural changes. These issues relate to job quality and mechanisms for participation. Future research in this area might target businesses in sectors in decline to better understand how job quality can be maintained for those remaining in the businesses.

## 9.7. Contributions

In much of the existing research and policy related to employment and the labour market, the emphasis is placed on the individual. This research has argued that too much focus is placed on the person and modifying her actions, with insufficient attention placed on the displacing organisation. This research has focused on the process of the job transition following displacement, by examining downsizing procedures, the job loss event and access to labour market interventions. In doing so, this research makes a methodological contribution, diverging from the existing approaches in the literature. This research has highlighted how the job transition process is sequential and has the potential for cumulative impact. The research also makes conceptual contributions to the individual job loss/re-employment literature, the organisational downsizing literature and the debate on job quality. It makes an empirical contribution by better understanding public sector job loss and restructuring in the Great Recession, discussed in this last section.

The research contributes to the individual job search literature by suggesting that the job loss experience may be a composite measure of variables from the downsizing context and in the labour market context. This expands the types of situational variables that may impact on job search attitudes and behaviours, and re-employment outcomes. Similarly, this research has highlighted that the job transition following displacement begins prior to exiting work. The circumstances surrounding the exit and displacement have implications for how the individual interacts with the labour market interventions.



This research makes three contributions to the organisational downsizing and restructuring literature. Firstly, it contributes to understanding the job redundancy and redeployment transition, and its implications for job quality; an area with limited extant research (e.g. Armstrong-Stassen, 2002, 2003; Pinder & Schroeder, 1987). The existing research identified that workers tend to be given additional tasks and face higher job demands following workforce reduction (Cascio & Wynn, 2004; Kets de Vries & Balazs, 1997). Armstrong-Stassen (2002), however, found workers faced with job redundancy reported more positive levels of job satisfaction and trust than survivors. These positive organisational attitudes, however, may be significantly influenced by the quality of the post-displacement job and circumstances related to career expectancy, job security and fairness (Armstrong-Stassen, 2003). This research is consistent with this latter finding and goes on to explore the circumstances surrounding the internal job transition process. Secondly, this research also offers a comparative analysis of downsizing experiences across countries and by types of transition; contributing to better understanding decisions to exit via incentivised schemes. Thirdly, access to quality information and scope for participation have been found to mitigate the adverse effects of loss of control and insecurity (Gallie et al., 2016; Latack et al., 1995). This research suggests that the information provided should be useful, accurate and of good quality, and proposed following the 5Ws and 1H: a big picture of ‘what’ is happening to the organisation; ‘why’ particularly jobs and patterns of restructuring are taking place (Brockner et al., 1990); ‘to whom’ and how they are selected (Kalev, 2014; Wass, 1996); ‘when’ the job losses will be confirmed and the exit will take place (Hansson & Wigblad, 2008); ‘to where’ are workers being displaced, e.g. worker or job redundancies (Greenhalgh et al., 1988; Thornhill & Saunders, 1998); and lastly, ‘how’ workers will be displaced and with which resources.

Good jobs have the potential for far-reaching benefits – not just for the people working in those jobs and their households; but also the organisations who employ them (pre- and post-displacement) and society as a whole (e.g. Carré et al., 2012; Fair Work Convention, 2016; Felstead, Gallie, & Green, 2015). This research contributes to debates about individual preferences and alignment for assessing job quality. Throughout this research, job and employment security and stability have been key aspects of job quality embedded in all the discussions. This is not surprising given that job loss, and the threat thereof, is inherent to discussing downsizing (Greenhalgh & Rosenblatt, 1984, 2010). Other dimensions of job quality (e.g. Muñoz de Bustillo et al., 2011), such as training and development in post-displacement jobs were not a mainstay of post-displacement jobs. Furthermore, scope for progression was not a feature of workers’ experiences and was seen as more of a luxury for the long-term than relevant at present. Individuals in this study modified their behaviour in response to these restructuring policies and the

available information, even where the information was not complete. Workers analysed patterns of past job losses and made short and long-term compromises to protect valued aspects of work to better assess the threat of job loss.

