International Review of Industrial and Organizational Psychology
2002 Volume 17

Edited by
Cary L. Cooper
and
Ivan T. Robertson

University of Manchester
Institute of Science & Technology, UMIST

JOHN WILEY & SONS, LTD
International Review of
Industrial
and Organizational
Psychology
2002 Volume 17
International Review of Industrial and Organizational Psychology

2002 Volume 17

Edited by

Cary L. Cooper

and

Ivan T. Robertson

University of Manchester
Institute of Science & Technology, UMIST
CONTENTS

About the Editors vii
List of Contributors ix
Editorial Foreword xi

1. Coping With Job Loss: A Life-facet Perspective 1
   Frances M. McKee-Ryan and Angelo J. Kinicki

2. The Older Worker in Organizational Context: Beyond the Individual 31
   James L. Farr and Erika L. Ringseis

3. Employment Relationships from the Employer’s Perspective: Current Research and Future Directions 77
   Anne Tsui and Duanxu Wang

4. Great Minds Don’t Think Alike? Person-level Predictors of Innovation at Work 115
   Fiona Patterson

5. Past, Present and Future of Cross-cultural Studies in Industrial and Organizational Psychology 145
   Sharon Glazer

   Jonathan D. Quick, Cary L. Cooper, Joanne H. Gavin
   and James Campbell Quick

7. The Influence of Values in Organizations: Linking Values and Outcomes at Multiple Levels of Analysis 217
   Naomi I. Maierhofer, Boris Kabanoff and Mark A. Griffin

8. New Research Perspectives and Implicit Managerial Competency Modeling in China 265
   Zhong-Ming Wang

Index 283

Contents of Previous Volumes 295
ABOUT THE EDITORS

Cary L. Cooper  
Manchester School of Management, University of Manchester Institute of Science and Technology, PO Box 88, Manchester, M60 1QD, UK.

Ivan T. Robertson  
Manchester School of Management, University of Manchester Institute of Science and Technology, PO Box 88, Manchester, M60 1QD, UK.

Cary L. Cooper is currently BUPA Professor of Organizational Psychology and Health in the Manchester School of Management, and Deputy Vice-Chancellor (External Activities) of the University of Manchester Institute of Science and Technology (UMIST). He is the author of over 80 books (on occupational stress, women at work and industrial and organizational psychology), has written over 300 scholarly articles for academic journals, and is a frequent contributor to national newspapers, TV and radio. He is currently founding editor of the Journal of Organizational Behavior and co-editor of the medical journal Stress Medicine. He is a Fellow of the British Psychological Society, The Royal Society of Arts, The Royal Society of Medicine and the Royal Society of Health. Professor Cooper is the President of the British Academy of Management, is a Companion of the (British) Institute of Management and one of the first UK-based Fellows of the (American) Academy of Management (having also won the 1998 Distinguished Service Award for his contribution to management science from the Academy of Management). He is the editor (jointly with Professor Chris Argyris of Harvard Business School) of the international scholarly Blackwell Encyclopedia of Management (12-volume set). He has been an adviser to the World Health Organization, ILO, and recently published a major report for the EU’s European Foundation for the Improvement of Living and Work Conditions on ‘Stress Prevention in the Workplace’. Professor Cooper was awarded the CBE (Commander of the Excellent Order of the British Empire) by the Queen in 2001 for his contribution to organizational health.

Ivan T. Robertson is Professor of Work and Organizational Psychology in the Manchester School of Management, UMIST, and Pro-Vice-Chancellor of UMIST. He is a Fellow of the British Academy of Management, the British Psychological Society, and a Chartered Psychologist. Professor Robertson’s career includes several years experience working as an applied psychologist on a wide range of projects for a variety of different organizations. With Professor Cooper he founded Robertson Cooper Ltd (www.robertsoncooper.com), a business psychology firm which offers consultancy advice and products to clients. Professor Robertson’s research and teaching interests focus on individual differences and organizational factors related to human performance. His other publications include 25 books and over 150 scientific articles and conference papers.
CONTRIBUTORS

Cary L. Cooper  
University of Manchester Institute of Science and Technology, PO Box 88, Manchester M60 7QD, UK

James L. Farr  
Department of Psychology, The Pennsylvania State University, 615 Moore Building, University Park, PA 16802, USA

Joanne H. Gavin  
Department of Management, University of Texas, Box 19467, Arlington, TX 76019, USA

Sharon Glazer  
Department of Psychology, San Jose State University, 1 Washington Square, San Jose, CA 95192-0120, USA

Mark A. Griffin  
School of Management, Queensland University of Technology, PO Box 2434, Brisbane, Qld 4001, Australia

Boris Kabanoff  
School of Management, Queensland University of Technology, PO Box 2434, Brisbane, Qld 4001, Australia

Angelo J. Kinicki  
Department of Management, College of Business, Arizona State University, PO Box 874006, Tempe, AZ 85287-4006, USA

Naomi I. Maierhofer  
School of Management, Queensland University of Technology, PO Box 2434, Brisbane, Qld 4001, Australia

Frances M. McKee-Ryan  
Department of Management, West Virginia University, PO Box 6025, Morgantown, WV 26506-6025, USA

Fiona Patterson  
Institute of Work Psychology, University of Sheffield, Sheffield S10 2TN, UK

James C. Quick  
Department of Management, University of Texas, Box 19467, Arlington, TX 76019, USA

Jonathan D. Quick  
World Health Organization, Ave Appia, 1211 Geneva 27, Switzerland
INTERNATIONAL REVIEW OF INDUSTRIAL AND ORGANIZATIONAL PSYCHOLOGY 2002

