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Type of Job Loss and its Impact on Decision Control, Mastery, and Depression: Comparison of Employee and Company-Stated Reasons

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Abstract

In the present study, we explore the similarity between company versus self-reported reasons for job loss. We also examine the degree of perceived control employees report over the job loss, looking to see if either job loss type or perceived control is related to subsequent levels of mastery and depression. As part of a larger study, 2279 of 3700 (61%) employees responded to a survey at Time 1; of these participants, 310 lost their jobs before the second data collection some two and one half years later and were mailed a second survey asking them to answer questions on mastery, depression, and perceived control over the decision to leave the company, and to label or categorize the type of job loss they experienced. Comparison of self-versus company-reported reasons for the job loss from the 171 usable surveys (55% response rate) revealed relatively good agreement between company and personal data sources. Roughly one third of the former employees, however, categorized the job loss in more than one way. There was also a very strong tendency for employees to report that they had very high control over the decision to leave the company, and nearly all employees reported improvements to their levels of mastery and depression since leaving the company; exceptions to this pattern were observed for those losing their jobs due to “rule violation” or “involuntary layoff.” Control over the job loss was related to Time 2 levels of mastery and depression, but only weakly related to changes in these outcomes moving from Time 1 to Time 2.

Type of Job Loss and its Impact on Decision Control, Mastery, and Depression:
Comparison of Employee and Company-Stated Reasons

Without question, employment fulfills many important functions in the lives of adults and older adolescents. Besides an income, work often provides structure for one's time, social connectedness, feelings of self-worth, and the valued role of "breadwinner" (Etter, 1997, Jaegar & Holm, 2004; Latack, Kinicki, & Prussia, 1995; Legerski, Cornwall, & O'Neil, 2006; McKee-Ryan, Song, Wanberg, & Kinicki, 2005; Neve, Lemmens, & Drop, 2000; Price, Choi, & Vinokur, 2002). Thus, losing one's job often entails confronting the losses associated with these secondary benefits. It is not surprising, therefore, that job loss, particularly involuntary job loss, has been found to be stressful, and, on average, to have a negative impact on mental health (Gallo, Bradley, Dubin, Jones, Falba, Hsun-Mei, Stanislav, 2006; Latack et al., 1995; Legerski et al., 2006; McKee-Ryan et al., 2005).

One component found to affect the resulting mental health outcomes of job loss revolves around the type of attribution one makes for his or her separation from the company. Generally, previous researchers have found that those making external attributions for the loss (e.g., larger economic climate, a boss who was "out to get me") report higher levels of self-esteem and lower levels of depression than do those making internal attributions for the loss (e.g., "I lacked skill"). (Prussia, Kinicki, & Bracker, 1993; Winefield, Tiggemann, & Winefield, 1992). Thomson (1997) likewise posited that the types of attributions former employees make for the job loss impact the type of job search behavior and /or retraining they seek. Miller and Hoppe (1994), noting that the degree of control former employees perceived themselves to have over the event could interact with the type of attribution (internal versus external), predicted superior mental health outcomes for workers who made internal attributions for job losses over which they did

not have control (e.g., I was laid off because I needed more education) as well as for workers who made external attributions for job losses over which they did have control (e.g., “My boss arbitrarily fired me”). Although the former prediction may seem counterintuitive, the authors posited that “behavioral self-blame” (as opposed to blaming one’s own character) can serve to restore one’s sense of control thereby reducing one’s senses of victimization. In any case, the authors found little support for either hypothesis; instead, unemployed workers’ mental health was more related to their sense of justice for the job loss.

Type of Job Loss

Related to control over, and attributions for, job loss -- but relatively unstudied to date -- concerns the actual *type* of job loss. Both job loss attributions and job loss “labels” convey information about why the job loss occurred, given that the type of job loss (i.e., the label) often is, in part, an explanation of why the separation from the company occurred. For example, “layoffs” (the type of job loss) is frequently thought to occur due to economic conditions (the attribution). Attributions and types of job losses, however, do not necessarily map onto each other as people may frequently make different types of attributions for a given type of job loss (e.g., laid-off due to lack of seniority). Therefore, examination of job loss type in its own right also is warranted.

