



Archived at the Flinders Academic Commons:

<http://dspace.flinders.edu.au/dspace/>

This is a copy of an article published in the *Australian Journal of Social Issues*, and is available by subscription at:

[publications@acoss.org.au](mailto:publications@acoss.org.au)

Please cite this as: Jolley, G., Newman, L.A., Ziersch, A. and Baum, F.E., 2011. Positive and negative impacts of job loss on family life: the perceptions of Australian car workers. *Australian Journal of Social Issues*, 46(4), 411-433.

© Copyright 2011 Australian Council of Social Service. Paper reproduced here with permission from the publisher.

# Positive and negative impacts of job loss on family life: the perceptions of Australian car workers

Gwyn Jolley, Lareen Newman, Anna Ziersch and Fran Baum

## Abstract

This article contributes to research on the impact of job loss on families. It is based on survey responses from 371 workers and in-depth interviews with 39 of them about the family impacts of their job loss from the Mitsubishi car factory in Adelaide in 2004-2005. A majority of workers said family life had been affected by their job loss. Quantitative analysis identified four variables significantly associated with family impacts: marital status, children living at home, employment status and financial management. Qualitative responses showed the predominantly negative impacts were financial strain, loss of relationship stability, and general stress and worry, although few faced catastrophic impacts from their job loss. However, in contrast to most previous research, the in-depth interviews also revealed positive impacts from job loss, such as having more time at home and to spend with their family. We conclude that the existence of ongoing income support and public health insurance in Australia were important in avoiding catastrophic financial impacts on these workers and their families.

**Keywords:** car industry, family, job loss, surveys, in-depth interviews

## Introduction

Job loss can be a major life event for workers and their families. This paper explores the family impacts of job loss in Australia's automotive industry. It reports findings from a survey and qualitative interviews with workers involved in a mass redundancy at the Mitsubishi factory in southern Adelaide in 2004-05, and focuses on the impact of this job loss on family life. The findings have contemporary significance given that, more recently, further automotive jobs have been lost. For example, in early 2012 Holden, in northern Adelaide, laid off 100 workers and faced closure with the potential loss of another 16,000 jobs (ABC News 2012; Metherell 2012), while Toyota in Melbourne lost 350 jobs (Griffiths 2012). Although Australia has fared better than many countries in the global financial crisis (Saunders & Wong 2011), the strong dollar has created problems for manufacturers who rely on exports, including those in the automotive sector, by reducing overseas sales, which led to increased redundancies in Australia (Griffiths 2012).

Employment is an important aspect of life, since it confers income, status, identity, social connection, time structure and sense of purpose (Employment Conditions Knowledge Network 2007). Job losses, as part of company downsizing or plant relocation, threaten the removal of these benefits (Parker et al. 1971). For several decades, the car industry has been shedding workers due to company restructuring on international and meta-regional scales (Larsson 2002), resulting from macroeconomic structural change. In the recent 'global financial and jobs crisis' (International Labour Office 2010), the car industry has suffered more than most sectors and has responded by laying off many thousands of workers (Marshall 2009). Mass job loss (or redundancy) from such plant closures is categorised as a major life event (Holmes & Rahe 1967; Latack et al. 1995; Gardiner et al. 2009) and since an individual's wellbeing can be mediated through family functioning, a family's reaction to job loss has major implications for the welfare of current and future generations (Yeung & Hofferth 1998).

## Previous research on job loss impacts

Research over the last 30 years shows that mass job loss and general unemployment can have social, psychological and physical impacts on workers (Voydanoff 1983). Job loss affects individual workers through several pathways, including loss of income and ensuing financial strain, and as a stressful life event (Kessler et al. 1987; Ensminger & Celentano 1988; Leana & Feldman 1990; Bartley 1994; Price et al. 2002; Verity & Jolley 2008). However, much of this research has been conducted in the United States which has its own labour market, employment and social welfare conditions (for example, health insurance linked to employment, time-limited welfare benefits). Less is known about how these individual impacts feed through to families, particularly in Australia. The following four sections review previous research on general family impacts of job loss, the impact of financial strain, mental health and family relationships, and positive impacts of job loss.

### ***Family impacts of job loss***

Since the family is a site for the mediation of social and individual wellbeing, job loss affects more than just the unemployed individual (Strom 2003). Hanisch (1999: 206) concludes that there is 'no disagreement in the literature that future research should pursue understanding job loss from a family perspective'. Dew and colleagues (1991) argued, based on a review of the previous 20 years of research on the mental health effects of involuntary job loss on US women workers, their spouses and children, that knowledge of family effects is critical to developing effective responses. Stevens and Schaller (2009) also concluded from their US research that understanding the negative impacts on the broader family is crucial if policymakers are to direct appropriate supports to families and areas experiencing mass job loss.

Much research has explored the impacts of unemployment on workers and their spouses and children; however, this has been mostly quantitative, using psychological, behavioural and health measures. Such research has looked at the impacts on workers' families, most often the economic, social and psychological impacts, by asking the workers (and sometimes also their spouses/partners). One US study, using a quasi-experimental design to compare responses from 831 workers from General Motors car plants scheduled to close with those of 766 workers from plants not closing, found that job loss had powerful negative effects on automobile workers' families when compared with families of workers at plants that did not close (Broman et al. 1990).

By comparison, there has been relatively little Australian research into the different subjective interpretations and reactions of a range of workers to one mass job loss. In particular only a few studies over the past 20 years have considered how mass job loss impacts on families. Pond and colleagues (2002) conducted a longitudinal study of retrenchment at BHP Newcastle in 1999, involving 230 retrenched workers and 119 spouses/partners interviewed three times over 12 months. They found that workers reported difficulty providing financially for their families, which negatively impacted on family routines and relationships and limited family outings and holidays, although some experienced positive impacts of having more time to help around the home and with children. Lambert's (2004) ethnographic study of Email/Simpson/Chef included one week's intensive interviewing and observations immediately prior to the closure. This study found that some workers anticipated negative impacts on family via the financial strain of reduced income. Finally, two papers report on impacts of the Ansett collapse in 2001. Mitchell and Kristovics (2005) surveyed 84 customer service officers at one and three years after collapse; in open-ended questions some workers mentioned positive family impacts such as less shiftwork allowing more weekend time with family, but others experienced negative impacts such as relationship breakdown or strain and separation, financial loss requiring children to move from private to public schooling and less time with children. Weller's (2012) longitudinal survey of 715 former Ansett workers did not specifically report family impacts but found that most workers tried to maintain their lifestyles, such as by keeping their children in the same

school. However, 19 per cent of workers had to sell their homes or other assets. Finally, our own in-depth research with 35 children of 16 Mitsubishi workers showed that children experience similar negative and positive family impacts to those reported by their parents, with children also noticing parental changes in mood despite some parents trying to shield children from the impacts (Newman et al. 2009).

