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**Identifying the psychological constructs underpinning the effects
of retrenchment**

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Title: Identifying the psychological constructs underpinning the effects of retrenchment.

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Category of paper: Research paper

Purpose of the research/paper: This paper seeks to identify the underlying psychological constructs underpinning the effects of retrenchment. It moved beyond describing what is felt by the retrenchee to how those feeling occur.

Methodology: Utilising an ex post facto design, this research employs a mixed methodology, comprising a quantitative survey informed by thematic analysis of qualitative data and interviews. Principle components analysis creates the constructs and these are further explored by profile analysis giving insight to the behaviour of a known and defined group.

Findings: The psychological constructs underpinning the effects of retrenchment are identified and discussed in depth showing that four constructs *concern over uncertainty, pressure to find a new job, loss of self-concept* and *attachment to the former organisation* exist. All retrenchees, regardless of who they feel about being retrenched experienced these constructs negatively.

Implications for practice: This is the first research to look beyond describing effects of retrenchment into the deeper issues that may be addressed by professional assisting retrenchees and by the retrenchee themselves.

Value of the paper: This paper is suitable for academics, practitioners of outplacement, managers and consultant who wish to better inform their practice. It seeks to move beyond the qualitative descriptive data to more generalisable findings that can assist the retrenchee and any person who deals with retrenchment.

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Section headings: Introduction, Understanding psychology as a background, The known effects of retrenchment, Research design and methodology, Results and analysis, Discussion, conclusions and implications

Introduction

Retrenchment is a common practice in today's organisations, especially post the Global Financial Crisis.. While job loss through retrenchment is acknowledged as stressful and having other negative effects little is understood in terms of what psychologically happens to people when they are retrenched. During the late 1980s through to around 2000, there were many qualitative papers written on the effects of retrenchment (Weiss & Filley, 1986; Applebaum et al., 1987; Tombaugh & White, 1990; Buchanan et al., 1992; Armstrong-Stassen, 1993; Covin, 1993; Noer, 1993; Sims & Sims, 1994; Banham, 1995; Gertz, & Baptista, 1995; O'Neill & Lenn, 1995; Allcorn et al., 1996; King, 1996; de Vries & Balazs, 1997; Parker et al., 1997). However, it appears little investigation has been done since. This paper will investigate the underlying psychological constructs of the effects of retrenchment. Throughout the paper the term retrenchee is used to for a person how has lost their job through retrenchment. The literature review serves as the platform and basis for current knowledge and guides the research design and methodology. It is important that current knowledge is considered and gaps investigated so as to further practitioner's ability to lessen the impact, where possible, upon those whom lose their employment.

Understanding psychology as a background

Psychology has provided the basis for understanding effects such as how the perceived stigma of retrenchment can affect the retrenchees. Other psychological effects such as loss of identity and self esteem and how anger is manifested by those who lose their jobs involuntarily is also investigated. This is again based on the psychological school of humanistic theory. Losses of routine and social support systems are also more clearly understood from a psychological perspective. Additionally, psychology is seen as the basis for the premises and practices of outplacement services.

The humanistic approach to psychology is particularly interested in understanding the self. The humanistic approach to psychology is based on seeking to understand the self, concepts about how one values oneself and how these evaluations are formed. Humans, within this school, are seen as self actualising (Atkinson et al., 2000). The

theoretical views held at the centre of the humanistic approach are those of Carl Rogers and Abraham Maslow (Atkinson et al., 2000).

Some key concepts in the humanistic school support the knowledge of the effects of retrenchment. These include the psychological underpinnings of identity and self esteem formation and the understanding of self concept. Identity, self esteem, self concept and personality development are discussed further.

