Repeated Downsizing Contact: The Effects of Similar and Dissimilar Layoff Experiences on Work and Well-Being Outcomes

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Abstract

Despite the frequency with which organizations engage in multiple waves of downsizing, few studies have investigated the effects of such repeated exposure among layoff survivors. In this longitudinal study, we compared 1244 white and blue-collar workers who reported either zero, one, or two contacts with layoffs; all participants were employees of a large manufacturing company that had engaged in several mass waves of downsizing. Consistent with a stress-vulnerability model, we found that workers with a greater number of exposures to downsizing – both direct (e.g., personally targeted) and indirect (e.g., coworkers laid off) – reported significantly lower levels of job security, and higher levels of role ambiguity, intent to quit, depression, and health problems. Our findings did not support the idea that workers became more resilient as they encountered a greater number of layoff events. Furthermore, we found only partial evidence that the similarity (i.e., either repeated direct or repeated indirect layoff contact) or dissimilarity (i.e., a combination of direct and indirect contacts) of the type of repeated downsizing exposure played a role in the degree to which workers reported changes in these outcome variables.
Repeated Downsizing Contact: The Effects of Similar and Dissimilar Layoff Experiences on Work and Well-Being Outcomes

Corporate downsizing has become a pervasive feature of the economic landscape in the United States (Cappelli, Bassi, Katz, Knoke, Osterman & Useem, 1997). A growing body of research has established that layoffs are associated with nontrivial changes in surviving employee attitudes, performance, and well-being (Beale & Nethercott, 1988; Ferrie, Shipley, Marmot, Stansfield, & Smith, 1998a; Grunberg, Moore, & Greenberg, 2001; Hughes, 2000; Shannon, Woodward, Cunningham, McIntosh, Lendrum, Brown, & Rosenbloom, 2001; Vahtera, Kivimaki, & Penti, 1997; Woodward, Shannon, Cunningham, McIntosh, Lendrum, Rosenbloom, & Brown, 1999). With a few notable exceptions (e.g., Ferrie, Shipley, Marmot, Stansfeld, & Smith, 1998b; Iversen & Sabroe, 1988; Kivimaki, Vahtera, Thomson, Griffiths, & Cox, 1997; Kivimaki, Vahtera, Penti, & Ferrie, 2000), this work has tended to be primarily cross sectional in nature, and researchers have often examined only the effects of a single downsizing episode. Little longitudinal research exists on the effects on employees of surviving repeated threats and disruptions to their jobs. Therefore, the primary aim of this study was to examine the effects of repeated downsizing episodes on the work-related reactions and well-being of employees.

As downsizing and corporate restructuring become part of the standard response of American management’s to difficult economic conditions, we see evidence that many large companies in the United States engage in repeated episodes of mass layoffs. In fact, almost 29% of all companies engaging in mass layoffs (50 or more workers laid off for at least 30 days) carried out two or more episodes in the period 1998-2002. This translated to some 6,593 firms, of which more than half carried out three or more downsizings. The number of workers affected
Repeated Downsizing Experiences

That a single downsizing episode is associated with negative effects, such as heightened job insecurity, depression, and health problems, has been fairly well documented in the literature as noted above. Additionally, several longitudinal studies have demonstrated that these effects may persist overtime, thereby contributing to a chronically stressful work environment (e.g., Moyle, 1998). The impact of this type of chronic job insecurity has been recognized in several previous investigations. Heaney, Israel, and House (1994) found that chronic job insecurity
predicted changes in self-reported physical health problems, and Ferrie, Shipley, Stansfeld, and Marmot (2002) reported that participants who were insecure in their employment in two consecutive study phases had the highest levels of poor health and depression.

The actual downsizing event, however, might be better likened to an acute stressor, or a critical incident, given that the actual notification per se’ has a relatively shorter timeframe. The distinction between acute versus chronic stressors has revealed differences both in coping techniques and health outcomes. Van der Ploeg, Dorresteijn, and Kleber (2003), for instance, found that whereas acute stressors predicted posttraumatic responses, chronic stressors were associated with fatigue and exhaustion. Personality traits have been found to moderate the relationship between chronic stress and strain more than between acute stress and strain (Sagy, 2002).