Erika L. Ringseis  
Faculty of Law, University of Calgary, 2500 University Drive NW, Calgary, ABT IN4, Canada

Anne Tsui  
Department of Management of Organization, Hong Kong University of Science and Technology, Clear Water Bay, Hong Kong

Duanxu Wang  
School of Management, Zhejiang University, Yuquan Campus, Hangzhou 310027, People’s Republic of China

Zhong-Ming Wang  
School of Management, Zhejiang University, Xixi Campus, Hangzhou 310028, People’s Republic of China
EDITORIAL FOREWORD

In this issue of the *International Review of Industrial and Organizational Psychology* we have some of the leading international scholars on a range of I/O psychology topics. We are revisiting the theme of Job Loss, with a superb up-to-date account of state of the art research in this increasingly important area by Frances McKee-Ryan and Angelo Kinicki. Allied to this is the subject of the Older Worker, which is comprehensively reviewed by James Farr, which provides all researchers and practitioners with food for thought about where the science needs to go and what the implications for practice are in the future. Employment Relations as a whole is explored by Anne Tsui and Duanxu Wang, which puts into context some of the earlier chapters and provides us with a path forward not only for future research, but also in terms of practice in the world of work.

Some of the newer areas of review are by Fiona Patterson in her piece ‘Great Minds Don’t Think Alike?’, which explores the field of managerial performance. Sharon Glazer helps us look at the areas of cross-cultural psychology as it applies to I/O Psychology, exploring the past, present and future research in this growing field. Jonathan Quick, Cary Cooper, Joanne Gavin and Jim Quick highlight another increasingly topical theme of Executive Health, exploring what has been done and what more needs to be done to promote enhanced executive well-being. The theme of Values and Culture in Organizations by Naomi Maierhofer, Boris Kabanoff and Mark Griffin is another very topical issue, particularly with the increasing interest in mergers and acquisitions and culture change projects throughout the developed and developing world. And finally, Zhong-Ming Wang updates us on the recent research in the field of I/O Psychology in China, where a great deal of scientific work has been carried out in recent years.

We hope you will find these self-contained reviews bring a new dimension to your research and development and how this research might translate into effective practice.

CLC
ITR
May 2001
Chapter 1

COPING WITH JOB LOSS: A LIFE-FACET PERSPECTIVE

Frances M. McKee-Ryan
West Virginia University, USA
and
Angelo J. Kinicki
Arizona State University, USA

Job loss is a life event in which paid employment is involuntarily taken away from an individual (Latack, Kinicki, & Prussia, 1995). Job loss (an event) is differentiated from unemployment (a state) by the notion of duration. That is, job loss leads to unemployment unless an individual becomes immediately employed following job displacement. Job loss and unemployment thus form a continuum in which job loss anchors one end and prolonged unemployment the other. We use the term job loss throughout this review to reflect the fact that job loss is a life event that must be adjusted to after the fact.

Research on life event stressors reveals that job loss is a very stressful event (Hobson, Kamen, Szostek et al., 1998; Holmes & Rahe, 1967) that has been occurring in spite of strong global economies during the last five years. For example, 3.3 million workers were displaced in the US between 1997 and 1999, and there were an additional 15 738 mass layoff events in 2000 that affected 1 835 592 individuals (Bureau of Labor Statistics, 2001). While some countries experienced favorable unemployment rates in 2000 that were below 5% (e.g., Ireland, Mexico, Netherlands, Norway, United Kingdom, United States, Switzerland, and Sweden), others encountered unemployment rates greater than 8% (e.g., Finland, France, Germany, Italy, and Spain; Yardeni, 2001). All told, the Geneva-based International Labour Organization estimated that one billion people, 30% of the world’s workforce, were either jobless or unemployed in 2000 (Taylor, 2001). Unfortunately, the frequency of job loss around the world is not expected to abate in the future. These trends highlight the importance of understanding the effects of job loss and the process by which people cope with this work role transition.
Research on job loss has been conducted throughout the world and generally falls into one of four general themes: documenting negative outcomes associated with job loss, investigating job loss interventions and job-search efforts aimed at increasing reemployment, examining how people cope with the stress and strain of unemployment, and examinations of the job search process following job loss. Due to the vast literature on job loss and the fact that Winefield (1995) and Hanisch (1999) recently summarized past research on this topic—Winefield completed his review in late 1993 and Hanisch's review spanned 1994 to 1998—we focus on providing an overview of research pertaining to the first three general themes published since 1993. We do not review research pertaining to the job search process because it is summarized in a recent meta-analysis by Kanfer, Wanberg, and Kantrowitz (2001). This review is divided into five sections: (1) a review of research pertaining to the outcomes associated with job loss, (2) an examination of the effects associated with job loss interventions, (3) a review of research pertaining to antecedents and consequences of coping with job loss, (4) a discussion of a new approach—the life-facet model of coping with job loss—for studying the process of coping with job loss, and (5) conclusions and recommendations for future research.

**THE OUTCOMES OF JOB LOSS**

Because job loss and unemployment have been related to a myriad of outcomes, we structure this section by reviewing research in terms of the outcome taxonomy suggested by Latack, Kinicki, and Prussia (1995). They propose that people attempt to maintain equilibrium in four key dimensions of their lives (i.e., economic, psychological, physiological, and social) following job loss.

