Adjustment to retrenchment – a case of challenging the global economy in the suburbs?

ABSTRACT

Beck (1999; 2000) has argued that economic globalisation was at the heart of the transition from the Fordist era of mass production and consumption to the post Fordist era of flexible accumulation and flexible employment, a transition which has led to considerable job insecurity in the West. However at the turn of the century Australians were relatively confident about not being retrenched - in 2003, only one in eight respondents felt that losing their job was likely or very likely (Wilson, Meagher et al. 2003). Research by the ABS (2002) showed that in order to find a new job, 30 per cent of workers had to change industry, 23 per cent changed occupation, 13 per cent change hours of work and 16 per cent changed between permanent and casual status. Most workers do not relocate to find new jobs. Retrenchment usually plays out in a suburban setting. Media portrayals of retrenchment often depict workers as victims and inevitably worse off and suburban life still suffers from the “myths of suburbia” characterisation. Furthermore capital is global and labour is local making it difficult for workers and communities to coordinate resistance. However Tomaney et al. (1999) argue that plant closures and redundancies are socially produced, politically and legally regulated and that research should identify structure, agency and contingency in understanding empirical events. This paper reports findings from a three year mixed methods study of voluntary and involuntary retrenchment at two automotive industry plants in metro Adelaide in 2004. It explores two related questions – what are the key issues and opportunities that arise for workers as a result of retrenchment and how does the experience of suburban life mediate the adjustment process where adjustment is able to be seen at multiple levels – as dealing with the end of the era of “a job for life”, in terms of coping with any loss of the latent and or manifest benefits of work and in terms of a new balance between home and work. The paper discusses how adjustment is influenced by the retrenchment package, the journey to work, the new job and the meaning of home.

Johannes Pieters PhD
School of Natural and Built Environments
University of South Australia
1 Introduction

A challenge to the security of full time permanent employment through involuntary or even voluntary retrenchment is usually depicted in the media and often experienced by workers as threatening – the situation is sometimes constructed as workers and communities being the victim of forces beyond their control particularly through the actions of multinational companies sitting in overseas board rooms. Yet retrenchment policy, at least in Australia, is designed to ensure that the burden of structural adjustment within industries such as the automotive industry is shared between organisations, government and workers. Australian unions have been actively involved for decades in lobbying for and arguably achieving industrial relations and social policy concerned with safeguarding the interests of workers caught up in retrenchment scenarios. What are the opportunities for resistance and how should it be defined under these circumstances – are resistance and adjustment incompatible?

The global automotive industry has undergone major transformations over the last 30 years (Fagan and Webber 1994; Charron and Stewart 2004) and the multinational companies such as Mitsubishi, Ford and Toyota, all active in Australia, have made decisions about how to increase productivity and profitability with consequences for the more developed economies such as Australia as better environments – low cost labour markets and middle class consumers - are sought for passenger vehicle production and sales respectively. The structural adjustment that accompanies changes in industry policy, primarily through reduction in tariff protection, is nearly always accompanied by voluntary and or involuntary retrenchments at the major production and or assembly plants. Australia has witnessed five major reviews of auto industry policy in the last two decades and job losses due to retrenchment have been significant reaching nearly 5000 jobs in South Australia alone.

In 2004 Mitsubishi Motors Australia Ltd (MMAL) a wholly owned subsidiary of Mitsubishi Motor Corporation in Japan announced the closure of its Lonsdale, Adelaide engine manufacturing plant and reduction in capacity at its Tonsley Park, Adelaide assembly plant resulting in 700 involuntary retrenchments at Lonsdale and 400 voluntary retrenchments at Tonsley Park. This paper draws on data from ARC supported research conducted by Beer et al (2006) on the impact of the retrenchments generally and on the author’s linked PhD on how housing mediates adjustment to retrenchment. The theoretical framework adopts a critical posture and is built around the prescription by Tomaney et al (1999) that plant closures and redundancies are socially produced, politically and legally regulated and that research should identify structure, agency and contingency in understanding empirical events. Through this perspective important although not unique aspects of suburban life in the context of adjustment to retrenchment are examined for their mediating and conditioning roles.