Repeated, acute events, such as repeated contacts with downsizing, present a different situation than does a single downsizing episode or a long-term, relatively constant level of threat. Repeated events may be associated with different types of coping responses, job reactions, and health outcomes. Two contradictory theories concerning the effects of repeated, acute stressors may be found in the literature. A stress-vulnerability or accumulation model posits that repeated trauma taxes one’s coping resources and over time weakens the individual (Zapf, Dormann, & Frese, 1996). On the other hand, a resilience or adjustment model argues that experiencing a trauma helps to “fortify” the individual, preparing him or her to face subsequent incidents more effectively (Dougall, Herberman, Delahanty, Inslicht, & Baum, 2000). Carver (1998), who draws a distinction between resilience (i.e., returning to pretrauma functioning) and thriving (i.e., exceeding pretrauma functioning), also recognizes that in addition to learning techniques that
help one to recover more quickly, one might also become more desensitized to a given threat with repeated exposure. Thus, whether one becomes more resilient or thrives in the face of such adversity, the point here is that repeated downsizing contact may not necessarily result in deleterious job and health outcomes.

Dougall et al. (2000) noted that the evidence in favor of either a stress vulnerability or resiliency model to date has been mixed. For example, in a sample of forensic doctors, van der Ploeg et al. (2003) found that greater numbers of reported acute stressors (e.g., situations that involved suicide and aggressive detainees), were associated with higher levels of posttraumatic symptoms, thereby supporting the stress-vulnerability model. In other words, there was a cumulative negative effect of repeated stressful events on some of their outcome measures. In research more related to layoffs, Kalimo et al. (2003) found that experiencing multiple downsizings in the past was correlated with several health outcomes (e.g., number of health complaints), but failed to find support for a cumulative effect of previous downsizing events in conjunction with the number of future anticipated downsizing events on health outcomes. Armstrong-Stassen (1997) reported that managers who had experienced more downsizing exposure reported higher levels of continuance commitment (i.e., higher costs associated with leaving the organization). Overall, however, the effects of repeated downsizing contacts were minimal though she acknowledged that these data were exploratory and based on a relatively small sample size. In a later study (1998) she found that technicians who had been targeted for layoffs five times had higher levels of distributive injustice and threat of job loss compared to technicians who had been targeted only once. The technicians targeted a greater number of times, however, also had higher levels of direct action coping and positive thinking. Armstrong-
Stassen speculated that these technicians may have learned various coping strategies that they were able to implement more readily than those new to downsizing threat. Thus, the first purpose of the present study was to examine whether a stress-vulnerability or a resiliency model better described workers with single or repeated downsizing experiences.

Dougall et al. (2000) suggested that one possible explanation for the mixed evidence in support of either the stress-vulnerability or resiliency models may be due to the degree of similarity of the multiple traumatic experiences. Only in the case of similar traumatic events, they argued, would the coping techniques practiced during earlier traumas serve a protective function in future threatening situations. A test of this variation of the resilience hypothesis using data from workers at an airline crash site revealed that more similar prior exposure was not associated with lower levels of stress; however, greater levels of dissimilar prior trauma was predictive of higher current levels of distress. Thus, these authors concluded that an accumulation of varied types of traumatic events did perpetuate chronic levels of distress.

**Types of Downsizing Contact**

Extending the work of Dougall et al. (2000), we contend that repeated downsizing experiences, likewise, may pose either similar or dissimilar forms of trauma to workers. That is, we argue that contact with layoffs can vary depending on both the intensity and the nature of the contact employees have with the downsizing process. Therefore, repeated downsizing contact may or may not present an employee with similarly stressful situations. If the types of repeated contact are indeed different, the worker may be presented with different types of work-related stressors, employ varied coping strategies, and experience varied outcomes. In this instance, we would not expect the resiliency model to describe the effects of repeated downsizing contact.
Thus, a second aim of this study examines the work and well-being outcomes between workers having similar or dissimilar forms of repeated layoff contact.

Although not an exhaustive list, we have identified several forms of downsizing contact. At one extreme are employees who work in areas of the organization that have escaped layoffs. Such employees are obviously aware that large-scale layoffs are underway, but have minimal personal contact with layoffs. At the other extreme are employees who feel especially vulnerable and under threat because they have been targeted for possible future layoffs. Following the 1988 Worker Notification Act (WARN), companies in the United States are required to give potential candidates for layoffs 60 days advance notice (called “warns”) when planning large-scale layoffs or plant closures (Addison, 1994). There is evidence that some companies “overwarn,” (Armstrong-Stassen, 2002) sometimes with hundreds or thousands of employees (depending on the size of the company) receiving warn notices but subsequently not losing their jobs (Grunberg et al., 2001). Understandably, such employees tend to feel much more uncertain about their job security.

Beyond personal warn notices, employees may be directly affected by downsizing in other ways, especially when it is accomplished by other forms of restructuring. As companies cut their workforces, they often reallocate employees to different positions and areas in the organization. In the large organization we studied, some of this internal job movement resulted from managerial decisions and some from the union-negotiated labor contract that enabled blue-collar workers with seniority in “surplus” positions to “bump” other workers with less seniority out of their positions. Approximately 10% of the workforce in our study experienced geographical and/or positional job movement as a result of bumping. Such an experience is
Repeated Downsizing likely to disrupt social relationships, increase role ambiguity, and heighten feelings of uncertainty about one’s job security.