The known effects of retrenchment

There has been a vast interest on the effects of retrenchment for those people who remain employed in the organisation, who are commonly known as survivors. The concern for the survivors appears to be driven by the organisational need to establish the expected advances in organisational performance as a result of the retrenchment. Survivors have been shown to have decreased trust, increased stress and anxiety about job loss (Weiss & Filley, 1986; Applebaum et al., 1987; Tombaugh & White, 1990; Buchanan et al., 1992; Armstrong-Stassen, 1993; Covin, 1993; Noer, 1993; Sims & Sims, 1994; Banham, 1995; Gertz, & Baptista, 1995; O'Neill & Lenn, 1995; Allcorn et al., 1996; King, 1996; de Vries & Balazs, 1997; Parker et al., 1997). However, while survivors have been the subject of much research, it would seem that less interest has been shown to the retrenchees.

As retrenchees are no longer an organisational concern and do not directly affect the organisational outcomes, little research has been conducted into the effects on them (Konovosky & Brockner, 1993). The attention that retrenchees have received has been by way of reports in the popular media or small qualitative interview samples or case studies. A limited amount of academic research has been conducted on the effects and no research has been conducted as to what underlies these effects. The literature and current research clearly indicates those who are involuntarily retrenched can expect evidence of adverse psychological and physical effects.

The loss of prestige through the loss of a job is thought to create stigma (O'Neill & Lenn, 1995). The stigma of retrenchment is based on people's beliefs such as 'good people do not get retrenched' and 'good people will always be rewarded by the

organisation'. These beliefs steeped in the Protestant Work Ethic (PWE) can lead to stigma being attached to the process of retrenchment.

However, the stigma of being retrenched is believed to be disappearing due to the recognition that job loss is created through no fault of the retrenchees (Parsons, 1996). Stigma, is nonetheless a difficult issue that is produced by internal thoughts and self projection as well as comments and perceived thoughts by others (Burns, 1982). There are reported instances where people have committed suicide over the stigma of being labelled a 'scrounger' (Ransome, 1995).

Stigma is related to the concept of self. The concept of self is fragile and based on how we believe society views us. Men interviewed by the *New York Times* (1996) indicated concern with how their wives would perceive them as a result of their retrenchment. This indicates how significant others are seen as playing a crucial role in determining how we see ourselves. These significant others can be anyone who is seen to have authority. While we are young, significant others may be our parents and later may include teachers or peer groups (Burns, 1982). This is important when assessing the stigma of being retrenched because the stigma is based as much on how a person may believe others see them, as it is on how they think of themselves.

Middle management can often become the true believers in the organisation. Whyte (1972) classified 'The Organizational Man' [sic] as one who has obeyed the team and it has become part of his personality. The organization man often progresses their way through the organisation often based on seniority (Whyte, 1972). Our culture places an emphasis on a person's job as part of their identity (Montgomery & Morris, 1993). Losing a job can be seen as evidence of personal failure, leading to people devaluing themselves (Montgomery & Morris, 1993). A job is part of the way a person sees themselves and a measure of their self worth, so the loss of a job is far more than the loss of an income, it is often a loss of how people confirm or make their identity (Levy, 1992).

While for some people a job is just something they do in order to earn a living, for others work provides more than an income. People have suggested that they feel attached to their job and not any job could replace it. A job is based on a personal

internal recognition of meaning to most people (Ransome, 1995). It is not surprising then, that the loss of a job affects people at such a deep level of their identity. The loss of identity is more profound for older workers because they are unprepared financially and psychologically for this change. The loss of trust in an organisation appears to make these workers question their own being as a result (Stogner, 1995). In retrenchment the comfortable identity of having a job is stripped away. Yesterday they were an important person with a job and today after retrenchment they are alone and jobless (Stogner, 1995). As a retrenchee is no longer part of the corporate club, they can feel useless and thrown away. As a result the retrenchee is now an outsider, an outcast or even in some instances the enemy (Downs, 1995). This indicates how the loss of identity occurs and the thought processes behind the loss of identity.

The reduction of self esteem through job loss is well documented (Doherty & Tyson, 1993; Konovsky & Brockner, 1993; Kozlowski et al., 1993; Ransome, 1995; King, 1996; Parker et al., 1997; Ryan & Macky, 1998). Self esteem is said to be lost due to a loss of social support systems that can occur when a person is retrenched (Feldman & Leana, 1994). By acting in a social context, humans are able to constitute what defines themselves through their actions, therefore, the loss of social interaction through retrenchment is a critical issue influencing self esteem (Ransome, 1995).