Job quality has moved to the fore of government agendas and policy debates, particularly in Scotland (e.g. Fair Work Convention, 2016; Scottish Government, 2015), to a limited extent in Ontario in the 2016 budget (Ontario Government, 2016), and in Canada as a whole following the 2015 federal elections. These are crucial agendas, but require the cooperation and involvement of employers. Employers have the most influence over what happens in the workplace, particularly in the context of LMEs' arms-length approach to interacting with firms (Hall, 2015; Hall & Soskice, 2001b). One of the key findings of this research is that organisational procedures and policies, and labour market programmes, are structured to de-prioritise job quality for displaced workers. The quality of one's job, however, is relevant at every stage of the downsizing process – not just in the outcomes. Downsizing policies are structured to protect and maintain extrinsic elements of work, specifically pay, tenure and hours. For internally displaced workers, these features structure the size of the vacancy pool and types of jobs available internally for the worker. Policies which protect workers' extrinsic features of work – such as salary and grade protection measures – do not necessarily preserve good intrinsic elements or valued aspects of work. These policies do, however, offer some incentive for the employer to facilitate well-matched roles – however this must be resourced. For workers exiting the organisation, extrinsic features structure the size of the severance package, perceptions of fairness of the severance packages and eligibility for some labour market interventions.

This research has contributed to the wider downsizing literature by investigating public sector restructuring in the aftermath of the Great Recession. This context offers an important distinction from much of the private sector restructuring research because these organisations are not responding to reduced demand for their products and services nor are they looking to achieve greater profit margins. Managers in these organisations cannot predict at which point 'enough' job losses 'are enough'. The organisation's labour requirements are planned separately from demand or organisational efficiencies, dictated instead by political cycles. Downsizing decision-making in the public sector may also be internally conflicted. Local and organisational decision-makers look to retain as much service delivery, front-line work and access to services while simultaneously looking to reduce services while minimising the societal impacts. While organisational decision-making in downsizing was not the focus of this research, conflicting rationales for downsizing and actions by the organisation were connected to how displaced workers interpreted their job transitions. The internal organisational conflict also had implications for the quality of work for employees remaining in the organisation.

While organisations were not the focus of this study, this research has offered a number of practical suggestions for organisational decision-makers and those implementing downsizing activities to consider. These may be relevant to improving the outcomes of workers impacted by job redundancy and worker redundancies.

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# Appendix A. Ontario expert and stakeholder supplemental material and agenda

## **Preparation Material and Agenda: Expert and Stakeholders (Ontario)**

**Name of department:** Department of Human Resource Management, University of Strathclyde

**Title of the study:** The employment transitions of displaced intermediate level workers in the UK and Canada

**Researcher:** Rachelle Pascoe-Deslauriers ([rachelle.pascoe-deslauriers@strath.ac.uk](mailto:rachelle.pascoe-deslauriers@strath.ac.uk))

### **This document:**

You have been sent this document in addition to the Participant Information and Consent Sheet to provide some further information about the research. I hope that you and your organisation will find interest and value in your participation. Your involvement will help to inform and arrive at constructive policy insights on the lived experiences of redundant and transitioning workers from mid-level work and their interaction with policy and programmes in Scotland and Ontario, Canada.

Should you, or your organisation, wish to receive a brief summary report of the findings from this research, please provide an email address to Rachelle Pascoe-Deslauriers or contact her by email ([rachelle.pascoe-deslauriers@strath.ac.uk](mailto:rachelle.pascoe-deslauriers@strath.ac.uk)). Please note that a summary report of the findings will not be available until the completion of the research project and will not include data that can be used to identify any particular participant.

### **Your involvement:**

I would be grateful for up to one (1) hour of your time to hear your perspectives on the overall issues relating to intermediate skill and mid-level occupation workers leaving the public sector. Your input will help to shape the wider understanding of the context in the post-redundancy trajectories of intermediate skilled workers take place and which policies might most effectively facilitate their return to work.