**Economic Impacts**

The most obvious negative outcome of job loss is the loss of income. Negative economic impacts of job loss are well documented (e.g., Jackson, 1999; Kokko & Pukkinen, 1998; Liira & Leino-Arjas, 1999; Nordenmark & Strandh, 1999; Vinokur, Price, & Caplan, 1996), and the economic detriment of job loss increases as unemployment duration extends (e.g., Brief, Konovsky, Goodwin, & Link 1995; Huang & Perrucci, 1994; Kinicki, Prussia, & McKee-Ryan, 2000; Liira & Leino-Arjas, 1999; Sales, 1995). Reemployment earnings also tend to be lower than pre-job loss levels (Couch, 1998; Kong, Perrucci, & Perrucci, 1993; Perrucci, Perrucci, & Targ, 1997). Moreover, the financial impacts of job loss have been implicated in further detriment to the displaced worker on other outcomes (e.g., Turner, 1995).

Experiencing both economic strain and psychological need because of unemployment resulted in lower psychological well-being for unemployed individuals.
workers (Nordenmark & Strandh, 1999; Rantakeisu, Starrin, & Hagquist, 1999). Financial strains are negatively associated with well-being and positively linked to anxiety, depression, experiential deprivation, and emotional distress (e.g., Brief et al., 1995; Grossi, 1999; Shams, 1993; Wooten, Sulzer, & Cornwell, 1994). Economic strain positively predicts both job seeker and partner depression, diminished social support, less relationship satisfaction, and deterioration of parent–child relationships (e.g., Kong, Perrucci, and Perrucci, 1993; Ortiz & Farrell, 1993; Perrucci, 1994; Vinokur, Price, & Caplan, 1996; Vosler & Page-Adams, 1996), while avoiding financial hardship increased the likelihood of perceiving job loss as a career growth opportunity (Eby & Buch, 1995).

Results from two countries with differing levels of unemployment benefits reflect the importance of financial resources in the psychological outcomes of unemployment: In the Netherlands—a country with generous unemployment benefits—no differences were found in psychological distress among unemployed and employed workers (Schaufeli & van Yperen, 1993), while a study of unemployed women in Hong Kong found that 54% could be classified as ‘probable clinical cases’, a much higher percentage than found in samples from other countries. The authors attribute this difference to the lack of unemployment insurance benefits available to these women (Lai, Chan, & Luk, 1997). In sum, job loss and unemployment are associated with economic strains, which in turn influence other aspects of a person’s life. These results are consistent with those reported in previous reviews (Hanisch, 1999; Winefield, 1995) and highlight the importance of examining a broader range of impacts resulting from displacement (cf. Latack, Kinicki, & Prussia, 1995; Winkelmann & Winkelmann, 1998).

**Psychological Impacts**

As with the research on the economic detriments of job loss, the preponderance of research on the psychological effects of job loss reflects a negative impact on a wide array of outcomes for the displaced worker. Job loss was identified as the life event with the most detrimental effect on psychological well-being in men (Iwasaki & Smale, 1998), and the unemployed show lower well-being (e.g., Kabbe, Setterlind, & Svensson, 1996; Marks & Fleming, 1999; Shams & Jackson, 1994) and higher psychological distress (e.g., Jackson, 1999; Lai, Chan, & Luk, 1997; Leana & Feldman, 1995; Liira & Leino-Arjas, 1999; Viinamäki, Koskela, & Niskanen, 1993) than their employed counterparts. Job loss and unemployment are negatively related to mental health (e.g., Gallo, Bradley, Siegel, & Kasl, 2000; Wanberg, 1995) and positively linked to anxiety (e.g., Fergusson, Horwood, & Lysnekey, 1997; Hamilton, Hoffman, Broman, & Rauma, 1993; Kabbe, Setterlind, & Svensson, 1996; Lai, Chan, & Luk, 1997; Leana & Feldman, 1995; Miller & Hoppe, 1994; Rasky, Stronegger, & Freidl, 1996; Theodossiou, 1998).
hostility (e.g., Perrucci, 1994), and anger (Archer & Rhodes, 1995). The unemployed are confronted with shaming experiences (e.g., Rantakeisu, Starrin, & Hagquist, 1999), tend to see themselves in less positive terms than do the employed (e.g., Sheeran, Abrams, & Orbell, 1995; Sheeran & Abraham, 1994; Singh, Singh, & Rani, 1996; Walsh & Jackson, 1995), and may display a ‘grief-like response’ to unemployment (Archer & Rhodes, 1993, 1995). As with economic impacts, many psychological detriments increase as unemployment persists (e.g., Fergusson, Horwood, & Lynskey, 1997; Liira & Leino-Arjas, 1999; Shams & Jackson, 1994; Underlid, 1996; Viinamäki, Koskela, & Niskanen, 1996).

Depression is among the most often studied and most pervasive job loss outcomes (e.g., Crepet, Piazzi, Vetrone, & Costa, 1993; Dooley, Catalano, & Wilson, 1994; Ginexi, Howe, & Caplan, 2000; Hamilton et al., 1993; Jex, Cvetanovski, & Allen, 1994; Kokko & Pukkinnen, 1998; Liira & Leino-Arjas, 1999; Miller & Hoppe, 1994; Theodossiou, 1998; Turner, 1995; Underlid, 1996; Viinamäki, Koskela, & Niskanen, 1993, 1996; Vinokur, Price, & Caplan, 1996; Vosler & Page-Adams, 1996; Wooten, Sulzer, & Cornwell, 1994). Studies comparing unemployed and employed samples consistently find greater evidence of depression for the unemployed groups, even when controlling for demographic risk factors. For example, a recent meta-analysis of five studies involving 1509 displaced workers found a corrected correlation of 0.54 between becoming unemployed and depressive affect (Murphy & Athanasou, 1999).

