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Job loss as a blessing in disguise: The role of career exploration and career planning in predicting reemployment quality

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Abstract

Job loss is one of the most difficult work related situations that an individual may encounter. Yet, sometimes job loss may also turn into a blessing in disguise. Combining the careers literature with the literature on unemployment, the current paper addresses potential positive outcomes of job loss by focusing on specific career adaptability activities that individuals can undertake to obtain these outcomes. Three hundred and four unemployed outplacement attendees reported their use of self and environmental career exploration and career planning, as well as of job search (general and networking) and the availability of two resources that may foster these activities, general self-efficacy and social support. Six months later, 215 individuals reported their current reemployment status and, when applicable, the quality of that reemployment. Results replicate the positive effects of job search on finding reemployment but moreover outline the relevance of career planning and exploration during unemployment on ensuring the quality of this reemployment. Theoretical implications and directions for practice and future research are discussed.

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1. Introduction

Involuntary job loss is one of the most stressful life events that affects many individuals, regardless of their qualifications. Most unemployment literature focuses on the negative effects and profound difficulties that job loss creates for the affected individuals (e.g., McKee-Ryan, Song, Wanberg, & Kinicki, 2005), and many studies address the importance of job search and of finding a new job as the primary goal of the unemployed. Yet, upon reemployment, many individuals, especially higher level professionals, are underemployed (Feldman & Leana, 2000): they work at lower levels, are paid less than in their last jobs, and experience a step downwards in their careers. Thus, the cycle of job search continues as individuals look for yet another job (Kinicki, Prussia, & McKee-Ryan, 2000). Although more attention is now paid to the prevention of underemployment and to understanding ways of improving the quality of reemployment (Wanberg, Hough, & Song, 2002), very little variance has been explained in outcomes such as job improvement, identification with the new organization and turnover intentions, and job loss continues to be seen as a disruption to one's career (Leana, Feldman, & Tan, 1998, p. 88).

Without denying the negative impact of job loss, this study examines the other side of job loss, namely the positive yet often ignored effects that job loss may have on individuals' careers upon reemployment. For example, Jones (1989) found that some individuals experienced unemployment as a blessing in disguise: while they viewed it as a negative life event, they also appreciated it as an opportunity to change their direction in life and to improve their career prospects. Latack and Dozier (1986) also acknowledged the difficulties of unemployment, but proposed that the maintenance of structured activities might contribute to subsequent positive reemployment outcomes. However, they did not specify the nature of these structured activities, and no empirical research so far has examined activities that might be particularly beneficial for obtaining high quality reemployment. To fill this gap, we make use of the career development perspective, in particular the career adaptability concept (Super & Knasel, 1981; Savickas, 1997). According to this perspective, to manage new career related circumstances and their respective pressures across the life course, adults typically exhibit a certain amount of career adaptability, defined by two core processes, career exploration and career planning.

1.1. Career adaptability during unemployment

Involuntary job loss undisputedly presents a negative and stressful external demand. However, it may also trigger affected individuals' career adaptability, that is, forward looking, proactive career behaviors aimed at coping with external and internal demands (Super & Knasel, 1981). In searching for reemployment, unemployed individuals are active agents who can use a wide repertoire of behaviors for adapting to and handling their current situation. This adaptation is characterized by reflection, the exploration of various career options, and by career planning. Yet, while scholars have noted the importance of these processes throughout one's career (Flum & Blustein, 2000; Super, 1990; Super, Savickas, & Super, 1996), research has focused primarily on students during their school-to-work transition (for an exception see Phillips, 1982) and never on the context of unemployment. Yet, contemporary careers are more complex. Particularly higher status professionals experience repeated career transition cycles. Unemployment transition is still not well understood in this group of professionals, whose demanding careers

may suffer significantly from interruptions and subsequent underemployment (Feldman & Leana, 2000). Moreover, these professionals may be unequipped for the difficulties of the transition as they are likely to seek rare and specialized positions. Thus, they represent an interesting yet rarely examined group of unemployed. Studying this population will further our limited knowledge on exploration and planning in adulthood and how these adaptation processes may allow individuals to cope and manage transitions successfully.

1.1.1. Career exploration

Given that the world of work rapidly changes and that employment contracts are unstable (Arthur & Rousseau, 1996), the need to reflect upon one's career options and upon oneself is ongoing. Career exploration, the gathering of information relevant to the progress of one's career (Blustein, 1997; Jordaan, 1963; Stumpf, Colarelli, & Hartman, 1983), is a lifelong process that is triggered particularly during transitions as it allows individuals to cope (Blustein, 1997; Savickas, 1997). Environmental exploration is an individuals' investigation of various career options by proactively collecting information on jobs, organizations, occupations or industries that allow more informed career decisions. Self exploration focuses on exploring one's own interests, values, and experiences in order to reflect on one's career and to gain a deeper understanding of oneself.