In between these two extremes of no contact or direct personal contact are employees who have indirect but important contact with layoffs. For example, many employees will witness the layoff of close coworkers in their work areas or see close work friends in other areas of the company laid off. While not directly threatening their own job security, such layoffs are likely to heighten these employees’ general sense of uncertainty and anxiety, and, in the case of the layoff of coworkers, may result in their being saddled with increased workloads or a different set of work tasks. Thus, for this group of workers experiencing indirect layoff contact, increases in job demands and role ambiguity are plausible outcomes.

Our previous research found that workers experiencing direct forms of downsizing contact fared significantly worse on job security and several measures of health than did workers with indirect contact, who in turn experienced poorer outcomes than did workers with no reported personal contact (Grunberg et al., 2001). Similarly, Kalimo et al. (2003) found that certain forms of downsizing experiences, such as those that eliminated jobs directly, were associated with the poorest outcomes. Such evidence shows that it is important to consider the varied types of contact downsizing survivors have had with the layoff events, particularly as this may affect the way in which they experience repeated downsizing contact.

Purpose of the Present Study

As noted above, the purpose of the present study was twofold. First, we examined the effect of repeated downsizing contact on job security, role ambiguity, job demands, intent to quit, depression, and health problems. Because both the stress vulnerability and resiliency models
have received support in previous research, and because they make opposite predictions about the effects of repeated trauma, we did not specify directional hypotheses for the effects of repeated contact on these job and well-being measures.

Hypothesis 1: Employees with varying amounts of layoff contact (i.e., no contact, contact at one time period, contact at two time periods), will show significant differences on measures of job security, role ambiguity, job demands, intent to quit, depression, and health problems.

Our decision to examine these particular work and health-related outcomes was guided by their extensive use in previous investigations as well as by our understanding of how different forms of contact might present workers with different types of workplace stressors. For example, the linkages between downsizing to job insecurity (e.g., Armstrong-Stassen, 1998, 2002; Heaney, et al., 1994; Kivimaki, Vahtera, Pentti, Thomson, & Griffiths, 2001), job demands (e.g., Kivimaki et al., 2001; Moyle, 1998; Shannon et al., 2001), role ambiguity (e.g., Moyle, 1998; Shannon et al., 2001), intent to quit (e.g., Kalimo, et al., 2003), and health problems and depression (e.g., Ferrie et al., 2002; Iverson & Sabroe, 1988; Moyle, 1998) have all been documented in previous research. Thus, we reasoned that our examination of repeated downsizing contact would add to the body of extant literature on what is known about these measures vis a vis surviving layoffs.

Our variables were also selected based on our understanding of how the different forms of layoff contact might be associated with varied types work-based stressors. As explained earlier, we were interested in differences between workers experiencing either similar (i.e., repeated indirect contact or repeated direct contact) or dissimilar (i.e., one direct contact and one
indirect contact) forms of repeated layoff contact. Consistent with the argument presented by Dougall et al. (2000), who suggested that the accumulation of varied types of stressful experiences resulted in greater levels of distress whereas similar traumas offered one the opportunity to practice (similar) coping techniques, we posited that workers who experienced the dissimilar forms of contact would be confronted with a greater variety of work-based stress over time. For example, because direct contact, by definition, is more personal and most likely more directly threatening, we anticipated that it would be associated with relatively greater job insecurity and plans to seek alternative employment as a means of escaping this threat. However, we posited that indirect contact would be frequently accompanied by some degree of work restructuring (in the case of coworker’s layoffs); consequently, increased workloads and role ambiguity would be particularly salient. Measures of depression and health problems were thought to be sensitive to the cumulative or long-lasting (Kivimaki et al., 2001) effect various job-related stressors might have on workers.

Hypothesis 2: As compared to workers with dissimilar repeated downsizing experiences, employees with repeated similar downsizing contact will report significantly higher levels of job security and lower levels of role ambiguity, job demands, intent to quit, depression, and health problems.

Method

Study Site

Data for this study were collected from a division of a very large manufacturing organization located in the western United States. The number of employees over the years of our study (1997 – 2000) fluctuated between 80,000 and 100,000 employees. Both white- and
blue-collar workers across a wide spectrum of occupational skills and organizational positions -- including managers, professionals, design engineers, lower level clerical workers, and semi-skilled machine operators -- were represented in the organization and in our sample.