Job loss can impact on families in several ways, but particularly through increased stress and worry due to the financial strain of having less or no income, financial loss events (for example, loss of a house due to mortgage foreclosure), marital difficulties and relationship conflict (Price 1992). One Australian study involving 74 males and 18 females, combining qualitative responses and a retrospective questionnaire, found that spouses and children can be emotionally involved in the partner/parent's experiences of job loss (Lobo & Watkins 1995). A study on workers retrenched from MG Rover's UK factory closure, using an open-ended qualitative approach, reported that their families bore the emotional cost of the closure (Armstrong 2006). The top three impacts found in this study were financial restrictions (such as canceling holidays and difficulty with mortgage repayments); relationship problems, and stress/worry/anxiety/upset/shock.

### **Financial strain**

In a US study of emotional distress among workers, Voydanoff and Donnelly (1989) examined a sample of 203 married men and 207 married women and found that, for male workers, the main components of distress were economic strain on family finances, employment insecurity and uncertainty. However, while economic distress can be associated with mental health problems, other US researchers have noted that some coping resources and behaviours buffered distress while others exacerbated it (Yeung & Hofferth 1998). The US comparison study by Broman and colleagues (Broman et al. 1990; see also Hoffman et al. 1991), found severely strained coping mechanisms among redundant workers and their families, with financial hardship being the key factor in job loss stress on families. They also found the relationship between job loss and financial hardship was mediated by marriage, whereby married workers also tended to have less money saved, a mortgage and dependent children. Both case study and longitudinal quantitative research in the United States has found that families experiencing a substantial loss of income or work hours often respond by cutting back on or adjusting expenditures and receiving public assistance (Root 1984; Yeung & Hofferth 1998). Yeung and Hofferth's study (1998) concluded that families with substantial income and assets were better placed to adapt actively to job loss, while families with fewer economic resources often required public assistance and could suffer ongoing economic hardship.

### ***Mental health and family relationship changes***

A number of US studies have shown that job loss impacts on family relationships are intertwined with financial impacts (see, for example, Elder 1974; Elder et al. 1985; Conger et al. 1992; Conger & Elder 1994). US research (using cross-sectional population survey data and longitudinal surveys at several periods after closure) also found that job loss and substantial income loss were associated with worsening marital relationships, marital breakdown and/or increased rates of separation and divorce (Perrucci & Targ 1988; Yeung & Hofferth 1998; Attewell 1999). Two other papers (one reporting a US longitudinal panel study of 82 recently-unemployed white- and blue-collar American men and the other a review of research) found that the impact of job loss on children and marital relationships was particularly mediated through the changes that economic loss produces in male workers' psychological well-being, behaviour and disposition (Atkinson et al. 1986; McLloyd 1989). Another longitudinal US study of 815 recently unemployed individuals and their partners found that economic hardship could also contribute to growing frustration, which in turn triggered and sustained destructive interaction patterns (Vinokur et al. 1996). Perrucci and Targ's (1988) longitudinal study of 75 workers made redundant from a candy-making plant found that the greater the perceived economic strain resulting from job loss, the greater the decline in family cohesiveness and adaptability.

A range of mental health impacts on the family may also result from job loss. Hanisch's (1999) review identified a wealth of (predominantly negative) psychological and physical job loss impacts on families. US research using the Health & Retirement Study for older adults compared wives of husbands who experienced involuntary job loss with wives of continuously employed husbands and found that wives' mental health was negatively affected by their husband's involuntary job loss (Siegel et al. 2003). On the other hand, Wauchope's (1994) in-depth qualitative study found that US families who were more financially satisfied before the loss, and who were used to stable employment, were more likely to suffer from job loss impacts because they were less used to adjusting to change than employment-unstable families. Furthermore, some families found it stigmatising to seek public assistance (Yeung & Hofferth 1998). Family impacts can also differ according to the stage in the family lifecycle; for example, research has found that households with dependent children were more likely to experience difficulties through job loss than those without children (Clark 1987; Smith & Price 1992).

Qualitative research has found additional mental health impacts. For example, in-depth interviews carried out as part of Grayson's (1983) study of US workers' wives found that plant closures could increase wives' stress levels and reduce health beyond just that of the workers themselves, and could cause anxiety among wives about husbands' re-employment prospects. Anderson's (1980) study of the impact of rural plant closures on Filipino workers in Hawaii (using surveys with over 200 families and participant observation in five rural areas) and Root's (1984) case studies of US families in the face of plant closure both

found that wives often enter the workforce to compensate for the household's income loss, which led to additional family stress when it affected the male's family role as breadwinner and caused changes in marital role definition. By comparison, families with fewer resources or in areas of high unemployment were less likely to increase female work hours (Yeung & Hofferth 1998).

### **Positive family impacts**

Lastly, a few studies report positive impacts of job loss for families. Hanisch (1999) highlighted Walsh and Jackson's (1995) study which criticised the view that unemployment always leads to passivity and resignation, and cited studies of proactive responses to unemployment. A range of qualitative studies from the United States and Australia suggest that job loss can create opportunities for workers to leave a dissatisfying job, change careers and life directions, and develop new competencies and qualifications, while positive family impacts include reduction in men's work hours or changes in patterns of shift work which can allow them greater opportunity to participate in household chores and child caring (Hanisch 1999; Pond et al. 2002; Lippold & Beachy-Quick 2003; Mitchell & Kristovics 2005; Mendenhall et al. 2008). Lippold and Beachy-Quick's US study (2003) concludes that theoretical models of job loss and family functioning tend to omit aspects of family time and tradeoff with income.