The paper argues that adjustment to retrenchment should not be read as capitulation to globalisation or economic restructuring and that a space to see agency in the context of suburban life is critical for an understanding of how individuals, households and communities cope with the new “world of work” Central to this understanding is that home and work are not separate spheres (Hanson and Pratt 1988; Blunt and Dowling 2006) and that suburban life and work is much more complex than as constructed in the standard portrayals especially through characterisation in the “myths of suburbia”. The paper explores two related questions – what are the key issues and opportunities that arise for workers as a result of retrenchment and how does the experience of suburban life mediate the adjustment process. The paper discusses how adjustment is influenced by the retrenchment package, the journey to work, the new job and the meaning of home.
2 Conceptualising the lived experience of suburbia and adjustment to loss of work through retrenchment

Suburban dreaming may be under pressure (Johnson 1994; Davison 2006) however it’s the lived experience for most residents of capital cities and involves decisions about home ownership, the journey to work and the home/work relationship. The gendered nature of suburban life is obvious and employment decisions within households have been shown to be influenced by available networks and resources in the immediate environment (Javis 1999). Pocock (2003) suggests that there is a work/life collision and work is now the basis for community while Hochschild (1997) has suggested we have a ‘time bind’ and that work now “provides all the benefits of home while home has become the place with too much to do”. Research by Hanson and Pratt (1988) has shown how the traditional conceptualisation of the links between home and work within urban geography—i.e. as points in space separated by the journey to work—can be updated to take into account feminist and other scholarship leading to an appreciation of the interdependencies between the two realms and the essentially gendered nature of the earlier construction. Their work suggests that what is meant by home needs to be reconceptualised in relationship to work:

A reconceptualized ‘home’ would be expanded outward to include the surrounding neighborhood and inward to include intra-household interactions. A spatial aggrandizement of home would recognise the neighborhood as the locus of a set of potential jobs, social networks, and services that bear critically upon the household’s work decisions in the ways we have just outlined. Redefining home in this manner would acknowledge the role of the immediate residential context on the decisions of households and individuals (Hanson & Pratt 1988, p 309).

Adjusting to retrenchment, from a psychological perspective, means facing a major life event within the unfolding of the life course. Research by Moos and Schaefer (1986) has shown that depending on the level of stress experienced, major life challenges such as retrenchment are integrated into life histories: as people establish the meaning and understand the personal significance of the situation, confront reality and respond to requirements of the external situation, sustain relationships with family members, friends and other helpful individuals, maintain reasonable emotional balance by managing feelings and preserve a satisfactory self-image. This approach stresses agency in the process of adjustment, exposes the complexity of the undertaking and the importance of the temporal dimension of adjustment.

The problem of adjustment by an individual to the specific life challenge of involuntary or voluntary job loss involves processes and outcomes. The two process are: maintaining well-being during and after job loss; and maximising job seeking behaviour. The outcome issue is achievement of employment that is satisfactory on dimensions important to the retrenched worker (Hoare 2007).

Forms of security, particularly ontological security, have been outlined by several researchers. Insecurity associated with globalisation may cause a loss of sense of purpose and incline people to seek security in the private sphere of the home in order to re-establish a sense of ontological security that Giddens (1991:54) defines as:

The confidence that most human beings have in the continuity of their self identity and the constancy of their social and material environments. Basic to a feeling of ontological security is a sense of the reliability of persons and things.

Clapham (2005) in developing his concept of housing pathways has suggested that the operation of flexible labour markets, causes people to view their homes differently and causes them to change
what they want from their homes. Sennet (1997:68) in a more broad ranging overview of the impact of the power of the built form has suggested that given people are moving and losing jobs and careers more frequently and there is a decline in the security of workplace identity there is a stimulation of investment of identity in house and neighbourhood.