1.1.2. Career planning

Complementary to career exploration in nature, career planning refers to individuals' outlining future career developments and to their setting and pursuing career goals (Gould, 1979; Greenhaus, 1971). Since goals are a good indicator of effort (Locke & Latham, 1990) and since contemporary careers are characterized by lifelong planning, it does not surprise that career planning is related to more successful careers (Hall, 2002; Super & Hall, 1978). Like career exploration, career planning is not a once-in-a-lifetime but an ongoing activity that may be especially pertinent during career transitions such as job loss. While Saks and Ashforth (2002) found career planning during the school to work transition to increase person job fit at the new job, career planning has received little attention in studies of the unemployed.

1.2. Predictors of career adaptability

If individuals adapt to the unemployment transition via career exploration and planning, it is important to know what individual (internal) and environmental (external) resources may foster the use of such activities (Blustein, 1997; Zikic, 2006).

1.2.1. Self-efficacy

A core variable of Social Cognitive Theory, self-efficacy has been found to be the most central and pervasive mechanism of personal agency (Bandura, 1986) in general and to be predictive of career related choices and performance in particular (Hackett & Lent, 1992). In coping with unemployment, individuals are also seen as independent, self-determined career agents whose sense of competence in approaching tasks, their self-efficacy beliefs, are expected to be positively related to their adaptability as evidenced by career exploration and planning activities (Kanfer & Hulin, 1985; Wanberg, Kanfer, & Rotundo, 1999).

1.2.2. Social support (emotional and instrumental)

Given the complexity and the stress of the unemployment situation, social support provided by others can positively affect the adapter's experience and is an important determinant of career activities (Blustein, 1992, Blustein, Prezioso, & Schultheiss, 1995). Emotional social support (characterized by providing empathy, caring, love, and trust) by partners or families is especially important during stressful transitions such as job loss (DeFrank & Ivancevich, 1986). It enhances one's readiness to search for other work options and encourages individuals to maintain an optimistic attitude during unemployment (Gowan, Riordan, & Gatewood, 1999).

Additionally, unemployed individuals may benefit from instrumental support in the form of constructive advice and resources. This type of support may help to better appraise career related information and adapt to the novel circumstances. Provided by career consultants and coaches, instrumental support is known to increase clients' control and competence particularly in exploration tasks (Blustein, 1992).

1.3. Career adaptability and reemployment quality

Career planning enables individuals to develop career goals and to focus their search activities to find a job and organization in line with these goals. Yet, such planning benefits from complete, current and reliable information—and career exploration sustains the search for this information as well as hypothesis-testing about the self and environment in order to attain or redefine one's career goals (Blustein, 1992, 1997; Super & Hall, 1978). As the two main dimensions of adaptability, exploration and planning should help job seekers to overcome difficulties of unemployment and to successfully identify suitable job opportunities (Saks & Ashforth, 2002; Werbel, 2000), leading to increased reemployment quality.

Reemployment quality is best presented by multiple indicators (Wanberg et al., 2002; Vinokur & Schul, 2002) addressing job, organization, and career related facets: job improvement compares individuals' perceptions of their new job to those of their last job on several, largely objective dimensions (Wanberg et al., 1999). Organizational identification, a form of social identification in which people define themselves in terms of their membership in a particular organization (Ashforth & Mael, 1989; Dutton, Dukerich, & Harquail, 1994), reflects individuals' connection and feeling of oneness with that organization (Saks & Ashforth, 2002). We included career growth, an individual's perceptions of the expected utility of the job for attaining valued career outcomes (Bedeian, Kemery, & Pizzolatto, 1991; Latack & Dozier, 1986), as an indicator of reemployment quality in line with our study's focus on career activities during unemployment. Eby and Buch (1995) found that career growth at reemployment was generally possible, yet their study relied on retrospective accounts and did not analyze the actual activities conducted during unemployment. Finally, we included turnover intentions at the new job representing another commonly used indicator of reemployment quality (Wanberg et al., 2002). A summary of the proposed relationships under investigation can be found in Fig. 1.