Results are less consistent for the impact of job loss on self-esteem. Three studies found no differences between the unemployed and employed on levels of self-esteem (e.g., Creed, 1999; Kinicki, Prussia, & McKee-Ryan, 2000; Tiggemann & Winefield, 1984), while two others found the unemployed to have lower self-esteem (Muller, Hicks & Winocur, 1993; Theodossiou, 1998). Other studies found that self-esteem diminished for women, but not men (Goldsmith, Veum, & Darity, 1997) and for the long-term unemployed, but not for the short-term unemployed or employed (Sheeran, Abrams, & Orbell, 1995), while self-esteem increased significantly for those students who became satisfactorily employed upon leaving school. Levels did not change for those who were unemployed or dissatisfactorily reemployed (Dooley & Prause, 1997). In a test of self-esteem as a moderator between job loss and psychological strain, there were no moderating effects for men and only partial support for women (Jex, Cvetanovski, & Allen, 1994). These inconsistent results may be explained by the effect of prior expectations on self-esteem (Winefield & Tiggemann, 1994) and the fact that self-esteem is a stable characteristic that takes a long time to change.

Turning our attention to the importance of optimism in confronting unemployment, recent research highlights the protective effect of high self-esteem and optimism on outcomes for displaced workers. First, unemployed workers with high self-esteem demonstrate an optimistic response bias. High self-
Coping with Job Loss

Esteem participants tend to underestimate changes for the worse over time and to overestimate improvements in unstable or ambiguous situations (Foster & Caplan, 1994). Two studies showed that those who became reemployed had reported higher initial levels of optimism than those who remained unemployed over time (Leana & Feldman, 1995; Wanberg, 1995), while another demonstrated that less optimistic women were more likely to be psychologically damaged than their more optimistic counterparts (Lai & Wong, 1998).

The attributions made for job loss also influence the reaction to job loss (cf. Thomson, 1997). Making an internal attribution for job loss is associated with negative outcomes, while external attributions exhibit a protective effect from negative outcomes (e.g., Miller & Hoppe, 1994; Najam, Ashraf, Nasreen, Bashir, & Khan, 1995; Prussia, Kinicki, & Bracker, 1993). Similarly, Broman, Hoffman, and Hamilton (1994) highlight the role of self-blame in the increased depression and anxiety over time of workers who seek mental health services. These results differ from previous results of two studies cited by Winefield (1995) in which the attribution for job loss did not affect outcomes. Another recent trend suggests that perceptions of control over the situation are positive for the unemployed worker. For example, an internal locus of control predicted the likelihood of gaining full-time permanent employment (e.g., Ginexi, Howe, & Caplan, 2000) and was negatively related to depression and anxiety (Shams & Jackson, 1994).

Another important variable in job loss is the degree of time structure. The unemployed tend to display less time structure than the employed (e.g., Jackson, 1999) and moving from unemployment to employment can increase time structure (e.g., Wanberg, Griffiths, & Gavin, 1997). However, the unemployed are not homogeneous in their activity level and the more the time of the unemployed is filled, the better their mental health (Underlid, 1996). Increased time structure is associated with improved mental health (Wanberg, Griffiths, & Gavin, 1997), diminished distress, and improved chances of re-employment (e.g., Jackson, 1999). Similarly, involvement in non-work activities is negatively related to distress (Gowan, Riordan, & Gatewood, 1999).

In summary, consistent with Hanisch (1999) and Winefield (1995) we find that unemployment is related to a host of deleterious outcomes for the displaced worker. Recent research suggests that high levels of self-esteem, optimism, the ability to make an external attribution for job loss, and an internal locus of control may be important resources for workers faced with job loss.

Physical Health Impacts

Unemployment is linked to physical health in two ways: changes in reported symptoms, levels of health and disease and changes in health-related behaviors. Each is discussed in turn. Employment was positively related to health (Ross & Mirowsky, 1995), while unemployment was linked to increased physical illness (e.g., Schwarzer, Jerusalem, & Hahn, 1994;
Turner, 1995) and health complaints (e.g., Schwarzer, Jerusalem, & Hahn, 1994) and to diminished physical functioning (Gallo et al., 2000), health (e.g., Roberts, Pearson, Madeley, Hanford, & Magowan, 1997), and vigor (Muller, Hicks, & Winocur, 1993). The unemployed display higher blood pressure, anxiety, sleeping disorders, lack of appetite, chronic diseases, gastrointestinal diseases, chronic liver disease, and respiratory disease (cf., Rasky, Stronegger, & Freidl, 1996).

One study found that the unemployed displayed more headaches and sleep problems, but did not rate their physical health as any worse than the employed (Kabbe, Setterlind, & Svensson, 1996). Unemployed workers with high levels of psychosomatic symptoms were worse off than their employed and low-symptom counterparts (Viinamäki, Koskela, & Niskanen, 1993). Similarly, Grossi, Ahs, and Lundberg’s (1998) lab study of the effects of a stressful task on the unemployed showed that low baseline levels of salivary cortisol and low reactivity to stressors were linked to negative outcomes for the worker, reflecting negative affectivity and emotional withdrawal. Thus unemployment is linked to negative health outcomes for the displaced worker. The next set of studies examined the impact of unemployment on health behavior of the unemployed.

