The Other Side of Precariousness: The Cost of Job Loss

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Abstract

The increasing precariousness of work, its concentration among vulnerable groups, and the divide between secure, primary sector workers and the expendable army of casual and contract labour is well documented. Much less attention has been directed to the other side of precariousness – the practices that increase the costs of job loss for workers in the primary labour market. In an era of low official unemployment and labour shortages, where the discourses of neo-liberal flexibility dominate, it is easy to assume that job loss is now a costless and effortless transition and that 'labour adjustment' is no longer a policy issue. As a result, workers' hard-won rights to compensation for the job losses that result from corporate failure are being eroded or abolished. By exploring the interrelations between the personal, financial and career-related impacts of job loss for former Ansett airlines employees, this paper shows that job loss remains an extremely costly life-changing event. The conclusion argues that the costs of job loss cast a shadow over the rhetoric of flexibility and that public awareness of these costs underpin the contemporary disciplining of the apparently secure, primary sector workforce.

Introduction

In the buoyant economy of 2007, most workers perceive their jobs to be secure and assume that, in the unlikely event of involuntary job loss, finding a new job would not be too difficult a task. Low official unemployment rates and reports of skill shortages reassure employed workers that their financial security is assured even if any particular job ends. In this context, the issues of skill mismatch and occupational downgrading that preoccupied studies of 'labour market adjustment' in the 1980s and 1990s seem irrelevant. This paper argues that such optimism is misplaced.

In Australia's contemporary labour market, involuntary job loss is commonplace. Even before the 1996 Workplace Relations Act, Australia had one of the highest rates of involuntary job loss in the OECD (ABS 1997). Australia's industry policies since the mid 1980s have promoted the sorts competition that unleash the processes of 'creative destruction' and increase the likelihood that workers will experience job loss (Davis *et al* 1996). Fewer workers now think that their job is secure (Kelley *et al* 1998).[1] Nonetheless, it could be argued, with some justification, that a high rate of job turnover indicates a vibrant economy in which the division of labour is transforming to meet contemporary challenges. Recently, the introduction of *Workchoices* and changes to Unfair Dismissal laws have further undermined the protections of permanent employment and made it easier for firms to shed unwanted workers. Workers who lose jobs quickly discover that the opportunities available to them rarely match the working conditions or security of their previous job (Weller and Webber 1999). The government's 'no disadvantage'

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test does not apply to new spells of employment. In addition, neo-liberal re-regulation of the welfare sector means that only the most disadvantaged job losers are able to access the state income support system. These changes should be understood not as closing the gap between secure primary sector workers and insecure or precarious workers, but as creating the means through which the secondary sector is enlarged relative to the primary sector.

In contrast to the confidence of contemporary labour market rhetoric, this paper argues that the costs of job loss are increasing. It draws on evidence from the Ansett Airlines collapse to quantify these costs. The paper's contribution to the literature lies in its focus on the real and perceived career, financial and personal costs of retrenchment. The next section briefly reviews the literature on the costs of job loss, highlighting the shift in focus from labour market outcomes to emotional recovery. It is followed by an analysis of the costs of job loss for former Ansett Airlines employees. The penultimate section discusses how lack of policy intervention increased the duration and intensity of the 'chain of adversity' encountered by former Ansett employees. The conclusion suggests that these changes undermine the legitimacy of the employment contract.

The Cost of Job Loss

Over the last ten years, there has been a shift in the way researchers have analysed job loss. In the twenty years after the collapse of Bretton Woods, roughly from 1973 to 1993, a vibrant literature developed to explore and understand the impacts of job loss for individuals, households and communities (Bluestone and Harrison 1982; Coyle 1984; Harris *et al* 1987; Massey and Meegan 1982; Morris 1984; Westergaard *et al* 1989; Wood and Dey 1983). Early studies, most of which approached redundancy from a political economy perspective, painted a grim picture of hardships unfairly visited on hard-working families and communities in places with few opportunities for re-employment. The message, quite clearly, was that job loss was not the fault of job losers and that the rest of the community had responsibility to intervene to create more equitable outcomes. As in other parts of the world, research in Australia showed that involuntary job losers faced longer periods of unemployment and had poorer reemployment outcomes than other job losers. By the early 1990s, this evidence had been translated into policy measures intended to ease the problems of 'labour market adjustment' (Standing 1991, see also Buchanan *et al* 1992). Policy interventions softening the impacts of restructuring included job search assistance to improve labour market matching processes and reduce the 'friction' of incomplete information. Flexible income support and programs to re-skill the workforce aimed to create a workforce able to meet the challenges of a new, post-industrial age. These measures also aimed to reduce long-term welfare dependence and maintain community cohesion in disadvantaged localities (Australia 1994).