1.3.1. Job search and reemployment status

The above hypotheses assume that individuals have found a new job in the first place. The best predictor of reemployment within an acceptable amount of time beside labor market demand and human capital factors is the degree to which individuals search for a job (Kanfer, Wanberg, & Kantrowitz, 2001). Job search, defined as purposeful actions

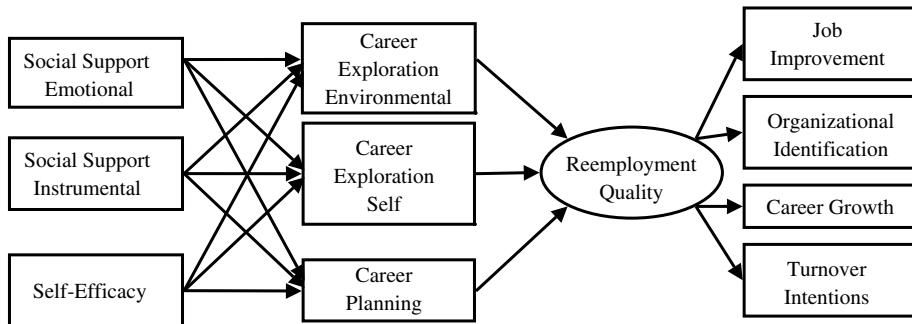


Fig. 1. Proposed model: relationships between antecedents, career activities, and indicators of reemployment quality.

and effort exertion towards finding a new job (Schwab, Rynes, & Aldag, 1987), is differentiated into general job search (e.g., sending out resumes, looking at job advertisements) and networking job search (e.g., talking to friends and relatives about possible job leads; Wanberg, Kanfer, & Banas, 2000). Yet, past research found no support for the notion that job search would foster the quality of the reemployment obtained (Vinokur & Schul, 2002).

2. Method

2.1. Procedure

Two questionnaires were sent to unemployed individuals six months apart. Questionnaire 1 addressed individuals' career activities and job search, the predictors of these activities, demographic and some control variables. Questionnaire 2 addressed individuals' success at finding reemployment, and, whenever applicable, the relative quality of that reemployment.

2.1.1. Time 1

Participants of this study were unemployed individuals who as part of their severance package attended one of four outplacement firms. Each outplacement firm formally introduced the research to their clients in a letter which explained why the outplacement firm had agreed to participate in the study, the benefits of the study, and reasons why client participation was encouraged. However, the letter also stressed that participation was completely voluntary.

The procedure followed Dillman's (2000) recommendations for enhancing participation, including pre-announcements and reminder notifications to participants. At Time 1, 312 out of the 853 questionnaires were returned. Of these, 8 questionnaires were incomplete and excluded from further analyses, yielding 304 responses and a 35% response rate for Time 1.

2.1.2. Time 2

Six months after Time 1, a follow-up questionnaire was sent to 289 of the 304 participants (15 individuals have indicated that they preferred not to be contacted the second

time) in order to examine reemployment status and, if applicable, reemployment quality. Six months appeared sufficient time to allow respondents to find reemployment (Waters & Moore, 2002; Wanberg et al., 2002). Of the original 289, 11 questionnaires were returned due to address change. Of the remaining 278 questionnaires, 215 (76%) questionnaires were returned completed.

2.2. Participants

2.2.1. Participants Time 1

Of the 304 participants at Time 1, 61% were men and 80% were married. The average age was 44.89 years ($SD = 8.36$). Participants had a bachelors' degree or higher (67%), a college degree or some university education (22%), or a high school degree or some technical training (10%). Individuals' average annual income in their last position had been \$95,700 Canadian with 30% earning less than \$75,000, 30% earning more than \$120,000.

Individuals' job loss had been involuntary (78%) or the result of a joint decision between the individuals and their employers (22%), usually as a result of downsizing or restructuring. As no differences emerged between these two groups or between the four outplacement centers on any of the studied variables, analyses included all 304 individuals. Of these, 93% had been unemployed for at least a month, the minimum time usually needed to recover from the initial shock of job loss and to answer a questionnaire (Waters & Moore, 2002). Participants' occupations included executive (30%), managerial (22%), professional (21%), technical (12%), and administrative positions (11%). The majority of individuals (72%) were born in Canada, and 80% spoke English as their primary language.

2.2.2. Participants Time 2

Of the 215 respondents at Time 2, 136 (63%) were reemployed and provided the requested reemployment quality information. Seventy-nine respondents (37%) were still unemployed and answered questions about their current situation. Again, no differences emerged between the four outplacement centers on any of the variables. To determine whether participants' attrition resulted in a sample at Time 2 that differed significantly from the Time 1 respondents, Time 2 respondents ($n = 215$) were compared to the individuals who did not respond at Time 2 ($n = 63$) on gender, education, age, and length of unemployment assessed at Time 1, with no significant differences emerging between the two groups.

2.3. Measures at Time 1

2.3.1. Career exploration

Stumpf et al.'s (1983) scale assesses self (4 items; e.g., "have been retrospective in thinking about my career") and environmental (6 items; e.g., "sought more information on specific career options of interest to me") career exploration, answered on a 5-point Likert-type scale ranging from 1 (*a little*) to 5 (*a great deal*). As the current study appears to be the first to examine career exploration in the context of the unemployed, several items were adapted to the fact that respondents had already chosen their specific career field and may now be looking at alternative options (e.g., "investigated career possibilities" became "investigated alternative career possibilities"). Werbel (2000) reported internal consistencies of $\alpha = .88$ for environmental and $\alpha = .85$ self exploration. There is validity

evidence in that anxiety correlated negatively, and that openness and conscientiousness correlated positively with exploration (Reed, Bruch, & Haase, 2004).

