

## Consequences of not Working Sixteen Months After a Plant Closing

Ronald J. Burke

Volume 40, numéro 1, 1985

URI : <https://id.erudit.org/iderudit/050115ar>

DOI : <https://doi.org/10.7202/050115ar>

[Aller au sommaire du numéro](#)

### Résumé de l'article

This paper examines the consequences of being unemployed sixteen months after the closing of the Canadian Admiral plant in Cambridge, Ontario in November 1981.

### Éditeur(s)

Département des relations industrielles de l'Université Laval

### ISSN

0034-379X (imprimé)

1703-8138 (numérique)

[Découvrir la revue](#)

### Citer cet article

Burke, R. J. (1985). Consequences of not Working Sixteen Months After a Plant Closing. *Relations industrielles / Industrial Relations*, 40 (1), 162-169.  
<https://doi.org/10.7202/050115ar>

## ***Consequences of not Working Sixteen Months After a Plant Closing***

**Ronald J. Burke**

*This paper examines the consequences of being unemployed sixteen months after the closing of the Canadian Admiral plant in Cambridge, Ontario in November 1981.*

The closing of the Canadian Admiral plant in Cambridge, Ontario in November 1981 received a lot of attention in the media. One reason was the suddenness of the decision to close the plant. A second reason was that Ontario was plagued with numerous plant shutdowns and unemployment was steadily increasing. Cambridge, with a population of about 71 000, already had an unemployment rate approaching twenty per cent, and the Admiral closing put another 450 men and women out of work.

The closing of a plant with the consequent loss of jobs has received some research attention (Slote, 1969; Cobb and Kasl, 1977; Kaufman, 1982; Mick, 1979; Burke, 1984). The studies suggest that the job loss experience following plant closing almost always has negative effects on those who have lost their jobs. These effects include: negative attitudes (Mick, 1979); adverse health consequences (Cobb and Kasl, 1977; Liem and Rayman, 1982); and increasing alcoholism (Slote, 1969; Wilcock and Frank, 1967).

Most of this research was conducted during periods when the general rate of unemployment was much lower than exists today (Portis and Suys, 1970). There is reason to believe that the present higher rates of unemployment will exacerbate the job loss experience following plant shutdown. On the one hand more individuals will be unemployed, and unemployed for longer periods of time. On the other hand, individuals who find jobs will often take worse jobs than they held previously, and be vulnerable to further job loss through other layoffs.

The present investigation examined the consequences of being unemployed sixteen months after the closing of Canadian Admiral. More specifically, the present investigation addressed two questions. First, what were the consequences of being employed or unemployed following a plant

• BURKE, Ronald J., Professor, Faculty of Administrative Studies, York University.

•• This research was supported by the Ontario Ministry of Labour. The views expressed are those of the author and not necessarily of the Ministry. I would like to thank Harry Shardlow and Lisa Avedon for supporting the project. I am indebted to the men and women who cooperated in making the study possible. Richard DuWors and Jacob Wolpin assisted in the data analysis; Lynn Welsh prepared the manuscript.

closing. Second, did it make any difference whether or not one had other jobs, which were lost primarily due to layoffs, in the intervening time period. Individuals who were fortunate enough to find another job were compared with those who were unemployed at this point in time. A more detailed analysis then examined three sub-groups: those who were employed sixteen months after plant shutdown, those who had had one or more jobs during this sixteen months but were unemployed sixteen months after plant shutdown, and those who were unable to find any job during the sixteen months following plant shutdown.

## METHOD

### Respondents

The sample consisted of 183 men and women (155 males and 22 females — 6 failed to indicate their sex). Seventy-three (42%) were employed at the time of the research; 102 (58%) were not employed at the time of the research. Characteristics of the sample are shown in Table 1.