Clearly, the stated reason for the separation from the company can be quite varied: retirement, layoffs, quitting in order to return to school, involuntary termination, and so on, all result in job loss. Previous investigations, moreover, have tended to focus exclusively on groups experiencing a common form of job loss, such as retirees, laid-off workers, or those experiencing involuntary job loss. Presumably, irrespective of the type of reason for the job loss, employees must still confront the loss of time structure, changes in income, disruption of social connections

and so on. And yet, it stands to reason that similar to attributions (e.g., not enough effort), the type of loss (e.g., layoff, fired) is an important consideration in the former employee's coping efforts and mental health outcomes. Miller and Hoppe (1994), for example, pointed out that being fired versus laid off varies a great deal in terms of the degree to which one is stigmatized and in terms of the degree to which one's competency or character is called into question.

Companies, too, recognize the importance of the stated reason for job loss as reflected in the common practice of allowing employees to "resign" rather than to be officially "fired." These observations may seem commonplace, and yet we argue that there are additional complications in understanding the stated reasons for job loss that are important for researchers and practitioners to consider. Collectively, not only might they affect the validity of both the employee's and employer's reports of job loss type, but they also might be related to the subsequent well-being of the employee. It is the purpose of this paper to address this gap in the literature.

Factors Affecting Reports of Job Loss Type

Similar to the type of attributions one makes for the loss, we note that employees have a fair amount of latitude in the very label they give their job loss. For example, some employees who are forced to leave their positions due to company downsizing may reframe the departure as "early retirement." Employees terminated due to rule violation may reason that they were planning on seeking employment elsewhere anyway and label the experience "voluntary departure." Uchitelle (2006) likewise observed a tendency among some of his displaced workers to resist the notion that they were forced from their positions, choosing instead to frame their job losses as voluntary. McKee-Ryan et al. (2005) found that those who appraise job loss more negatively had poorer mental health outcomes, and Latack et al. (1995) observe that "cognitive

revision” or reframing various aspects associated with the job loss, is a method by which one may cope. Accordingly, we reason that the way one labels one’s job loss may play an important role in such appraisal. Although not explicitly studied in the job loss literature, self labels (e.g., Bower & Knutson, 1996; George, LaMarr, Barrett, & McKinnon, 1999) as well as the labeling of events (e.g., Magley, Hulin, Fitzgerald, & DeNardo, 1999), has been found to have important implications in the mental health literature. Thus, this (re)framing or (re)labeling—conscious or not—may reflect employee’s efforts to assert more control over the job loss or to protect their public image and self-esteem. Even if inaccurate, a tendency to exaggerate one’s perception of control (Latack et al, 1995) has been found to be associated with improved mental health and functioning (e.g., Price et al., 2002; Vinokur, Schul, Vuori, & Price, 2000).

Second, we recognize that one’s separation from the company may be straightforward, but in other cases the reasons may be multifaceted. Consider, for example, an employee who perceives the chances of a future layoff to be high, is highly dissatisfied with his position, qualifies for early retirement, but plans to seek another job following his official retirement from the company. What might such an employee offer as the “official” reason to his or her employer for leaving? Has he retired? Left because he is dissatisfied? Left to seek alternative employment? Again, in an effort to protect one’s public image, an employee may say that he is leaving to take another job, when, in fact, no such job yet exists. He or she may also offer different reasons for the departure to different people; to friends and family, the employee may cite high levels of dissatisfaction.

Both of these observations, we posit, would relate to an employee’s sense of control over the event and subsequent mental health. They would also result, potentially, in inconsistencies between the employee’s and employer’s stated reason for the job loss. We note, further, a third

possibility that would impact the degree of correspondence between an employee's and employer's officially-stated reason for the loss, namely, that an *employer* may be motivated to misrepresent the reason for employee's job loss, a pervasive problem according to Uchitelle (2006) who states that such practice leads to serious underestimations of the number of workers impacted by layoffs. Motivated by the desire to have a more favorable public image, companies, Uchitelle argues, contract their workforce via "hidden layoffs – disguised as retirements, buy-outs, temp work, and contract work." (p. 208). In order to estimate more accurately the impact layoffs have on communities and the American workforce more generally, Uchitelle advocates for more accurate accounting of the reason(s) for job loss and a formal public disclosure of that information (2006).