Personal accounts of retrenchment state that the emotional injuries to pride and self esteem that are sustained are more traumatic than that of the physical injuries sustained as a result of motorcycle accident. (Levy, 1992). This indicates the level of internal pain and loss suffered by the retrenchee. Retrenchees lose their self esteem because they see their retrenchment as unexpected and believe that they have been thanklessly removed from their jobs (Downs, 1995).

The base of a person's self esteem is formed through their childhood experiences and self esteem continues to evolve throughout adolescence until it gradually stabilises later in life (Weiten, 1995). However, if incongruence occurs between how we see ourselves and how we actually are, self esteem can suffer. Defensive behaviour can also be the result of the difference between how we see ourselves (or beliefs we hold about ourselves) and how others see us. Through a process of how we see ourselves, we learn to evaluate some experiences or feelings as 'good' or 'bad' which later

enable a capacity for self esteem or positive self regard (Coon, 1998). This highlights how people who believe that ‘good’ people are not retrenched may be more likely to suffer self esteem problems than those who see retrenchment as no reflection of who they are as a person.

Overall, self concept has received a large amount of attention in the literature on unemployment (Feather, 1990). Self concept includes issues of self esteem, stigma and identity. While people may be unemployed for a number of reasons, retrenchment ultimately leads to unemployment for a period of time. As a result of this, self concept literature relating to unemployment provides a basis for a coherent framework to understand the multiple effects that occur for the retrenchee in relation to self. Self concept is seen as an enduring feature of personality and an object to which stable set meanings can be attached or a process by which the self is tied to situations and roles. It is therefore transient in nature (Feather, 1990).

The totality of self is a combination of the thoughts and feelings that one references to oneself in order to understand self as an object. Social interaction, contexts and institutions are part of this defining process (Feather, 1990). There is a general emphasis within society of PWE. It is seen as public opinion as to how the unemployed can see themselves (Feather, 1990). While much of the literature on retrenchment has cited the effects on retrenchees as separate issues there is scope for investigation into the loss of self concept as a construct of understanding rather than the current descriptors which appear to have taken a ‘piece-meal’ approach.

As a result this research seeks to:

Identify the underlying psychological constructs as causes to the effects of retrenchment so as to better assist both the retrenched worker and those who work with them both before and after the event.

The following research expectation is raised to guide the research and analysis:

E₁ In respect of the effects that are experienced by retrenchees, it is expected that the retrenchees will identify and categorise the underlying constructs as negative.

Research design and methodology

An ex post facto design was utilised and allowed for the exploratory nature of the study. This style of design is useful when the relationship between factors in the questions is not clear. Researchers can then identify important variables. It also allows us to analyse the relationship between the variables and particular questions. As a detective method, it observes existing conditions and searches back through the data for plausible causes (Leedy, 1997).

There are multiple ways to see the 'truth' in research. While business studies traditionally take a positivistic stance, this research recognises that the two methodologies required different positions. Consequently, this study adopted two positions. While the semi-structured interviews took on the ontological and epistemological stance of the post-positivist, the survey stood clearly in the positivist paradigm. These positions while not totally opposite do see the data through different worldviews.

During the semi-structured interviews, reality was seen as subjective and multiple in position (Creswell, 1994). This enabled those interviewed to have a 'voice' through the data. Additionally, these voices guided each interview in terms of what was included or excluded. Participants felt it was important to be heard. Qualitative research focuses on the subjective experience. It does not seek to find a causal or factual reality. In this paradigm there are multiple truths which are all valid.

However, the survey took an objective stance. The survey sought to find truth as singular and objective. This objective position consciously taken, sought to find one answer that could be true in multiple situations.

The qualitative data become the basis to create the survey instrument which sought to uncover the underlying psychological constructs. That data is not reported however, through thematic analysis of the semi structured interviews and information gathered from the literature review, a questionnaire was designed and piloted with six participants from the semi structured interviews as a means to check understanding and question clarity (Sarantakos, 1993). Once amendments were made in response to comments gathered, the survey was distributed to 400 people.