But interventionist policies were challenged by neo-liberal commentators. First, although the outcomes of retrenchment vary between events, it was apparent that particular worker characteristics, especially advanced age and low or narrow skills, were consistently associated with poorer re-employment outcomes (Wooden 1988; Murtough and Waite 2000). This awareness shifted the responsibility for job loss to the individual worker and to the deficiencies of the labour supply rather than the dearth of jobs in the some places. Neo-liberal economics' overarching conclusion was that the persistent labour adjustment difficulties experienced by 'uncompetitive' individuals arose because their labour was too highly priced. From that perspective,

the reality that workers find new jobs that attract less pay than their pre-retrenchment job is taken as evidence of a market rationally re-pricing each individual's labour. This view was reinforced by evidence that participation in labour market programs was at best only marginally beneficial after displacement, substitution and 'dead weight' effects had been taken into account (Leigh 1990; Sloan 1993). Policy makers across the OECD turned away from systematic and active labour adjustment interventions (Martin 2000).

After the 1996 election of the Howard government, Australia's policy settings shifted to a combination of microeconomic interventions directed to improving job matching mechanisms (through privatised employment services) and job-creating macroeconomic interventions that sought to eliminate 'unemployment traps' and welfare dependence (Martin 2000; Dawkins *et al* 1998). Interventionist discourses were replaced by a new set of propositions in which responsibility for managing risk shifted to individual workers and households, and away from employers or the state (Watson *et al* 2003; Schmidt, 2002). In sum, these discourses normalised job loss as a necessary component of the flexible labour markets of modern capitalism (Davis *et al* 1996).

These new discourses have had the effect of reorientating research into redundancy toward a medical metaphor. The poor adjustment experiences of some workers are now attributed not to labour market factors (whether workers' deficient skills or employers' discriminatory preferences) but instead to psychological factors: to inadequate personal motivations or dysfunctional responses to adversity. The problem, as it is now understood, is that some people just can't handle risk. Workers who suffer permanent and irretrievable damage after retrenchment are now characterised as people who fail to perceive their misfortune as an opportunity. Thus, the predicament of retrenched workers has been recast as an illness to be treated by psychologists rather than a skill mismatch to be addressed by labour market policy. Research no longer studies the employment impacts of displacement, but instead examines to the emotional responses of the 'victims' and 'survivors' of 'firm death' (Bennett *et al* 1995, Blau 2006, Price *et al* 2002). The problems of retrenchment and adjustment are reframed so that a 'successful' outcome is now defined as the individual's capacity to adjust emotionally to the transition necessitated by the event, regardless of its long- or short-term material outcomes. The factors contributing to emotional adjustment are associated with social rather than economic contingencies: the shock of retrenchment (Dooley and Catalano 1988; Dowling *et al* 1987); perceptions of injustice in the management of the retrenchment event (Brockner *et al* 1994) or the intensity of attachments to the retrenching workplace (Leana and Feldman 1990). The substandard jobs, financial hardships, declining earnings and diminished status previously associated with retrenchment have either become irrelevant or been relegated to the status of 'mediating factors' in the emotional recovery process. In some analyses, material outcomes and the personal characteristics of workers are included only as covariates in the measurement of psychological outcomes (for example, in Waters 1999).

Whilst the emphasis on psychological and emotional issues has perhaps remedied the over-emphasis on economic outcomes that characterised early studies in political economy, the contemporary demotion of economic factors limits the capacity of this research to understand the multiple dimensions of retrenchment outcomes. This paper's central argument is that the emotional, career and financial impacts of retrenchment are mutually constituted and therefore inseparable. The next section describes the long-term impacts of job loss. The data is based on the results of a

survey of a stratified random sample of some 700 former employees of a failed Australian airline, Ansett Airlines. The sample for the study was drawn from Ansett's employee records in August 2002, a little less than a year after the firm's September 2001 collapse. Former employees who agreed to participate in the study were interviewed three times over five years; in 2002, 2004 and 2006. This cohort provided an unusually illuminating case for the study of retrenchment outcomes because its workforce of some 16,000 people included workers with a wide range of skills and occupational specialisations. Their experiences are of theoretical interest because outcomes were not 'distorted' by interventionist initiatives. Consistent with its rejection of labour market programs, the Federal Government did not provide training or support for this workforce, and only the most disadvantaged among the cohort were eligible for welfare safety-net assistance. This paper reports on data collected in the final survey interview, conducted in September 2006, which asked respondents (n = 386) to sum up the overall effects of their retrenchment for their personal well-being, careers and financial situation. The data are self-reported summations of the experience of retrenchment.[2]

The Interplay of Personal, Financial and Career Impacts

This study's survey of Ansett retrenched workers sought to identify the overall impacts of retrenchment in a way that took into account workers' different post-retrenchment trajectories (Davies and Esseveld 1989). It probed the financial, career and personal impacts of retrenchment, which were understood as separate but related dimensions. Table 1 lists the five questions which asked of respondents to rate the intensity of post-retrenchment stress. The same questions were repeated, in slightly different form, for each dimension – personal, career and financial impacts.

