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Organizational downsizing and alcohol use: A national study of U.S. workers during the Great Recession

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HIGHLIGHTS

- This study explored the association between surviving an organizational downsizing and alcohol use.
- Data were collected from a national probability sample of U.S. workers during the Great Recession (N = 2,296).
- Surviving organizational downsizing was associated with more frequent overall alcohol use among all workers.
- Surviving organizational downsizing was associated with excessive alcohol use among younger workers, but not older workers.

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ABSTRACT

Organizational downsizing, which represents the reduction of an organization's workforce, results in a stressful work environment for those who survive the downsizing. However, we know little about the association between surviving an organizational downsizing and employee alcohol use. This study explored the association between exposure to organizational downsizing and four dimensions of alcohol use during the Great Recession. Also explored were the moderating influences of length of recession exposure, state drinking culture, gender, age, education, family income, and financial demands. Data for this study came from a national telephone survey of U.S. workers that was conducted from December 2008 to April 2011 (N = 2296). The results revealed that exposure to organizational downsizing was positively associated with usual frequency of drinking, number of drinks consumed per usual drinking occasion, and both the frequency of binge drinking and drinking to intoxication. Length of exposure to the recession moderated the association between organizational downsizing exposure and usual number of drinks consumed. The conditional effects revealed that this association became stronger as length of exposure to the recession increased. Furthermore, age moderated the associations between organizational downsizing exposure and the usual number of drinks consumed and the frequency of binge drinking and intoxication. The conditional effects revealed that these associations were positive and significant among young survivors (ages 40 or younger), but were nonsignificant among middle-aged survivors (over 40 years of age). State drinking culture, gender, education, family income, and financial demands did not moderate the associations between organizational downsizing exposure and alcohol use.

1. Introduction

A common strategy used by work organizations to cope with economic uncertainty is organizational downsizing, which represents the reduction of an organization's workforce in an effort to reduce labor costs and increase profitability, and in times of severe economic shock, to prevent organizational collapse. Regardless of the specific reason for organizational downsizing, it creates two groups of workers—(a) workers who have lost their jobs (unemployed workers) and (b) workers who have survived the downsizing (downsizing survivors). A large literature has demonstrated that involuntary unemployment is stressful, and results in a variety of negative outcomes, such as poorer physical and mental health (McKee-Ryan, Song, Wanberg, & Kinicki, 2005; Paul & Moser, 2009), as well as excessive alcohol use (e.g., Davalos, Fang, & French, 2012; de Goeij et al., 2015; Goldman-Mellor, Saxton, & Catalano, 2010). However, we know little about the association between surviving an organizational downsizing and alcohol use.

1.1. Downsizing survivors and alcohol use

Although downsizing survivors maintain their jobs, exposure to

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downsizing can be stressful compared to employment in an organization that has not downsized its workforce. Research shows that, relative to employees working in organizations that did not downsize, surviving employees in downsized organizations report higher levels of job insecurity, increased workloads, lower work morale, and lower levels of physical and mental health (e.g., Bamberger et al., 2012; Brenner et al., 2014; Ferrie, Westerlund, Virtanen, Vahtera, & Kivimaki, 2008; Green, Felstead, Gallie, & Inanc, 2016; Lahner, Hayslip, McKelvy, & Caballero, 2014; Maertz, Wiley, LeRouge, & Campion, 2010; Osthus, 2007; Quinlan & Bohle, 2009; Widerszal-Bazyl & Mockallo, 2015). In addition, experiencing organizational downsizing within the context of a recession may further exacerbate its negative effects (Green et al., 2016).

Employees in firms that downsize during a recession may be especially concerned with the possibility of further layoffs and job loss because reemployment becomes much more difficult. For example, during the Great Recession and its aftermath, which provides the macroeconomic context for the present study, the monthly U.S. unemployment rate increased from 5.0% at the start of the recession in December 2007 to 10.0% in October 2009, and did not return to the prerecession rate of 5% until August 2015. The rate of long-term unemployment in the U.S., which represents the proportion of individuals who have been unemployed for 12 or more months among those unemployed in a given year, rose dramatically from 9.9% before the recession in 2007 to 31.3% in 2011, and dropped only to 18.7% by 2015 (Organisation for Economic Co-operation and Development, 2017). Finally, the number of unemployed workers per job opening rose from 1.8 in December 2007 to 6.7 in July 2009, and only dropped to 3.1 by May 2013 (U.S. Bureau of Labor Statistics, 2013).