Our conversation will be largely unstructured and exploratory because the aim is to understand the broader picture. Your views and any recommendations that you might have on other relevant organisations, individuals or contacts with displaced workers would also be very much appreciated.

**Details of research:**

The research is being undertaken as part of the degree of Doctor of Philosophy, Human Resource Management and will analyse the experiences of intermediate skill level workers, who have recently left public sector work as part of restructuring and downsizing or been made redundant (laid off) from or redeployed within public sector employment in Canada (Ontario) and the UK (Scotland). I am interested in the range of people who probably would not have left or opted to leave if the conditions were different, therefore not individuals who have left because of different job opportunities or who were 'pulled' from the organisation.

More specifically, the workers of interest are those who have 'intermediate level skills', that is, those who have completed secondary education. They may have completed some college or post-secondary educations, training or credentials but not a university degree and are likely to have a lot of valuable accredited and non-accredited skills from work experience and work-based training.

This group is located in Skill Group B and C on the 2011 Canadian National Occupational Classification Matrix from HRSDC (available from HRSDC at <http://www5.hrsdc.gc.ca/noc/english/noc/2011/pdf/Matrix.pdf>). This group might also include individuals who entered the public service some time ago and progressed through internal job ladders to various middle and more senior roles and be located in Level 0 - Management occupations on the NOC2011 matrix.

**The purpose of the research:**

The purpose of this investigation is to better understand what happens to individuals who have been displaced, how or if these workers transition back into work, the nature of that work and what has impacted their transitions in different national contexts. By looking at this issue in Ontario and Scotland, through comparisons of the career trajectories of individuals within contexts and between countries, this research will contribute to understanding the relationship between labour market interventions, the actions of employers, service providers and trade union organisations in shaping and influencing the employment transitions of intermediate-skilled workers following displacement.

Public sector employment represents a large proportion of total employment. It also represents good quality work that is disappearing and unlikely to return as economies recover. Canada and the UK spend roughly 0.4 and 0.3 per cent of GDP on active labour market policies as part of their strategy to combat high and persistent unemployment (OECD, 2011). There is value in analysing the impact of the interactions between labour market interventions and individuals; asking, do they enter into better, similar or worse quality work or remain unemployed.

Practically, this may have implications for spending and delivery of labour market measures in the province of Ontario and Scotland. This group of workers represent ones who have likely had significant amounts of investment through work-based training and development made by the State, their employer. As they move back into the labour market, the recognition and perceived value of their skill-sets and contributions by other employers may lead to a greater understanding of the cost and loss of investment made in these employees.

**Questions for consideration ahead of our meeting:**

- General thoughts on the overall project.
- General thoughts on what the researcher should know about this situation in Ontario.
- Do you or your organisation interact with this particular skill group of workers? If so, in which ways?
- Did you or your organisation engage with this group of workers while they were employment or following their displacement?
- What might you say about the current state of public sector restructuring and downsizing in Ontario?
- What might you say about the current state of the overall labour market in Ontario?
- What might you say about your knowledge of other programs, services, supports and interventions in the labour market to help job seekers of any skill level?
- To your knowledge, are there any particular programs and services available that target this particular group of individuals?
- Do you have any particular thoughts about the state of conditions of work or quality of work available across the province?
- Are there other important individuals, groups or interventions that are particularly relevant to understanding of the employment transitions of these workers?
- In general, what do you think about the employment prospects for this group of workers with regards to quality of work, utilisation of skill sets in subsequent employment, remuneration and other factors?

# Appendix B. Scottish expert and stakeholder supplemental material and agenda

## **Further information for Experts and Stakeholders**

**Name of department:** Department of Human Resource Management, University of Strathclyde

**Title of the study:** The employment transitions of displaced intermediate level workers in the Scotland, UK and Ontario, Canada

**Researcher:** Rachelle Pascoe-Deslauriers ([rachelle.pascoe-deslauriers@strath.ac.uk](mailto:rachelle.pascoe-deslauriers@strath.ac.uk))

### **This document:**

You have been sent this document in addition to the Participant Information and Consent Sheet to provide some further information about the research. I hope that you and your organisation will find interest and value in your participation. Your involvement will help to inform and arrive at constructive policy insights on the lived experiences of redundant and transitioning workers from mid-level work and their interaction with policy and programmes in Scotland and Ontario, Canada.