Table 1 Retrenchment Impacts

1	I am probably better off now than I would have been had I still been with Ansett.
2	The collapse didn't affect my … situation.
3	I suffered initially, but recovered fairly quickly.
4	I suffered for some time, but have recovered now.
5	I have not recovered from the .. .impacts of the collapse.

As expected, Ansett's failure had a sustained impact on workers' perceptions of wellbeing, on their careers and on their financial situation. Because in this study all redundant workers were from the same firm and had similar experiences of an unexpected and clumsily-handled redundancy, differences in responses cannot be attributed to differences in the handling of the retrenchment event itself. As summarised in Figure 1, a little over quarter of survey respondents reported that they were either better off in the longer term or had been unaffected by the collapse. A significant proportion (28.6%) reported they had recovered their well-being fairly quickly after the initial shock of the collapse. Overall, 19% of respondents reported that they had not recovered their sense of well-being. This compared to 28.5% that had not recovered their careers and 25.4% that had not been able to restore their financial status. For a significant subgroup, then, the emotional, financial and career impact of retrenchment persisted for a full five years after the actual event.

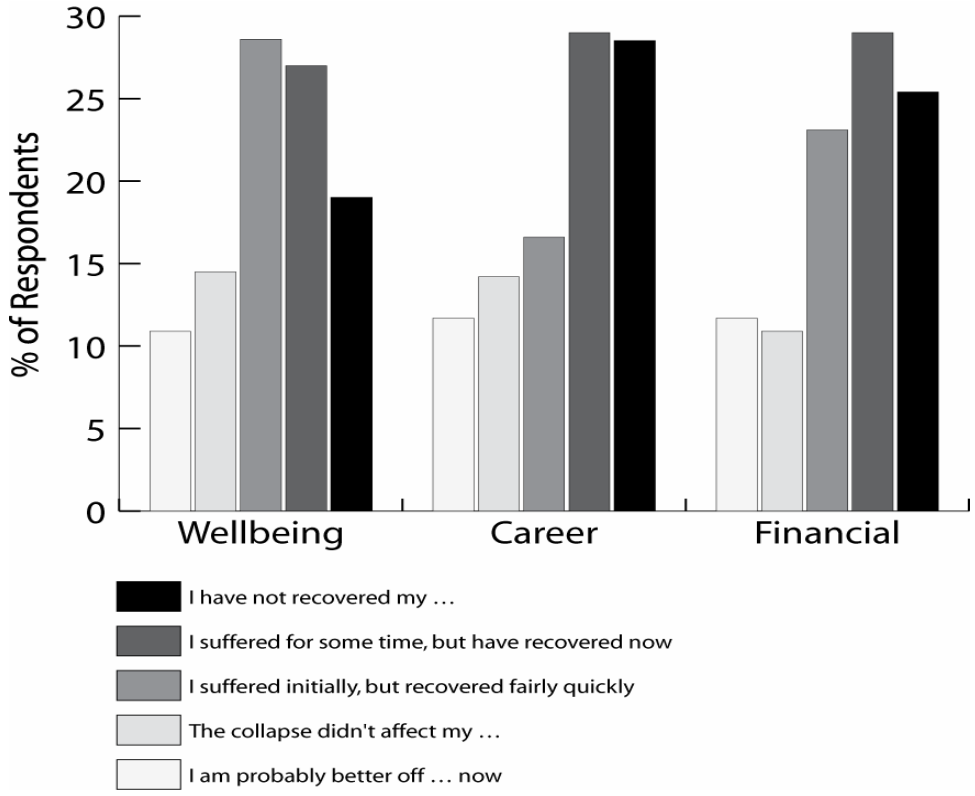

Figure 1 Long-term Impacts of the Ansett Airlines Collapse (n = 386).

These responses suggest that well-being recovered more quickly than careers and finances. In fact, career and financial impacts were more closely correlated with each other than with personal impacts: .584 versus .447 and .482 (see Table 2). These correlations suggest that the three dimensions are mutually constituted through complex causations. For example, the emotional stresses associated with job loss may inhibit job outcomes, while at the same time a lack of success in the search for work creates emotional stress. As Cole (2007) notes, most of the literature on the negative impacts of unemployment assumes that the cause of distress is a lack of meaningful work rather than financial stress or outright poverty. Table 2 suggests that over this five-year horizon, financial difficulties are a more important source of personal stress than career progress.