With respect to downsizing activity, the company had had a history of layoffs and some rehires, corresponding to both the cyclical nature of the industry and attempts by the company to diminish permanently the size of the workforce. In the last decade particularly, the organization had initiated multiple waves of mass layoffs as well as repeated efforts to change the work process and increase efficiency (e.g., new technology, lean manufacturing, cross-functional teams), thereby creating an even greater state of flux. At the time of the first survey in 1997, the division was at the end of a five-year, predominantly involuntary layoff period during which time some 27% of the workforce had lost their jobs and an additional 13% had received a warn notice that they might lose their jobs. In late 1999, at the time of the second survey, the division was in the middle of another downsizing phase that affected some 20,000 employees. In between the periods of the two surveys, the division hired several thousand new workers as it increased production to compete aggressively for market shares. These large swings in manpower produced considerable anxiety and uncertainty in the workforce. Worker morale, as revealed in internal company surveys, was also seriously weakened. It is in this context that the two surveys were conducted.

Participants

In 1997 (Time 1) we mailed letters to a random sample of 3500 workers asking them to participate in a longitudinal study examining the effects of workplace restructuring on employee attitudes and health. Letters and survey materials were sent to participants’ homes, and they
were asked to complete the survey during nonwork hours and to return the completed survey to a
data entry firm located in another state. Participants were informed that while our research had
the support of the company and the unions, we were wholly independent from the organization.
In addition, participants were assured that they would be paid $20 for their participation and that
their responses would remain confidential. From this mailing, 2279 usable surveys (65% response rate) were returned. In the autumn of 1999 (Time 2), we sent Time 1 participants
another letter reminding them of their previous participation and asked them to complete a
second survey. They were again assured of confidentiality and a $20 payment for their participation. Of the 2279 Time 1 respondents, 1960 were still employed with the company; of these 1960, 1244 usable surveys were returned (63% response rate) at Time 2. In this paper, we use the data collected from these 1244 participants.

The demographic characteristics of this final sample closely approximated that of the
larger organization. The sample was 78% male with a mean age of 46.01 (SD= 8.21) years, and
tenure with the company of 17.21 (SD =8.06) years. Nearly 88% of the sample had at least some
post high school education. Our sample was, however, proportionately less blue collar than the
company’s pool of employees (36% in sample, 50% in entire organization).

Procedure and Materials

As part of a larger study that examined work change, health, and performance, we
reviewed the literature and conducted three focus groups and over 50 individual interviews in
preparation for writing the Time 1 survey. We also met with union representatives and other
company personnel in order to explain our study, to encourage widespread participation, and to
reassure workers that our research team was independent from the organization. At Time 2, we followed a similar, although slightly scaled down procedure.

Time 1 and Time 2 surveys were similar in content and consisted of single items and multi-item scales designed to measure several dozen work-related experiences, attitudes, and health outcomes. These measures were comprised of scales found in the literature or developed on the basis of employee interviews and focus groups. The subset of variables reported in this paper is described below; Time 2 scale-level descriptive statistics and intercorrelation between all measures are reported in Table 1. Unless noted otherwise, workers reported their responses using a 5-point Likert type format. For all scale totals, higher scores reflected greater levels of the named construct.

*Job security.* Based on the work of Armstrong-Stassen (1993), we measured job security with three items (e.g., “At the present time, how worried are you about your job security at [name of company]?”). Workers indicated their response on a 4-point response format, anchored from *extremely worried* to *not worried at all*.

*Role ambiguity.* Four items measured the degree to which respondents were clear about their job responsibilities and work objectives (Caplan, Cobb, French, Van Harrison, & Pinneau, 1980).

*Job demands.* Respondents indicated the degree to which they (a) have adequate time to complete their work, (b) have too much work to do everything well, and (c) believe that the amount of work they are asked to complete is fair (Cammann, Fichman, Jenkins, & Klesh, 1983).

*Intent to quit.* Three items measured the degree to which workers thought about quitting their job or looking for a new job in the next year (Cammann et al., 1983).
Depression. We measured depression with a shortened version of the CES-Radloff scale (Mirowsky & Ross, 1989). Using an 8-point scale anchored from never to every day, participants indicated how often during the last week they had experienced depressive symptoms such as feeling lonely and feeling that they “couldn’t shake the blues.”

Health problems. Using a yes or no response format, participants indicated whether they had experienced the following health problems: (a) back pain, (b) headaches, (c) heart problems, (d) high blood pressure, (e) ulcers, (f) indigestion (modified from Moos, Cronkite, Finney, & Billings, 1986 and from Quinn & Staines, 1978). The “yes” responses were summed to arrive at a total score. Due to the heterogeneous item content of this checklist, the internal consistency estimate for this scale was low (alpha = .46), as expected. Test-retest reliability for this six item scale (not shown in Table 1) was somewhat higher at r = .55. Given the three-year time period between the two administrations, we considered this to be a reasonable level of stability.