The purpose of the present article is threefold. First, we examine the degree to which company and self-reported job loss types are similar. This relatively straightforward, yet important comparison was one that we were unable to locate in previous studies. And yet Uchitelle's observations, coupled with the relatively low degree of correspondence between self-reports and archival data noted in other literatures (e.g., automobile accident data, Arthur, Tubre, Day, Sheehan, Sanchez-Ku, Paul, Paulus, Archuleta, 2001; occupational accidents and injury data, Grunberg, Moore, & Greenberg, 1996) suggest that this is an important issue to investigate. Second, we explore whether various types of job losses– as reported by the former employee and employer – are related to a greater sense of control over the decision to separate from the company. If employees do, indeed, label the job loss in a manner that serves to facilitate their coping efforts, we would expect to see clearer distinctions in perception of control over the event between job loss groups as created by self-reports as compared to company-derived categorizations. Last, we examine if, in turn, these job loss types are related to differences in

postseparation mastery and depression levels as well as to changes in levels of mastery or depression, pre and postjob loss. Although mastery is often considered to be a fairly stable personality trait, others (e.g., Legerski et al., 2006) have noted that it may change as a function of exposure to life altering events, including job loss.

Method

Participants

As part of a larger, longitudinal study that examines the relationship between work-related stress and health, some 3700 workers from a very large manufacturing organization were randomly selected and asked to complete a survey; 2269 responded (61%). Between this first survey administration and the second, the company experienced additional waves of downsizing as well as a company merger. Of the Wave 1 respondents, 310 workers lost their jobs before the following survey administration some two and one-half years later. These former employees were then surveyed a second time with 171 (120 men, 50 women, 1 failed to supply gender information) participating (55%). At this second data collection time period, mean age was 50.32 (SD = 11.1) years, and, on average, former employees had worked 17.8 (SD = 9.5) years for the company. The majority (75.9%) were married or living with a partner. Responses were received from all pay categories, but a greater percentage represented white collar positions relative to their representation in the company (company percentages in parentheses): 22.2% (50%) hourly, 8.8% (8%) general office, 13.5% (10%) technical, 20.5% (13%) engineers, 19.3% (9%) professional and administrative, 15.8% (10%) management. Women were also slightly over-represented in our sample (29%) relative to their representation in the company (22%).

Materials and Procedure

The Wave 1 and Wave 2 surveys each contained multiple close-ended measures that were directed at measuring work-related experiences, attitudes, and health outcomes. They were developed after reading the relevant literatures (e.g., downsizing, reengineering, job stress) and conducting multiple interviews and focus groups with current and former employees. Most of the measures comprising the surveys were found in the literature, but a number were developed for use in this study. The Wave 1 survey was considerably longer than the second, containing several dozen measures of job attitudes and health-related outcomes. Respondents were paid \$35 for its completion. The second survey, as it was not the primary focus of the research program and had relatively little funding, was shorter in length; one dollar was enclosed as a token of the researcher's gratitude. For both Wave 1 and Wave 2, surveys were mailed to the respondent's home, and participants were assured confidentiality.

Measures reported in this paper include the following:

Job loss type – company records (Wave 2). Company officials provided us with the formally-stated label used to describe the employee's separation from the company. These categories included: normal retirement, early retirement, quit to take another job, layoff reduction in force, rule violation, domestic reason, general resignation, dissatisfied with pay, personal circumstances, and medically unable to perform job. For each former employee, the company recorded only one reason.

Job loss type-- self-report (Wave 2). On the Wave 2 survey, we asked former employees to indicate the type of job loss they experienced. Participants were instructed to circle all categories that applied, choosing from a list that included: early retirement, normal retirement, quit to take another job, quit without another employment alternative, health, mutually agreed voluntary layoff, involuntary layoff, left to return to school, fired, personal reasons, and other.

Although similar, these job loss categories did not directly match those used by the company. They were included, however, as workers indicated in interviews that they more accurately described their reasons for leaving the company.

Control over the decision (Wave 2). At Time 2, participants were asked, “To what extent was your leaving (name of company) the result of your own personal decision or the decision of (name of company) management? Respondents indicated their answer on a 5-point scale anchored from *completely company’s decision* (1) to *completely my decision* (5).