Table 1  
Demographic Characteristics

<i>Years at Admiral</i>	%	<i>Home Ownership</i>	%
1 — 5	16.2	Own house (No mortgage)	17.9
6 — 10	60.3	Own house (Mortgage)	45.8
11 — 15	10.7	Rent house/apartment	31.8
16 — 20	9.4	Other	4.5
21 and over	3.4	<i>Hourly Rate of Pay</i>	%
<i>Job Satisfaction at Admiral</i>	%	\$7.00 or less	.6
Very satisfied	70.2	\$7.01 to \$7.50	12.5
Pretty satisfied	26.5	\$7.51 to \$8.00	11.3
Not too satisfied	2.7	\$8.01 to \$8.50	47.8
Dissatisfied	.6	\$8.51 to \$9.00	20.4
<i>Years Lived in Cambridge Area</i>	%	\$9.01 and over	7.4
1 to 10	13.5	<i>Age</i>	%
11 to 20	36.3	Less than 25	2.9
21 to 30	25.9	26 — 35	35.8
31 to 40	19.6	36 — 45	30.1
41 to 50	6.8	46 — 55	14.4
51 and over	3.9	56 — 65	13.9
<i>Education Level</i>	%	66 and over	2.9
Grade 6 or less	3.4	<i>Main Breadwinner</i>	%
Grade 7	5.1	Yes	89.0
Grade 8	24.7	No	11.0
Grade 9	16.9	<i>Marital Status</i>	%
Grade 10	23.6	Never Married	7.8
Grade 11	7.9	Married	74.3
Grade 12	13.5	Widow(er)	2.2
Grade 13	3.4	Separated/Divorced	15.6
College (same as Bachelors)	1.7	<i>Sex</i>	%
		Males	87.6
		Females	12.4

The sample was primarily male breadwinners (about 90% with an average age of 41 years who had lived in the Cambridge area for a fairly lengthy period of time (over 25 years). The group was primarily married (75%). The educational level was relatively low, concentrated in grades 8, 9, and 10. About three quarters had been with Admiral between 6 and 15 years. Few received any financial payments from Admiral when it closed. Although maintaining their own homes (63%), a majority of these homeowners were carrying mortgage payments (72%). As a result over half the sample felt they could last less than three months before they would have to cut essentials. The majority were satisfied with their Admiral jobs.

### **Procedure**

Data were collected via questionnaires. A survey of job search and life experiences since the plant closing was developed. The survey was mailed out on March 1, 1983 to about 360 men and women. The names and addresses of these individuals were provided to Conestoga College when the plant was closing (Fall, 1981). A follow-up letter and questionnaire was sent out on March 15. Data collection stopped on April 15, 1983. Forty-three of the initial questionnaires were returned because the individual could not be reached at his last known address. The final sample consisted of 183 men and women. This represented a response rate of fifty-one per cent.

### **Measures**

The questionnaire examined several areas. These included: the job at Admiral, the shutdown, looking for work, their present work (if employed), their health and well-being, and their present financial circumstances.

### **Present Employment Status**

This was based on examining which parts of the questionnaire respondents had completed. Two related independent variables were considered. The first involved those that were working at the time of the survey (March 1983) and those that were not working at this time. The second involved those that were working at the time of the survey, those that had worked at some time during the sixteen month period but were unemployed at the time of the survey, and those that had *never* worked during the 16 months since the plant closing.

### **The Admiral Job**

Information about their former Admiral job and certain work experiences were examined using a series of one-item measures created specifically for this study. These are shown in the top third of Table 2.

### **Demographic Characteristics**

These were assessed by a number of single item measures, and can be seen in the middle third of Table 2.

## Health and Well-Being

This area was assessed by a combination of single item measures (smoking, alcohol, consumption) and multi-item measures (various facets of satisfaction, psychosomatic symptoms). These measures were developed by Quinn and his associates (Quinn & Shepard, 1974; Quinn & Staines, 1979) and used previously in large scale national sample surveys. The measures were found to have desirable psychometric properties (acceptable internal consistency reliability). In addition, normative data were available from three national sample surveys of adult men and women making some comparisons possible.

## RESULTS

Table 2 presents the comparison of those men and women who were employed at the time of the survey (16 months) after plant closing with those men and women who were unemployed at this time. Several statistically significant differences were present.

**Table 2**  
**Employed (N = 73) Versus Unemployed (N = 106)**

<i>Variables</i>	<i>Findings</i>	<i>Significance of P value</i>
<i>Admiral Job</i>		
Tenure with Admiral	Unemployed less tenure	(.05)
Tenure in last job	Unemployed less tenure	(.05)
Rate per hour	Unemployed less hourly pay	(.001)
Advance Notice long enough	No difference	
Desired Advance Notice	No difference	
Weeks Immediately Unemployed	Unemployed longer	(.001)
Weeks received UIC	Unemployed longer	(.001)
Perceived job prospects	Unemployed poorer	(.05)
Job satisfaction	No difference	
<i>Demographic Characteristics</i>		
Age	No difference	
Sex	Unemployed more females	(.01)
Time in Cambridge Area	No difference	
Education	Unemployed less	(.01)
Main Breadwinner	Unemployed fewer	(.05)
<i>Health and Well-Being</i>		
Smoking	Unemployed more	(.10)
Drinking	No difference	
Life satisfaction	Unemployed less	(.001)
Marital and Family Satisfaction	Unemployed less	(.001)
Global satisfaction	Unemployed less	(.001)
Psychosomatic symptoms	No difference	