Due to the Privacy Act (1988) and privacy considerations, the most appropriate methods of selecting participants was deemed to be non-probability sampling. A number of outplacement offices, Centrelink (the Government agency that provides welfare assistance) and snowball sampling was used. The outplacement agencies were chosen based on reported market share. Of the 400 questionnaires, 158 came back. This indicates a response rate of 39.5% which is considered a satisfactory response rate for analysis (Gay, 1996).

The data was analysed through principle components analysis (PCA) with varimax rotation. Researchers use PCA when they are interested in discovering which variables correlate with one another but are largely independent of other subsets. PCA indicates factors thought to reflect underlying processes that have created the correlations (Tabachnick & Fidell, 1996). The major use of PCA is in the development of objective tests for measurement of personality, intelligence and the like (Tabachnick & Fidell, 1996). Hence, PCA was used to show how a large number of questions in the survey indicated a number of underlying psychological principles.

Therefore, the validated scales in the survey instrument were tested for reliability using Cronbach alpha. Table 1 below indicates the alpha values for each construct utilised.

Table 1: Cronbach alpha levels for each construct

Construct	Alpha value
Concern	.70
Pressure	.79
Self concept	.84
Attachment to past organisation	.63

Source: Developed for this research

As shown in table 3.2, three of the factors – concern over uncertainty (.70) pressure to find a new job (.78) and loss of self-concept (.84) had acceptable values for exploratory purposes while outplacement assistance scored .90. Attachment to past organisation had a value of .63, which in this instance should not be ignored as it

approaches the value considered appropriate for exploratory research. Given that this research is for exploratory purposes, all of these alphas are considered sufficient.

Once these constructs were identified selecting appropriate statistical analysis to test assumptions about the population against a sample population meant we can generalise the findings to an entire population (Davis, 1996).

Profile analysis (PA) is a special application of multivariate analysis of variance (MANOVA) in which several Dependant Variables are measured, all on the same scale (Tabachnick & Fidell, 1996). The major question PA answers is whether group profiles differ on a set of measures. PA tested the interaction between groups and within group measures (Tabachnick & Fidell, 1996). PA is a generic term used for grouping people. The essential difference between factor analysis and PA is that the groups in PA are known in advance of the analysis (Nunnally & Bernstein, 1994). The purpose of this analysis is to discover latent groups of people that 'hang together'. As relatively few people fall into pure clusters there is a search for a combination of traits that define the clusters (Nunnally & Bernstein, 1994).

Results and analysis

This section reports the results of the PAs. Using the tests, it is understood how each group of constructs behaved against an independent variable and in relation to each other within that independent variable. The following section reports on differences in the profiles (parallelism), group differences (levels) and the differences between components (flatness) (Nunnally & Bernstein, 1994; Tabachnick & Fidell, 1996). Parallel profiles follow the same pattern, but at a different level on the scale. Some profiles will interact. This is where the lines of the profile cross on the graph and indicate non- parallelism. Additionally, one component could be experienced at a higher or lesser level of intensity (Nunnally & Bernstein, 1994; Tabachnick & Fidell, 1996).

This analysis investigated the differences in level amongst the four components of the response profile. These four components were the underlying psychological constructs named *concern*, *pressure*, *self-concept* and *attachment*. These four

components together compose the within subjects factor. No between-subjects factors were fitted to the model.

E₁ In respect of the effects that are experienced by retrenchees, it is expected that the retrenchees will identify and categorise the underlying constructs as negative.

This expectation was met. The multivariate test identified highly significant differences among the four components (Wilks $\lambda = .711$, $F=16.814$, $df=3,124$, $p=.000$). The means are reported in table 2.