Mastery (Waves 1 and 2). Participants completed Pearlin and Schooler’s (1978) seven item measure of mastery on both the Wave 1 and Wave 2 surveys. This measure asked participants to rate the degree to which they have control over their life and its outcomes or feel helpless in dealing with the problems of life, indicating their responses on a scale anchored from (1) *strongly agree* to (5) *strongly disagree*. Responses were added so that higher total scores reflected higher levels of mastery. (Alpha Wave 1 = .82, Wave 2 = .87).

Depression (Waves 1 and 2). Mirowski and Ross’s (1989) seven item measure of depression asked respondents to rate the number of days in the past week (ranging from *never* to *every day*) they had felt “sad”, as if they “could not get going”, or “lonely.” Responses were summed such that higher scores indicated higher levels of depression. Alpha for Wave 1 = .87 and for Wave 2 = .88.

Results

Agreement Between Company and Self-Reported Data

Examining the self-reported types of job loss, we found that many participants did offer more than one job loss label to describe their separation from the company ($\bar{X} = 1.43$, $SD = .70$); of the 171 respondents, 114 (67%) indicated only one type, but 44 offered two, 9 offered three,

and 4 offered four types for a total of 245 job loss labels offered across the 171 participants. As to the question of whether or not these self-reported labels agreed with company-stated labels, Table 1 presents the cross tabulation between the two sources of data. Because of the multiple labels offered by some participants for the self-report data (versus only one label given by the company for each participant) and because of the lack of correspondence between the categories for self and company-reported data, determination of percent agreement is not straightforward. However, using a fairly liberal standard for counting “hits” between categories, we found some 159 of 245 labels (64.9%) offered correspond between self and company data sources. We note, too, that some categories showed good agreement. For example the three respondents identified in the company data as leaving due to “rule violation” also self-reported that they were “fired.” Other categories, however, show less corroboration depending on how the question is posed. Turning to the combination of voluntary and involuntary layoffs as self-reported, we found 52 of the 54 workers were also identified by the company as being laid-off. Examination of the labels offered by those who the company recorded as laid-off, however, revealed that 90 labels total were offered by the 56 former employees, with only 52 of those labels relating to layoffs. The separation was also viewed as normal retirement (n=1), early retirement (n=14), quitting to take another job (n=6), quitting without another job (n=3), returning to school (n=1), personal circumstances (n=6), health (n=2), and other (n=5).

Because of the small cell sizes for some job loss categories, computation of percentages is not meaningful for all job loss types. However, taking the top three categories and computing the percentage of participants for a given type of job loss as a function of the total, for both self report and company records separately, we find good agreement for the category “quit to take another job”: 16.9% (29/171) for the company records data versus 15.1% (37/245) for the self

report data. The company records data, however, categorized a greater number of former workers as having taken early retirement than did the self-reports: 38% (65/171) company records versus 28.6% (70/245) self-report. The same trend was found for the layoff category. Of the 245 labels offered by participants for their separation, 54 (41 voluntary, 13 involuntary), or 22% were layoff related. Of the 171 categorizations offered by the company, 56, or 32.7% were layoff related.

Within and Between Group Differences: Control Over Decision, Mastery, and Depression

The overall mean for control over the decision to leave the company, $\bar{X} = 4.48$, reflected that employees strongly perceived their separation from the company to be one over which they had a high level of control. Some 81% of the sample responded that the decision to leave the company was “entirely their own”, or “5” on a 5-point scale. As to perceived decision control as function of job loss type, we found that all but a few groups saw this decision as theirs (see the first columns of Tables 2 and 3 for company- and self-reported reasons for leaving, respectively). Focusing only on those categories with more than one respondent, involuntary layoffs (self-report data), and fired (self-report)/rule violation (company report) reflected the lowest levels of perceived control. Using company records data, post hoc analyses following a one-way analysis of variance $F(7,160) = 10.8, p < .001$, revealed that the “rule violation” group reported significantly lower perceived control than did all other groups. Those laid-off by the company reported significantly lower control than did those identified by the company as having taken normal retirement, early retirement, and accepting another job. Contrary to expectation, we failed to observe much difference in decision control for the various groupings between self- and company-reported job loss types. Decision control was also significantly correlated with Time 2 levels of mastery ($r = .28, p < .001$) and depression ($r = -.30, p < .001$), but not with

preparation levels of these variables ($r = .09$ ns and $-.14$, ns for Time 1 mastery and depression, respectively.)