2.3.2. Career planning

A 5-item scale adapted from Greenhaus's *career planning and thinking* dimension examined whether individuals set goals for their careers and whether they were genuinely concerned with their future career development. Yet, the existing *planning and thinking* items did not fully reflect our definition of career planning as an aspect of career adaptability, focusing on future career development and setting career goals. Consistent with our construct definition and relevant literature, we deleted items focusing on students and adapted the remaining items to appropriately represent the construct of career planning among the current sample of unemployed adults. Sample items were: "I do not think much about the way my career might unfold ten years from now." (reverse coded), "I value being involved in a career and expect to devote the time and effort needed to develop it."

2.3.3. Job search

General and networking job search were examined by a 12-item job search intensity measure derived from Blau (1994; see also Saks and Ashforth, 2002; Wanberg et al., 2002). Participants were asked how frequently (from 1 = *never* [0 times] to 5 = *very often* [at least 10 times]) they had engaged in a variety of job search behaviors since leaving their last job. Wanberg et al. (2000) added one extra item ("used the Worldwide Web or other computer services to locate job openings") in order to encapsulate the computer-based job search activities that have become more common since Blau's scale was created. In addition, one of Blau's items was deleted because it addressed employed job seekers ("used current within-company resources to generate potential job leads"). Similar to Wanberg et al. (2000), the study distinguished between *general job search* activities—activities that typically do not require much interaction with others (e.g., "filled out job applications", "sent out copies of my résumé"; 7 items) and *networking job search*—behaviors that require interpersonal contact (e.g., "talked to friends or relatives to get their ideas about possible job leads"; 5 items). Saks and Ashforth (2002) reported internal consistencies of $\alpha = .75$ and $\alpha = .72$. Vinokur and Schul (2002) reported correlations with financial concern, job search self-efficacy and motivation among a sample of unemployed.

2.3.4. General self-efficacy

Chen, Gully, and Eden's (2001, 2004) 8-item scale examines a relatively stable, trait-like, generalized competence belief. Sample items are "I believe I can succeed at most any endeavor to which I set my mind" and "I am confident that I could deal efficiently with unexpected events" rated on a 5-point Likert-type scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Chen et al. (2001) reported an internal consistency of $\alpha = .85$ and that the scale correlated with motivation and performance in variety of work contexts.

2.3.5. Social support (emotional and instrumental)

A 3-item scale by House (1981) served to assess the emotional social support received at the time of job loss. House (1981) reported $\alpha = .83$ and validity information that the scale correlated with life satisfaction. Because House (1981) did not examine instrumental support from outplacement consultants' in particular, existing instrumental support items from House (1981) were used with a difference that the word outplacement consultant

was inserted as the subject of the action (e.g., *my consultant gives advice/helps me obtain valuable information, directs me to important sources of information*). Examples of items are “*In relation to my current situation, my partner is willing to listen to my problems*” (emotional); “*my consultant is helpful in getting me through this transition*” (instrumental). Items were answered from 0 (*not at all*) to 3 (*very much*).

2.3.6. Control variables

For comparison with earlier studies (e.g., Leana & Feldman, 1992), we included measures of gender, age, education, the duration of unemployment and of attending the outplacement, as well as perceived labor market demand (Wanberg et al., 2002; $\alpha = .74$) and financial concern (Kinicki et al., 2000; $\alpha = .79$) at Time 1.

2.4. Measures at Time 2

2.4.1. Reemployment status

Individuals indicated whether they were still unemployed (1), had found part-time employment (2), alternative forms of employment (e.g., self-employment) (3), or full-time employment (4).

2.4.2. Job improvement

Individuals compared their new with their last job on several fairly objective dimensions, such as the type of work, working conditions, and wages, on Burke's (1986) 11-item scale, rated on a 5-point Likert scale ranging from 1 (*definitely worse than my last job*) to 5 (*definitely better than my last job*). Wanberg et al. (1999) reported an internal consistency of $\alpha = .80$ and that the scale correlated positively with satisfaction and negatively with turnover intentions at the new job. One item addressing union representation was eliminated, as it did not suit the current sample. Three additional items addressed the perceived improvement of the new job overall, the organization and the co-workers, given that these important aspects of job improvement were not assessed by the original scale, even though they are often mentioned by individuals changing jobs (Saks & Ashforth, 2002).

2.4.3. Organizational identification

Mael's (1988; Mael and Ashforth 1992) six-item scale, answered on a Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*), included items such as “*When someone praises this organization, it feels like a personal compliment*”, and “*This organization's successes are my successes*”. Mael and Ashforth (1992) reported an internal consistency of $\alpha = .87$ and the validity evidence that organizational identification correlated positively with organizational prestige and tenure.