Table 2 Correlation Matrix: Career, Financial and Personal Impacts

	Career Progress	Personal Well-being	Financial Situation
Impact on Career Progress	1.00	.447	.584
Impact on Personal Well-being		1.00	.482
Impact on Financial Situation			1.00

In this case, the stresses created by financial difficulties were intensified by perceived injustices at the Federal Government's role in the management of the collapse and its aftermath. As is well-documented elsewhere, the emotional stresses associated with redundancy are more acute in cases where the process is perceived to have lacked procedural justice (see, for example, Bies and Moag, 1986).

The amount owed to individual workers varied with their tenure and seniority at Ansett Airlines. Some survey respondents were owed are very large amounts of money. Figure 2 shows the magnitude of the sums involved: about quarter of the respondents were owed between $10,000 and $49,000, another quarter were owed between $50,000-$99,000 and another, between $100,000 and $149,000. Each of the handful of former senior managers was owed large sums, well over $150,000. Figure 2 shows that the financial losses to individual workers were much greater for men than women, reflecting their different positions in the Ansett division of labour. The (trimmed) mean value of the entitlements owed to survey participants in 2001 was AUD $80,000 and the median AUD $65,000 – about one year's income for an average Australian family. When workers were interviewed in 2006, financial pressure had crippled some households. Imagine the situation of this mid-50s former senior manager, and how different his family's life would have been if the money owed to them had been paid promptly:

> I lost my home. It was devastating, my marriage collapsed, had to pull the kids out of private school, I've no savings and I'm renting and working as a bus driver. How would you class that? I'd class it as a disaster.

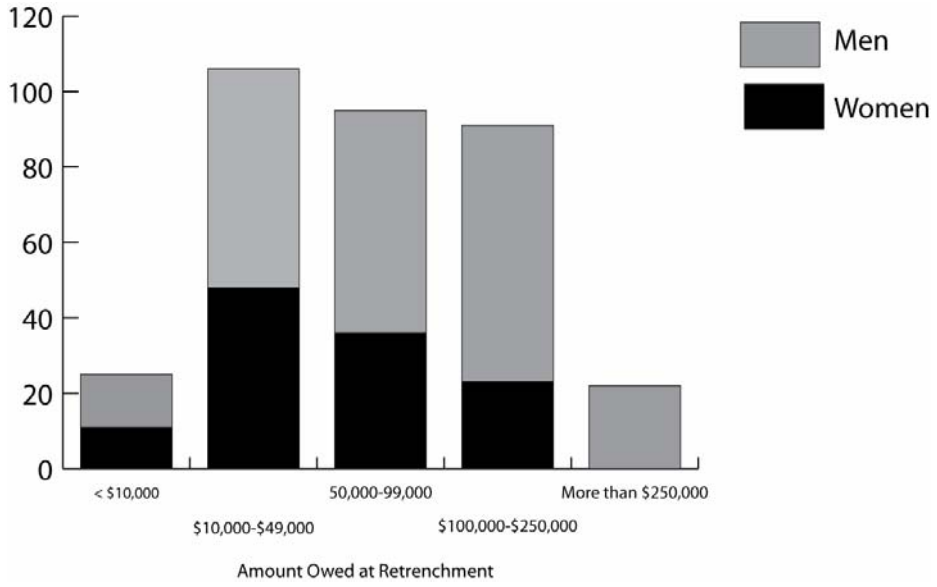

Figure 2 Entitlements Per Employee at Retrenchment

To assess the actual magnitude of financial losses associated with retrenchment, former Ansett employees were asked to estimate the dollar value of different sources of financial hardship. Table 3 shows that three quarters (74.7%) of respondents lost wages during post-retrenchment spells of unemployment. More than a third (38.2%) shifted to more modest lifestyles in new jobs at lower wages. Another third (34.5%) claimed an opportunity cost associated with reduced seniority or diminished prospects for promotion. In addition, there were losses associated with household finances: the cost of borrowing money (15% of respondents), forced sale of assets including homes (18.9%) and medical costs directly attributable to retrenchment (6.7%).[3] In most cases, these costs would not have accrued if workers had received the money owed to them promptly at retrenchment. Moreover, these indirect costs were only weakly correlated with one another, so that overall about one

third of these workers (32.0%) suffered at least one indirect financial stress in the aftermath of the Ansett collapse. The survey asked respondents to place a dollar value on each of the costs. These ranged from positive values for workers who found jobs that were superior to their Ansett jobs to people that had not worked since the collapse, and who therefore reported losses in excess of five times their Ansett salary.

Table 3 Types of Financial Impacts

Impact	Frequency	Per cent
Loss of Earnings (Unemployed)	298	74.7
Loss of Earnings (New Wage)	148	38.2
Loss of Seniority/Promotion prospects	135	34.5
Interest and Credit Stress	58	15.0
Relocation Costs/asset sales	73	18.9
Medical Costs	26	6.7
Any one of Credit, Relocation or Medical	124	32.0

Note: n = 388.