Paired sample t-tests revealed significant changes in mastery and depression levels over time across all participants. For mastery, Time 2 ($\bar{X} = 29.83$) was significantly higher as compared to Time 1 ($\bar{X} = 26.69$), $t(165) = 8.57$, $p < .0001$. Depression levels decreased significantly over time, $\bar{X}_{T1} = 7.77$, $\bar{X}_{T2} = 4.74$, $t(163) = 4.14$, $p < .0001$. Changes in mastery and depression over time as a function of job loss type may also be found in Tables 2 and 3; for most job loss types, changes over time were consistent with the larger pattern found in the total sample. Table 2 shows that significant increases in mastery were found for those who took early retirement, quit to take another job, and who were laid-off. Depression significantly decreased for those who quit to take another job, were laid-off, and resigned. Even with the very small cell size, we found a significant *increase* in depression over time for those who the company reported as having left due to a rule violation. Similarly, several of the other job loss categories revealed trends suggesting poorer adjustment following company separation. Although nonsignificant, we found decreases in mastery for those who left due to rule violation, domestic reasons, dissatisfaction with pay, and medical reasons. Depression increased, albeit nonsignificantly, for those reporting normal retirement, domestic reasons, dissatisfaction with pay, and personal circumstances.

Self-reported reasons (Table 3) showed a similar pattern although there were a few differences in the findings. Significant increases in mastery and decreases in depression were found for those who took early retirement, found another position, accepted voluntary layoff, and left due to “other reasons.” We also found a significant increase in mastery for those who left due to personal circumstances and a significant increase in depression for those who reported

being fired. As before, we found a number of groups reporting nonsignificant decreases in mastery (i.e., fired) or increases in depression (i.e., normal retirement, health), patterns that were opposite the larger trend of improved mental health since leaving the company.

Using the groups created by company records data with more than one participant, post hoc tests following a between subjects ANOVA ($F [7,159] = 2.68, p < .05$) revealed that those reporting a rule violation as the basis for their departure had significant lower levels of mastery at Time 2 as compared to all groups except for those leaving due to domestic reasons. Depression was likewise significantly higher at Time 2 for those leaving due to rule violation as compared to all other groups (other than normal retirees), $F (7, 156) = 5.64, p < .0001$.

Discussion

Before discussing the implication of these findings, we acknowledge the following limitations of these data. First, the varying response rate (61% versus 55%) and different payment for survey completion (\$35 versus \$1) for Waves 1 and 2, respectively, may have attracted a slightly more motivated group at the second data collection time period. This, in turn, may have skewed our findings such that we received more extreme reports – both positive and negative – at Wave 2. Comparison of the standard deviations between survey administrations, however, for mastery ($SD_{T1} = 4.30$ $SD_{T2} = 4.88$) and depression ($SD_{T1} = 8.54, SD_{T2} = 7.71$) did not reflect a substantial difference. We also acknowledge that the response categories for company job loss reasons were mutually exclusive, but were not for the self-report data. The resulting lack of independence may have increased the potential to find significant within group changes for the self-report data. Stated differently, the relatively greater number of significant effects found in Table 3 (ten) versus Table 2 (seven) cannot be compared as the number of

reasons upon which the analyses are performed (245 versus 171) is greater for the self-report data. Finally, the decision control measure was limited to a single item.

Company Records versus Self-reports

These problems noted, the comparison between the company and self-reported job loss types (Table 1) reveals reasonable agreement, but also a number of important differences. First, we find, perhaps not surprisingly, that the interpretation of different categories and/or the willingness of respondents to use some categories, differs. For example, we noted earlier that quitting to take another job (16.9% company records versus 15.1% self-report) showed good agreement, but that company records categorized a greater percentage of workers as having taken early retirement (38% versus 28%) or having been laid-off (32.7% versus 22%) than did the self-report data. There were also other types of inconsistencies; for example, we found 4 (company report) versus 13 (self-report) respondents considered to be leaving due to normal retirement, or 4 (company report) versus 22 (self-report) who said they were leaving due to personal reasons. Although this could reflect different operationalizations of terms between the company and respondent, it might also reflect a desire to present oneself more positively to others. One might be unwilling, for instance, to tell an employer that personal reasons affected one's reasons for leaving a company whereas no such reservation was present when reporting that information confidentially to researchers.