Unemployment is linked to an increase in high-risk health behaviors (Rasky, Stronegger, & Freidl, 1996), and the lifestyle factors of addictive behaviors were better predictors of long-term unemployment than were health variables (Liira & Leino-Arjas, 1999). For example, unemployment was related to increased alcohol use and abuse in four studies (Catalano, Dooley, Wilson, & Hough, 1993; Claussen, 1999; Rasky, Stronegger, & Freidl, 1996; Viinamäki, Niskanen, Koskela, & Kontula, 1995), but was unrelated in another study (Kabbe, Setterlind, & Svensson, 1996). Mittag and Schwarzer (1993) found that self-efficacy moderated alcohol use among unemployed men. One community study found widespread behavioral differences between the unemployed and employed: The unemployed drank more alcohol and smoked more, they were less likely to have physical activity, brush their teeth, or to try to lose weight or diet, and they were more likely to take sleeping pills or see a general practitioner than were the employed (Rasky, Stronegger, & Freidl, 1996). One study, in contrast, found more positive changes in health behaviors for unemployed rather than employed workers among workers in physically strenuous jobs (Liira & Leino-Arjas, 1999). Taken together, however, recent results continue to demonstrate negative impacts of unemployment on physical health and physical health behaviors identified previously (e.g., Hanisch, 1999; Winefield, 1995).

Social Impacts

The social impact of job loss comprises the social activities, levels of social support, and the impact on the spouse and family of the displaced worker.
Coping with Job Loss

The unemployed tend to be less involved in social activities over time (Under- lind, 1996). Unemployment is also linked to increased social dysfunction (Lai, Chan, & Luk, 1997), family violence (Schliebner & Peregoy, 1994), and violent behavior (Catalano, Dooley, Novaco, Wilson, & Hough, 1993). Moreover, unemployment affects social support.

The unemployed report lower levels of social support in three studies (Jackson, 1999; Kinicki, Prussia, & McKee-Ryan, 2000; Viinamäki, Koskela, & Niskanen, 1993), but not in another (Schwarzer, Jerusalem, & Hahn, 1994), while two studies showed that social support diminishes as unemployment persists (Kinicki, Prussia, & McKee-Ryan, 2000; Kong, Perrucci, & Perrucci, 1993). Moreover, possessing low levels of social support has negative effects on general and mental health (Roberts et al., 1997). For example, lacking social support is linked to facing greater problem severity and the use of avoidance coping (Walsh & Jackson, 1995), as well as increased illness (Schwarzer, Jerusalem, & Hahn, 1994), psychosomatic symptoms (Viinamäki, Koskela, & Niskanen, 1993), emotional stress (Jackson, 1999), and depression (Vinokur, Price, & Caplan, 1996; Vosler & Page-Adams, 1996). Social support (Jackson, 1999) and job-seeking support (Wanberg, Watt, & Rumsey, 1996) also predicted reemployment and job search intensity (Rife & Belcher, 1993). Consistent with Winefield’s (1995) conclusion, social support appears to be an important resource for displaced workers.

Such support may come from a spouse or other family member(s). For example, being in a de facto relationship was associated with improved subjective well-being (Marks & Fleming, 1999) and those with a working spouse were less likely to be classified as having high levels of psychosomatic symptoms (Viinamäki, Koskela, & Niskanen, 1993). Family support also combined with other resources to predict psychological well-being, anxiety, and depression (Shams, 1993), while family strength was a negative predictor of depression (Vosler & Page-Adams, 1996). As for impacts on the spouse and family of the displaced worker, research revealed that job loss is not an individual issue, but a household concern, affecting spouses (e.g., Howe, Caplan, Foster, Lockshin, & McGrath, 1995; Huang & Perrucci, 1994; Vinokur, Price, & Caplan, 1996; Walsh & Jackson, 1995) and families (Perrucci, 1994; Schliebner & Peregoy, 1994). These findings are consistent with those summarized by Hanisch (1999).

In sum, research to date demonstrated negative effects across the economic, psychological, physiological, and social aspects of the life of the displaced worker (Latack, Kinicki, & Prussia, 1995). We now turn our attention to job loss interventions.

JOB LOSS INTERVENTIONS

Hanisch (1999) reviewed intervention research and noted the beneficial effects of stress management (Maysent & Spera, 1995), expressive writing
Coping is defined as cognitive and behavioral efforts to manage the internal and external demands associated with person–situation transactions that tax or exceed a person’s resources (Folkman, Lazarus, Dunkel-Schetter, DeLongis, & Gruen, 1986). This definition highlights that coping is distinct from coping effectiveness. That is, coping is defined in terms of what people do in specific situations without reference to whether or not it works (Latack & Havlovic, 1992).

Coping theory is based on the notion that individuals first appraise a situation as harm/loss, threat, or challenge, and then engage in different coping strategies aimed at resolving the stressful situation. In terms of job loss, it is generally expected that displaced workers who effectively cope with job loss will experience more favorable psychological and mental health outcomes and obtain more satisfactory reemployment than those who ineffectively cope with displacement (Latack, Kinicki, & Prussia, 1995; Leana & Feldman, 1995; Kinicki, Prussia, & McKee-Ryan, 2000).

Coping has generally been classified into two general categories: problem/control-focused coping and emotion/escape-focused coping: Different names are used by different authors when describing the same basic coping strategy. Problem/control-oriented coping is aimed at directly addressing the root of the problem, while emotion/escape-related coping seeks to manage the emotional
Coping with Job Loss

response to the stressor (Lazarus & Folkman, 1984). A third category, symptom management coping, also was proposed (Leana & Feldman, 1990). This strategy consists of those activities an individual uses to alleviate the consequences of a stressful event. Hanisch (1999) notes that this strategy encompasses activities that are generally included in the broader category of emotion/escape-focused coping. In order to structure our review in this section, we examine the measures of coping with job loss, discuss the antecedents and consequences of coping with job loss, and attempt to reconcile inconsistencies in past research by highlighting the role of personal meaning and coping goals within the coping process.