Layoff contact. Participants were asked to respond to a set of four items that asked about their layoff experience. Using a yes or no response format, respondents were asked if in the past 5 years (Time 1) or 2 years (Time 2) they had experienced the following: (a) close friends in the company were laid off, (b) coworkers were laid off, (c) they had received a warn notice of possible layoff, and (d) they had been laid off then rehired. In addition, for Time 2 data only, a single item asked the respondent whether she or he had been “bumped” out of a job at the organization during the past 2 years.

Creation of Layoff Contact Groups

Responses to the layoff contact items were treated in the following manner. First, we created three groups based on participants’ responses to the four Time 1 downsizing contact
Repeated Downsizing

items. *No layoff contact* consisted of participants who responded “no” to each of the four items. *Indirect layoff contact* respondents were those who had experienced either a friend or coworker’s layoff, but who had not personally received either a warn notice or had been laid off and rehired. *Direct layoff contact* consisted of those workers who had received either a warn notice or been laid off and rehired; they may or may not have reported indirect layoff experience. Next, we repeated this categorization using responses to these same four questions at Time 2; as noted earlier, being “bumped” from one’s job was included as a possible form of direct layoff contact. Last, we crossed participants’ categorizations at Time 1 with those at Time 2 to create nine unique cells of downsizing experience. These cell sizes are shown in Table 2 and were used to reflect participant history of layoff contact.

As can be seen in Table 2, 55 respondents reported no form of downsizing contact at both Time 1 and Time 2. By contrast, 27 respondents reported some form of direct contact at both time periods, and 606 participants reported indirect contact on both surveys. To create a more reasonable number of groups and to increase the cell sizes where possible, we combined certain cells of similar forms of experience. For example, 225 workers reported having a direct contact at one of the time periods and an indirect form of contact at the other (i.e., 105 respondents who had an indirect contact at Time 1 followed by a direct contact at Time 2 added to 120 respondents who had a direct contact at Time 1 followed by an indirect contact at Time 2).

Similarly, we combined workers with an indirect contact at one time period and no contact at the other time period (total $n = 287$) and also combined respondents who reported a direct contact at one time period and no contact at the other (total $n = 35$). Thus, we created six separate groups to reflect a worker’s downsizing history or experience: no contact, one indirect experience, one
direct experience, two indirect experiences, one indirect and one direct experience, and two
direct experiences. Table 3 uses these column headings and shows the respective sample size of
each group.

Data Analysis

We examined skewness parameter estimates for all variables before performing any
analyses, but as all estimates were less than 2.0, we determined that no transformation of our
dependent variables was necessary. Because the intercorrelation matrix revealed that some of
our dependent measures were moderately intercorrelated, (range of $r = -0.07$ to 0.39) we performed
a multivariate analyses of covariance (MANCOVA), using age, sex, and educational level as
covariates.¹ For significant dependent measures, we conducted univariate analyses of covariance
(ANCOVAs) with post hoc comparisons and inspected the patterns of group differences to assess
support for our hypotheses.

Results and Discussion

The overall MANCOVA result was significant, Wilks’ Lambda = .874, $F (30, 4686) = 5.35$, $p < .0001$, and the ANCOVA results showed that all dependent measures were significant.

Group means, adjusted for age, sex, and educational level, are presented in Table 3, and
significant post hoc comparisons are presented in the last column of this table.

To examine Hypothesis 1 (i.e., comparison of employees with no contact, contact at one
time period, contact at two time periods), we first inspected the pattern of significant mean group
differences between the no contact group and the single indirect and single direct contact groups.
Here, we found some confirmation for the deleterious effects of a single downsizing contact.
Employees reporting “no contact” at both Time 1 and Time 2 had significantly higher levels of
job security, and lower levels of role ambiguity and intent to quit as compared to employees with only one indirect contact. Further, we found that employees with no contact reported significantly higher levels of job security, lower levels of intent to quit, and fewer health problems as compared to employees with a single direct contact. Although not part of Hypothesis 1 directly, we note that employees with a single indirect contact reported significantly higher levels of job demands as compared to workers with a single direct contact; thus, our assertion that downsizing contact may result in varied patterns of work-related stress received some support.