Our findings also reflect the fact that from the employee's point of view, it is not uncommon for the departure to be motivated by more than one reason. By comparing the number of company-counted cases (found next to the job loss label in parentheses, Table 1, column 1) and the total number of self-reported cases for a given row, we may obtain some indication of the degree of ambiguity or complexity for the various types of decisions. For

example, of the four company-counted normal retirees, a total of five self-reported labels were offered; thus, for these four respondents, three offered only one label for the job loss while one person offered two labels; thus, this would seem to be a category with relatively little ambiguity. By contrast, we find that for the company's layoff category (a total of 56 respondents) a total of 90 labels, or an average of 1.61 per respondent were offered – the highest mean of the top three categories. (Again, the small cell size makes computation of percentages in several of the categories not meaningful). This would suggest that as compared to early retirement or quitting to take another job – two types of job loss that are most likely viewed as being more planned or intentional on the part of the employee – the issues contributing to layoffs, either actual or as perceived by the employee, are more complex and varied.

Such findings are important for at least three reasons. First, unlike Uchitelle's (2006) claim that companies deliberately underreport or disguise the magnitude of the layoffs, we find little evidence that such is occurring in this particular organization at least insofar as we can tell by using self-reports as a quasi form of validation. It is, of course, possible that the high number of early retirements are, in fact, layoffs that have been reformulated, but comparison to the self-report data reflects that many of the employees, too, saw the departure as early retirement. Second, such findings highlight the difficulties associated with accurate accounting of job loss. Stigmas associated with the type of job loss (Martin & Hoppe, 1994) may prompt former employees to resist certain job loss labels, complexity of the reason(s) driving the job loss may legitimately compel employees to frame the departure several different ways, and organizations, concerned about their public image, may take steps to avoid particular types of job losses. If both the company and the former employee are motivated to paint the departure in the most

favorable way possible, then simple agreement (i.e., interrater reliability) cannot be used as a surrogate for accuracy (i.e., validity).

Third, these findings underscore that, whenever possible, researchers and practitioners should consider multiple sources of data. This recommendation, however, leads one to the question of the relative validity of each source. Which source, self or company, is more accurate in reporting the type of job loss? Both are bound to provide useful information from each constituency's point of view, and in the absence of a criterion measure, the issue of validity cannot be resolved. What our data do tell us, however, is that there may be different types of discrepancies or at least different degrees of reframing. At one extreme, there may be a substantial difference between what the company and employee state, as in the case of the two employees who said they left without another job whereas the employer counted them as quitting to take another job. On the other hand, a layoff (company categorization), framed as early retirement by 14 participants is, quite possibly, not a major discrepancy given that the company offered buyouts to those approaching retirement age as a means of reducing the number of layoffs they would implement. Thus, it would seem as though some categories have a more "elastic" interpretation than do others.

Type of Job Loss and Well-Being

Comparison of the decision control, mastery, and depression means reveals a number of interesting findings in this sample of former employees. First, there appears to be a very strong motivation to frame the departure as one over which the employee had a great deal of control, as over 80% of respondents reported that the decision to leave the company was entirely their own. This was found across most job loss categories, even for categories where one's departure was most likely impacted by external factors (e.g., economic conditions) as in the case of early

retirement and mutually agreed layoff, or by factors somewhat outside of one's control (e.g., health). The between-subjects ANOVA using company records data further corroborated this lack of difference between job loss types on perceived control, finding lower control only among those who were let go due to a rule violation or to layoffs. Importantly, by examining the self-report data (on which ANOVAs were not possible due to the lack of exclusivity issue noted earlier), we find that the involuntarily laid-off most likely drove this between-group difference. In fact, we find that there is relatively little difference in terms of perceived control between those who were fired ($\bar{X} = 1.0$) and laid-off involuntarily ($\bar{X} = 1.54$). Thus, it would seem that only in the most extreme circumstances is one not capable of framing the event as one over which s/he has control. This finding corroborates early research (e.g., Latack et al., 1995; Miller & Hoppe, 1994) suggesting that there is a strong propensity for people to exaggerate the degree of control they have over various life events -- a tendency that is related to improved mental health.

