Career adaptability, turnover and loyalty during organizational downsizing ☆

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A B S T R A C T

During organizational restructuring and downsizing, employees often worry about being redundant, actually are redundant, and/or feel unsatisfied with their jobs. Employees, in turn, often react with poor loyalty to and high voluntary exit from the organization. The current study addresses this process from a careers' perspective, showing that career adaptability in the form of employees' career exploration and planning can account for at least some of these relationships. Redundancy fostered employees' career adaptive behaviors while job insecurity inhibited their career planning. Career planning, in turn, positively predicted employees' loyalty to the organization five months later while career exploration negatively predicted employees' loyalty, and positively predicted employees' exit reactions in the form of turnover intentions, job-search behaviors, and actual turnover. Implications and directions for future research are discussed.

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The time when a new hire entered an organization and remained with that organization till the day of due retirement seems over. Instead, technological advances, global competition, state deregulations and changing market conditions foster frequent organizational restructurings and downsizing, the deliberate organizational decision to reduce the workforce in order to improve organizational performance (Cameron, Freeman, & Mishra, 1991). These processes have changed the nature of careers and the bare existence of jobs has grown less certain (Probst, 2003). Employees often report dissatisfying (Davy, Kinicki, & Scheck, 1997; Sverke, Hellgren, & Näswall, 2002) and insecure (Probst, 2005a) working conditions, including the possibility of becoming redundant. In response, they often report lower loyalty (Sverke et al., 2002; Sverke & Goslinga, 2003) and more exit-considerations from their organization (Davy et al., 1997; Probst, 2005a; Sverke et al., 2002). Yet, the process by which this happens is largely unexplored.

The present study addresses this process from a careers' perspective. An organizational change may after all also imply a change for employees in the form of a career transition. Career transitions, in turn, arguably trigger workers' career adaptability (Savickas, 1997; Zikic & Klehe, 2006), forward looking career behaviors aimed at coping with external and internal career demands that help individuals become independent career actors who self-manage their careers. This assumption, however, has never been tested empirically. The current paper posits that a looming career transition, due to redundancy or low satisfaction, triggers employees' career adaptive response in the form of career exploration and planning, and that this response feeds back at the employees' organization in terms of loyalty and exit reactions (Fig. 1).

The benefits of such research are at least threefold. First, the study provides a first test of the repeatedly argued assumption in the careers' literature that dissatisfying or terminating working relationships trigger career adaptive behaviors. Second, the study uses career adaptability as a new perspective on how people adapt to and actively cope with organizational downsizing. Thus, it illustrates how the "new deal", when "both parties know that the relationship is unlikely to last forever" (Cappelli, 1999, p. 3), may
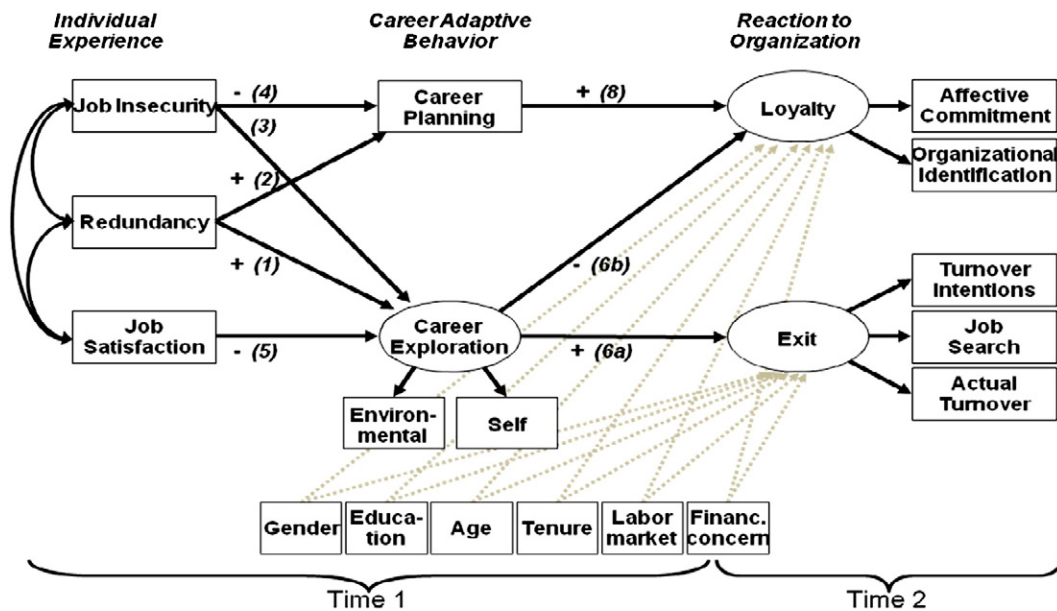