2.4.4. Career growth

Career growth, an expected utility of the present job for attaining of valued career outcomes, was examined by the two items scale from Bedeian et al. (1991), “*I feel that my present job will lead to future attainment of my career goals*” and “*My present job is relevant to the growth and development in my career*”, answered on a Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Bedeian et al. (1991) reported an internal consistency of $\alpha = .77$ and the validity evidence that career growth negatively correlated with turnover intentions.

2.4.5. Turnover intentions

Turnover intentions were measured by Colarelli's (1984) 3-item scale ($\alpha = .80$), also used by Wanberg et al. (1999) and Saks and Ashforth (2002). Sample items are: "I frequently think of quitting my job"; and "I am planning to search for a new job during the next twelve months", answered on a scale from 1 (*strongly disagree*) to 5 (*strongly agree*).

3. Results

After conducting pre-analyses and correlational analyses, a two-steps procedure (Anderson & Gerbing, 1988) involving confirmatory factor analyses (CFA) and structural equation modeling (SEM) via AMOS 5 (Arbuckle, 2003) served to examine the distinctiveness of the studied variables and most importantly to test the relationships presented in Fig. 1.

3.1. Pre-analyses

Table 1 presents the means, standard deviations, internal consistencies, and correlations between variables. A pre-requirement for reemployment quality is that respondents have found a job at all. A multiple regression showed that reemployment status at Time 2 was not affected by participants' career activities during unemployment ($\Delta R^2 = .00$, $p = .97$), but instead was rather a function of their networking job search ($\beta = .20$, $p = .03$), education ($\beta = .22$, $p < .01$) and financial concern ($\beta = .19$, $p = .01$; total $R^2_{\text{adjusted}} = .12$, $p < .01$) at Time 1.

3.2. Correlations

Correlations support the positive relationships between self-efficacy and both career planning ($r = .35$, $p < .01$) and environmental career exploration ($r = .19$, $p < .01$), as well as between instrumental support and both environmental ($r = .19$, $p < .01$) and self exploration ($r = .14$, $p < .05$). Correlations do not, however, show a link between emotional support and the career activities at Time 1 ($r = .04$ – $.10$, n.s.). Instead, emotional support was significantly related to some of the indicators of reemployment quality six months later ($r = .14$, n.s. to $r = .19$, $p < .05$). Additionally, as expected, career planning at Time 1 was related to the majority of reemployment quality indicators six months later ($r = .20$ – $.26$, $p < .05$). Results were less supportive for environmental career exploration ($r = -.08$ – $.16$, n.s.) and not supportive for self exploration ($r = -.03$ – $.10$, n.s.). Interestingly, correlations also suggest that general job search was negatively related to reemployment quality six months later ($r = -.16$, n.s. to $r = -.23$, $p < .01$), an observation that we will return to in the structural equation modeling.

3.3. Confirmatory factor analysis

While the CFA confirmed that the four measures of job improvement, organizational identification, career growth, and turnover intentions serve as indicators of a common latent variable subsequently labeled reemployment quality (all factor-loadings exceeding .70), career planning, self and environmental exploration represented three distinct constructs, a factor-structure separating these three variables yielding a significant better mod-

| | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|------|------|--------|-------|-------|-------|-------|-------|-------|-------|------|-------|--------|------------------------------|----------------------------|------|------|--------|--------|--------------|
| 12. Job search networking | 3.25 | 1.02 | -.13* | -.12* | .18** | .16** | .25** | -.10 | -.04 | .22** | .11 | .14* | .50** | (.82) | | | | | | |
| 13. Career exploration environmental | 2.75 | .98 | -.05 | -.01 | .14* | .12* | .24** | -.03 | .03 | .19** | .04 | .19** | .25** | .49** (.88) | | | | | | |
| 14. Career exploration self | 3.35 | .97 | .00 | .10 | .02 | .07 | .15* | -.05 | .01 | .05 | .07 | .14* | .02 | .10 .28** (.84) | | | | | | |
| 15. Career planning | 3.66 | .64 | -.17** | .00 | .16** | .04 | .13* | .05 | .01 | .35** | -.10 | .00 | .24** | .37** .26** .21** (.72) | | | | | | |
| <i>Reemployment outcomes</i> | | | | | | | | | | | | | | | | | | | | |
| 16. Reemployment status | 2.65 | 1.33 | -.20** | -.02 | .25** | -.01 | .06 | .02 | .17* | .11 | .06 | -.04 | .20** | .26** .17** .02 .13 | | | | | | |
| 17. Job improvement | 3.33 | .65 | -.16 | -.05 | .13 | -.15 | -.13 | .22** | -.07 | .26** | .18* | .17* | -.23** | -.07 .16 .03 .25** .03 (.75) | | | | | | |
| 18. Organization identification | 3.57 | .85 | .04 | -.20* | .04 | -.04 | -.06 | .03 | -.08 | .25** | .14 | -.01 | -.19* | -.05 .12 | -.03 .20* -.14 .53** (.91) | | | | | |
| 19. Career growth | 3.65 | .80 | -.09 | -.10 | .25** | .02 | .07 | .14 | -.19* | .29** | .19* | .19* | -.16 | .06 .13 .09 .26** | -.02 .73** .63** (.75) | | | | | |
| 20. Turnover intentions | 2.28 | .98 | .01 | .03 | -.05 | .02 | -.03 | .09 | .05 | -.17* | -.16 | -.05 | .23** | .09 | -.08 .10 | -.03 | -.12 | -.63** | -.49** | -.58** (.80) |