### **The present study**

The literature on job loss is dominated by US research. Here, we explore the effect of job loss in an Australian context on workers' families and consider the policy implications. This paper addresses the following research questions which reflect the issues raised in previous research about both positive and negative impacts of job loss on family life, and indications that some workers may be more likely than others to experience these outcomes:

- To what extent do the impacts of job loss affect family life and wellbeing?
- What are the positive and negative impacts of job loss on family life and wellbeing?
- Who is more likely to experience family life and wellbeing effects of job loss?

### **Study design and methods**

The research was conducted in Adelaide, South Australia, between 2004 and 2006. The locational context is significant because Mitsubishi Motors Australia Limited (Mitsubishi) was a major employer in the region but in April 2004 announced 1,100 redundancies: the closure of its engine foundry with approximately 700 'involuntary' redundancies, and 400 'voluntary' redundancies from the foundry and another assembly site.<sup>1</sup> The first redundancies occurred in June 2004, followed by progressive departures through to late 2005. In January

2005 the national unemployment rate was 5.3 per cent (ABS 2012). A two-year mixed-method longitudinal study was therefore developed to examine workers' job loss experiences (see Beer et al. 2006 for more detail). The company was unwilling to allow recruitment of participants directly from within the factory due to sensitivity about the presence of researchers and possible negative media attention. Workers were therefore recruited through a mail out (sent by the company to meet ethical requirements) to home addresses of all workers facing redundancies. The research team also made numerous visits to company sites and used 'snow-balling' techniques such as asking participants to recommend other potential recruits. These various means led to 371 of the 1,100 workers being recruited (or 34 per cent), including both workers whose redundancy was officially classed as involuntary and those classed as voluntary.<sup>1</sup> In this paper we report qualitative and quantitative data from the first stage of surveys with these 371 workers, and from in-depth interviews with a sub-sample of 39. At the time of survey and interviews, some workers were still employed in the plant, some were employed elsewhere, and others were unemployed or not in the labour force.

The first stage involved a face-to-face questionnaire survey with all 371 participants. The survey covered a broad range of topics relating to the redundancy and its impacts. As part of this, participants were asked if they felt their family life had been affected by the 'changes at Mitsubishi' and, if so, in what ways. At the end of the survey, all of the sample of 371 were asked to indicate their willingness to be contacted again to participate in an in-depth interview and 264 agreed. These 264 workers did not vary significantly from those who did not agree to an interview on any of the demographic variables used in this analysis, with the exception of age, with a greater proportion of those aged under 40 or over 60 agreeing to be interviewed. From this 264, 40 workers (33 males and seven females) were randomly selected and 39 eventually participated in interviews (32 males, seven females). The semi-structured in-depth interviews covered a broad range of topics, but in this article we report on perceived impacts on the health of any partner/spouse and/or children, changes to family life, including time spent with children/grandchildren, and support from family and friends. Interviews lasted between one and two hours and were audio-recorded for transcription. Interviewers also made field notes. Only redundant workers were interviewed about their perceptions of impacts on family members, not family members themselves.

The definition of 'family' can be contentious and family structures are more variable today than in the 1950s and 1960s. Our interview analysis led us to conclude that family should be defined in whatever way the respondent chose to talk about their circumstances and how these were affected by job loss. In this way, the idea of 'family', as discussed in this paper, differs from that in much of the research discussed earlier, by including workers' independent children, siblings, parents and grandchildren.



### **Data analysis**

We categorised the open-ended responses to the survey question about how family life was affected as 'positive effect', 'negative effect', 'mixed' and 'unclear/no response', in addition to responses that family life had not been affected. Chi-square analysis using SPSS examined the demographic factors associated with effects on family life. Responses were examined using the following variables: gender (male/female); age (<41, 41-60, >60); marital status (married/partnered vs. others); children/grandchildren at home<sup>2</sup> (children at home vs. no children at home) or not; occupation type at Mitsubishi (professional/lower skilled); nature of redundancy (voluntary vs. involuntary); current employment status (unemployed, still in the plant, re-employed elsewhere, and retired/student/disabled); and financial situation (getting by/difficult vs. comfortable/very comfortable).

Open-ended responses were further analysed according to the main reason given for positive or negative effects. We imported interview transcripts into NVivo and analysed them alongside the survey open-ended responses. We coded data thematically in relation to job loss impacts on family life, and included responses to direct questions on family life and family-related responses across the interview. Our analysis was guided by the interview questions, but also took account of issues raised spontaneously. Main themes were compared with those identified in responses to open-ended questions in the survey. In reporting perceptions of family impacts, workers' names have been changed to protect confidentiality. Employment status is recorded as at the time of the interview. The study was approved by the Flinders University Social and Behavioural Research Ethics Committee.

### **Findings**

#### ***Characteristics of the redundant workers in the questionnaire survey***

The 371 workers were mostly male (90 per cent) and older on average than the male Adelaide metropolitan workforce. Occupations were coded according to the Australian Standard Classification of Occupations (ABS 1997) as professional (for example, engineers, resource managers, accountants, marketing professionals) and non-professional (for example, mobile plant operators, process workers, secretaries, personal assistants, canteen workers). Participants had been mainly in non-professional occupations (78 per cent) (see Table 1), reflecting the overall workforce at Mitsubishi. Almost two-thirds (62 per cent) had their redundancy classed as involuntary, with the remainder deemed 'voluntary' (Table 1). This again broadly reflected the status accorded to all the workers made redundant at this time. Over three-quarters were married or in a de facto relationship and over half had children living at home. At the time of the survey, 20 per cent of the 371 respondents had not yet left the factory, but almost 50 per cent were re-employed elsewhere; a further 18 per cent were unemployed and looking for work, with the remainder no longer in the workforce (that is, retired, on home duties, studying, or on a disability pension). Over half described their financial situation as comfortable or very comfortable.

Those who were re-employed (58 per cent) or still in the plant (68 per cent) were more likely to rate their financial situation as comfortable, compared to those who were unemployed (43 per cent) ( $p < .05$ ). Likewise, those who had another earner in the household (62 per cent) were more likely than sole earners (51 per cent) to rate their financial situation as comfortable ( $p < .05$ ).

Most (around 90 per cent) had household incomes above the State average of AUS \$33,412 in 2003-04 (ABS 2007). Participants were fairly evenly split between sole and joint income earners. Most workers received relatively generous union-negotiated redundancy packages related to years of service, and these were therefore larger for workers who had had long-term employment at Mitsubishi. Workers were also eligible for State and federal government-funded employment/retraining assistance.