Price *et al* (2002) coin the phrase 'chain of adversity' to describe the downward spiral of misfortune that some workers experience after retrenchment. In economic terms, we might think of these factors as retrenchment 'multipliers' that depend on levels of household debt before retrenchment as well as on their access to entitlements and on post-retrenchment employment outcomes.

Nonetheless, by applying a medical metaphor to 'recovery' from the 'illness' of retrenchment, the psychology literature retains the implicit focus on the retrenchment event, as a shock (illness), rather than on the change in personal and career trajectory that it initiates. Thus, Vinokur and Schul (1997) conclude that financial hardship 'mediates' the emotional effects of retrenchment.[4] Yet the financial and career impacts that follow retrenchment are present and influential every day, continually rekindling emotional stress. The recovery metaphor explains the process of letting go of an allegiance to Ansett Airlines (see also Leana and Feldman 1990), but it does not adequately describe the unremitting stresses associated with Price *et al*'s (2002) 'chain of adversity':

> I feel like there was a death in the family. Every time I see an aeroplane in the sky it bothers me. I get a very hollow feeling in my stomach when I go to the airport. I have coped very well with deaths in my family, but I am still having trouble coping [with this].

> I still have my work bag in the cupboard. I haven't emptied it yet, it has all the things in it that I used to take to work. I said that I wouldn't clear it until five years. I suppose I'll clear it in the next few weeks or so. I have finally realised that it is over.

To further illuminate workers' perceptions, Table 4 provides a summary of the main themes of workers' unprompted 'summing up' of the overall impact. Since this question was asked after the series of questions about financial, career and well-being impacts, the responses can be interpreted as having taken these different dimensions into account. The first observation of note in Table 4 is that about a quarter of respondents indicated that they had moved on, or recovered from the Ansett experience. The second is the gender differences in the remaining responses. Men tended to focus more on financial impacts and women on emotional distress and

negative career shifts. These responses are consistent with the more severe financial costs borne by men (as shown in Figure 2, see also Perrucci and Perrucci 1997). These gendered outcomes must also be understood in the context of household roles and the persistence of the male breadwinner model in gendered perceptions of a 'good' outcome. Family breakdown was more common among men than women. A third point of note is the variability of impacts and the wide range of issues associated with the consequences of retrenchment on workers' career and life trajectories.

Table 4 Overall Impact Themes

	Men			Women	
	Freq	%		Freq	%
Have moved on ...	58	23.2	Have moved on ...	35	27.3
Financial Problems	35	14.0	Emotional distress	25	19.5
Emotional distress	32	12.8	Shift in Trajectory (-ve)	24	18.8
Shift in Trajectory (+ve)	24	9.6	Shift in Trajectory (+ve)	15	11.7
Retirement Issues	24	9.6	Financial Problems	8	6.3
Loss of trust/security	20	8.0	Loss of trust/security	8	6.3
Shift in Trajectory (-ve)	18	7.2	Retirement Issues	5	3.9
Family Breakdown	12	4.8	Relocation	3	2.3
Relocation	8	3.2	Loss of social networks	2	1.6
Other	8	3.2	Family Breakdown	2	1.6
Loss of social networks	7	2.8	Health Problems	1	0.8
Health Problems	4	1.6	Other	0	0
Total	250	100		128	100

Theoretically, the outcomes of retrenchment should be understood in terms that encompass its multiple dimensions and their complex interdependencies. It follows that an adequate measure of the overall impact of retrenchment would be a combination of personal, career and financial impacts. Accordingly, Figure 3 creates an overall impact score by summing the scores for self-reported financial, career and well-being outcomes. These are displayed separately for men and women.