Coping Measures

Coping is a situationally specific phenomenon that must be studied in relation to a specific stressful encounter (Lazarus & Folkman, 1984). This implies that job loss researchers should use customized measures designed to expressly assess coping with job loss (Latack, Kinicki, & Prussia, 1995). Kinicki and Latack (1990) and Leana and Feldman (1990) developed such measures. Kinicki and Latack's Coping with Job Loss Scale (CWJLS) is composed of three control-focused dimensions (proactive search, non-work organization, and positive self-assessment) and two forms of escape-focused coping (distancing from loss and job devaluation). Leana and Feldman's (1990) scales assess one dimension for problem-focused coping (i.e., behaviors associated with job search, retraining efforts and seeking geographical relocation) and one for symptom-focused coping (i.e., behaviors associated with seeking financial assistance and social support, and becoming involved in community activities). The reliability and factor structure of the CWJLS was supported by judge analysis and exploratory and confirmatory factor analysis (Kinicki & Latack, 1990; Kinicki, Prussia, & McKee-Ryan, 2000; Wanberg, 1997). The reliability and two-factor structure of Leana and Feldman's scales were supported by Leana and Feldman (1990).

We located 16 studies that empirically examined coping with job loss. Of these, five used the coping with job loss scales developed by Kinicki and Latack (1990; Gowan, Riordan, & Gatewood, 1999; Kinicki & Latack, 1990; Kinicki, Prussia, & McKee-Ryan, 2000; Lai & Wong, 1998; Wanberg, 1997), six used Leana and Feldman’s (1990) measures (Bennett, Martin, Bies, & Brockner, 1995; Leana & Feldman, 1990; 1991; 1995; Leana, Feldman, & Tan, 1998; Malen & Stroh, 1998), three relied on modifications of Folkman et al.’s (1986) Ways of Coping Checklist (Frese, Fay, Hilburger, Leng, & Tag, 1997; Grossi, 1999; Walsh & Jackson, 1995), and two used ad hoc scales (Cassidy, 1994; Schaufeli & VanYperen, 1993). Because the Ways of Coping Checklist contains serious psychometric short-comings (Parker, Endler, & Bagby, 1993; Wineman, Durand, & McCulloch, 1994) and does not specifically measure coping with job loss, results based on these measures and the ad
hoc scales must be interpreted with caution. Although research is still needed to improve the psychometric properties of both the CWJLS and Leana and Feldman’s scales, we recommend that future research rely on coping scales specifically designed for a job loss context.

**Antecedents and Outcomes of Coping with Job Loss**

*Antecedents of coping*

Perceptions or attributions about job loss, cognitive appraisal, emotional arousal, coping goals, and coping resources (which include individual characteristics [internal] and environmental objects or conditions [external] a person can draw upon to cope with job loss) are theoretically predicted to influence the choice of a coping strategy following job displacement (e.g., Latack, Kinicki, & Prussia, 1995; Leana & Feldman, 1988; Prussia, Kinicki, & Bracker, 1993; Thomson, 1997). Unfortunately, research does not support any clear pattern of relationships between these antecedents and coping.

For example, problem/control-focused coping was positively (Grossi, 1999) and negatively related (Leana & Feldman, 1991) to marital status, gender obtained both significant (Leana & Feldman, 1991; Malen & Stroh, 1998) and insignificant (Walsh & Jackson, 1995) relationships with problem-focused and escape/symptom-focused coping, and financial resources were negatively associated with problem-focused coping and unrelated to escape coping (i.e., distancing from job loss). Gowan, Riordan, and Gatewood’s (1999) longitudinal covariance structure analysis further demonstrated that social support was positively associated with both job search activities (i.e., problem-focused coping) and the escape-focused dimension of distancing from job loss, while education and financial resources displayed inconsistent patterns with these two coping strategies during the same time frame. Kinicki, Prussia, and McKee-Ryan’s (2000) results are similar to Gowan, Riordan, and Gatewood’s in that the predictors of problem- and emotion-focused coping changed over time. Economic discrepancy was positively related to problem-focused coping both in the anticipatory stage of job loss and 4 months following displacement (i.e., outcome stage), but only to emotion-focused coping in the outcome stage. Further, the coping resources of self-esteem, life satisfaction, and social support were associated with decreased emotion-focused coping at the anticipatory state, and increased problem-focused coping at the outcome stage. Finally, Kinicki and Latack (1990), Leana and Feldman (1990), and Wanberg (1997) similarly failed to uncover common predictors of problem-focused or emotion-focused strategies.

*Outcomes of coping*

Despite evidence showing that job search behaviors are related to reemployment (e.g., Kanfer, Wanberg, & Kantrowitz, 2001; Schaufeli & VanYperen,
Coping with Job Loss

1993; Wanberg, 1997; Wanberg, Kanfer, & Rotundo, 1999), four studies documented that problem-focused coping did not facilitate reemployment. Kinicki, Prussia, and McKee-Ryan’s (2000) results revealed that problem-focused coping between the time the layoff notification was received and actual displacement was unrelated to the quality of reemployment 4 months later. Cassidy (1994) found that unemployed university graduates used more problem-focused coping following graduation than employed graduates. Further, the problem-focused strategy of job search activities was not significantly associated with reemployment, while the escape strategy of distancing from job loss was positively related to reemployment after 6 months (Gowan, Riordan, & Gatewood, 1999). Leana and Feldman’s (1995) study showed that displaced workers who were reemployed 9 months after a plant closing used more problem- and symptom-focused coping during the first wave of data collection than did unemployed individuals. Contrary to expectations, however, the reemployed also engaged in the escape-focused strategy of psychological distancing at time 1 more so than those still unemployed at time 2.