* $p < .05$.

** $p < .01$.

el-fit ($\Delta \chi^2(2) = 6.19, p < .05$) than a structure assuming the three measures to load onto a common factor ($\chi^2/df = 2.61, GFI = .95, IFI = .93, CFI = .92$).

3.4. Structural equation modeling

We evaluated our structural model via a model comparison procedure. Models included in this comparison were (a) a null model assuming no relationships between the variables included in the analysis, (b) the indirect model proposed in Fig. 1, (c) the same indirect model, including general job search as an additional predictor of reemployment quality. The inclusion of this predictor appeared reasonable given the significant correlation between general job search and most indicators of reemployment quality and our attempt to examine predictors of reemployment quality as fully as possible, (d) a direct model of the same variables, in which the three exogenous factors (self-efficacy, emotional, and instrumental social support) and the three career and one job search activities are allowed to have only direct effects on reemployment quality, (e) the full model, in which self-efficacy, instrumental, and emotional social support have both direct and indirect effects via the three career strategies on reemployment quality, and (f) the final model, which includes only the significant paths from the previous models and paths proposed by modification indices.

To test the fit of the structural models, we used the overall model chi-square measure χ^2 and the χ^2/df -ratio, the Tucker-Lewis Index (TLI), the goodness-of-fit index (GFI) and its version adjusted for model parsimony (AGFI), the comparative fit index (CFI), and the root mean square error of approximation (RMSEA). Models were compared using the χ^2 -difference test.

Table 2 summarizes the results of the SEM-analyses for the competing models. The proposed model (b) yielded a reasonable fit with GFI and CFI indicators exceeding .90. χ^2 , however, remained significant ($p < .01$) and the more conservative measures of AGFI and TLI did not reach the .90 threshold. Also the RMSEA of .08 with a 90% confidence-interval surpassing .10 indicates a mediocre fit. Most of all, the proposed model explained only 9% of the variance in reemployment quality.

The inclusion of job search into the model (c) yielded very similar and if anything, then a slightly better fit (e.g., χ^2/df , TLI, CFI, RMSEA). Most importantly, however, the variance explained in reemployment quality increased to 21%, with a significant path ($\gamma = -.33; p < .01$) reflecting the same negative impact of general job search activities at Time 1 on reemployment quality at Time 2 that had already emerged in the correlations.

Model (c) and model (d) are both nested in the full model (e), thus allowing a model comparison against this full model. As can be seen from Table 2, the improvement in fit provided by the addition of the direct paths from social support and self-efficacy to the proposed indirect effects (comparison of models (c) and (e)) is significant ($\Delta \chi^2(3) = 9.98, p < .05$), indicating the existence of direct in addition to the assumed indirect paths between predictors and reemployment quality. A closer observation of model (c) indicates that many but not all of the proposed paths were confirmed. Emotional social support, for example, was not significantly related to any of the career strategies ($\gamma = -.09-.07, n.s.$), but modification indices to model (c) suggested the existence of a direct path between emotional support and reemployment quality.

Similarly, the inclusion of indirect effects to the direct effects assumed in model (d) significantly improved the model-fit (comparison of models (d) and (e); $\Delta \chi^2(9) = 20.57,$

Table 2
 Goodness of fit indices and model comparisons for the structural equation models tested

| Model | χ^2 | df | p | χ^2/df | GFI | AGFI | TLI | CFI | RMSEA | RMSEA upper 90% | Model comparison | $\Delta\chi^2$ | df | p |
|--|----------|----|-----|-------------|-----|------|-----|-----|-------|-----------------|------------------|----------------|----|------|
| (a) Null model | 333.37 | 55 | .00 | 6.06 | .64 | .57 | | | .19 | .21 | | | | |
| (b) Proposed model | 40.73 | 23 | .01 | 1.77 | .94 | .87 | .87 | .93 | .08 | .11 | | | | |
| (c) Proposed model plus general job search | 47.76 | 31 | .03 | 1.54 | .94 | .87 | .89 | .94 | .06 | .10 | Model (c)–(e) | 9.98 | 3 | <.05 |
| (d) Direct model | 58.36 | 37 | .01 | 1.58 | .93 | .88 | .89 | .92 | .065 | .10 | Model (d)–(e) | 20.57 | 9 | <.05 |
| (e) Full model including general job search | 37.79 | 28 | .10 | 1.35 | .95 | .89 | .93 | .96 | .05 | .09 | | | | |
| (f) Final model including general job search | 46.45 | 36 | .11 | 1.29 | .94 | .90 | .94 | .96 | .05 | .08 | Model (f)–(e) | 8.66 | 8 | n.s. |