**Table 1: Survey participants: selected characteristics (N=371)**

Characteristics		N (%)
Gender	Female	36 (10)
	Male	335 (90)
Age	<41	102 (27)
	41-60	214 (58)
	>60	46 (12)
	Missing	9 (3)
Marital status	Married/partnered	286 (77)
	Other	84 (23)
	Missing	1 (<1)
Children at home	Children	194 (52)
	No children	178 (48)
Occupation	Professional	82 (22)
	Non-professional	289 (77)
	Missing	1 (<1)
Redundancy	Voluntary	142 (38)
	Involuntary	229 (62)
Employment status	Still in plant	82 (22)
	Re-employed	174 (47)
	Unemployed	65 (18)
	Not in the labour force	50 (13)
Financial management	Getting by/difficult	161 (43)
	Comfortable	210 (57)
Household income contribution	Only one income	178 (48)
	More than one income	193 (52)

### Quantitative analysis of family life impacts

Participants were asked whether their family life had been affected by the changes at Mitsubishi. Of the overall sample, 36 per cent said there had been no change to family life, 17 per cent gave examples of positive effects and 35 per cent gave examples of negative effects (Table 2). Positive effects were mostly focused on now having more time at home and with family, while negative effects centred on financial and other stressors. A small number gave mixed responses, an unclear response or no response (Table 2). For the purpose of further analysis these few cases were excluded so the characteristics of only those workers reporting positive and negative effects could be assessed (n=330).

**Table 2: Survey participants: changes to family life (N=371)**

Type of change	N	%	
		within category	total
Total positive	64	-	17
More time	-	40	63
Uncertainty ended	-	9	14
Other positive	-	15	23
Total negative	131	-	35
Financial stress	-	53	41
Stress/worry	-	49	37
Less time	-	15	12
Relationship breakdown	-	14	11
Same/no change	135	-	36
Mixed	15	-	4
No response/unclear	25	-	7
Missing	1	-	<1
Total	371	-	99

Our chi-square analysis of the 330 cases with complete data on changes to family life identified four variables significantly associated with impacts on family: marital status, children living at home, employment status, and their assessment of their financial situation (Table 3). Almost two-thirds of the 78 workers who were not in a partnered relationship reported no change in family life, whereas over 40 per cent of those in a partnered relationship reported negative effects. Those without children reported less impact on their family than those with children. Of those with children (N=168), almost twice as many reported negative compared to positive effects (45 per cent compared to 24 per cent – see Table 3). In terms of employment status, workers still in the plant reported the most negative effects on family life and the least positive effects. Substantial numbers of the 159 workers already re-employed elsewhere also reported negative effects on family life, but almost one-quarter reported positive effects. Workers' perception of their financial situation was closely associated with how they felt their family life had been affected by the changes at Mitsubishi. Almost

two-thirds of the 186 who reported being financially ‘comfortable’ said there was no impact on their family life. However, of those who were financially ‘just getting by’ or ‘finding it difficult’, over half reported negative effects on their family life and just 11 per cent reported positive changes.

**Table 3: Survey participants: changes to family life by demographic variables, chi-square analysis (N=330)**

Characteristic	Positive N (%)	Negative N (%)	No change N (%)	N	P value
Gender					.695
Female	4 (14)	13 (45)	12 (42)	29	
Male	60 (20)	118 (39)	123 (41)	301	
Age					.099
<41	14 (15)	32 (34)	48 (51)	94	
41-60	42 (22)	82 (43)	66 (35)	190	
>60	8 (21)	13 (33)	66 (50)	39	
Marital status					.000
Married/partnered	59 (23)	108 (43)	85 (34)	252	
Other	5 (6)	23 (30)	50 (64)	78	
Children at home					.001
Children	41 (24)	75 (45)	52 (31)	168	
No children	23 (14)	56 (35)	83 (51)	162	
Occupation					.760
Professional	14 (20)	30 (43)	26 (37)	70	
Other	50 (19)	101 (39)	109 (42)	260	
Redundancy					.097
Voluntary	30 (23)	42 (33)	56 (44)	128	
Involuntary	34 (17)	89 (44)	79 (39)	202	
Employment status					.047
Still in plant	5 (7)	33 (45)	35 (48)	73	
Re-employed	36 (23)	66 (42)	57 (36)	159	
Unemployed	14 (25)	20 (36)	22 (39)	56	
Not in labour force	9 (21)	12 (29)	21 (50)	42	
Financial management					.000
Getting by/difficult	16 (11)	81 (56)	47 (33)	144	
Comfortable	48 (26)	50 (27)	88 (65)	186	
N	64	131	135	330	

### **Qualitative analysis of family life impacts**

#### **Financial strain**

About one-quarter of the 39 interview respondents said their job loss led to financial strain and a consequent change in activities and lifestyles, including having to be more careful with budgeting. Perceived negative impacts included a reduction in activities such as shopping, going out for meals and attending cultural or sporting events. Respondents described having to adjust to uncertainty about when or if they would return to a stable financial situation and, in the absence of regular long-term income, having to cut back

on spending. Casual work, or work that was less well paid than previously, alleviated the financial stress to some extent, but was not seen as satisfactory for the longer term. For example, Elliott described his own, and his partner's, stress about managing on one casual income instead of the two incomes they had been used to. The couple felt unsettled until a more permanent position came up:

Initially we were under a lot of stress because of trying to find a job, so the first three months were very stressful. That was compounded by the fact the wife was having a hard time going from two wages back to basically one. Having a couple of jobs here and there sort of helped but it didn't really make her very settled so it wasn't really till the beginning of this year that we had [new employment] which was more permanent.  
*(Elliott, age 54, married, children at home, financially getting by/difficult, 15 years at Mitsubishi, re-employed).*

Similarly, Doreen, who described herself as financially comfortable before the job loss, was re-employed but at a lower pay rate and was frustrated at having to budget more carefully:

It just frustrates me. You know, I want to go out and do some shopping, and I've got no spare cash to do it. And I've got to think twice. And that's not what I want. It's not what I'm used to.  
*(Doreen, age 58, married, no children at home, financially comfortable, 18 years at Mitsubishi, re-employed).*

A few parents reported mixed reactions after describing the need for financial restraint to their children. Rosslyn, a single parent, spoke of feeling guilty that she could not provide as many treats for her daughter, but she encouraged her daughter to believe things would improve:

She [daughter] has her friends over and I say to her 'Well, I've got to budget this weekend. You can go to the pictures, or I can take you to the pool, but please don't ask for anything else'. You know? ... and I know that she's said to a few of her friends, and I had to laugh, a couple of weeks ago 'Oh no, my mum can't afford that, she's unemployed. She's not working'. And then of course you feel guilty, don't you. But I sort of said to her 'Look, when I get a job, things will be better and then things will be easy and we'll be right'.  
*(Rosslyn, age 45, single, child at home, comfortable, 25 years at Mitsubishi, unemployed).*

On the other hand, Reg found it hard to get his teenage children to understand the need to reduce family spending:

And I tried to tell the kids too they're not going to get a lot of the luxuries they've got at the moment. I've pulled the reins in a little bit.