With respect to psychological outcomes, neither problem- nor escape-related coping predicted mental health measured after a 3-month time lag (Wanberg, 1997), and Leana and Feldman’s (1990) cross-sectional study of two different samples failed to uncover any significant relationships between either problem- or symptom-related coping and life satisfaction. Similarly, Gowan, Riordan, and Gatewood’s (1999) results revealed that problem-focused coping was unrelated to distress, but emotion-focused coping (i.e., distancing) was negatively linked to distress 6 months later. Two cross-sectional studies reinforced this later finding. Emotion-focused coping was negatively related to emotional distress (Grossi, 1999) and general health (Lai & Wong, 1998).

Summary and recommendations

Past research has uncovered neither common predictors nor common outcomes of engaging problem/control-focused and emotion/escape/symptom-focused coping strategies. Taken together with recent research suggesting that a particular cognition or behavior may have elements of both problem- and emotion-focused coping (Latack & Havlovic, 1992) and methodological concerns regarding coping measurement (cf. Dewe & Guest, 1990; O'Driscoll & Cooper, 1994), future research should reconceptualize how we model coping strategies within the process of coping with job loss.

We propose that increased understanding into the process of coping with job loss can be enhanced by considering the role of the personal meaning of the job loss transition to a displaced worker. Our belief is that the inconsistency found in past research is partially due to the idiosyncratic nature in which people appraise job loss and to the subsequent coping goals that people pursue in an attempt to deal with their appraisals. Drawing from Latack,
Kinicki, and Prussia’s (1995) model of coping with job loss, the next section explores the nature of the personal meaning of job loss and the role of coping goals in explicating the process of coping with job loss.

**Personal Meaning of Job Loss to an Individual and Coping Goals**

Fineman (1983) was one of the first researchers to assert that individuals differ in the meaning they ascribe to losing their jobs. He suggested that job loss can be debilitating and stressful for some individuals while at the same time representing an invigorating and uplifting experience for others. His views suggest that the personal meaning of job displacement is an important variable in the process of coping with job loss. Despite the inclusion of personal (DeFrank & Ivancevich, 1986) and personality moderators (Leana & Feldman, 1988) in conceptual models of coping with job loss, however, most of the previous empirical research operated under the implicit or explicit assumption that job loss is perceived homogeneously by all displaced employees. In contrast to this view, and consistent with Fineman’s perspective, Latack, Kinicki, and Prussia (1995) proposed that individuals interpret and respond to job displacement according to their own needs and values and that job loss is experienced differently by individuals. Indirect evidence supports this proposition.

**Personal meaning of job loss**

Past research has examined two related issues pertaining to the meaning of job loss. The first seeks to characterize how different subgroups react to job loss, while the second seeks to understand whether or not people pursue different coping goals in response to being displaced. In the first general vein, the notion that reactions to job loss differ for various groups is generating theoretical and empirical support.

Price, Friedland, and Vinokur (1998) hypothesize that job loss impacts lower level employees economically, while professional employees are more likely to experience a threat to their identity. Payne and Jones’ (1987) results comparing unemployed and reemployed workers who were either working class or middle class revealed differing patterns of outcomes by employment status for the working- and middle-class groups and significant interactions between class and employment status. They conclude that the meaning of employment differed by class or occupation level. Turner (1995) found that financial strain explained significantly more variance in depression for those without a college education than for those with a degree. The detrimental effects of job loss were limited to college graduates when the individual became reemployed in a secure job. Along the same lines, Wanberg and Marchese (1994) found four distinct clusters of job losers, each identified by a different set of concerns resulting from the job loss (confident but concerned,
distressed, unconcerned and indifferent, and optimistic and coping). This stream of research suggests that the meaning of job loss differs for various groups of displaced workers.

Related research also is accumulating to suggest that the individual experience of job loss varies as well. For example, Wheaton (1990) argued that the role context prior to job loss influences the meaning of the event for the individual, such that experiencing a high degree of role stress prior to losing a job diminishes the impact of the event. Similarly, Latack and Dozier (1986) submit that job loss can be appraised as a challenge or opportunity for the job loser, and can thus be seen as an opportunity for growth.

Coping goals

The way that an individual copes with job loss differs based upon the personal meaning of the job loss event. Latack, Kinicki, and Prussia (1995) theoretically expanded on this idea by proposing that coping goals mediate the relationship between the appraisal of job loss and the choice of coping strategies. According to these authors, ‘a coping goal represents an individual’s desired end result that he or she seeks to accomplish in response to a perceived harm/loss or threat’ (p. 323). This implies that displacement leads an individual to establish a relevant coping goal (e.g., reemployment, retirement, go back to school, take time off to regroup). Displaced workers thus are expected to pursue specific coping strategies involving cognitive and/or behavioral activities that are driven by specific coping goals. For example, a displaced worker might spend time hiking or take time to visit family members in another country if his/her goal is to reduce the strain and anxiety associated with unemployment. Oppositely, a person is more likely to attend outplacement services if financial pressures spawn a coping goal to become reemployed as quickly as possible. Recent research in the job loss literature reinforces the hypothesis that people establish different coping goals after becoming displaced.