$p < .05$), indicating that both, indirect and direct effects may play a relevant role in the prediction of reemployment quality. Instrumental social support, for example, showed no direct effect on reemployment quality ($\gamma = .06$, n.s.), but modification indices to model (d) confirmed the proposed positive paths from instrumental support to both types of career exploration.

A final, revised model (f) was based on the results of the above models and the modification indices. This model, presented in Fig. 2, assumes a direct negative effect from general job search ($\gamma = -.32$, $p < .01$) and a direct positive effect of emotional social support ($\gamma = .18$, $p < .05$) on reemployment quality six months later. Furthermore, it confirms the positive impact proposed for career planning on reemployment quality ($\beta = .30$, $p < .01$), as well as the positive impact of environmental career exploration ($\beta = .19$, $p < .05$). Interestingly, the effect of self exploration on reemployment quality was, if anything, negative ($\beta = -.16$, $p = .06$). Self-efficacy became a significant predictor primarily of career planning ($\gamma = .21$, $p < .01$) and instrumental social support of environmental ($\gamma = .21$, $p < .01$) and self ($\gamma = .18$, $p < .05$) exploration activities, respectively.

Since the full model (e) showed no better fit than the more parsimonious final model (f) ($\Delta \chi^2(8) = 8.66$, n.s.), the latter is to be preferred. Additionally, the final (f) model generally yielded higher goodness of fit indices than the model (b) originally proposed, including AGFI and TLI-value meeting the .90 requirement, as well as a RMSEA of .05 with a 90% confidence interval spanning remaining well below .10. Additionally, the Chi-square of this model was not significant ($p > .10$). The variance explained in reemployment quality by this model was 24%, indicating that a limited number of resources and activities assessed during unemployment substantially predicted the perceived quality of reemployment six months later.

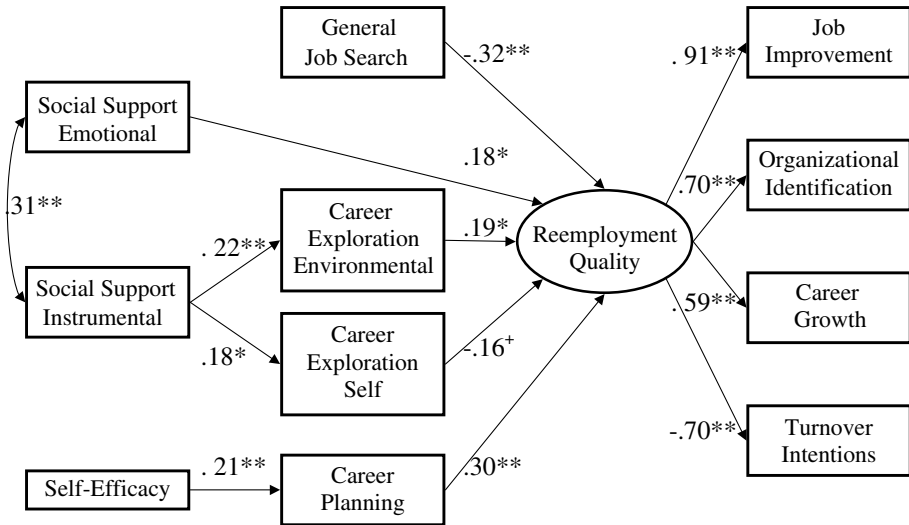


Fig. 2. Final model: relationships between antecedents, career activities, and indicators of reemployment quality. + $p < .10$; * $p < .05$; ** $p < .01$.

4. Discussion

Involuntary job loss is a highly stressful life event. While many studies have addressed the importance of finding reemployment, the same studies have not succeeded at predicting the quality of that reemployment—a vital outcome given the underemployment and high turnover among reemployed individuals. By drawing on career development concepts, the current study fills this void in the unemployment literature: in contrast to prior studies examining quality of reemployment (e.g., Wanberg et al., 1999: 0% for job improvement and job satisfaction, 4% for turnover intentions; Wanberg et al., 2002: 7% for job improvement, 3% for perceptions of fit), the predictors included in the current study accounted for over 20% of reemployment quality.