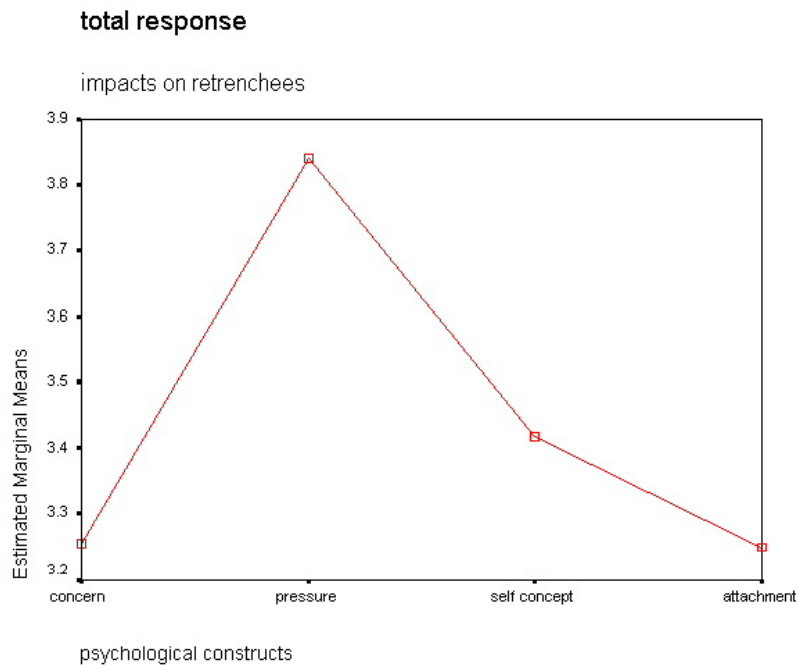
Table 2: Estimated means and standard errors for the four components of the response profile

Component	Mean	Standard error
Concern	3.256	.084
Pressure	3.841	.075
Self-concept	3.417	.089
Attachment	3.248	.092

Source: Developed for this research

Figure 1 plots these means. This profile is not flat. The components are at differing levels of intensity in comparison to each other.

Figure 1: The whole sample profile of means over the components of the response profile, *concern*, *pressure*, *self-concept* and *attachment*.



Source: Developed for this research

In the sample as a whole, the most intensely felt of the four components was the *pressure to find a new job* (3.841). This was significantly more intense than *concern about uncertainty* (3.256) or *attachment to the former organisation* (3.248). Although measured at somewhat higher levels, *pressure to find a new job* was not felt significantly more intensely than *loss of self-concept*. There are no significant differences in the intensities of feelings of *concern*, *attachment* and *loss of self-concept* although *loss of self-concept* was measured at somewhat higher levels. Although there are significant differences in the intensities of the four components of the response profile, overall they are measured at similar levels with differences being no greater than the mean difference of .06 on the five-point scale. As no between-subjects measures were fitted to the model, this profile only indicates the differing levels of intensity between the four components.

Discussion, conclusions and implications

The identification of the underlying psychological constructs has not been researched before. As a result, these identified constructs provide new knowledge. The four underlying psychological constructs defined by the PCA are all negative. This was expected as a result of the literature review and the semi-structured interviews. The estimated marginal means for each of the constructs is indicated at over 3 on the Likert scale. This indicates that the sample as a whole tended toward agreement on each of these negatively measured constructs. While the literature reviewed refers to a number of effects as stigma, loss of self-esteem, anger and increased anxiety, this study identified the underlying constructs or the causes of these effects. Identifying the constructs will assist retrenchees and those who work with them to better understand the process.

The conclusion that can be drawn from the results is that the underlying psychological constructs underpin the effects of retrenchment. As each of the constructs is measured at a level of agreement, it is important to recognise how they form the effects for the retrenchee. Four of the underlying psychological constructs, *concern over uncertainty*, *pressure to find a new job*, *loss of self-concept* and *attachment to the former organisation* formed a response profile. Each of those constructs is now more fully described and discussed.