The intent of Hypothesis 1, however, was aimed more specifically at comparing the stress vulnerability versus the resiliency models. Evidence of support for the stress vulnerability model would be found in the form of employees with a single layoff contact reporting more favorable work and health outcomes than employees with layoff contact on two occasions, while support for the resiliency model would be found in the opposite pattern. Overall, the mean group differences provided greater support for the stress-vulnerability hypothesis; in not one instance did we find mean group differences in the direction that would corroborate the resiliency model. For example, Table 3 shows that for job security and intent to quit, workers with only one indirect contact fared significantly better than did workers with any two types of contact. Workers with one indirect contact also reported significantly lower levels of role ambiguity than did workers with two indirect contacts or one indirect plus one direct contact. Workers with one indirect contact also stated that they had significantly fewer health problems and lower levels of depression than did workers with the combination of one indirect and one direct contact.
Turning to the comparisons involving workers with only one direct contact, we found that they reported higher levels of job security than did workers with either one direct plus one indirect contact or with two direct contacts. The single direct group also reported significantly fewer job demands than did workers with any of the two forms of contact, and this single direct contact group reported significantly lower levels of intent to quit than did workers with two direct contacts. In sum, the pattern of significant group differences between workers with one versus two points of layoff contact was more consistent with a stress–vulnerability model than with a resiliency model. For employees in this company, going through more than one episode of downsizing did not seem to diminish the negative effects; if anything it exacerbated them.

Hypothesis 2 was directed at testing a variation of the resiliency model. As noted by Dougall et al. (2000), becoming more resilient in the face of repeated trauma would only be expected if one were to experience the same or a similar trauma. Thus, to test Hypothesis 2, we made two types of mean group comparisons. First, we compared workers with one indirect versus two indirect contacts (Group 2 versus Group 4) as well as one direct versus two direct contacts (Group 3 versus Group 6) as these would more specifically compare workers with repeated, similar layoff contacts. Examination of Table 3 reveals that in not one case did the group with two contacts report more favorable work or health measures as compared to the corresponding single contact group, though we note that the means for depression are identical for the direct once and direct twice contact groups.

Second, between the groups reporting two forms of layoff contact (i.e., Groups 4, 5, and 6), we predicted that the group with the “mixed” form of layoff contact (i.e., Group 5 -- one indirect plus one direct contact) would report the lowest levels of security and the highest levels
of role ambiguity, job demands, intent to quit, depression, and health problems as compared to
the groups with two similar forms of contact (Groups 4 and 6). Here, we find only partial
support for Hypothesis 2, noting that for the variables of job security, intent to quit, depression,
and health problems workers with two indirect contacts fare better than do workers with the
mixed forms of contact. We are, however, unable to discern whether this finding is due to
repeated indirect contact having a relatively lesser impact, rather than providing a similar
experience. Furthermore, we note that this pattern is not found when we compare those with two
direct contacts to those with one indirect and one direct contact, although clearly the small cell
size of the repeated direct contact group limits our statistical power. Were we to have a larger
sample size, it is this comparison that would allow us to determine whether the dissimilarity or
the severity of contact is a more potent player in affecting job and health outcomes.

Because previous research on the effects of repeated exposures to similar and dissimilar
stressful incidents has largely focused on trauma victims of major disasters and accidents
(Dougall et al., 2000; van der Ploeg et al., 2003) as well as crimes such as rape, one could raise
the question of whether surviving a large-scale downsizing event is comparable to surviving
other forms of trauma. Although we have no evidence to evaluate the relative severity of distress
associated with these different events, Noer (1993) discussed downsizing as an event with
similar sequelae to the traumas mentioned above. We also note that life events scales rank
“losing a job” and “change to different line of work” as among the more stressful events people
face (e.g., Holmes & Rahe, 1967), similar to “death of a close friend.” Thus, it is reasonable to
assume that the threat of job loss would be moderately traumatic to many workers. Moreover,
Dougall et al. (2000) reasoned that the similarity of the traumatic events, rather than their
severity or content per se’, was the dimension along which one would predict the fit of either a stress vulnerability or a resiliency model. If the events were similar, one could more readily employ a given (and presumably better learned or practiced) coping technique. One might also argue that our forms of layoff contact, namely direct versus indirect, are not different enough so as to constitute different forms of trauma. Indeed, our variables of job security and intent to quit, particularly, show a linear trend moving from the no contact, to the indirect, to the direct forms of contact, thereby suggesting that these forms of layoff contact are not qualitatively different but rather varying degrees of the same type of threat. Although we do acknowledge that these events are perhaps more similar than the traumas described by Dougall et al. (2000), we do maintain that there is some evidence that indirect and direct forms of contact place different types of demands on surviving workers. The fact that job demands is significantly lower for the single direct as opposed to the single indirect downsizing group is some evidence for this position.