Two studies demonstrated that people pursue different coping goals (Perrine, 1996; Tang & Crofford, 1999) such as finding another job immediately, taking some time off before looking for a job, finding alternatives to employment (e.g., leisure or volunteer work), retiring, or going back to school/seeking training. Moreover, the congruence or match between coping decisions (i.e., goals) and objective outcomes was the strongest predictor of depression among unemployed autoworkers (Hamilton et al., 1993). Specifically, those that wanted a job and got one, didn’t want a job and didn’t get one, or didn’t like their job and subsequently lost it were significantly less depressed than individuals with a mismatch between goals and outcomes. Hamilton et al. conclude that ‘the objective reality of unemployment builds a subjective world for the worker who experiences it’ (p. 243).

Most recently, Prussia, Fugate, and Kinicki (2001) conducted an 18-month study of 126 employees whose plant had closed. Results from a covariance
structure analysis revealed that the intensity of displaced workers’ reemployment coping goal was positively related to the effort they put into seeking reemployment. Those displaced workers with higher reemployment goal intensity pursued reemployment with greater earnest, which in turn influenced the likelihood of becoming reemployed.

Summary and recommendations

The implication of research reviewed in this section is that individuals do not respond to unemployment in a homogeneous way. This conclusion helps to understand the inconsistent relationships between coping strategies and outcomes. It appears that people vary their coping strategies to accomplish different coping goals. This further implies that the directional relationship between coping strategies and outcomes is not the same for any given sample of displaced workers. All told then, there appears to be support for our proposition that deeper insight into the process by which displaced workers cope with job loss can be achieved by including a role for individuals’ personal meanings and coping goals into future research.

LIFE-FACET MODEL OF COPING WITH JOB LOSS

Our proposed model jointly builds on past research and Latack, Kinicki, and Prussia’s (1995) cybernetic model of coping with job loss. They hypothesize that individuals compare their status on four life facets (economic, psychological, physiological, and social) with a referent goal or standard following job displacement. The next step in the coping process represents a discrepancy appraisal: a cognitive assessment of whether the discrepancies in life facets represent harm/loss or threat. In turn, these discrepancy appraisals lead to coping goals. Coping efficacy, defined as an individual’s belief about successfully enacting various coping strategies, is predicted to moderate this relationship. The coping process continues as people begin to enact coping strategies aimed at pursuing different coping goals. Latack, Kinicki, and Prussia also propose that coping resources directly influence discrepancy appraisals and the choice of coping strategies. Finally, the cybernetic process results in the coping strategies influencing either the referent goal or standard or a feedback sensor. Although this model represents a significant integration of past research and is beginning to generate positive empirical verification (e.g., Prussia, Fugate, & Kinicki, 2001), we believe it contains three theoretical deficiencies.

First, Latack, Kinicki, and Prussia (1995) identified four job loss discrepancy facets that are clearly relevant to displaced workers. That said, however, other literatures suggest that there are additional life facets that should be considered in the process of coping with job loss. Consider spirituality. Shams
and Jackson’s (1993) study of 139 employed and unemployed individuals in England showed that religiosity had both a positive direct effect on psychological well-being and moderated the impact of unemployment on well-being. Additional life facets need to be included in Latack, Kinicki, and Prussia’s model. Second, Latack, Kinicki, and Prussia hypothesized that the accumulation of discrepancies on the life facets manifests in the intensity of the harm/loss or threat appraisal. Based on the personal meaning perspective, we propose that it is important to ‘unbundle’ appraisal into its component parts because amalgamating appraisal dimensions reduces the explanatory power provided by the facet discrepancy appraisal approach. Recall that past research on the antecedents and outcomes of coping with job loss demonstrated that the amalgamation of coping strategies led to inconsistent results. Rather than continuing to mask the underlying relationship between appraisal and coping with a lack of specificity in theory and measurement, we propose a more detailed facet model that includes a one-to-one correspondence between facet appraisals, coping goals, and facet coping. Third, Latack, Kinicki, and Prussia’s model does not completely incorporate a consideration of personal meaning of the job loss event. For example, they do not incorporate any variables or processes to explain how the alignment of coping goals and coping strategies directly influences outcomes (cf. Hamilton et al., 1993; Prussia, Fugate, & Kinicki, in press). We model a variable to explicitly assess this alignment.

The proposed model—shown in Figure 1.1—builds on the three limitations noted above and provides additional theoretical specificity throughout the coping process. Figure 1.1 shows that there are three exogenous variables predicted to influence all seven facet appraisals: work role centrality, coping resources, and demographic characteristics. These variables represent important personal characteristics and coping resources that affect the appraised meaning of the job loss event and place the event within a personal context. In turn, the seven facet appraisals are hypothesized to impact seven corresponding facet coping goals in a one-to-one fashion: Coping efficacy moderates this relationship. People are expected to set coping goals to resolve negative appraisals when they believe they are capable of coping with the facet at hand. The seven facet coping goals are then hypothesized to directly influence their same dimension of facet coping, which also is moderated by coping efficacy. In order to account for the role played by the match between a person’s coping goal and his/her coping efforts, we include a variable to represent the alignment between facet coping goals and facet coping strategies. Finally, it is predicted that subjective well-being and quality of reemployment are positively influenced by the alignment between coping goals and coping strategies. Over time, Figure 1.1 shows that the status of subjective well-being and quality of reemployment feedback to affect work-role centrality and coping resources. We now consider the individual components of the model depicted in Figure 1.1.
Figure 1.1 The life-cycle model of coping with job loss.