Should you, or your organisation, wish to receive a brief summary report of the findings from this research, please provide an email address to Rachelle Pascoe-Deslauriers or contact her by email ([rachelle.pascoe-deslauriers@strath.ac.uk](mailto:rachelle.pascoe-deslauriers@strath.ac.uk)). Please note that a summary report of the findings will not be available until the completion of the research project and will not include data that can be used to identify any particular participant.

### **Your involvement:**

I would be grateful for up to one (1) hour of your time to hear your perspectives on the overall issues relating to intermediate skill and mid-level occupation workers leaving the public sector. Your input will help to shape the wider understanding of the context in the post-redundancy trajectories of intermediate skilled workers take place and which policies might most effectively facilitate their return to work.

Our conversation will be largely unstructured and exploratory because the aim is to understand the broader picture. Your views and any recommendations that you might have on other relevant organisations, individuals or contacts with displaced workers would also be very much appreciated.

### **Further details about research:**

The research is being undertaken as part of the degree of Doctor of Philosophy, Human Resource Management and will analyse the experiences of mid-level workers, who have recently left public sector work as part of restructuring and downsizing in Canada (Ontario) and the UK (Scotland).

More specifically, the workers of interest are those who have 'intermediate level skills', that is, those who have completed secondary education. They may have completed some college or post-secondary educations, training or credentials but not necessarily to a university degree and are likely to have a range of accredited and non-accredited skills from work experience and work-based training. This group might also include individuals who entered the public service some time ago and progressed through internal job ladders to various middle and senior roles.

**Questions for consideration:**

- Are there particular issues relative to a UK or Scottish context that are important to raise (e.g. unique to the UK)?
- To your knowledge, are there any particular policies, programmes and services available that target this particular group of individuals (including from medium-skilled range or from public sector employment)?
- Do you or your organisation interact with this particular skill group of workers or policies that interact with this group of workers? If so, in which ways?
- What might you say about the current state of public sector restructuring and downsizing in Scotland within a UK context and as a nation?
- What might you say about the current state of the labour market for this particular group, that is, individuals mid- to late- career from medium-level occupations?
- What might you say about your knowledge of other programmes, services, supports and interventions in the labour market to help job seekers of any skill level?
- Do you have any particular thoughts about the state of conditions of work or the quality of work available with regards to their post-redundancy employment?
- Are there other important individuals, groups or interventions that are particularly relevant to understanding of the employment transitions of these workers?
- In general, what do you think about the employment prospects for this group of workers with regards to quality of work, utilisation of skill sets in subsequent employment, remuneration and other factors?

## Appendix C. Interview schedule for displaced worker participants

*[Complete pro forma of demographic characteristics and key dates]*

### **About yourself**

Can you tell me a bit about yourself? May I ask your age?

What sort of formal education have you already undertaken? *(High School, Highers/ordinary levels, CEGEP, college, university)?* When was this?

Have you done any course in your own time/at your own expense in the past? What did you study? When was this?

Are you from this area? *(Do you have family in the area, partner's family, how long have you lived in this region? Where were you born?)*

What about your family? Do you have a partner, children *(dependents? non-dependent children?)*

Are you working at the moment? *(Retired? Will return to this subject)*

*(If partner) Does your partner work? What sort of work do they do? Do they work in town, here or do they travel to work?*

### **About your job (Public sector)**

What department/branch of the public service were you working in?

Can you tell me about your work? What kind of work were you doing?

In this work, what were your most important activities or duties?

How long were you in your position?

When did you start working in the public sector? Was this continuous employment?

Did you think this was a good job? *What was good about it? Or not, why not?*

How many hours per week on average did you work?

Was your position a 'permanent' position, temporary with no agreed end date or fixed term contract?

Can you tell me about your workload – did it feel like you had to work very hard? In which ways? Did you feel like you had enough time to get your work done?