We acknowledge that several limitations in our data make the interpretation of these group differences somewhat difficult. As with all surveys of this type, we must recognize the problems inherent in self-report data. In addition, when creating our groups, we treated the downsizing experience occurring at Time 1 to be roughly equivalent to that at Time 2. For example, the workers in the one-time only indirect contact group could have had that experience at either Time 1 or Time 2. Obviously we were unable to control the “magnitude” of the downsizing “treatments;” moreover, anecdotal evidence from individual interviews and focus groups suggested that the first downsizing wave reported in this study might have been more traumatic than the second. Though approximately equal in terms of the number of employees targeted for layoffs, some workers mentioned that the Time 1 downsizing experience was one of
the first of such waves that they had encountered where workers were permanently laid off. In previous layoff experiences, workers had been routinely rehired when the organization, rather predictably, returned to its previous level of production.

An additional problem was the fact that overall company attitudes generally became poorer during the time of the study (not shown in Table 1). Thus, the group means displayed in Tables 1 and 3 must be viewed in the context of a company with increasingly lower job security, higher intent to quit and so on. Furthermore, we recognize that the recency of the layoff contact was one that we were unable to control in some cases and actually chose to disregard in others. As note above, workers with only one indirect layoff contact experienced that contact at either Time 1 or Time 2. Thus, for some workers, this contact may have been as recent as 2000 or as distant as 1995. Small cell sizes and other types of experimental constraints prevented us from comparing other groups that might have better teased apart the question of repeated contact versus recency of the contact. 

Conclusion

With evidence that more than 90% of medium and large firms have downsized in the last few years (Cameron, 2001) and that a large number of these firms have downsized more than once (Bureau of Labor Statistics, personal communication, June 13, 2003), millions of employees have been affected by, and survive, repeated mass layoffs. We have found some evidence that repeated contact with mass layoffs is associated with more negative work attitudes and, if the repeated contact involves different types of experiences, with more negative health outcomes. There is no evidence in our study that employees habituate to layoffs or that they become more resilient to its damaging effects. Given the pervasiveness of this type of
organizational practice, researchers should continue to study the effects of repeated layoffs as well as the conditions that attenuate the impact of such practice.
Endnotes

1. In addition to these demographic controls, we also considered controlling for Time 1 levels of the dependent measures in all analyses. However, because the groups were created as a result of both their Time 1 and Time 2 experiences – their accumulated experiences – we believe that using Time 1 dependent variable values as controls would remove the systematic variation associated with layoff contact, particularly among workers who reported downsizing contact at Time 1. That is, because Time 1 dependent measure values were not collected before the Time 1 downsizing experiences, to control for them would remove part of the between group variation we aimed to study. To examine the impact of this decision, however, we also repeated the analyses reported in this paper while controlling for Time 1 dependent values and found the same pattern of group means, though, of course, the adjusted mean values were slightly different. Thus, we believe that the analyses reported in the main body of this paper do not overestimate or misrepresent the impact of layoff contact.

2. In order to look at the effect of repeated contact, controlling for the recency of the event, we compared Time 2 job attitudes and well being measures for workers with only indirect contact at Time 2 to dependent values for workers with indirect contact at both time periods. We found that workers with only one indirect exposure reported significantly higher levels of job security, organizational support, trust in management, and lower levels of depression. Due to small cell sizes, we did not conduct a similar type of analysis for workers with single direct versus repeated direct contacts.

We also compared these two indirect contact groups’ Time 2 measures to workers who reported only one indirect contact at Time 1, using the latter group’s Time 1 dependent
measures. This type of analysis allowed us to compare the first responses following the most recent downsizing contact reported by a worker. However, because this type of analysis required comparison of dependent values from two different time periods, and because overall, company attitudes were becoming poorer over time, we found this analysis to provide a more confounded test of the effects of repeated contact than the one described in the body of this paper.
References