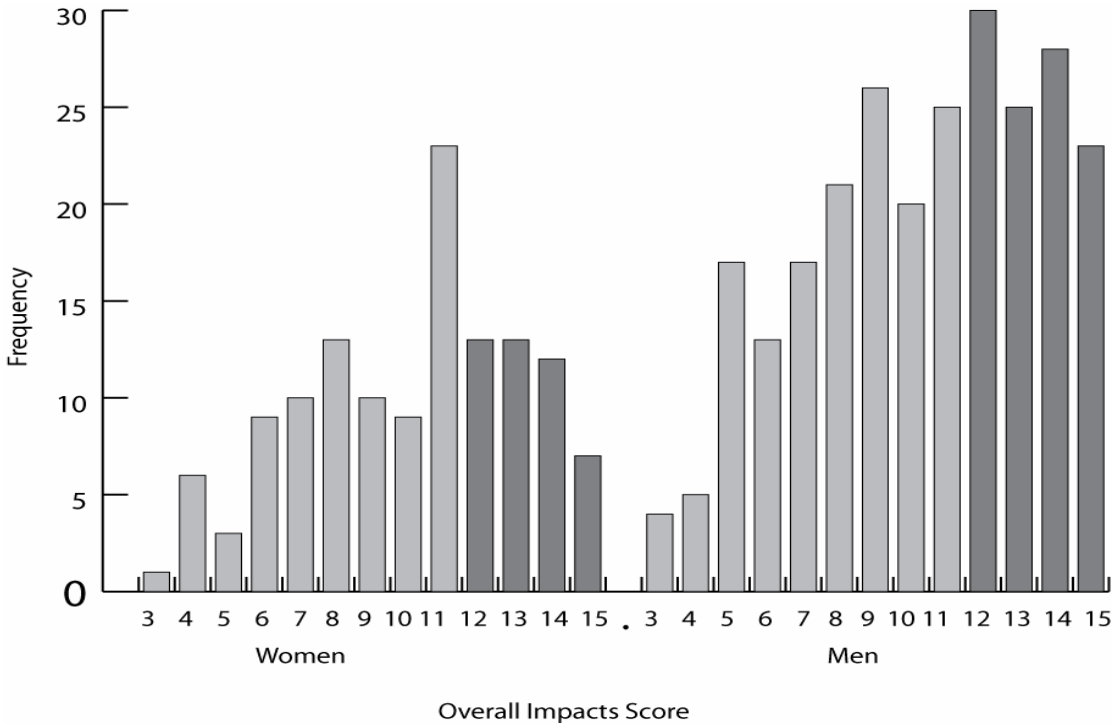

Figure 3 Intensity of Overall Impacts of Collapse

High impact scores are associated with poorer outcomes: for example, a score of 15 identifies a respondent who stated they had not recovered from job loss on any dimension. Impact scores of 12 or more (shown as more darkly shaded columns) indicate an adverse impact on each impact dimension.[5] The more pronounced negative skew of the distribution for men reflects a prevalence of negative outcomes.

Contributors to Negative Outcomes

The next step of the analysis involved subjecting these summed impact scores to multivariate analysis to assess which factors appeared to be most strongly associated with poorer outcomes. Because both the outcome variable (overall impacts) and many of the predictor variables displayed significant departures from normality that resisted transformation, linear regression could not be used. Instead, a new dichotomous variable was created to identify cases with overwhelmingly negative impacts. This could then be used as the outcome measure in an analysis using logistic regression (Appendix A). Consistent with a theoretical approach that understands men and women to operate in different labour markets, the experiences of men and women were modelled separately. The gendered structure of Ansett occupations meant that the models for men and women included slightly different predictors.

The variables used in the analysis are shown in Table 5. Variables describing personal variables were entered into the regression model first. The first variable, Location, distinguished between 'Victorians' and workers from other places. Although almost everybody in the sample had worked in a major urban centre where job opportunities abound, it was hypothesised that the concentration of former Ansett employees in Victoria (or, more specifically, in the Melbourne area) would generate more intense competition for jobs and therefore more adverse outcomes. Next, it was expected that age discrimination – in the form of employer preferences for young recruits – would influence outcomes. From a survey question asking respondents the age at which discrimination became an issue in recruitment, the definition of an 'older' worker was set at 45 years of age for men and 35 years of age for women. The dichotomous variable 'dependent children living at home' identified workers with children-related responsibilities. It proved a better predictor than an alternative variable identifying the household 'breadwinner'.

Table 5 Predictor Variables for Logistic Regression

	Men	Women
Model 1		
Location	Victoria or Not	Victoria or Not
Age Group	45 years and older	35 years and older
Dependent Children	Yes/No	Yes/No
Model 2		
Ansett Networks	Yes/No	Yes/No
Model 3		
Occupation at Ansett	Five dimensions	Three dimensions
Tenure at Ansett	Three levels	Three levels
Aviation Specialisation	Aviation or Not	Aviation or Not

Next was a variable to represent the use of Ansett-related social networks in job search. People who deployed Ansett-based networks were expected to have better outcomes. The social connections may also have assisted them to 'recover' from

Ansett more quickly. Finally, three variables were created to describe work histories. The first, occupation at Ansett, was grouped into a rough skill hierarchy – managers and professionals, trades and technical workers, flight crew, customer service and administrative workers, and finally, ground staff and labourers. These were the occupational characteristics on which the original sample had been stratified. Due to the highly gendered division of labour at Ansett, the model for women could include only the first, third and fourth categories. Next was a group variable indicating tenure at Ansett Airlines. Tenure in a previous job is generally taken to represent the extent to which workers' skills and socialisations are specific to the former workplace structure (Bosch 1990). It therefore operates as an indicator of skill mis-match, so longer tenure would be expected to produce poorer outcomes. In this case, tenure could also be interpreted as a measure of workers' allegiance to the 'Ansett family' and therefore as an indicator of negative emotional outcomes. Although age and tenure are obviously correlated, in this study they are measures of quite different influences – the former as a measure of the likelihood of discrimination in employment and the latter as an indicator of work socialisation. Using grouped, nominal variables for age and tenure, it was possible to include both variables. The final variable cut across occupational divisions to distinguish workers whose skills were specialised to aviation. This identified workers whose skills were more readily transferable to other sectors of the economy (human resources, marketing, etc.). It was hypothesised that since they faced less adverse demand conditions compared to aviation specialised workers, their outcomes would tend to be more favourable. Table 6 shows the results of this analysis for men, and Table 7 the results for women. Asterisks (*) indicate the statistically significant parameters. The final models correctly predict the outcome in 63% of cases for men and 72.5% of cases for women. It is important to recognise, therefore, that a great deal of the variation in outcomes is not explained by these models.