Throughout your time in that work, did you feel that your employment was secure?

Before your displacement, were there opportunities to go on training courses? *Have you done any training in your workplace that has led to any qualifications or credentials? What sort of opportunities were there?*

Were there opportunities to apply for promotion?

*[Show scale card #1]* Can you tell me about the influence you had over... (A lot, some, a little, none, don't know)

- The tasks you did in your jobs?
- The pace at which you worked?
- How you did you work?
- The order in which you carried out tasks?
- The time you started and finished your working day?

*[Prompt to discuss and provide examples for each]*

*[Show scale card #2]* Can you tell me to what extent you agree or disagree with the following statements about your job? (Strongly agree, agree, neither agree nor disagree, strongly disagree, don't know)

- My job requires that I work very hard
- I never seem to have enough time to get my work done
- I feel my job is secure in this workplace
- I feel like I have the prospect to progress in my work
- I have opportunities for training and development

*[Prompt to discuss and provide examples for each]*

*[Show scale card #3]* In general, how satisfied were you with the following aspects of your job? (Very satisfied, satisfied, neither satisfied nor dissatisfied, very dissatisfied, don't know)

- The sense of achievement you got from your work
- The scope for using your own initiative
- The training you received
- The opportunities to develop your skills in your job
- The amount of pay you receive

*[Prompt to discuss and provide examples for each]*

In this job, were you a member of a union or covered by a collective agreement?

What sort of skills do you feel like you took out of your job?

Would you say this is a good job? In which ways? What is it that makes it a good/not so good job?

### **About your displacement & conditions of displacement**

When were you laid off/finish working?

Was your redundancy compulsory?

*(If not)* Can you talk me through some of the reasons why you decided to take the redundancy? *(Opted for voluntary redundancy schemes, early retirement, non-renewal of fixed/casual term contracts, etc.).*

How much notice were you given? Did you receive pay in lieu of notice?

Were you given any packages - early retirement, voluntary redundancy deal, etc.?



*(If some sort of package) Roughly how many weeks' pay was your package equivalent to?*

Were many of your colleagues made redundant at the same time?

At the time that you made the decision to leave/were required to go, did your employer offer you any supports? What about now? *(If yes for either, what kind(s)?)*

### **Further work intention**

At the point that you made the decision to leave/were required to go, did you want to find new employment right away?

*If not: why not? (Training, time out for leisure, etc.) Can you tell me about your expectations for the near and mid-term future as far as working/not-working, etc.? (What type of work, e.g. 'a wee part time job'?) Did you want to work for pay immediately after your separation?*

*If not: Why did you not want to work immediately after your separation from the public sector job? (e.g. going to school or on training programme; personal or family responsibilities; own illness/disability; want to retire; did not think there were any jobs available; not interested in finding a job; waiting to be called-in to a job; taking time-out for travelling/vacation/leisure, other?).*

At the point that you made the decision to leave/were required to go, what were your views on your prospects of getting a job? Were you expecting/hoping or thinking of getting another job?

What sort of work were you interested in?

What sort of work did you think you might get?

Now, what do you think your prospects are?

Did you plan to do or do any job searching activities before you stopped working but after you knew you were being made redundant? (E.g. online searching, networking & rekindling old contacts, send out applications/resumes, have any interviews?)

*(If employer had offered supports either before finishing or thereafter, were these used for /related to job searching?)*

Do you have any caring responsibilities that impact your views on going back into work? (E.g. children/access to child care issues; parents/in-laws to care for).

*If non-full time permanent work, how much work? What sort of responsibilities, etc. Same type of job or something different?)*

*[Use prompt cards #4 & #5 if needed]*

### **Support Services**

What happened next? How did you access income and benefits?

Did you access any social insurance benefits related to your employment contributions (e.g. Employment Insurance – Canada, Contribution-based Jobseeker's Allowance- UK)? What advice and guidance did they offer you? Did they refer you to any particular programmes or services?

Do you have a jobseeker's agreement? What sort of activities are you involved with as part of jobseeker's agreement?