Let us first consider differences in demographic characteristics. Those unemployed at the time of the survey were less well educated and more likely to be women, and hence not the main family breadwinner. Age, and length of time in the Cambridge area were about the same. Moving to the former Admiral job and work experience, those unemployed at the time of the survey were on significantly lower paying jobs at Admiral and they had worked for Admiral significantly shorter and were also on their last job a significantly shorter period of time. Both groups were equally satisfied with their former Admiral jobs, had similar views about the length of advance notice provided by Admiral, and length of advance notice that was desired. As was to be expected those unemployed had received more social assistance, and had been unemployed fewer weeks immediately after the plant shutdown. Finally, those unemployed at the time of the research reported poorer job prospects at the time of the plant closing.

Dramatic and consistent differences appeared on the health and well-being measures. On four of these, those unemployed reported significantly less satisfaction and well-being.

Table 3 presents the comparisons of men and women who were employed at the time of the research, men and women who had one or more jobs following the plant closing but were unemployed at the time of the research, and men and women were *never* employed during the sixteen months following the plant closing. One way ANOVA's were used in the analyses. When a statistically significant overall F value was obtained, paired comparisons were then undertaken.

Few demographic differences distinguished the three groups (middle third of Table 3) the findings on the health and well-being measures (bottom third of Table 3) indicated three significant F values, and in two cases (life satisfaction, global satisfaction) the presently unemployed group that had had some job(s) during the intervening sixteen months was intermediate between the other two groups.

The findings on the variables dealing with the former Admiral job and immediate reactions following plant shutdown yielded no consistent pattern. Significant group differences were not present on four variables (length of time with Admiral, feelings about length of advance notice given, desired advance notice, and job satisfaction at Admiral). It should be noted that there was little variance on these measures for the sample as a whole. On three of the variables the *always unemployed group* was different from the other two groups (perceived job prospects, weeks of unemployment following plant closing, weeks of social assistance). On the remaining two variables (tenure on last job, rate per hour on Admiral job), the presently employed group was different from the other two groups.

**Table 3**  
**Employed Formerly Employed and Never Employed**

<i>Variables</i>	<i>Findings</i>			<i>Significance of F value</i>
	Presently (N = 73)	Formerly (N = 39)	Never (N = 62)	
<i>Admiral Job</i>				
Tenure with Admiral	10.2	9.8	8.2	(ns)
Tenure in last job	6.9	4.6	5.0	(ns)
Rate per hour	8.57	8.22	8.2	(.001)
Advance Notice long enough	2.0	2.0	2.0	(ns)
Desired Advance Notice	8.0	8.1	9.8	(ns)
Weeks Immediately Unemployed	22.7	29.2	63.6	(.001)
Weeks received UIC	29.8	28.3	49.7	(.001)
Perceived job prospects	2.4	2.3	2.0	(.05)
Job satisfaction	1.4	1.2	1.4	(ns)
<i>Demographic Characteristics</i>				
Age	42.9	42.7	40.1	(ns)
Sex	1.0	1.1	1.2	(ns)
Time in Cambridge Area	25.5	26.5	25.2	(ns)
Education	10.0	9.5	9.2	(ns)
Main Breadwinner	1.0	1.1	1.2	(ns)
<i>Health and Well-Being</i>				
Smoking	3.1	2.4	2.5	(ns)
Drinking	5.4	5.3	5.0	(ns)
Life satisfaction	4.4	3.7	3.5	(.001)
Marital and Family Satisfaction	4.2	3.8	3.9	(.05)
Global satisfaction	5.4	3.6	3.3	(.001)
Psychosomatic symptoms	3.3	3.2	3.3	(ns)

## DISCUSSION

The results obtained in the present investigation will be organized to address two questions. First, what are the consequences of being employed or unemployed following a plant closing. Second, does it make any difference whether or not one had other jobs, which were lost primarily due to layoffs, in the intervening time period.

