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[Psychological consequences of unemployment in middle-aged adults. Literature review of some empirical findings](#)

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# **Psychological Consequences Of Unemployment In Middle-Aged Adults.**

## **Literature Review Of Some Empirical Findings**

**Marta Sousa Ribeiro**

### **1. Introduction**

The literature regarding research on the psychological effects of unemployment is wide, and numerous reviews of this research have been published (*e.g.*, Fryer & Payne, 1986; Hanisch, 1999; McKee-Ryan, *et al.*, 2005; Murphy & Athanasou, 1999; Warr, 1987). Poorer psychological and physical wellbeing among the unemployed when compared to employed have been demonstrated both in cross-sectional and longitudinal studies (McKee-Ryan *et al.*, 2005) and have also been shown to be mainly consequential to unemployment, and not the result of those with poorer health drifting into unemployment (Creed, 1999).

### **2. Theoretical approaches**

There are three main approaches that have emerged from the study of work, employment and unemployment and that seek to provide theoretical explanations for the negative relationship between unemployment and individuals' wellbeing. These are Jahoda's (1982) latent deprivation model, Fryer's (1995) agency restriction model, and Warr's (1987) vitamin model.

#### **2.1. Jahoda's latent deprivation model**

Drawing on findings from unemployment studies conducted in the 1930s and in more recent times, Jahoda (1982) developed the latent deprivation model, which is conceptually derived from Merton's (1957, *in* Jahoda, 1982) paradigm for functional analysis. According to this model, when individuals get unemployed, not only lose the manifest functions of employment (*i.e.*, their salary), but they also get deprived from their latent functions (time structure, social contacts outside of the immediate family, collective purpose and effort, regular activity and social status and identity), and it is this loss (of the latent functions) that primarily accounts for a decline in psychological well-being. This model has been stimulating several researches on the psychological effects of unemployment, and mixed results have been found, with some studies supporting Jahoda's assumptions, while others do not. Compared with the employed,

unemployed people have been showing to have less access to the manifest and latent functions listed above (e.g., Jackson, 1999; Wanberg, Griffiths & Gavin, 1997; Waters & Moore, 2002), and positive correlations between the access to the latent and manifest benefits and psychological wellbeing have also been demonstrated (see Haworth, 1997, for a review). Jahoda argues that although there are other institutions that enforce one or more of the manifest and latent functions, only the social institution of paid employment combines them all. Nevertheless, counter to this view, researchers found associations between the latent functions and well-being in populations who do not take part of the labour market, for example, unemployed (Evans & Banks, 1992), students (Jackson, 1999) and elderly retirees (Rowe, 2001, in Creed & Evans, 2002), which show that access to latent functions is not confined to the work place. Some researchers also argue that the manifest function should attract greater attention within the latent deprivation model, as for example, Brief *et alii* (1995) and Creed and Evans (2002), which found stronger associations between the manifest functions and wellbeing than between latent functions and well-being. Other findings, in contrary, suggest that time structure (one of the latent functions) plays a more central role than financial deprivation in the deterioration of psychological well-being (Feather, 1997; Waters and Moore, 2002). These contradictory findings suggest that a balance of manifest and latent functions of unemployment can lead to a better understanding of job loss for individuals.

## **2.2. Fryer's Agency Restriction Model**

Whilst recognizing the significance of the five latent functions identified by Jahoda, Fryer (e.g., 1986, 1995) presents the Agency Restriction model as a counterpoint to Jahoda's (1982) approach. He refutes the centrality of the social institution of employment in providing these functions, and also argues that in Jahoda's model the person is seen as a passive object, at the mercy of external influences. In the Agency Restriction model, the person is presented as being proactive rather than being reactive, *i.e.*, an agent who organises and structures information, makes decisions, plans the future, and searches for meaning for life events. Feather (1990) cites some qualitative studies that show proactive behaviours in small samples of unemployed people (Fryer, 1988; Fryer & McKenna, 1987; Fryer & Payne, 1984; McKenna & Fryer, 1984). Fryer (1986) also criticizes the primary importance that Jahoda attributes to the latent

functions in contrast to the manifest function: unemployment “generally results in psychologically corrosive...poverty” (1995, p.270), and it is this poverty that restricts personal agency and, consequently, conduces to a deterioration of psychological wellbeing. It seems reasonable to agree with Feather’s (1990) considerations that “Fryer’s approach can not be described as a formally stated theory but rather as an assumptive starting point that sets out how one conceives the person” (pp. 55-56), being an “important corrective to discussions on the effects of unemployment that ignore the resourcefulness, planfulness and constructive ways of coping that many people display in their adjustment to negative life events”. (p. 56)

### **2.3. Warr’s Vitamin Model**

Warr (1987) proposes a Vitamin Model, considering that mental health is influenced by the environment in a manner that is analogous to the way vitamins affect physical health. In this approach, there is a non-linear relationship between mental health and environmental features (which overlap and are not independent). Warr makes a distinction between the “vitamin A-D model”, which includes environmental features that are harmful above a certain level (externally generated goals; variety; environmental clarity; opportunity for control; opportunity for skill use and opportunity for interpersonal contact) and the “vitamin C-E model”, which includes environmental features that have a constant effect from certain point (availability of money; physical security and valued social position). Later, Warr (1999) added one more feature: supportive supervision, which is assumed to be related only to occupational settings, and not to the unemployment situation. Warr (1987) cites evidence that shows that transitions to lower levels for each of the environmental features have negative effects on psychological well-being, and that the extent of those effects is dependent of the amount of change in a given feature.