Interestingly, we also found improved mental health, as found by increased levels of mastery and decreased levels of depression overtime, when combining all employees. Of particular interest is the significant increase in mastery scores over time, supporting previous research that mastery levels are subject to change in the face of major, life-changing events (Legerski et al., 2006). Such is likely due to the fact that the company was in the midst of a highly stressful and tumultuous time. Thousands of employees had been laid off, and work had been restructured due, in part, to a merger with another large firm, the implementation of new technologies and production practices, and the loss of so many employees. Our interviews with employees revealed widespread dissatisfaction with top management and high levels of job

insecurity. Thus, it is not surprising that these former employees reported improvements to their mastery and depression levels upon leaving such a stressed organization.

Examination of changes in mastery and depression levels by job loss type is complicated by the varying cell sizes; thus, we tentatively offer the following observations. First, comparing voluntary and involuntary layoffs (Table 3), we observe greater gains in mastery and greater decreases in depression for those reporting voluntary layoffs. Those experiencing involuntary layoffs show relatively little change between waves despite the fact that the overall trend is one of improved mastery and depression levels by approximately three points. Although we refrain from drawing strong causal statements, such findings would suggest that it is beneficial to the future well-being of employees to present the layoff to themselves and to others as being more voluntary than involuntary. These varying outcomes, as a function of job loss type, are similar to the differences in mastery levels (i.e., operationalized as “chance,” “powerful others in control,” or “internal control”) found between groups of laid-off workers who subsequently retired, found full-time or part-time work, or failed to secure future employment (Legerski, et al., 2006).

Second, groups showing changes opposite the larger pattern (e.g., nonsignificant increases in depression for normal retirement, significant increases for those who were fired) report both high as well as low levels of control over the decision. Although control over the decision was significantly correlated with *changes* in mastery scores over time ($r = .15, p < .05$), the effect was small. Further, control over the decision was nonsignificantly correlated with changes in depression over time ($r = -.11$). Control over the decision was, however, significantly correlated with absolute levels of Time 2 mastery and depression. Thus, although the way in which former employees frame the job loss (as measured at Time 2) did not strongly impact increases or decreases in well-being moving from Time 1 to Time 2, we do find that better

mental health at Time 2 is associated with higher levels of perceived control over the decision as remembered some two years following the job loss.

Conclusion

The pervasiveness of job loss (McKee-Ryan et al., 2005), both voluntary and involuntary, underscores the need for researchers to understand more fully the correlates associated with positive adjustment following one's departure from the organization. Our findings reveal that with the exception of certain types of job loss, former employees are able to frame the loss as a decision over which they had a large degree of control, even when it would appear to be the case that many external factors likely played an important role in the decision. This control, moreover, is associated with higher levels of mastery and lower levels of depression, suggesting that, whenever possible, giving the employee some say in the terms of his or her departure (e.g., buyouts, early retirement) has the potential to facilitate positive postjob loss adjustment. Our data also reveal reasonable agreement between employees and employers when labeling the type of job loss, though, as noted, we found a number of discrepancies. At times, such discrepancies would seem to reflect outright inconsistencies between the two parties, while at other times such reflects the multiple ways in which employees view their job loss. It is also possible that companies and employees both reframe the job loss as positively as possible, calling into question the accuracy of both data sources.

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Table 1

Company and Self-Reported Reasons for Leaving: Cross-tabulation.