Did you have targets set? How did you respond to those targets?

### **Job Search**

So it's been *(time period since redundancy)*, can you talk me through what you've been doing? When you stopped working, what did you do?

Did you know what services and supports were available?

What services have you received from placement services or government services (*Jobcentre Plus, Service Canada, and Service Ontario*)?

Did you receive any training, counselling or seminars on job search techniques – *for example, resume/cv writing, interview techniques, how to look and dress for a job, etc. What about career profiles or individual/group counselling?*

*If YES: Can you tell me about what you did on these programmes? Who funded this programme? Who offered this programme? Was your training part of an assistance programme or paid for by the government?*

*Did you find these services helpful? Do you think they were helpful in terms of your job search?*

Can you tell me about your job search? Are you or were you looking for work in the same occupation as your job in the public sector?

What do you do when you're job searching? *(E.g. involvement with Jobcentres, private employment agencies, recruitment agencies, approached a professional reemployment counselling firm, contacted professional association or trade union, contacted employers and previous employers, checked with friends and relatives, placed or answered job ads, others?)*

How do you find the access to information about available jobs?

Have you had any issues with skills, experience or education for the available jobs?

- Health problems? Availability of jobs? Availability of jobs in your geographic area or in your field of occupation? Age? Other barriers?

*If Childcare/Family care was issue (above): How did affordable alternate care impact on your ability to search or accept work or the type of work you'd like?*

Would you say that your job search is going easier than you expected when you left your job?

Can you please tell me about the distance in which you're searching for work? Would you consider moving from the area for work? *(Mobility issues – family in the area, partner's employment, children's schooling, owning/selling property, etc.)*

## **Education and Training during the transition**

I would like to ask you a few questions about your experience immediately after your separation from your public sector job and what you think about your skills and what you need to get back into work.

Is there type of skills or qualifications that you think you would like to develop/get, improve or update that will help you get into the type of work that you would like to be doing? (*Is that available in this area? What are some of the barriers to getting this type of service?*)

Are there courses or training programmes you would have liked to take related to your career or job-related reasons since your displacement but have not?

*If yes: What was this (field of study/skill)? Why did you not take this training/education (e.g. too busy, training programme too full or waiting list too long; training not available; too expensive/cannot pay; family responsibilities; health reasons; other – transportations or childcare problems).*

Are there any training and development courses that you've been put in touch with?

*If yes: What types? How do those match up to the types of course that you would like to be taking?*

Are you current taking any education or training courses or have you since your separation from your public sector job?

*If yes: How long does this training programme last? Are you taking this as part of a diploma, certificate or degree programme?*

*If yes to training: Can you tell me about why you took this training? (e.g. no jobs available/alternative to working; wanted training in a new field/to learn a new career; to update my existing skills/learn new technology; employer wanted it; to start a business of my own; legal/professional requirement; just wanted something new; job advisor wanted me to take it; credentials for existing skills).*

Is the training (*that you've taken/want to take*) related to any previous training you've done before?

And now? Any thoughts on your training/education? How did it contribute to your job search/employability, etc.?

## **Current work**

Are you working at the moment?

*If YES:*

How long did you look for work before finding (your first work since your displacement)? Were you looking for paid work at the time?

What type of work are you doing? Was it the same kind of work as the job you were doing with the public sector?

How long have you been working there?

Is it a good job? (*Prompt for follow up: what makes it a good job/not a good job? How does it compare to your previous job?*)

How did you come to be in this job? How did you find this work? (E.g. services used to find out about the job, job advertisements, recruitment process, contacts, etc.)

What appealed to you about this job? (What lead you to apply for it?) (Did you take this job because it was in your area of interest? You needed a job for income? It was important for your sense of self-worth to have a job? Your family or friends wanted you to have it? Other reasons?)

Is your position a 'permanent' position, temporary with no agreed end date or fixed term contract? How many hours are you working?

How many hours do you usually work in this job per week?