Retrenchees indicated uncertainty about a number of issues. For example, being able to get another job, earn the same amount of money in a new job, having to take a lower position than their previous job and general financial concerns; all of these issues are part of this psychological construct. The underlying psychological construct of *concern over uncertainty* may be more about the retrenchees' ability to deal with change than the loss of an existing habit. Change and unfamiliarity is known to exacerbate the feelings of vulnerability and may lead to retrenchees feeling uncertain (Patrickson et al., 1995). Frosh (1991) suggests that destroying existing habits may increase anxiety. As it has not been specifically discussed in the retrenchment literature, this finding contributes new knowledge to the field of retrenchment. This research contributes by clarifying the importance of helping retrenchees deal with uncertainty and assisting them to handle impending changes such as a different job title or lower employee benefits. By acknowledging the underlying psychological construct of *concern over uncertainty* that the retrenchees

feel, society and retrenchees can recognise what assists retrenchees, and what hinders their progress.

The *pressure to find a new job* is always on the retrenchee's mind. Retrenchees cited needing to find a new job quickly, being focused on gaining re-employment, equating re-employment with success. They felt the pressure to gain employment as a result of retrenchment. The conclusion that can be drawn from the underlying principle of finding a new job, is simply an understanding of the effects of retrenchment. The retrenchee believes that the problems are caused by not having a job, rather than the method by which job loss occurs.

The finding of *pressure to find a new job* is supported by the literature reviewed in relation to the current practices of outplacement (Buchanan et al., 1992; Doherty, & Tyson, 1993; Kozlowski et al., 1993; Pearce et al., 1995). However, this finding advances current knowledge by indicating the intensity at which the retrenchees experience this underlying psychological construct.

This finding is further supported by Bies et al. (1993) who indicated that those employees who have time to find other employment before they leave their former organisations fare better than those who are retrenched and have to leave the premises immediately. It must also be acknowledged however that *pressure to find a new job* is only one of the defined underlying psychological constructs. It must be seen as a part of a solution rather than a total solution to the effects of retrenchment.

The *loss of self-concept* is based on how retrenchees' believe others will see them as a result of their retrenchment. Retrenchees mentioned stigma, keeping up appearances, concerns about what prospective employers might think about the retrenchees and loss of self-esteem. The cause of these effects is the *loss of self-concept* was discussed in the literature.

The literature supports the underlying psychological construct of *loss of self-concept*. It indicates that retrenchees will suffer a loss of self worth and pride (Kozlowski et al., 1993; Bass, 1999) or a personal identity crisis (Doherty & Tyson, 1993). Further, the

literature suggests that there is a stigma to being retrenched (Kozlowski et al., 1993). This research has identified the underlying psychological construct of *loss of self-concept* as underpinning these other psychological effects. As defined in the literature, self-concept erodes when there is a gap between how people would ideally like to be and how they really are. Self-concept, while underpinning factors such as self-esteem, takes into account how people comprehend themselves and are therefore able to mediate differing experiences (Atkinson, et al., 2000).

The conclusion that can be made as a result of these findings is that retrenchees can be expected to suffer a loss of self-concept. Modernity has meant that jobs and titles have become a means of creating and maintaining self-concept. Loss of self-concept results from a gap between a person's ideal self and their real self (Atkinson et al., 2000). This can cause retrenchees to take action to fill the gap. If the perceived gap appears too large to close however, the person can despair and take no action. This then lowers their self-concept even more.

This finding advances current knowledge to encourage research to examine the issues of self-concept shown to underpin identity, esteem and self-efficacy, not as singular retrenchment effects but as an underlying construct manifest as effects (Burns, 1982). Additionally, this finding indicates how retrenchees worry about what other people think of them as a result of involuntary job loss. This finding suggests that managing others' perceptions of the enforced job loss may be as important as managing retrenchees' perceptions.

Retrenchees remain interested in what happens at their former organisation and keep in touch with colleagues and friends still employed by the organisation after their retrenchment. This indicates an underlying level of *attachment to the former organisation*. The finding of *attachment to the former organisation* was not suggested as an issue in the literature reviewed.

Archer & Rhodes' (1987) study based on bereavement suggests that retrenchees will pine. This research points instead to an ongoing interaction between the retrenchee and the former organisation. The difference between bereavement and retrenchment is that retrenchees and employees can continue to interact. Those who grieve can take

on the role of the deceased and pretend the death has not occurred. In retrenchment, the retrenchee may have no choice but to interact with the former organisation. The semi-structured interviews highlighted this response. During the semi-structured interviews, retrenchees highlighted the ongoing relationships. The retrenchees do not always instigate these relationships. Therefore, the qualitative data suggested an attachment to the former organisation. This suggestion was confirmed in the quantitative data. Retrenchees keep in close contact with others who are still employed at the former organisation and remain generally interested in the organisation through different means, including newspapers and other forms of popular media.