The local place has been called upon to serve as a refuge against the market and there can be a retreat into neo-traditional places of exclusion, intolerance and fantasy or a more vital relationship between local and global, self and other.

If Giddens, Clapham and Sennet are correct then any tendency to reconceptualise and or reconstruct home, to the extent that the house/current dwelling is a place where people can be 'at home" may be constrained by the extent to which the home can provide a locale in which people can work at attaining a sense of ontological security in a world that at times is experienced as threatening and uncontrollable Saunders (1990:361) has suggested that home is a potential source of ontological security claiming that home is:

Where people feel in control of the environment, free from surveillance, free to be themselves and at ease, in the deepest psychological sense, in a world that might at time be experienced as threatening and uncontrollable.

However there are at least two problems associated with this proposition. Firstly the ability to secure key psycho-social benefits of home/meanings of home such as haven, locus of autonomy and as a source of social status – all linked to ontological security - are dependent on the neighbourhood context, the incidence of problems with the home and to some extent on household composition (Keams, Hiscock et al. 2000). Secondly research has suggested that greater ontological security is not necessarily to do with tenure itself: it may be to do with having wealth, living in a nice area, living in larger better quality dwellings and being settled in relationships and work (Dupuis and Thorns 1996). As Sixsmith and Sixsmith (1990:20) have argued

Home is essentially a transaction between person and place where the different aspects of home experience, such as privacy or security, all reflect the intentions of the dweller within the material context of the home

In addition to the insights brought by these macro and middle range theories of structure influencing reactions to job loss it is also important to take account individual emotional and cognitive processes regarding loss and in particular to short and or long term loss of employment. In reviewing research on job loss in Australia over the last 40 years, Weller (2007) characterised the period as having two distinct phases. In the period between 1973 and 1993, job loss research could be characterised as focusing on the very negative outcomes of retrenchment and that job loss was not the fault of job losers. The onus was on society as a whole to intervene and create 'more equitable outcomes'. By the early 1990s, the social and public policy environment supported intervention through labour market adjustment measures to mitigate the poor labour market outcomes of retrenched workers. In the mid-1990s, under neoliberal policy prescriptions, the focus for job loss was shifted to the characteristics of individual workers and their lack of competiveness in the labour market rather than ‘the dearth of jobs in some places’. Discourses emerged that normalised job loss as ‘necessary components of the flexible labour markets of modern capitalism’. Weller (2007:3) argued that this shift was accompanied by a tendency to attribute poor adjustment experiences of some workers to psychological processes rather than labour market factors:

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.
Weller was speaking directly to the debate in the literature on the psychology of adjustment to job loss about whether the latent or the manifest benefits of work should be the focus of adjustment to retrenchment research. Jahoda (1982) has argued that while people primarily went to work to enjoy the manifest benefit, i.e. money, there were also unintended consequences/benefits. Workers were being provided with opportunities for meeting deeper, universal, psychological needs. The unintended consequences were compelled contact and shared experience outside the family, demonstrated goals and purposes beyond the scope of the individual, imposed status and identity, enforced activity and a time structure imposed on the working day and week. Fryer and McKenna (1987) authors suggest that the financial impact is as important, if not more important, than loss of latent benefits because income strongly conditions the ability to ‘plan a meaningful future’.

Leana and Ivancevich (1987) in their benchmark theoretical and methodological contribution to the field of job loss research in the US argued that the key conceptual issue for job loss research was ‘the commitment and meaning that individuals attach to work’ (Leana and Ivancevich 1987:308) independent of whether the research was on voluntary or involuntary retrenchment. Similarly Clapham (2005) has called for housing researchers to put the subjective experience of individuals at the centre of analysis regarding housing decision making but without abandoning ‘objective’ perspectives on housing facts. Such an approach acknowledges the need to give full weight to individual agency in housing consumption analysis, which is consistent with the desire to obtain the right balance between agency and structure in conceptualisation of the role of housing in adjustment to retrenchment and make space for alternatives to the worker as victim characterisation. The work on subjectivity and the labour process by Ezzy (1997) and on fate and agency in narratives of unemployment by the same author (Ezzy 2000) goes some way to remedying this situation as does the research by Strangleman (2012) on work culture based critiques of industrial and social change.