		Self-Reported Reasons for Leaving											
		Normal rtmnt	Early rtmnt	Quit to take other job	Quit w/o other job	Mutually Agreed Volunt layoff	Invol layoff	Return To school	Fired	Personal Circum- stances	Health	other	Row Total:
Company Stated Reasons For Leaving (Number of total reasons for a given category)	Normal Retirement (4)	2	0	0	0	0	0	0	0	1	0	2	5
	Early Retirement (65)	10	56	0	0	1	0	0	0	4	6	5	82
	Quit to take other job (29)	0	0	27	2	0	0	0	0	4	1	5	39
	Layoff Reduction in force (56)	1	14	6	3	40	12	1	0	6	2	5	90
	Rule Violation (3)	0	0	0	0	0	0	0	3	0	0	1	4
	Domestic Reason (3)	0	0	0	1	0	0	0	0	3	0	1	5
	Resignation General (5)	0	0	2	1	0	0	0	0	1	1	3	8
	Dissatisfied With pay (1)	0	0	1	0	0	0	0	0	1	0	0	2
	Personal Circum- stances (4)	0	0	1	2	0	0	0	0	2	0	3	8
	Medically Unable to Perform job (1)	0	0	0	0	0	0	1	0	0	0	1	2
	Column Total (171)	13	70	37	9	41	13	1	3	22	10	26	245

Note. Bolded values indicate agreement between self and company category; reflects 64.9% agreement (159/245).

Table 2

Ratings of Control over Decision to Leave the Company, Pre and Postseparation ratings of Depression and Mastery as a function of Company-Stated Job Loss Type.

Job Loss Type	Control over Decision (T2)	Mastery			Depression		
		T1	T2	t-test	T1	T2	t-test
Normal retirement (n=4)	5.00	27.3	32.0	ns	9.0	11.0	ns
Early retirement (n=65)	4.87	27.2	30.1	t (63) = 5.27, p < .001	4.9	3.5	ns
Quit to take other job (n=28)	4.93	26.3	29.7	t (27) = 3.56, p < .001	10.9	3.8	t (28) = 3.30, p .01
Layoff: reduction in Force (n=54)	3.95	26.0	30.2	t (53) = 6.85, p < .001	8.8	4.6	t (54) = 3.19, p < .01
Rule violation (n=3)	1.0	24.7	20.3	ns	4.7	25.7	t (2) = -7.20, p < .05
Domestic reason (n=3)	5.0	28.3	28.0	ns	4.0	7.3	ns
General resignation (n=5)	5.0	26.6	30.2	ns	6.2	.8	t (4) = 2.99, p < .05
Dissatisfied with pay (n=1)	5.0	35.0	32.0	--	0.0	1.0	--
Personal circumstances (n=4)	4.5	28.5	30.8	ns	6.0	6.3	ns
Medically unable to Perform job (n = 1)	1.0	25.0	16.0	--	42.0	43.0	--

Note. -- Unable to perform test due to cell size.

Table 3

Ratings of Control over Decision to Leave the Company, Pre and Postseparation ratings of Depression and Mastery as a function of Self-Stated Job Loss Type.

Job Loss Type	Control over Decision (T2)	Mastery			Depression		
		T1	T2	t-test	T1	T2	t-test
Normal retirement (n=13)	4.92	29.90	30.3	ns	2.8	4.6	ns
Early retirement (n=69)	4.75	27.0	30.3	t (67) = 6.59, p < .001	5.3	3.2	t (65) = 2.24, p < .05
Quit to take other job (n=37)	4.89	27.1	30.1	t (35) = 3.70, p < .001	10.8	4.0	t (36) = 3.64, p < .001
Quit without other job (n=9)	4.67	25.4	30.1	ns	11.9	5.7	ns
Mutually agreed voluntary layoff (n=41)	4.73	25.7	30.5	t(39) = 6.29, p < .001	9.7	4.3	t (39) = 3.38, p < .01
Involuntary layoff (n=13)	1.54	27.0	28.0	ns	8.2	7.5	ns
Return to school (n=1)	3.00	35.0	35.0	--	8.0	6.0	--
Fired (n=3)	1.00	24.7	20.3	ns	14.7	25.7	t (2) = -7.20, p < .05
Personal circumstances (n=22)	4.90	25.9	30.0	t (21) = 3.45, p < .01	9.1	6.1	ns
Health (n=10)	4.60	27.8	29.5	ns	7.4	9.6	ns
Other (n=25)	4.24	25.3	29.5	t (23) = 3.2, p < .01	12.8	7.4	t (24) = 2.30, p < .05

Note. -- Unable to perform test due to cell size.