*If part-time:* explore reasons for part-time (own illness/disability; personal or family responsibilities; going to school; did not want full-time work; could only find part-time work; expecting this to become full-time)

*If temporary or term work:* explore main reasons (e.g. could only find temporary work; hoping it would lead to permanent job; personal or family responsibilities; did not want a permanent job – if not, why not?)

In this work, what are your most important activities or duties?

I'm going to show you the prompt cards from earlier, can you please tell me about the following aspects of your job:

*[Show scale card #1]* Can you tell me about the influence you had over... (A lot, some, a little, none, don't know)

- The tasks you did in your jobs?
- The pace at which you worked?
- How you did you work?
- The order in which you carried out tasks?
- The time you started and finished your working day?

*[Prompt to discuss and provide examples for each]*

*[Show scale card #2]* Can you tell me to what extent you agree or disagree with the following statements about your job? (Strongly agree, agree, neither agree nor disagree, strongly disagree, don't know)

- My job requires that I work very hard
- I never seem to have enough time to get my work done
- I feel my job is secure in this workplace
- I feel like I have the prospect to progress in my work
- I have opportunities for training and development

*[Prompt to discuss and provide examples for each]*

*[Show scale card #3]* In general, how satisfied were you with the following aspects of your job? (Very satisfied, satisfied, neither satisfied nor dissatisfied, very dissatisfied, don't know)

- The sense of achievement you got from your work
- The scope for using your own initiative

- The training you received
- The opportunities to develop your skills in your job
- The amount of pay you receive

*[Prompt to discuss and provide examples for each]*

How's your travel to work time? Is your work convenient for you to get to?

How do you feel about your job? Would you say that this is a good job? If so/if not, in which ways?

How do you feel about this job compared to your previous public sector work?

In this job, are you a member of a union or covered by a collective agreement?

### **Iterative aspect**

Is this the first job that you've had since your displacement from the public sector?

*If not:*

- What other work/jobs have you had? Can you tell me about those?
- What type of work are you doing?
- Was it a good job?
- Was it the same kind of work as the job you were doing with the public sector?
- How long were you working there?
- In this work, what were your most important activities or duties?
- How did you come to be in that job? How did you find this work? (E.g. services used to find out about the job, job advertisements, recruitment process, contacts, etc.)
- How's your travel to work time? Is your work convenient for you to get to?

What appealed to you about this job? (What lead you to apply for them?) How do you think it compared to your public sector work?

Why did you leave this job? When did you leave this job?

### **If Self-employed:**

What sort of work are you doing as a self-employed person?

Can you talk me through the reasons that you work(ed) as a self-employed person doing that job? *(E.g. no paid work available/better chance of getting work this way, prefer self-employment, previous employer offered work as consultant, invitation of a friend/relative to join business, in retirement, other?)*

*(If relevant) Were you hoping that self-employment would lead to a stable job with an employer (contractor)?*

How does that compare to being a full-time paid worker?

How does it compare to your previous work in the public sector?

Have you ever been self-employed before starting this business?

Had you taken any steps towards starting this business before you left the public sector?

*What sorts of things did you do?*

*Were you involved in any training or education programmes, licensing, qualifications to start your business? How did you go about finding and accessing those? Did you make use of any particular government supports and training to be able to support (financially or otherwise) the move to being self-employed?*

*Do you usually do your work on a contract basis? What types of companies/industries do you usually do contract work for (Crown corporations, public services, other governmental agencies (federal, provincial, municipal/ National, regional, local)?*

*If governmental: Is this the same department in the public service or the same branch of the public service that you worked with before your separation?*


### **Further comments**

Is there anything further that you'd like to tell me about your experience of looking for work after your separation from the public sector?

[If no further comments, confirm consent to be contacted for follow-up survey by email in approximately 6 months].

## Appendix D. Prompt cards for displaced worker interviews

Each question/set of items was shown on its own full size page. Participants were asked to discuss each statement in relation to their pre-displacement job and any subsequent jobs.