Table 6 Logistic Regression of Overall Negative Impact, Men

	Model 1		Model 2		Model 3	
	B	Sig.	B	Sig.	B	Sig.
Location – Victoria	-.536	.044*	-.521	.052	-.624	.033*
Aged Over 45	.663	.018*	.671	.013*	.521	.077
Dependent Children	.438	.100	.432	.107	.319	.067
Ansett Networks in Job Search			.646	.068	.674	.067
Aviation Specialisation					.311	.366
Managers & Prof. (Ref. Cat.)	.	.	.	.	…	.
Trades & Technicians					-.743	.057
Cabin Crew					-.768	.166
Customer Service & Admin					-.628	.151
Ground Staff & Labourers					-.748	.127
Tenure < 5 years (Ref. Cat.)						
Tenure 6-10 years					.871	.077
Tenure > 10 years					.859	.036*
Constant	-.480	.085	-.612	.035	-.829	.125
-2 log likelihood	328.9		325.5		313.4	
% cases correctly predicted	61.8%		61.4%		63.3%	

Contrary to expectations, the negative sign on the location parameter suggests men who lived in Victoria were less likely to experience adverse impacts than men in other states. There are a number of plausible explanations for this result. First, since Melbourne was the location of Ansett's head office, it is likely that its employees were more highly skilled compared to others in similar occupations. It is possible the post-retrenchment labour market interventions offered by the Victorian government assisted some workers, that Ansett-based social networks helped, or that employers in Victoria were more sympathetic towards the Ansett workforce.[6] It is also possible that the results were influenced by the fact that a number of Melbourne-based respondents had continued to be employed in the wind-up of Ansett. As expected, age strongly predicted adverse impacts for older men but its effect is dampened after tenure is added to the model. In Model 3, men with over 10 years experience at Ansett Airlines suffered poorer overall outcomes. The presence of dependent children was not a significant predictor of poor outcomes, although it approached significant in the more complex final model. It was not significant in bivariate comparisons.

The use of Ansett-based networks in job search was may have been associated with poorer outcomes, but this may have been due to chance (at the .05 level). The magnitude and sign of the (insignificant) effects for the listed occupations suggest that managers and professional men in the sample were significantly more likely to have experienced negative outcomes. This finding is consistent with the qualitative data collected in the survey, and is consistent with explanations that attribute the likelihood of reemployment to firm strategy rather than workers' skills (see Weller 2008).

Table 7 Logistic Regression of Overall Negative Impact, Women

Women	Model 1		Model 2		Model 3	
Location - Victoria	-.151	.712	-.153	.709	.171	.720
Aged Over 35	1.27	.008*	1.13	.008*	.992	.061
Dependent Children	-.061	.883	-.063	.880	-.347	.459
Ansett Networks in Job Search			-.036	.944	-.256	.635
Aviation specialisation					2.48	.004*
Managers & Prof. (Ref. Cat.)	.	.	.	.	…	.
Cabin Crew					-1.48	.075
Customer Service & Admin					.001	.998
Tenure < 5 years (Ref. Cat.)						
Tenure 6-10 years					-.078	.998
Tenure > 10 years					.231	.714
Constant	-1.14	.014	-1.135	.017	-1.29	.039
-2 log likelihood	151.2		158.2		136.4	
% of cases correctly predicted	62.5%		62.5%		72.5%	

The results for women show quite different patterns and are difficult to interpret. In the first model, which simply considers location, age and household circumstances (dependent children), the age effect is overwhelming. Women over 35 had poorer outcomes. Location and household type don't appear to matter, and the addition of Ansett network links barely alters that result. But when occupational data is added into the model, the age effect is no longer significant. In contrast to the situation with the men, tenure is not an issue either. For women, what matters is their occupational specialisation. Women with aviation-specific skills had poor outcomes (as indicated by the positive sign of the parameter), in a strong and highly significant effect. The

opposite sign for the almost significant parameter 'cabin crew' suggests that this effect was not restricted to flight attendants but spanned aviation-related occupations. Qualitative and quantitative evidence from this study, as well as the independent findings of the Queensland Anti-Discrimination Tribunal, support the conclusion that older women who worked in aviation specialised occupations were excluded from aviation employment as a deliberate strategy of the remaining airlines (see Weller 2007).