### **3. Unemployment interventions in the middle-aged adults<sup>1</sup>**

The stressful implications of unemployment may vary substantially between individuals (Kulik, 2001). Individuals’ age is one of the variables that influence the unemployment outcomes. Empirical evidence has demonstrated that young people show significantly less psychological distress than the middle-aged (*e.g.*, Creed & Watson, 2003; Rowley

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<sup>1</sup> It will not be presented any age range to limit middle-age, considering the shortcomings in using chronological age as definer of developmental periods.

& Feather, 1987; Warr & Jackson, 1984). Warr (1987) suggests that his “vitamin model” can be used to explain these differences, as the situation of the middle-aged unemployed person is likely to be more problematic than that of other age group in each of the following environmental features: availability of money, valued social position, physical security and opportunity for interpersonal contact. Unemployment can also be more harmful to middle-aged adults, as it generates ambiguity and uncertainty, at a stage of the life cycle that is often accompanied by questions about one’s life, achievements, and future. Another possible explanation is the perceived probability of becoming re-employed: given the present downsizing policies and recruitment practices of many companies that are pushing out middle-aged individuals from the labour market, and difficulting their reemployment opportunities, it seems reasonable to assume that the distress experienced by them following job loss would have a lot to do with how they perceive their chances of obtaining another comparable job, or even any other job (Broomhall & Winefield, 1990). Therefore, special challenges are placed to career professionals, community services and national governments, in order to improve the psychological well-being of the middle-aged unemployed, helping them to cope with this life transition in a positive, constructive and non-stressful way, and enlarging their reemployment possibilities. At an individual level, unemployed would benefit from career interventions that might help them to develop a proactive attitude, to build up realistic career projects and to implement them. The process should include, among others, the exploration of values and interests, exploration of life and work acquired competencies or the need to develop them in order to avoid obsolescence, examination of labour market trends and possibilities and emotional support. The confrontation with the ambiguity and uncertainty of the present labour market, in most cases completely different from the one where they started their working life (and not responsive to people of this age group), may lead to feelings of insecurity, hopelessness and helplessness of which the career professional must be aware. At a community level, and taking into account the three theoretical approaches and empirical findings presented along this paper, it may be beneficial to help unemployed people to identify and participate in meaningful activities that may constitute constructive alternatives to employment, and that may have a protective role against psychological distress. Thus, community services should create or increase the opportunities for the unemployed to

invest in volunteer activities, local leisure associations, or other groups, that might improve their access to the latent functions (Jahoda's model) and environmental features (Warr's model) seen to have positive influences on psychological well-being. Vocational training courses can have this protective role too, as well as enabling people to learn or develop important work skills. At a national level, in times where jobs are not abundant, the role of financial deprivation needs to be considered. Thus, governments should keep unemployment benefits or other kinds of support (in goods, for example) available to the unemployed which face financial strain and help them to strengthen both short-term budgeting skills and long-term financial planning skills. Considering the lack of academic and professional qualifications of the great majority of middle-aged unemployed registered in employment centres in Portugal, a continuous investment on educational and training programmes is one of extreme importance. There is also a need to recognize and certify the competencies that have been acquired in-job, so they can be valued by the labour market. Finally, an effective combat to age discrimination is urgent, as it is based in most of the cases on groundless stereotypes related to the lack of productivity and learning skills of older workers (Brewington & Nassar-McMillan, 2000).

### **Final considerations**

Research has been suggestive that unemployment, on the average, has a negative impact on individuals' psychological and physical well-being (McKee-Ryan *et al.*, 2005). Whilst some critics that have been made to Jahoda's model (*e.g.*, Fryer, 1986, 1995; Creed & Evans, 2002), this approach is still the specific unemployment theory that has dominated the research among the relationship between unemployment and psychological distress. Feather (1990) considers the latent deprivation model to be a framework of ideas, rather than a well-developed theory, that has the merit of not being restricted to the conceptual analysis of unemployment effects but also developing theoretical ideas about the psychological nature and functions of work and employment. Some empirical evidence that does not give support to this model suggests that it can be reasonable to reconceptualise some of its assumptions, which does not take away its worthiness but rather enriches it. These are the emphasis on paid employment as a provider of access to the latent functions, and the primary role of latent functions deprivation for the decline in wellbeing. It can be assumed that in present times, there

are other social institutions that provide daily situational experiences where people may have access to the latent functions and, as Creed and Watson (2003) argue, financial strain's negative effects on wellbeing should be considered in the light of the interaction between latent and manifest functions. Deprivation in the access to the latent benefits can, in some cases, act as a moderator between financial deprivation and wellbeing. One question that is highlighted in studies developed by Creed and Evans (2002), Creed, Muller and Machin (2001), and others, is that theoretical approaches and researches in this area should not ignore the significant role that individual factors of the unemployed might play in the psychological impact of unemployment. Neither Jahoda's nor Warr's models consider them in this way. Nevertheless, Jahoda (1984, in Creed & Evans, 2002) herself recognised that her theory would benefit from including the interplay of "individual potentialities", and Warr's Vitamin (situation-centred) model, while proposing that environmental features influences are very important, also includes the assumption that the person can influence the environment both cognitively and behaviourally. In addition, Warr considers that a focus on environmental features may be more heuristic when one wants to implement procedures that promote wellbeing. Although it is very difficult, if not impossible, to use an all-embracing theory to explain the negative relation between unemployment and wellbeing, Warr's (1987) "vitamin model" may be seen as a more inclusive one, as it incorporates the five categories of experience advanced by Jahoda, and extends her model by including not only features relating to Fryer's emphasis on personal agency, but other environmental ones. Using this approach, it can be possible to distinguish psychologically "good" unemployment and psychologically "bad" unemployment, depending on the extent to each one of the environmental features is present or absent. Thus, this approach should attract greater attention among unemployment researchers (at this time, only studies in employment settings are known) as it could promote a better understanding of which kind of environments and interventions could better lead to psychological well-being among the unemployed.

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