Q. And how did they react to that?

They haven't changed – kids are kids, teenagers, they don't give a toss. It's all my problem.

*(Reg, age 41, married, children at home, financially getting by/difficult, 20 years at Mitsubishi, unemployed).*

Reflecting the fact that the redundancy packages made the transition out of long-term secure work somewhat easier, workers reported that their packages were 'better than other companies' and that 'it would have been a lot worse' without them. A good number of interviewed workers used this payment to pay off home mortgages or for other strategic financial decisions.

### *Relationship stress*

The job loss and the long timeframe of uncertainty prior to the closure caused stress and worry for some respondents, and in turn led to relationship problems, loss of confidence and lower motivation. Two male respondents spoke about partnership break-up. One of them, Angus, described how he did not want to worry his wife about whether to take the voluntary redundancy package, but in the midst of this she decided to leave the relationship:

When the opportunity for redundancy came ... I thought well for my own sake I think that I should take it on, and then Workcover<sup>3</sup> paid me out as well, but it all came at sort of like the time my wife left me. I never let her know really to the degree of the circumstances that I was under, in the sense of I didn't want to bother, make her worry as well. Things just piled up on that and she decided I was too moody ... She decided to make the big move and left. And then it's just a matter of me now trying to recreate my life into what I can without too much pain.

*(Angus, age 55, single, no children at home, financially getting by/difficult, 8 years at Mitsubishi, not in the labour force).*

The redundancy payment led to friction in another case, with Mark reporting that his ex-partner was upset about not receiving a share of the payout and so prevented his child access visits for six months:

When I left Mitsubishi I got a redundancy package and it was, she got hold of it and thought, 'Well he's got a redundancy package, I want half of it', so, yeah, then uh, ever since then because I wasn't goin' to give her a half or anything she can go and jump in the lake and, yeah, she stopped me seein' the kids for a while there, so, I didn't see 'em for like 6 months.

*(Mark, age 46, divorced, no children at home, financially getting by/difficult, 8 years at Mitsubishi, unemployed).*

There were other reports of relationship stress. One respondent stated that his partner was unhappy because his new employment made him less available to help with their young children. Another talked about his job loss resulting in his partner having to return to work earlier than expected after having children (aged four and six years at time of interview). A few respondents reported their

partners being stressed by the lack of security following the job loss. One female respondent, whose partner was also retrenched from Mitsubishi, said that her husband had lost self-confidence and was not sleeping well. This in turn made her stressed:

He lost all his confidence. He was very unsure of himself and because he doesn't have any trade skills he feels, not useless, but he can't find anything other than factory work, because that's all he's known. And he really doesn't know what he wants to do now.

*(Sylvia, age 55, married, no children at home, financially comfortable, 8 years at Mitsubishi, unemployed).*

Nearly one-third of our interview respondents said the time they spent with their family and children was unchanged after their job loss; most of these had adult children no longer living at home. However, some respondents with children at home reported less time with family as a result of new work, sometimes with longer or less flexible work hours, particularly for those who had become self-employed. Longer travelling time was also an issue for workers who had previously lived and worked near to Mitsubishi and who now had to travel to more distant areas for work. Workers had been used to an industrial work pattern which included a monthly rostered day off. Many missed this day, which had allowed them to attend events at their children's school. Similarly, the company's shift roster had previously meant that options for early or late shifts allowed workers to take children to school or be home when they returned, as Richard notes:

When I was at Mitsubishi I used to have my [rostered] day off every second fortnight. Just take a day off and go to the kids' school and see their thing. I can't do that anymore. I work Monday to Friday, there's no day off.

*(Richard, age 45, divorced, no children at home, financially getting by/difficult, 14 years at Mitsubishi, re-employed).*

Another respondent had a new job as a carer, with irregular hours, and she described how this made it difficult to socialise with family members and to plan for outings or holidays:

I probably see them [parents] less, ... everything has to be organised beforehand, pre-planned, which my family's not big on. It's like 'Come round for tea tonight', oh heck, I can't, I'm working. Before it was ... you could plan holidays and you can't with what I do.

*(Tracey, age 30, no children at home, financially comfortable, 9 years at Mitsubishi, re-employed).*

### ***Positive impacts***

More than half the interview respondents who reported positive changes to family life indicated that this was due to having more time at home and/or more time with children or grandchildren. In particular, those with younger

children had more time and opportunities to be part of their children's lives, and reported having more energy to interact with family for care and household chores:

Probably more [time] because the business, the way it is, I'm working here every day [self-employed at home] and so I spend more time with them, take them to school and if I've got a job in between now I can still take them to school and then go to the job, so probably more [time].

*(Kevin, age 41, married, children at home, financially getting by/difficult, 21 years at Mitsubishi, re-employed).*

For one single parent, work hours were critical to being able to spend time with her daughter. The daughter too preferred the new situation where she did not have to attend after-school care:

She [daughter] thinks it wonderful that I can take her and drop her off and pick her up and all that sort of stuff, so yes, we have been spending more time together in that way.

*(Rosslyn, age 45, single, child at home, financially comfortable, 25 years at Mitsubishi, unemployed).*

For some workers being able to spend time with grandchildren was important and mainly possible because their pay-out had allowed them to take early retirement or a job with fewer hours. Other respondents were pleased their time was more flexible so they could visit relatives, or provide informal care for aged parents or children/grandchildren during school holidays:

More time. School holidays, and if my daughter wants to go out then the kids come around here and I look after them, especially if it's a nice day.