The Canadian Admiral Plant closed in November 1981. At the time of the research sixteen months had elapsed. When the study was conducted only forty per cent of the sample were employed. This figure appears low but is influenced by the generally high national and even higher local unemployment rates, the age and educational levels of the sample, and their relative

lack of mobility, among other factors. Those still unemployed were more likely to be female and more likely to be less educated, and perceive themselves (quite accurately) as having poor job prospects. In addition this group had spent less time with Admiral, and on their last job with Admiral, and were receiving a correspondingly lower level of hourly pay. The most dramatic differences (Table 2) showed that those unemployed at this point were much more dissatisfied with several areas of their lives. Being unemployed was associated with greater distress, a finding quite consistent with previous research.

Did having and losing (or quitting) one or more jobs in the intervening sixteen months but being unemployed at the time of the study enhance or worsen one's circumstances<sup>1</sup>. One could argue that some work is better than none, thus these individuals might fall intermediate between those who are presently employed and those who were never employed. On the other hand one might propose that finding and losing one or more other jobs in the intervening sixteen months might even worsen one's morale or well-being. That is, experiencing several job losses (in addition to the Admiral job loss) would do worse than not having any job since the Admiral job loss.

The data (Table 3) revealed an inconsistent pattern of differences between these two groups. The preliminary conclusion is that the group that had found and lost jobs but were now unemployed were rarely in worse shape than those who had never found a job and were sometimes in better shape. It appears, therefore, that the contemporary experience of unemployment has a more potent influence on one's experience. That is finding and losing a job in the intervening period seemed to make little difference. Whatever small differences that were observed were more likely to be positive.

## References

- BURKE, R.J., «Disengagement from Organizations: Job Loss Through Termination, Permanent Lay-off and Retirement», In K. Srinivas (Ed.), *Human Resource Management in Canada*, Toronto, McGraw-Hill, 1984.
- COBB, S. and S.V. KASL, *Termination: The Consequence of Job Loss*, Cincinnati, Ohio, NIOSH, Research Project, Publication No. 77-224, 1977,
- KAUFMAN, H.G., *Professionals in Search of Work: Coping with the Stress of Job Loss and Underemployment*, New York, John Wiley, 1982.
- LIEM, R., and P. RAYMAN, «Health and Social Costs of Unemployment», *American Psychologist*, 1982, 37, 1116-1123.
- MICK, S., «Social and Personal Costs of Plant Shutdowns», *Industrial Relations*, 1979, 14, 203-208.

---

<sup>1</sup> A copy of the research instrument can be obtained from the author on request.



PORTIS, and M. SUYS, *The Effect of Advance Notice in a Plant Shutdown: A Study of the Closing of the Kelvinator Plant in London, Ontario*, London, Ontario, School of Business Administration, University of Western Ontario, 1970.

QUINN, R.P. and L.S. SHEPARD, *The 1972 Quality of Employment Survey*, Ann Arbor, Michigan, Survey Research Center, Institute for Social Research, 1974.

QUINN, R.P. and G.L. STAINES, *The 1977 Quality of Employment Survey*, Ann Arbor, Michigan, Survey Research Center, Institute for Social Research, 1979.

SLOTE, A., *Termination: The Closing at Baker Plant*, New York, Bobbs-Merrill, 1969.

WILCOCK, R.C. and W.H. FRANK, *Unwanted Workers, Permanent Layoffs and Long-Term Unemployment*, New York, Free Press, 1967.

## **LA SÉCURITÉ D'EMPLOI DANS L'INDUSTRIE DE LA CONSTRUCTION AU QUÉBEC**

### **UN RÊVE IMPOSSIBLE?**

par Claudine LECLERC et Jean SEXTON

Le règlement sur le placement des salariés dans l'industrie de la construction a fait couler beaucoup d'encre et a suscité de nombreuses réactions au Québec et ailleurs. Il constitue un nouveau régime de sécurité d'emploi pour les travailleurs de cette industrie particulière.

Les auteurs présentent et analysent ce quatrième régime de sécurité d'emploi et le situent par rapport aux trois régimes précédents.

275 pages, \$14.50

**EN VENTE CHEZ VOTRE LIBRAIRE OU CHEZ L'ÉDITEUR  
LES PRESSES DE L'UNIVERSITÉ LAVAL  
C.P. 2447, QUÉBEC, G1K 7R4**