Based on prolonged activation models of stress (Brosschot, Pieper, & Thayer, 2005; Frone, 2015) and self-medication models of alcohol use (e.g., Conger, 1956; Cooper, Frone, Russell, & Mudar, 1995; Frone, 1999, 2015; McCarthy, Curtin, Piper, & Baker, 2010), the stress experienced by downsizing survivors, especially during a recession, may motivate an increase in alcohol use in an effort to reduce the experienced affective distress, as well as reduce perseverative cognitions that prolong psychological exposure to the negative event. Despite the possibility that downsizing survivors may drink more excessively than employees in organizations that do not downsize, research has not explored this association. Based on this discussion, the following hypothesis is tested:

H1. Exposure to organizational downsizing will be associated with elevated levels of alcohol use (i.e., usual frequency of use, usual number of drinks, binge drinking, and drinking to intoxication).

1.2. Macro-level moderator variables

It is possible that the strength of the association between organizational downsizing and alcohol use differs across two macro-level contextual variables—length of exposure to the Great Recession and state drinking cultures. These contextual moderator variables are discussed next.

1.2.1. Length of exposure to the Great Recession

As noted earlier, many of the adverse outcomes of the Great Recession persisted for many years after the official end of the recession in June 2009. As outlined in section 2.1, data collection for the present study began in December 2008 and lasted until April 2011. Therefore, exposure to the Great Recession was longer for some individuals when their employer downsized and at the time of their interview. Prolonged exposure to the stresses of the recession may increase the propensity to drink in response to organizational downsizing. Therefore, the following hypothesis is tested:

H2. The positive association between organizational downsizing and alcohol use (i.e., usual frequency of use, usual number of drinks, binge drinking, and drinking to intoxication) will be stronger as the length of recession exposure increases.

1.2.2. State drinking culture

U.S. states have unique characteristics (e.g., norms, policies) that result in differences in aggregate state-level alcohol consumption. Based on rates of abstention and heavy drinking and per capita alcohol consumption, Kerr (2010) grouped U.S. states into a three-level ordinal ranking of alcohol "wetness": (1) dry states, (2) moderately wet states, and (3) wet states. State "wetness" represents a macro-level drinking culture variable that may moderate the association between organizational downsizing exposure and employee alcohol use. This association may be stronger among individuals who live in states with more prescriptive drinking norms and cultures. Therefore, the following hypothesis is tested:

H3. The positive association between organizational downsizing and alcohol use (i.e., usual frequency of use, usual number of drinks, binge drinking, and drinking to intoxication) will be stronger among individuals living in "wetter" states compared to "dryer" states.

1.3. Individual-level moderator variables

The association of organizational downsizing to alcohol use may differ across subgroups of the employed population based on gender, age, and several economic resources and demands (education, total family income, and family financial demands). These individual-level moderator variables are discussed next.

1.3.1. Gender

The stressor-vulnerability model of alcohol use (Cooper, Russell, Skinner, Frone, & Mudar, 1992) suggests that men may be more prone than women to drink in response to negative life events, such as exposure to organizational downsizing. There are several reasons for potentially higher levels of stress-induced alcohol use among men. Compared to women, men may be more genetically predisposed to use alcohol (Hughes, Wilsnack, & Kantor, 2016), and they are socialized to externalize distress, perceive fewer social sanctions associated with drinking, and perceive alcohol use as part of their gender role (Cooper et al., 1992; Hughes et al., 2016; Nolen-Hoeksema, 2004). Some studies have reported stronger associations between stressors and alcohol use among men (e.g., Brown & Richman, 2012; Cano et al., 2017; Chaplin, Hong, Bergquist, & Sinha, 2008; Cooper et al., 1992; Frone, Cooper, & Russell, 1994). Therefore, the following hypothesis is tested:

H4. The positive association between organizational downsizing and alcohol use (i.e., usual frequency of use, usual number of drinks, binge drinking, and drinking to intoxication) will be stronger among men than among women.

1.3.2. Age

Several factors may make younger employees more likely to drink in response to organizational downsizing. First, younger workers were more likely than older workers to lose jobs during the Great Recession (Hout, Levanon, & Cumberworth, 2011). This may increase the perceived precariousness of employment among younger downsizing survivors compared to older downsizing survivors. Second, some evidence exists that organizational downsizing, and economic hardship more generally, are more strongly associated with negative affect and alcohol use among younger individuals than among older individuals (Brown, Richman, & Rospenda, 2015; Lahner et al., 2014; Mirowsky & Ross, 2001). For example, Lahner et al. (2014) reported that exposure to organizational downsizing was positively related to psychological distress among younger workers (18–36 years old), but was unrelated to psychological distress among older workers (37–66 years old). Third, in