*(Jack, age 60, married, no children at home, financially comfortable, 30 years at Mitsubishi, not in the labour force).*

I worked this morning and then I took my mum to get her needle [injection] and go and get her hair cut and then we went to my sister's. Yeah that was something you'd do on a weekend or she would have to take her, because I just didn't have the time.

*(Sylvia, age 55, married, no children at home, financially comfortable, 8 years at Mitsubishi, re-employed).*

These responses illustrate that the impacts of job loss extend beyond the partner and dependent children living in the home and so demonstrate the importance of using a broader definition of family.

## Discussion

The research's primary aim was to gain understanding of how workers perceived that their job loss had affected their families. Using quantitative and qualitative methods we have described the characteristics of a sample of workers affected



by a mass redundancy and the distribution of job loss effects amongst this sample. We have then given these impacts a more nuanced interpretation based on workers' subjective experiences. This research is important in the current economic climate, where industrial mass layoffs are continuing in Australia and other developed countries, because it confirms that mass job loss continues to have impacts beyond the individual worker. It also supplements a largely American body of research in this area.

Our research found that substantial numbers of workers perceived that their job loss had affected their family life in some way. In talking about these impacts, we found that detailed interviews allowed respondents to talk about 'family' in broader terms than has emerged in much previous job loss research. They often included family members other than just their spouse/partner and/or dependent children, and also talked about impacts on grandchildren, older non-dependent children and other relatives. Our quantitative analysis found that the main characteristics associated with significant family impacts of job loss lay in two domains: family life stage (married/partnered and with/without children) and economic situation (employment status and assessment of financial situation). Those with dependent children and those with partners reported more negative impacts than those without children and those without partners. Perhaps surprisingly, those still in the plant at the time of survey reported the most negative effects on family life. Previous research suggests that this may be due to anxiety about the future, and the stress of watching fellow workers leaving in difficult circumstances (for example, Latack et al. 1995; Rosenblatt & Ruvio 1996). Not surprisingly, more of those who were having financial difficulties reported negative impacts. The qualitative analysis supported this finding and suggests respondents who moved quickly to another position or into retirement tended to have the least negative experience.

Previous research has been equivocal about whether worker gender plays any part in the family impacts of job loss. We found no significant gender effects in the quantitative analysis, but this may be due to the small number of women in our sample reflecting the composition of the Mitsubishi workforce. There is certainly room for more research comparing the job loss experiences of male and female workers.

Previous research highlights predominantly negative impacts on family life resulting from the job loss of the main male income earner. Our qualitative analysis found similar negative impacts, with financial strain being the main negative stressor. However, this appears to have been buffered by the redundancy packages, which also provided greater benefit as the number of years' service increased. Weller (2012) concludes that financial security can mollify adverse impacts in the two key dimensions of housing and family. She found that in the absence of similar redundancy packages, many Ansett workers were forced to borrow money or foreclose on mortgages, exacerbating the emotional devastation of their job loss. We also note that compared to workers in countries with less comprehensive health and welfare systems, our respondents did not suffer the loss of health insurance coverage and could

receive unemployment benefit once their salary-related benefits had expired. Australian workers continue to receive free (or highly subsidised) health care during unemployment, and welfare benefits are non-contributory and not time-limited. These international differences illustrate the need for further research on job loss in Australia. We believe the redundancy packages and formal assistance with finding new work explains why we did not find any cases of catastrophic financial impacts from the job losses. Despite this, the job loss still caused significant strain for many workers and families.

Our findings support previous research in that marriage/de facto partnerships were affected negatively, often through financial and emotional strain on the redundant worker and the resultant stress and worry experienced by the wife/partner and teenage/adult children (Price 1992; Lobo & Watkins 1995; Armstrong 2006). Some workers also reported that changed work hours, or new work being located further away from home, had an impact on their capacity to participate in family life (Hanisch 1999).

In contrast to much previous research, however, the workers in our study identified some positive family impacts in parallel with the negative. These were mainly concerned with having more time at home and with family, rather than with personal development opportunities as described by Mendenhall and colleagues (2008). For some, this was because they had entered self-employment, some were temporarily unemployed or taking a short break before looking for further work, some were retired, while others had different work hours in a new job. The finding that job loss had positive impacts particularly with regards to having more time with family, more flexible daily family routines, and better work-family balance was also identified by Lippold and Beachy-Quick (2003). It is possible that perceived positive impacts of job loss on family time may be emerging as a result of changing expectations of work and family in Australia, related to the decline in male workforce participation and major growth in female participation since the 1980s (ABS 2008), at the same time as an increased focus on the importance of men spending time with their children (Tehan & McDonald 2010). Some of our male respondents spoke of significant satisfaction from being able to participate more in their children's daily lives. Our study of these workers' job loss experiences suggests that work-place policies that allow more time flexibility for family interaction would be welcomed.

### ***Strengths and limitations***

One of our study's main strengths is in capturing the views of a diverse range of workers experiencing the same mass redundancy through a combined approach with quantitative and qualitative methods. However, our study only included workers and not their spouses/partners or broader family members. Nevertheless, a separate, associated study asked the children of some workers about their views of the job loss impacts (Newman et al. 2009). The experiences of interviewing workers' children leads us to suggest that further research on job loss should include the views of a range of family members to identify the full range of family impacts. Our findings represent the views of 371 of the

1,100 workers made redundant and, since we have no data on non-respondents, the generalisability of the findings is limited. Most workers were male, 'blue collar', had been in secure, relatively well-paid jobs and received financial and job search support following job loss, so the findings may not be relevant to groups of workers in different circumstances. A further limitation is that our data collection was conducted face-to-face and we had no resources to follow up families who moved interstate. Thus we cannot anticipate whether their perceptions of job loss impacts were different from those who stayed. Future research to follow up on displaced workers who have moved would be useful.

## **Conclusion**

Our study suggests that a nuanced understanding of the family impact of job loss is critical for policymakers, employers, communities and support organisations to develop effective responses for both families and areas experiencing mass job loss. That few of our respondents reported catastrophic impacts on their family life is, we believe, in part due to the ongoing welfare safety net for unemployed workers and the continuation of health insurance. The reports of positive impacts on family life also underscore that, in the presence of welfare and health insurance support and relatively generous redundancy payments, job loss may present some opportunities for enriching family life rather than just negative impacts, and this may be an encouraging finding for workers and families facing redundancy. However, we have certainly documented considerable negative impacts and these should not be underestimated. We suggest that these impacts need to be acknowledged by policymakers and welfare agencies if they are to minimise the negative fallout of macro-structural economic change and industrial globalisation.