The conclusion that can be made about this construct is that retrenchees maintain an interest in the former organisation and their colleagues. This is important information as it suggests that retrenchment is unlike a planned change of jobs where there is dissatisfaction with the old job or a better job to be taken. With retrenchment, the retrenchee is still attached to the retrenching organisation. This attachment may also be understood as incomplete business. From the retrenchees perspective the retrenchment is an uncontrolled departure. It therefore becomes part of this attachment process.

This finding of attachment indicates that there is no clear ending for the retrenchee. This means the retrenchee may not be able to make a transition through the grief. If retrenchment is likened to a death (Archer & Rhodes, 1987; Claunchy, 1998), being interested in the former organisation and keeping in touch with people who still work negates the existence of an ending or completion as there would be in a death. The characteristics of death include finality and the impossibility of an ongoing physical relationship. Retrenchment is not final, and there is a high likelihood that a relationship will continue in some form. This attachment and interest place the current metaphor of death in question. A more suitable metaphor is that of a divorce or separation (Kaslow & Schwartz, 1987; Wallerstein, & Blakeslee, 1989) where someone has to learn to live their life with the continued existence of the rejecting party. In this instance the rejecting party is the former organisation and its management. Learning to remain in contact and yet moving onto a new 'relationship' in a new organisation could be considered the key to successful retrenchment.

Additionally, these findings indicate that Bridges' (1995) notion of endings may not be as clear as it could be. As this research indicates, retrenchees may never have a complete ending. There is instead a transition where the former organisation coexists with the new employer. The two organisations may have to 'compete' on perceived differences by the retrenchee. These differences may include situations such as the retrenchee seeing the former organisation as a better provider of training or service or more prestigious through branding. This leads to an internal competition for the retrenchee. They manage a mental account for each organisation. The retrenchee is the financial controller and budgeter. The retrenchee's internal 'competition' can, therefore, lead to them being dissatisfied in future jobs.

The results of profile analysis on the four underlying psychological constructs informs organisations and people who interact with retrenchees. It provides a framework for understanding the underlying causes of the effects of retrenchment.

The sample as whole experienced each of the underlying psychological constructs at varying levels of intensity. The mean scores for each of the constructs or components of the profile were measured at different levels to each other. This indicates differing levels of intensity for each of the constructs.

The conclusion from this finding is that while some people may perceive a positive outcome from their retrenchment, in the immediate face of retrenchment, the underlying psychological constructs are initially negative. These create negative effects for retrenchees.

Literature indicating the immense toll on retrenchees, supports this finding (Burke, 1997). However, this finding extends the current knowledge because for the first time it shows that initial effects are always negative. This finding contributes to new knowledge, because the research is the first to identify the underlying psychological constructs.

The findings have major implications for theory development. The research makes the case that it is important to consider that underlying psychological constructs are

manifested as the effects of retrenchment rather than just treating the effects. By considering the underlying psychological constructs of concern over uncertainty, pressure to find a new job, loss of self-concept and attachment to the former organisation, how effects of retrenchment are formed are explained. Further, by considering these underlying psychological constructs when implementing retrenchment, new theories can be developed.

The research extends what is currently known about the effects of retrenchment by offering a set of underlying psychological constructs as the underpinning of the effects. These underlying psychological constructs are the cause of the negative effects of retrenchment. As organisations, outplacement providers and retrenchees become aware of the underlying causes, these can be managed and will therefore reduce the level of negative effect on retrenchees.

This research has identified four underlying psychological constructs. These may not be exhaustive, however, and other constructs may exist. Further research identifying underlying psychological constructs as causes of the effects of retrenchment would be beneficial in increasing knowledge and altering practices of assisting retrenchees.

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