Fig. 1. Proposed model.

motivate employees to steer their careers not on the basis of organizational career trajectories but in accordance with their own plans, values and explorations (Hall, 2004). As a result, this study reveals how employees' career adaptability may link to their organizational loyalty and exit. Third, the study aims to explain some of the negative effects of job insecurity on organizational loyalty (Sverke & Hellgren, 2000; Sverke et al., 2002) by considering the effect of job insecurity on employees' ability to plan their own careers. This study is one of the few two-wave studies in the job-insecurity literature (Sverke & Hellgren, 2002). Such a design allows us to measure both employees' turnover intentions as well as their actual exit behavior.

In the following, we will outline the concept of career adaptability before showing how different individual experiences associated with organizational downsizing may trigger or inhibit employees' adaptive response, and how adaptability, in turn, may influence employees' loyalty and exit reactions toward the organization. Fig. 1 shows a depiction of the full proposed model.

Career adaptability

We all face career transitions, period[s] during which an individual objectively takes on a different role and/or subjectively changes orientation to a "role", at many stages of our lives (Latack & Dozier, 1986; Louis, 1980). Career transitions require us to reevaluate our goals, attitudes, identity, and vocational routines (e.g., Ashforth & Saks, 1995) and, thus, call upon our career adaptability, the "readiness to cope with the predictable tasks of preparing for and participating in the work role and with the unpredictable adjustments prompted by changes in work and working conditions" (Savickas, 1997, p. 254). Inherent in all models of career adaptability (Savickas, 1997, 2005; Super, Savickas, & Super, 1996) is the notion that people need to make informed decisions about what they want and that they need to see a reasonable chance of getting there. Most prominent in helping people achieve this are the complementary behaviors of career exploration and planning.

Career exploration is the gathering of career related information about the environment or the self (Blustein, 1997; Stumpf, Colarelli, & Hartman, 1983). Self exploration focuses on one's own interests, values, needs, skills, and experiences in order to reflect on one's career and to gain a deeper understanding of oneself. Environmental exploration is a person's investigation of various career options by collecting information on job opportunities and their work demands, organizations and their cultures, and occupations or industries, in order to make more informed career decisions. Self- and environmental exploration reflect parts of a common process aimed at establishing a suitable fit between the person and a potential environment (Parsons, 1909) and often go together since environmental exploration triggers reflections on one's interests, needs and abilities, whereas self exploration may initiate a more focused environmental exploratory strategy (e.g., Blustein, 1997; Flum & Blustein, 2000; Stumpf et al., 1983). In combination, self- and environmental exploration allow people a deeper understanding of themselves and of their available options, by helping them examine how multiple opportunities fit with their values, desires, and career goals. And while career exploration does not necessarily imply a change in employment, it implies a wide focus that extends beyond a current employment situation. It may, thus, work as a tool to gain reorientation ('looking left and right') and to prepare a change and separation from the current situation. Past research has argued that exploration can be self-initiated or a reaction to an adverse or dissatisfying career situation (Blustein, 1997; Zikic & Hall, 2009). Yet, no research has empirically tested these assumptions by comparing the exploration of redundant versus continuously employed employees.

Complementary to career exploration in nature, career planning refers to people outlining future career developments and setting and pursuing career goals (Gould, 1979). Since goals induce effort (Locke & Latham, 1990) and since contemporary careers