## **Acknowledgments**

We would like to thank the many individuals who gave their time to participate in this research. We are also grateful for useful comments from anonymous reviewers and the editorial team. The authors acknowledge support from the National Health and Medical Research Council Capacity Building Grant (324724). The research was also supported by the SA Department of Health and the SA Department of Families and Communities through the Human Services Research and Innovation Program (HSRIP), and the Australian Research Council Linkage Program (LP0562288), with the Department of Health serving as Industry Partner. Professor Fran Baum was supported by an ARC Federation Fellowship and Drs Newman and Ziersch by the SA Premier's Science and Research Fund.

## References

- ABC News (2012) 'Holden report flags risk to 16,000 jobs', 16 February <http://www.abc.net.au/news/2012-02-16/holden-jobs-report-weatherill/3833118>
- ABS (Australian Bureau of Statistics) (1997) *Australian Standard Classification of Occupations*, Cat. No. 1220.0.
- (2007) *Regional Wage and Salary Earner Statistics Australia*, Data cube 5673.0.55.003.
- (2008) *Australian Social Trends, 2008*, Cat. No. 4102.0.
- (2012) *Labour Force Australia Time Series Spreadsheets –Table 07 Labour Force Status by Sex – South Australia – Trend, Seasonally Adjusted and Original*, Cat. No. 6202.0.
- Anderson, R. R. (1980) 'Rural plant closures: the coping behaviour of Filipinos in Hawaii', *Family Relations*, 29 (4), 511-516.
- Armstrong, K. (2006) *Life After MG Rover: The impact of the closure on the workers, their families and the community*, A report prepared for BBC Radio 4, London, The Work Foundation.
- Atkinson, T., Liem, R. & Liem, J. H. (1986) 'The social costs of unemployment: implications for social support', *Journal of Health & Social Behavior*, 27 (4), 317-331.
- Attewell, P. (1999) 'The impact of family on job displacement and recovery'. *Annals of the American Academy of Political and Social Science*, 562 (1), 66-82.
- Bartley, M. (1994) 'Unemployment and ill health: understanding the relationship', *Journal of Epidemiology & Community Health*, 48 (4), 333-337.
- Beer, A., Baum, F., Thomas, H., Lowry, D., Cutler, C., Zhang, G., Jolley, G., Ziersch, A., Verity, F., MacDougall, C. & Newman, L. (2006) Report to SA Department of Health HSRIP, An evaluation of the impact of retrenchment at Mitsubishi, focussing on affected workers, their families and communities: implications for human services policies and practices, Adelaide, Department of Public Health, Flinders University of South Australia.
- Broman, C. L., Hamilton, V. L. & Hoffman, W. S. (1990) 'Unemployment and its effect on families: evidence from a plant closing study', *American Journal of Community Psychology*, 18 (5), 643-649.
- Clark, D. Y. (1987) 'Families facing redundancy'. In S. Fineman (ed.) *Unemployment: Personal and Social Consequences*, London, Tavistock Publications.
- Conger, R.D., Conger, K.J., Elder, G.H., Lorenz, F.O., Simons, R.L. & Whitbeck, L.B. (1992) 'A family process model of economic hardship and adjustment of early adolescent boys', *Child Development*, 63 (3), 526-541.

- Conger, R.D. & Elder, G. H. (1994) *Families in Troubled Times: Adapting to Change in Rural America*, New York, Walter de Gruyter.
- Dew, M.A., Penkower, L. & Bromet, E.J. (1991) 'Effects of unemployment on mental health in the contemporary family', *Behaviour Modification*, 15 (4), 501-544.
- Elder, G. (1974) *Children of the Great Depression: Social Change in Life Experience*, Chicago, University of Chicago Press.
- Elder, G., Van Nguyen, T. & Caspi, A. (1985) 'Linking family hardship to children's lives', *Child Development*, 56 (2), 361-375.
- Employment Conditions Knowledge Network (2007) Final report to the Commission on Social Determinants of Health, Geneva, World Health Organization.
- Ensminger, M.E. & Celentano, D.D. (1988) 'Unemployment and psychiatric distress: social resources and coping', *Social Science & Medicine*, 27 (3), 239-247.
- Gardiner, J., Stuart, M., Mackenzie, R., Forde, C., Greenwood, I. & Perrett, R. (2009) 'Redundancy as a critical life event: moving on from the Welsh steel industry through career change', *Work, Employment & Society*, 23 (4), 727-745.
- Grayson, J.P. (1983) 'The effects of a plant closure on the stress levels and health of workers' wives – A preliminary analysis', *Journal of Business Ethics*, 2 (3), 221-225.
- Griffiths, E. (2012). 'Government couldn't stop Toyota job losses: Carr'. 24 January 2012. <http://www.abc.net.au/news/2012-01-24/govt-doesn27t-do-bailouts-says-carr/3789832>
- Hanisch, K.A. (1999) 'Job loss and unemployment research from 1994 to 1998: a review and recommendations for research and intervention', *Journal of Vocational Behaviour*, 55 (2), 188-220.
- Hoffman, W., Broman, C., Carpentier-Altling, P., Hamilton, V. & Thomas, D. (1991) 'Initial impact of plant closings on automobile workers and their families', *Families in Society*, 72 (2), 103-107.
- Holmes, D.S. & Rahe, R.H. (1967) 'The social readjustment rating scale', *Journal of Psychosomatic Research*, 11 (2), 213-218.
- International Labour Office January (2010) *Global Employment Trends*, Geneva, International Labour Office.
- Kessler, R.C., House, J.S. & Turner, J.B. (1987) 'Unemployment and health in a community sample', *Journal of Health and Social Behavior*, 28 (1), 51-59.
- Lambert, R. (2004) 'Death of a factory: market rationalism's hidden abode in inner-city Melbourne', *Anthropological Forum*, 14 (3), 297-313.
- Larsson, A. (2002) 'The development and regional significance of the automotive industry: supplier parks in Western Europe', *International Journal of Urban and Regional Research*, 26 (4), 767-784.