**Do you agree or disagree with the following statements about your job?**

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
My job requires that I work very hard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I never seem to have enough time to get my work done	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel my job is secure in this workplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel like I have the prospect to progress in my work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have opportunities for training and development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**In general, how much influence did you have over the following?**

	A lot	Some	A little	None	Don't know
The tasks you did in your job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The pace at which you worked	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How you did your work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The order in which you carried out tasks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The time you started or finished your working day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**In general, how satisfied were you with the following aspects of your job?**

	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied	Don't know
<b>The sense of achievement you got from your work</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>The scope for using your own initiative</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>The training you received</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>The opportunities to develop your skills in your job</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>The amount of pay you receive</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## Appendix E. Follow-up survey for displaced workers

[Online survey administered through Qualtrics Survey Platform]

**Q1.** I am contacting you because you previously agreed to being contacted to participate in a follow up survey. I would greatly appreciate if you could answer the questions in this survey about your experience since our interview in *[August or September 2012 (Ontario Participants) or February to April 2013 (Scottish Participants)]*.

Please take your time in completing this survey. You can complete this survey over a few days. Your answers will be saved automatically on the computer/browser you have used and you can return at a later time. If would prefer to complete this survey over the phone or have any questions or concerns, please contact Rachele Pascoe-Deslauriers (rachele.pascoe-deslauriers@strath.ac.uk).

This survey is voluntary and you can chose not to answer any questions. All your responses will be held confidentially. Your responses will be matched with your interview and used to provide an update on your experience.

- Click to proceed
- Click to exit

[If Click to exit is selected move to Q2a]

**Q2a.** Answer 'if click to exit' is selected

Thank for again for participating in the interview as part of this research. If you indicated that you would like a copy of your transcript of the interview and/or a summary report of the research upon its completion, you will receive these by email in due course. Any questions or concerns can also be directed to Rachele Pascoe-Deslauriers (rachele.pascoe-deslauriers@strath.ac.uk). Would you like to complete this survey over the phone with Rachele (this should take roughly 30 minutes)?

Phone number:

Please indicate a time preference between 8 am and 9 pm, a date preference and any other details you would like to send to Rachele (she will respond to your request via email):

Email Address:

I would not like to participate in this follow up survey.

- No, I would not like to participate (Please feel free to leave any relevant feedback)

[EXIT Survey]

**Q2b.** Answer If Click to proceed Is Selected

The purpose of this survey is to find out about your experience since our interview in August or September 2012. Please answer in your own words as fully as possible.

1. What are you currently doing?

- In work
- Not in work, but not in education and training
- In education and training

2. How many different jobs have you held in the past 6 months (since August 2012)?

[Drop down menu 0 to 1 and more than 10]

3. Please describe what sort of work you are or have been doing? Is this the same job that was discussed in your interview, have you entered a new job, have you changed jobs? If you have changed jobs, please describe also how you came to be in this job.

4. If you are in a different job than the one discussed in the interview, how would you assess that job? Is it a good job? What do you consider good or not good about it? (e.g. Pay, use of skills, match of skills required with skills you have, the location, hours, work environment). Please discuss for each job held in the last 6 months as fully as possible.

5. Have you undertaken any training or development or engaged with any employment related services and supports since our interview? Please describe. (E.g. what kind, who offered them and where, how long did they last, did you receive a certification or accreditation, how was it funded - training may have been provided by an employer, private company, government agency, charity).

6. Are you currently searching for work? If yes, what are you doing to search for work and how are you searching for work?

7. Have any of your individual, family, financial, etc. circumstances changed since our interview that have affected your employment or job search (e.g. financial need, household circumstances, geographic location, end of severance, training courses, self-confidence, changed jobs, partner has changed jobs). Please describe.

8. Is there anything further about your experience or circumstances that you would like to share? (e.g. Your feelings about or changes in your job opportunities, confidence in your skills, supports or programs with which you have been involved)

9. Has it helped to talk about your situation? How? Has it affected your behaviour? Please describe.

Survey complete?

If yes, please hit the next button ( >> ) to submit your answers.

If no, please complete the survey. If you would like to take a break, exit your browser and return to the survey through the link in your email on the same computer, in the same browser. You can return to this survey over the course of a few days.