3 Methodology

The data for this paper was drawn from data collected through a large research study by Beer et al (2006), in which this researcher participated by conducting in-depth interviews. This paper also draws on data analysis associated with the major study conducted by the author for his PhD (2012). The research design for the original study comprised three surveys (waves) of retrenched workers approximately a year apart (initially N=372) and two semi-structured interviews approximately one year apart with a randomly drawn sub-sample (initially N=38) of the workers who participated in the surveys. In addition to quantitative data, the time series survey schedules also encouraged respondents to elaborate on certain questions with qualitative information. The mixed methods design allowed identification of the meanings and feelings of people as they adjusted to leaving MMAL. Of the 38 workers who agreed to in-depth interviews, 12 were still working at Mitsubishi at the time of the interview and of the 26 who had left MMAL, 11 were employed, four people had retired, four were unemployed and looking for work, four were not working due to a disability and three were self-employed. Six out of the 38 participants were women.

The paper explores two related questions – what are the key issues and opportunities that arise for workers as a result of retrenchment and how does the experience of suburban life mediate the adjustment process. The paper discusses how adjustment is influenced by the retrenchment package, the journey to work, the new job and the meaning of home. The quantitative and qualitative data collected during the larger study included existing changes to housing status, housing decisions throughout the period, regional/place attachment, relocation, changes in tenure, housing affordability assistance, meanings attached to home, use of retrenchment packages for increasing equity in the home and other housing and wealth creation purposes, attitudes to home ownership and home over time and to a limited extent how the home was experienced during retrenchment.
Unsurprisingly, MMAL workers were mostly concentrated around the Lonsdale plant and in the southern suburbs of the Adelaide metropolitan area. The main suburbs where workers lived, such as Morphett Vale, were noted for their environmental amenity despite proximity to industrial areas. This included master planning that exploited natural bushland, housing designs sympathetic to the variety in topography and overall proximity to beaches. These suburbs were developed in the 1960s and 1970s and the housing styles reflect the prevailing marketing strategies discussed by Dovey (1999:140) in his analysis of advertising discourses for display houses and communities in Australia and argues that the house reflects and reproduces the social world of gender, age and class relations:

The ideal home is a place of safety in a world of danger, a place where certain taken for granted order prevails within a context of chaotic differences. In its architectural manifestations the experience of home constructs an inside/outside dialectic; a private spatial enclosure is protected from the public gaze. And the house as a spatial base inevitably mediates, constructs and reflects one’s social identity in a community.

Attrition across the three waves of interviews was significant. Over the course of the research, 71 participants withdrew from the study. On the assumption that those who leave a study are likely to be less successful than those who continue, it is possible that the employment patterns are influenced by the attrition factor.

Table 1: Numbers of Participants in Each Wave

<table>
<thead>
<tr>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Wave 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>N= 372</td>
<td>N= 316</td>
<td>N= 300</td>
</tr>
</tbody>
</table>
4 Understanding adjustment to retrenchment

4.1 Employment status over time

Before proceeding to discuss data on the subjective experience of retrenchment the employment status at each wave of the study is presented Figure 2. In order to determine aggregate labour market status at Wave 1 (approximately four months after retrenchments were announced) data from 81 participants who were nominally being retrenched but who were still working at MMAL was excluded.