- Latack, J.D., Kinicki, A.J. & Prussia, G.E. (1995) 'An integrative process model of coping with job loss', *Academy of Management Review*, 20 (2), 311-342.
- Leana, C.R. & Feldman, D.C. (1990) 'Individual responses to job loss: empirical findings from two field studies', *Human Relations*, 43 (11), 1155-1181.
- Lippold, E. & Beachy-Quick, K. (2003) Unemployment and the quality of family life: hidden benefits and potential consequences of job loss for the middle class, *Working Paper 03-14*, Chicago, The Alfred P. Sloan Working Families Center.
- Lobo, F. & Watkins, G. (1995) 'Late career unemployment in the 1990s: its impact on the family', *Journal of Family Studies*, 1 (2), 103-113.
- Marshall, T. (2009) 'Car makers in crisis', BBC Money Programme, British Broadcasting Corporation, 8 June, <http://news.bbc.co.uk/2/hi/business/8089635.stm>
- McLloyd, V.C. (1989) 'Socialization and development in a changing economy: the effects of paternal job and income loss on children', *American Psychologist*, 44 (2), 293-302.
- Mendenhall, R., Kalil, A., Spindel, L. & Hart, C. (2008) 'Job loss at mid-life: managers and executives face the "New Risk Economy"', *Social Forces*, 87 (1), 185-210.
- Metherell, L. (2012). 'Holden announces Adelaide job cuts', 2 February 2012. <http://www.abc.net.au/news/2012-02-02/holden-announces-job-cuts/3806134>
- Mitchell, J. & Kristovics, A. (2005) 'Death of an airline: the well being of retrenched Ansett staff three years on', *International Journal of Employment Studies*, 13 (2), 89-118.
- Newman, L., MacDougall, C. & Baum, F. (2009) 'Australian children's accounts of the closure of a car factory: global restructuring and local impacts', *Community, Work & Family*, 12 (2), 143-158.
- Parker, S.R., Thomas, C.G., Ellis, N.D. & McCarthy, W.E.J. (1971) *Effects of the Redundancy Payments Act*, London, HMSO.
- Perrucci, C.C. & Targ, D.B. (1988) 'Effects of a plant closing on marriage and family life'. In P. Voydanoff. & L.C. Majka (eds) *Families and Economic Distress: Coping Strategies and Social Policy*, Thousand Oaks, CA, Sage Publications.
- Pond, D., Harris, E., Magin, P., Sutton, A., D'este, K., Goode, S., Tarynor, V. (2002) 'Retrenchment and health: the BHP experience'. In D. Pond et al. (eds) *A Brief Intervention to Manage Unemployment in General Practice*, Newcastle, University of Newcastle.
- Price, R. H. (1992) 'Psychosocial impact of job loss on individuals and families', *Current Directions in Psychological Science*, 1 (1), 9-11.

- Price, R. H., Choi, J.N. & Vinokur, A.D. (2002) 'Links in the chain of adversity following job loss: how financial strain and loss of personal control lead to depression, impaired functioning, and poor health', *Journal of Occupational Health Psychology*, 7 (4), 302-312.
- Root, K. (1984) 'The human response to plant closures', *Annals of the American Academy of Political and Social Science*, 475 (1), 52-65.
- Rosenblatt, Z., & Ruvio, A. (1996) 'A test of a multidimensional model of job insecurity: the case of Israeli teachers', *Journal of Organizational Behavior*, 17 (S1), 587-605.
- Saunders, P. & Wong, M. (2011) 'The social impact of the global financial crisis in Australia', *Australian Journal of Social Issues*, 46 (3), 291-309.
- Siegel, M., Bradley, E., Gallo, W. & Kasl, S. (2003) 'Impact of husbands' involuntary job loss on wives' mental health', *Journals of Gerontology Series B: Psychological Sciences and Social Sciences*, 58B (1), S30-S37.
- Smith, S. D. & Price, S.J. (1992) 'Women and plant closings: unemployment, re-employment, and job training enrollment following dislocation', *Journal of Family & Economic Issues*, 13 (1), 45-72.
- Stevens, A. H. & Schaller, J. (2009) Short run effects of parental job loss on children's academic achievement, *Working Paper 15480*, Cambridge MA, National Bureau of Economic Research.
- Strom, S. (2003) 'Unemployment and families: a review of the research', *Social Service Review*, 77 (3), 399-430.
- Tehan, B. & McDonald, M. (2010) Engaging fathers in child and family services, Melbourne, Communities and Families Clearinghouse Australia, Australian Institute of Family Studies.
- Verity, F. & Jolley, G. (2008) 'Closure of an automotive plant: transformation of a work-based "community"', *Policy Studies* 29 (3), 331-341.
- Vinokur, A. D., Price, R.H. & Caplan, R.D. (1996) 'Hard times and hurtful partners: how financial strain affects depression and relationship satisfaction of unemployed persons and their spouses', *Journal of Personality and Social Psychology*, 71 (1), 166-179.
- Voydanoff, P. (1983) 'Unemployment and family stress', *Research in the Interweave of Social Roles*, 3, 329-350.
- Voydanoff, P. & Donnelly, B.W. (1989) 'Economic distress and mental health: the role of family coping resources and behaviors', *Journal of Family & Economic Issues*, 10 (2), 139-162.
- Wauchope, B. A. 1994. Children experiencing unemployment stress: a comparison of families with stable and unstable employment histories, PhD thesis, University of New Hampshire (unpublished).
- Weller, S. A. (2012) 'Financial stress and the long-term outcomes of job loss', *Work, Employment & Society*, 26 (1), 10-25.
- Yeung, W. J. & Hofferth, S.L. (1998) 'Family adaptations to income and job loss in the US', *Journal of Family & Economic Issues*, 19 (3), 255-283.

## Endnotes

1. This is the official categorisation of redundancy as 'voluntary' and 'involuntary', and the one which we use in our analysis. However, in the interviews some workers felt that their redundancy had been classed as 'voluntary' when in fact they had felt some pressure to leave (that is, they personally felt their leaving had been more of an involuntary nature).
2. Given our broad definition of 'family', we included children living at home who were over 18.
3. WorkCover Corporation is the South Australian agency responsible for compensating workers for injuries incurred at work, see <http://www.workcover.com/site/home.aspx>.