Discussion and Conclusion

Consistent with many other studies, the paper shows that a sub-group – perhaps 15-20% of retrenched workers – experienced sustained negative impacts in multiple dimensions. The longer-term costs of redundancy for workers are not only a matter of 'recovering' emotionally, or finding a new job or returning to financial security. The costs are all of these things. Their inseparability and mutual reinforcement produces multiplier effects that continue to generate hardship for some individuals long after the actual retrenchment event. It is not necessarily true – or fair – to conclude that those who continued to suffer the effects of the Ansett collapse a full five years after the event were somehow stuck in a time-warp and had failed to 'let go' of Ansett and its associations. Rather, these people continued to suffer new hurts – in job rejections, asset fire-sales and unravelling personal relationships. The more severe impacts for men compared to women suggest that the previous research into redundancy has not directed sufficient attention to the financial effects of job loss, as an influence independent of the career-relation outcomes. The very poor outcomes for some women suggest a need for more research into the exclusions that arise from employers' strategies in the labour market. In sum, the current trend to 'medicalise' research into redundancy, and its tendency to attribute poor outcomes to weak personal coping strategies, should be resisted in favour of new studies that examine in more detail the relationship between career, financial and emotional outcomes of retrenchment.

Despite the neo-liberal rhetoric of the flexible labour market in which individuals learn to embrace change and roll with punches of capitalist profit-seeking, mitigating the costs of job loss remains important to ensuring the long-term resilience of the Australian economy. Beneath the statistics of outcomes is another story about the relationship between economy and society, about how the failure of Government to show any compassion or care for Ansett workers undermined its legitimacy and the legitimacy of the unwritten social contract of employment. Workers' perceptions of a lack of justice in this case has prolonged their personal costs and in some cases undermined their trust in the employment contract:

> Psychologically, even now in permanent employment you are thinking whether it will happen again. You don't feel secure. You feel like your sense of security has gone. You don't trust any employers anymore.
>
> We've lost contact with people, our old friends. I probably lost some loyalty to companies now. I just look after myself. Job uncertainty is still there. You're not sure of work anymore.

More generally, the experiences of former Ansett employees are well known through the Australian community. People seem to be either sensitive to the injustice of the handling of Ansett or remark that the Ansett form of organisation had been too good

to be true. But everyone 'gets' the underlying message – that if you lose your job, you are on your own and the costs are all yours. Not only is job insecurity increasing, but so is community fear of redundancy. The Ansett story acts at the societal scale to assist firms to discipline their internal workforces through the implied threat of job loss. This shift in perception complements the changes to Unfair Dismissal laws that make it easier for firms to shed unwanted workers, and as such forms an integral part of a wider project aiming to increase worker compliance.

Notes

[1] In 1990, 73 per cent of workers believed their jobs were secure, by 1997, this was true for only 56 per cent of workers (Kelley et al 1998).
[2] Vinokur *et al* (1995) show that self-reports are strongly correlated with independent assessments.
[3] These were mainly the costs of counselling and medication for depressive illnesses.
[4] At a practical level, financial difficulties also impede workers' ability to search for work and to maintain their work skills. In this case, for example, unemployed pilots were forced to pay for time on a flight stimulator just to maintain their qualifications. Informal job search through social networks requires investment in activities that facilitate social interaction.
[5] Although visual inspection of Figure 3 would suggest a cut-off score of 11 rather than 12, models using it as the outcome measure were less successful at predicting outcomes.
[6] Weller (2008) reports snowballing processes of recruitment into the workplaces of large firms.

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APPENDIX A

Logistic regression is useful form of analysis were variables are dichotomous and where the distributions of predictor variables are not normally distributed since it makes no assumptions about the distribution of the predictor variables. It can be used whenever individuals can be classified into one of two populations – in this case, severe negative impacts of job loss compared to more benign outcomes. The statistical model estimates the probability that an individual will suffer long term negative impacts of job loss. This probability for an individual with a discriminant function value of Z can be written as:

$$P_z = \frac{1}{1 + e^{C-Z}} \tag{1}$$

The value of Pz is always positive and lies between 0 and 1. It can be transformed into and odds ratio (2) (see Clark and Afifi 1990).

$$odds = \frac{P_z}{1 - P_z} \tag{2}$$

Taking the natural logarithm enables the odds to be expressed as a linear function of Z, such that

$$\ln(odds) = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + ... + b_p X_P \tag{3}$$

From this, the probability of belonging to the population of negative impacted individuals can be written as:

$$P_1 = \frac{1}{1 + \exp[-(\alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + ... + \beta_p X_p} \tag{4}$$