Figure 2 Labour market status over time

Consequently, the net number of participants included in the study at Wave 2 was higher than at Wave 1, notwithstanding sample attrition of 55 participants. By Wave 2, all study participants had left MMAL. A further 14 participants had withdrawn from the study by Wave 3. All MMAL workers were working full time prior to retrenchment and hence the data suggests that the most significant short- and longer term labour market impacts of the retrenchment decision for workers in the sample (whether voluntary or involuntary retrenchment) were high unemployment and a shift from full-time to casual employment status. This shift is entirely consistent with mainstream labour market experience which has seen casual work as a proportion of employment increase from around 13% in the mid 80’s to 24 % in 2008 (Buddelmeyer and Wooden 2011) although researchers such as Doogan (2001) have argued that the warnings about an era characterised by the demise of the “jobs for life” are hard to defend. The percentage of workers categorised as unemployed reduced by nearly 40 per cent between Waves 1 and 2; however, those in the category of casual employment more than doubled in the same period. The number of persons who classified themselves as retired grew in absolute numbers and as a proportion of all categories over the three-year period.

4.2 Meaning of job loss

In the Wave 3 survey, participants were asked ‘What has been the best thing about leaving MMAL?’ and ‘What has been the most difficult thing about leaving MMAL?’ The 300 responses to the first question were reviewed and coded in relation to key themes. The top 10 themes are listed in Table 2.
Table 2: The Top 10 Themes in Response to the Question: What Has Been the Best Thing about Leaving MMAL?’ (Wave 3)

<table>
<thead>
<tr>
<th>Response</th>
<th>No. of responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change/new-life/flexibility/freedom/lifestyle/new challenge/can enjoy life/more time</td>
<td>65</td>
<td>29</td>
</tr>
<tr>
<td>The package</td>
<td>38</td>
<td>17</td>
</tr>
<tr>
<td>Nothing</td>
<td>30</td>
<td>13</td>
</tr>
<tr>
<td>The package and paying off mortgage</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Better job</td>
<td>27</td>
<td>12</td>
</tr>
<tr>
<td>Less stress</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td>The end of uncertainty</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Work/life balance</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Health improvement</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Self-employment</td>
<td>7</td>
<td>3</td>
</tr>
</tbody>
</table>

The largest group of responses were associated with perceived benefits outside of work, especially activities that led to expression of personal agency, fulfilment, self-awareness and stimulation. Typical of this group of responses were comments such as:

I wouldn't have chosen to leave but I guess it's a new experience, a new way of doing things.

To be able to direct your future. Taking charge of my own destiny instead of someone else having control.

I think when I was working there it became the centre of everything ... I've realised there is more to life... they gave me enough money to be able to do what we want to do, they have given me free time, it's given me freedom.

The 300 responses to the question ‘What has been the most difficult thing about leaving MMAL?’ were reviewed and coded in relation to key themes. In some cases, respondents mentioned more than one issue. The top 12 themes are listed in Table 3. The two most common themes were the loss of social interaction and loss of income. This finding is entirely consistent with the conceptualisation that loss of access to the latent and manifest benefits of work are vital for understanding psychological health of job losers. Thirty respondents also stated that there was nothing difficult about leaving MMAL.
Table 3: Top Twelve Themes in Responses to the Question: What Has Been the Most Difficult Thing about Leaving MMAL? (Wave 3)

<table>
<thead>
<tr>
<th>Response theme</th>
<th>No. of responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of social interaction</td>
<td>102</td>
<td>37</td>
</tr>
<tr>
<td>Loss of income</td>
<td>62</td>
<td>23</td>
</tr>
<tr>
<td>Nothing</td>
<td>26</td>
<td>9</td>
</tr>
<tr>
<td>Job insecurity</td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td>Adapting to change</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Stress of finding a new job</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Loss of routine</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Increased travel</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Inability to resume a respected role through work</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Losing access to a familiar work environment</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Disruption to work/home integration</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Disruption to place</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

Dominating the responses was the loss of social interaction. This was experienced along a number of dimensions: missing people, feelings of loyalty, loss of camaraderie, loss of sources of information and practical assistance, loss of ‘mateship’, loss of regular contact, missing the experience of shared activities inside and outside of work, loss of companionship, and no longer belonging to a family. Typical comments included:

- Leaving my mates. You go through hatch, match and despatch with them and get quite bonded and then this is disrupted and changed.