Repeated Downsizing


Repeated Downsizing


Table 1
*Descriptive Statistics and Intercorrelation Matrix of Study Variables*

<table>
<thead>
<tr>
<th></th>
<th>Range</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gender</td>
<td>(1 = male; 2 = female); 22.2% female</td>
<td>(NA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Age</td>
<td>26-72</td>
<td>46.02</td>
<td>8.21</td>
<td>-0.02</td>
<td>(NA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Education a</td>
<td>1-7</td>
<td>4.18</td>
<td>1.59</td>
<td>-0.14**</td>
<td>-0.06*</td>
<td>(NA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Job security</td>
<td>3-12</td>
<td>7.67</td>
<td>2.63</td>
<td>0.02</td>
<td>0.12**</td>
<td>0.23**</td>
<td>(0.88)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Role Ambiguity</td>
<td>4-20</td>
<td>8.56</td>
<td>3.33</td>
<td>-0.08**</td>
<td>-0.07*</td>
<td>0.20**</td>
<td>-0.19**</td>
<td>(0.90)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Job Demands</td>
<td>3-15</td>
<td>9.00</td>
<td>2.65</td>
<td>0.02</td>
<td>-0.07*</td>
<td>0.17**</td>
<td>-0.07*</td>
<td>0.21**</td>
<td>(0.75)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Intent to Quit</td>
<td>3-15</td>
<td>7.66</td>
<td>3.53</td>
<td>-0.04</td>
<td>-0.28**</td>
<td>0.23**</td>
<td>-0.28**</td>
<td>0.39**</td>
<td>0.17**</td>
<td>(0.84)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Depression</td>
<td>0-49</td>
<td>7.80</td>
<td>8.86</td>
<td>0.09**</td>
<td>-0.05</td>
<td>-0.10**</td>
<td>-0.28**</td>
<td>0.23**</td>
<td>0.18**</td>
<td>0.27**</td>
<td>(0.88)</td>
<td></td>
</tr>
<tr>
<td>9. Health Problems</td>
<td>0-6</td>
<td>1.87</td>
<td>1.24</td>
<td>0.04</td>
<td>0.05</td>
<td>-0.12**</td>
<td>-0.16**</td>
<td>0.11**</td>
<td>0.10**</td>
<td>0.09**</td>
<td>0.32**</td>
<td>(0.46)</td>
</tr>
</tbody>
</table>

*Note.* Internal consistency reliability estimates appear in parentheses along the main diagonal. a Coding for education: 1 = some high school, 2 = graduate from high school or GED, 3 = some college or technical school training, 4 = Associate’s degree, 5 = graduated from college or university with a Bachelor’s degree, 6 = some graduate school, 7 = Graduate degree (M. A., Ph.D., M. F. A., etc.). * = p < .05, ** = p < .01.
Table 2

*Layoff Contact: Subgroup Sizes Combining T1 and T2 Experiences*

<table>
<thead>
<tr>
<th>Time 2</th>
<th>None</th>
<th>Indirect</th>
<th>Direct</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>55</td>
<td>59</td>
<td>8</td>
<td>122</td>
</tr>
<tr>
<td>Time 1 Indirect</td>
<td>228</td>
<td>606</td>
<td>105</td>
<td>939</td>
</tr>
<tr>
<td>Direct</td>
<td>27</td>
<td>120</td>
<td>27</td>
<td>174</td>
</tr>
<tr>
<td>Total</td>
<td>310</td>
<td>785</td>
<td>140</td>
<td>1235</td>
</tr>
</tbody>
</table>

*Note.* For Time 1, direct contact included workers who had been laid off and rehired or who had received a warn notice. At Time 2, direct contact included workers with these same experiences as well as those who had been “bumped” from their jobs.
### Table 3

*Adjusted Group Means, ANCOVA Results, and Post hoc Comparisons*

<table>
<thead>
<tr>
<th>Variable</th>
<th>No Contact (1; n = 55)</th>
<th>Layoff Contact Once</th>
<th>Layoff Contact Twice</th>
<th>F (df) Significance</th>
<th>Post Hoc Comparisons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Indirect (2; n = 287)</td>
<td>1 Direct (3; n = 35)</td>
<td>2 Indirects (4; n = 606)</td>
<td>1 Indirect (5; n = 225)</td>
<td>2 Directs (6; n = 27)</td>
</tr>
<tr>
<td>Job Security</td>
<td>9.56</td>
<td>8.59</td>
<td>7.93</td>
<td>7.48</td>
<td>6.65</td>
</tr>
<tr>
<td>Role Ambiguity</td>
<td>7.18</td>
<td>8.19</td>
<td>7.96</td>
<td>8.73</td>
<td>9.04</td>
</tr>
<tr>
<td>Job Demands</td>
<td>8.46</td>
<td>8.87</td>
<td>7.68</td>
<td>9.14</td>
<td>9.19</td>
</tr>
<tr>
<td>Intent to Quit</td>
<td>5.97</td>
<td>7.08</td>
<td>7.46</td>
<td>7.70</td>
<td>8.52</td>
</tr>
<tr>
<td>Depression</td>
<td>5.16</td>
<td>6.47</td>
<td>7.86</td>
<td>7.55</td>
<td>10.44</td>
</tr>
<tr>
<td>Health Problems</td>
<td>1.39</td>
<td>1.70</td>
<td>1.95</td>
<td>1.87</td>
<td>2.11</td>
</tr>
</tbody>
</table>

*Note.* Means adjusted for age, gender, and educational status. Numbers in post hoc column, where we used $p < .05$ for the Type I error rate, refer to group numbers as noted in column headings.