4.1. Outcomes of career activities

The more individuals planned for their careers during their unemployment and the more environmental career exploration they conducted, the higher did they rate the quality of new job six months later. These findings concur with findings by Saks and Ashforth (2002) for the school to work transition and theoretical considerations by Blustein (1997) and Hall (1986), and strengthen the perspective that career planning and environmental exploration play a key role in building successful careers—also in the face of involuntary career transitions.

Self exploration, in contrast, did not show the predicted positive effect on reemployment quality, but, if anything, a negative effect. A potential reason is that being mainly cognitive in nature, self exploration may have led some individuals to question their current career path and possibly contemplate a significant career change into an area they were less knowledgeable about—resulting in their new jobs not fully satisfying their aspirations. This prospect accords with findings by Ibarra (2003) that individuals contemplating a career change often first engage in ‘experimenting’ with various options until they find the desired job.

4.2. Predictors of career activities

Theoretical considerations and empirical findings from related literatures led us to propose external and internal resources to foster career adaptability activities. Results confirm that higher general self-efficacy may foster individuals’ inclination towards career planning and setting career goals. General self-efficacy was not related to exploration activities, however, which may be due to the more reflective and investigative nature of exploration activities, compared to the goal oriented and definitive actions of career planning.

Instrumental social support, an external resource provided at the outplacement center, was positively related to both types of career exploration. In comparison, emotional social support from partner and family had no such influence on career adaptability but a direct effect on reemployment quality. This has been found before by Wanberg et al. (1999) and may point to the positive spillover between emotional support at home and one’s perception of his or her work situation.

4.3. Practical implications

The current study bears a number of practical contributions to both the careers and the unemployment literature. First, many reemployed individuals, especially higher-level

professionals, experience underemployed in their new jobs (Feldman & Leana, 2000). Thus, the most marketable and best performing professionals are often those most likely to leave their new jobs and incur great costs to the new organization. The current study offers at least partial remedy to this problem. Results suggest that underemployment may be reduced if individuals focus on career planning and environmental career exploration during their unemployment.

Our findings also suggest refining outplacement programs towards a greater emphasis on career activities as well as provision of instrumental social support—by encouraging individuals to plan and explore through workshops and programs unemployed may become better at identifying suitable options and in better career self-management (King, 2004).

4.4. Limitations and directions for future research

As most research in this area, this study relies solely on self-report data. However, a six-month lag between the two assessments should reduce the effects of common method bias. In addition, reports on coping with job loss and perceived reemployment quality are probably best examined by the individuals themselves. Second, our sample may not generalize to the many laid-off individuals who do not enjoy any outplacement provision, and one may argue that our sample was relatively old, well educated, and financially secure. We checked for sample-specific threats to the generalizability of our results, but found none relating to the career activities. Conversely, the current sample represents a unique contribution of this study, as most unemployment literature has examined individuals without outplacement provision (i.e., those with governmental assistance). The current sample allowed us to learn about higher status professionals—an understudied group within the unemployment literature (Feldman & Leana, 2000). Third, although reemployment quality was measured, on average, 4 months after organizational entry, similarly to other studies, perceived reemployment quality and turnover intentions may change as individuals become more socialized into the new organization.

In addition, research investigating how career activities may change over time would be of particular value for understanding the dynamic aspect of these coping like behaviors (Wanberg, Glomb, Song, & Sorenson, 2005). Attempts to identify other relevant resources or individual differences in susceptibility to conduct exploration and planning would also be an important extension of this research. Future studies might also attempt to further delineate different types of exploration (e.g., exploring different types of organizations, industry versus self-employment options) and their unique influence on different reemployment outcomes. Further, exploration does not stop at the point of reemployment and there is a paucity of knowledge as to whether exploration differs during employment (Sugalski & Greenhaus, 1986). Particularly with regard to self exploration, future research may benefit from refining the definition and role of self exploration in coping with transitions. Similarly, career planning may be examined further in relation to specific career goals, possibly examining them as part of ‘coping goals’ (Prussia, Fugate, & Kinicki, 2001) and focusing on possible interventions for the unemployed.

5. Conclusion

Our study makes several salient contributions. It addresses the conditions under which job loss may turn into a blessing in disguise. In this way, this study extends previous the-

oretical considerations regarding positive effect of job loss by suggesting a specific set of activities that may lead to better jobs and career outcomes at reemployment. In this respect, the study leans towards the positive psychology movement, by focusing on people's strengths as opposed to the negative aspects of job loss. Namely, if one uses job loss as a time to examine other career options and engage in career planning, these activities may help in obtaining better reemployment quality. Thus, while previous research failed to explain much variance in the reemployment outcomes, our results suggest that better understanding of career activities during unemployment may be an important avenue for explaining reemployment quality.

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