- Maintaining your friendship really with people, a job is more a social activity, where I worked at one stage we had about 70 in our section, you now have to go out of your way to remain sociable, that’s a big thing for me, I’m a social person.

- After 20 years, it’s a lot. I had a family there and I’ve lost it. For eight hours a day at least you were in their life and you miss it a lot. I thought I was secure there and hoped to retire there.

- After 26 years, Lonsdale was like a big family. The biggest problem would be missing the guys you worked with all that time. The youngest guy in maintenance was 23 years at MMAL.
4.3 Getting a new job

In the Wave 2 survey, participants who were working full time were asked to describe ‘the best’ and ‘the worst’ things about their current job. A total of 104 participants responded to both questions. A thematic analysis was conducted on the responses and the results of the analysis are presented in Table 7.4. The top five categories of responses are presented.

Table 4: Top Five Categories of Responses to the Questions: What Are the Best and Worst Things about the Current Job (Wave 2: Those Currently in Full-Time Employment)

<table>
<thead>
<tr>
<th>The best things about the current job</th>
<th>The worst things about the current job</th>
</tr>
</thead>
<tbody>
<tr>
<td>(No. of responses)</td>
<td>(No. of responses)</td>
</tr>
<tr>
<td>Job satisfaction (39)</td>
<td>Commuting to work (15)</td>
</tr>
<tr>
<td>Management culture (14)</td>
<td>Long hours (14)</td>
</tr>
<tr>
<td>Closer to home (13)</td>
<td>Management culture (13)</td>
</tr>
<tr>
<td>The pay (9)</td>
<td>The pay (10)</td>
</tr>
<tr>
<td>Variety on the job (8)</td>
<td>Uncertainty (7)</td>
</tr>
<tr>
<td></td>
<td>Occupational health and safety (7)</td>
</tr>
</tbody>
</table>

The theme ‘job satisfaction’ included a range of positive experiences such as greater challenges, more autonomy and feeling respected. The numerical strength of this category relative to other categories is surprising given the rhetoric regarding the generosity and general working conditions in the MMAL plant and is consistent with the finding by Milkman (1997) on plant closures that auto industry workers in the US were ‘prisoners of prosperity’—high wages compensating for bad working conditions. References to the latent benefits of work in the case of the best things about the new job—job satisfaction, management culture and variety on the job far outweigh references to the manifest benefits of work—the pay. This finding lends support to the contention expressed in the literature (Hassall, Muller et al. 2004) that the latent benefits of work should be accorded equal status to manifest benefits when considering the impact of job loss on subsequent psychological health. Workers who nominated proximity to home as the best thing about the new job did not make any reference to the family or to the benefits achieved through proximity to home other than references to saving time and money. Workers who nominated travel to work as the worst thing about the new job also did not make reference to the family and stressed the time and cost involved in travel to work. These instrumentally oriented responses may just reflect the nature of the survey process—responses to questions of this type in the survey were usually short—or gendered approaches to communication. Nevertheless, the references to commuting point to the relative importance of the integration of work and non-work in the post-retrenchment environment.

4.4 The journey to work

Unsurprisingly, given that there were only two factory sites prior to retrenchment, there was a significant shift in the patterns of commuting to the new jobs. As shown in Figure 2, at Wave 2 the new employment locations were distributed throughout the metropolitan area but with pockets of concentration near the two original factories. However, over 55 per cent of study participants were working outside of the southern metropolitan region and in particular were working in the western and northern suburbs. At the time of the Wave 3 survey, the pattern had not changed significantly; however, there were 18 less employment destinations as mapped by postcodes and an additional nine new employment destinations as mapped by postcodes. This contraction appears to be correlated with the passenger rail infrastructure in the metropolitan area; however, the data is not
sufficiently fine grained to draw any definitive conclusions on this matter. What is clear is that in between Waves 2 and 3, many workers changed the location of work even if they may have been working for the same organisation. This would be consistent with workers employed by labour hire companies or working casually for different organisations. In the Wave 3 survey participants were asked if they were spending more, less or the same amount of time “with your home life”. Given that most people in the survey at this point were working the results – 48.5% spent more time, 21.4% spent less time and 30.1% about the same time - presumably reflect, at least in part, different commuting patterns.

**Figure 2 The location of new jobs**

4.5 The impact of the retrenchment package and changes in the meaning of home

During the second in-depth interview, respondents were asked ‘What effect did the redundancy payout have? Did it help alleviate some of the stress associated with redundancy?’ Responses to this question were analysed in terms of how the money was used (the purpose to which it was put) and the psychological and emotional impact of that decision. The mean retrenchment payment was estimated to be a year’s salary. There were 33 responses to this question and nearly a third of the participants used some or all of the payment to pay down or pay off the mortgage. The psychological benefit in using the money to pay down or pay off the mortgage is experienced as a reduction in ongoing financial stress as expressed in the following response:

Q: So you’re doing better financially since leaving Mitsubishi?

A: Yeah because I got that redundancy and I put three quarters of that on my mortgage which brought my monthly payments right back down.
However, the retrenchment packages were used in a variety of ways and with different combinations. The full range of purposes was as follows: to pay off or reduce the mortgage; to supplement or completely compensate for the loss of a wage for a limited period (act as a buffer); to top up superannuation; pay for training courses; take a holiday; start a business, undertake home renovations; invest in shares; give money to children; pay a deposit on a house; pay off credit card debts; and buy cars. The most common psychological benefit was experienced as ‘things being made easier’ or ‘made easy’ but the underlying mechanisms were varied. As discussed in the literature (Fryer & Payne 1984; Fryer 1986), for some workers, the benefit of the retrenchment package was experienced as time to plan for the future for either the short or long term.

In the second in-depth interview respondents were also asked whether “attitudes to housing and home had changed since leaving MMAL. Seven key themes were identified in the responses – continuity, concern about mortgage repayments, insights into the impact of work on home, the security of homeownership, the experience of home, location and wealth creation. The diversity of the responses is a small but important window on what matters in relation to the home as people come to terms with retrenchment. Some of the categories of meaning of home that were identified at the first in-depth interview such as homeownership, emotions and centrality are expressed in the responses at the second interview. For some workers, the change in income and/or job security status raises concerns about housing affordability problems. For others, there is a realisation of the inherent risks in taking for granted the sociability that can be accessed through work. Consequently, there was a greater appreciation of the continuity and emotional security provided in the home domain. Hochschild (1997) has also commented that on being made redundant, workers lamented the previous strategy of securing the benefits of home at work.

5 Conclusion

The media portrayal of retrenchment offers little space for the agency expressed by individuals and households as they come to terms with retrenchment. Relentless characterisation of retrenched workers as victims belies the fact that for many workers, including those who were faced with involuntary retrenchment, the stories are very positive. The agency and reflexivity expressed in the narratives of adjustment to job losses associated with globalisation, economic restructuring and industry based structural adjustment reveal how key aspects of suburban life especially homeownership, the new job, the journey to work and the meaning of home play important roles in mediating adjustment. The lens of the relative importance of the latent and manifest benefits of work shows that both issues are important for understanding how people feel about and what they do about job loss. The importance of a suitable home/work balance was demonstrated by the qualitative data on the implications regarding commuting that arose from getting another job. For some workers the commuting time was reduced which gave them an opportunity to spend more time at home but for as many others commutes were much longer which restricted their ability to participate in home life. Also significant is the realisation that many workers were able to undertake activities in the home sphere as a direct result of the networks they had in the workplace. Adjustment is able to be seen at multiple levels – adjustment as dealing with the end of the era of “a job for life”, adjustment in terms of coping any loss of the latent and manifest benefits of work and adjustment in terms of a new balance between home and work – all very suburban and very important.


