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Abstract

Psychology traditionally understands unemployment as a condition of ‘deprivation’ where the unemployed lack the social and psychological benefits associated with employment such as monetary gains, but also a higher sense of purpose, a time routine, and a sense of personal and social identity among others. The assumption is that the unemployed require either psychological or skill training interventions to rectify this lack. These approaches focus on ‘improving’ the individual at the expense of leaving untouched the contextual aspects that are instrumental in producing negative self-evaluations, stigma and low mental health among the unemployed. If we are to confront the increasing inequalities existing in the current labour market and their consequences, organizational psychologists need to generate better understandings of the psycho-social consequences of unemployment and underemployment to be able to support and disrupt these negative experiences and generate better alternative pathways.

Key words: Unemployment, underemployment, deprivation, contextual inequality, alternative experiences, unemployment creativity.

Unemployment -the condition when a person who is actively looking for employment is unable to find work- has become a major social issue during the past 20 years. Globalization in particular has led to restructuring and downsizing in many industrialized societies and to a shift, for many workers, from the prospect of secure, long-term employment to unemployment or inadequate/insecure employment. There is growing evidence that the negative consequences of this shift are not merely economic, but also psychological. The recent COVID-19 pandemic has further exposed and exacerbated the existing inequities in the labour market. Millions of workers have ended up with precarious jobs that are uncertain in the continuity and amount of work, do not pay a living wage, do not give workers power to advocate for their needs, or do not provide access to basic benefits (Kalleberg, 2009). Power and privilege are major determinants of who is at risk for precarious work, with historically marginalized communities being disproportionately vulnerable to these job conditions (International Labour Organization, 2023). In turn, people unemployed or with precarious work experience increasingly chronic stress and uncertainty, putting them at risk for mental health, physical, and relational problems (Blustein, 2019). Organizational psychology research needs to generate better understandings of the psycho-social consequences of unemployment and underemployment to be able to support and disrupt these negative experiences and generate alternative pathways.

It was Durkheim (1897/1966) who conducted perhaps the earliest analyses on the health consequences of economic change. He thought that the economy influenced well-being through its impact on social cohesion. Rapid change per se, whether desirable or undesirable, could reduce social cohesion, which in turn could lead to increased anomie, alienation, distress, and ultimately suicide. While Durkheim's work marked the beginning of aggregate sociological analysis of unemployment, the psychological study of unemployment stems from the Great Depression and the publication of such works as *Marienthal* by Jahoda, Lazarsfeld, and Zeisel in 1933 (Jahoda et al.; 2017). The Great Depression literature consisted largely of qualitative case studies of communities

or families. This earlier literature remains a valuable source of insights and hypotheses. Based on a variety of qualitative and quantitative studies, this research provided detailed and sensitive insights into the meaning and experience of unemployment clearly demonstrating the unpleasant and psychologically destructive effects of being without a job.

Compared to the case studies of the 1930s, the more recent individual-level work typically relies on the statistical analysis of large samples testing various psychological and psychiatric effects amongst the unemployed. This recent research demonstrates in more extensive quantitative terms that independent of previous levels of mental health, losing a job typically results in reduced levels of psychological well-being compared to control groups who retain employment (Winefield, 2002). While the descriptive picture these models present is often complex and well documented, the explanations for the effects the models describe are often unclear and far from well elaborated. One of the reasons is that most research into the psychology of unemployment is individualistic in nature and considers the unemployed mainly as in need of treatment and rehabilitation.

Even classic studies on unemployment such as Marienthal (Jahoda et al; 2017) consider the unemployment experience as the response to a negative event or illness that needs to be overcome. Jahoda's stage model suggests there are four basic attitudes among the unemployed: resignation, unbroken, despair and apathetic, following psychological models developed in other research areas such as bereavement, retirement or career change. Similarly, the influential Vitamin Model by Warr (1987) draws on medical terminology to suggest that analogous to the effect of *vitamins* on physical health, various environmental factors are influential on mental health. Warr proposed nine determinants of mental health in all environments – e.g. availability of money, physical security, valued social position, opportunity for control, for skill use and for social contact, externally generated goals, variety and environmental clarity- and applied these to all working and organisational settings although he was particularly concerned with the significance of work in maintaining the individual's health and well-being. The problem with these studies is that they treat the unemployed as a homogeneous group and categorize any exception from the model as deviance, abnormality or dysfunctionality with cultural or structural differences categorized as personal inadequacies.

Thus, the prevailing understanding of unemployment in psychology is that of a condition of 'deprivation', indicating the unemployed lack of social and psychological benefits associated with employment. The assumption being that the unemployed require either psychological or skill training to rectify their lack of responsibility or self control focusing more on the individual and less on the structural reasons for their condition of unemployment. On the one hand, research shows how through employment, we obtain not only monetary gains, but also a higher sense of purpose, a time routine, social and institutional relationships, competencies, activities, and a sense of personal and social identity (Jahoda, 1982). Lack of employment, on the other hand, leads to higher levels of depression and anxiety, lower levels of self-esteem as well as stigma and other negative social and psychological consequences (Warr, 1987). The mental, physical and social health of the long-term unemployed is impaired even after they find a job (Bartley, 2018). Furthermore, increasing and prolonged joblessness affects not only individuals or economies but makes it difficult to sustain basic community and neighbourhood relationships and to achieve adequate levels of social organisation. Declining stable incomes can deprive neighbourhoods and communities of key structural and cultural resources, as well as neighbourhood services (Wilson, 1997), while the insecurity experienced by the 'laid off' forces them into unstable relationships with institutions, neighbours, and at home. However, most of these studies still see unemployment as a personal characteristic that renders the individual prone to 'illness' rather than a social process adding to risk factors in people's lives. These approaches leave untouched the conditions of unemployment and other contextual aspects that are instrumental in producing negative self-evaluations, stigma and low mental health. Not surprisingly, the lack of employment is perceived as deviance, an 'illness' that needs to be overcome personally, organizationally and institutionally.

The deprivation approaches explain not only the psychological, health and social consequences of unemployment for individuals and communities, but also permeate economic and

political thinking. The unemployed are portrayed as needing both institutional encouragement to look for work and incentives to transform from victims that suffer from “hopelessness, isolation and despondency” (Annetts et al.; 2009, p. 86) and rely on welfare to become ‘self-sufficient’ and ‘productive’ members of society (Immervoll & Scarpetta, 2012). Such measures are commonly referred to as ‘activation policies’, and have been implemented in many OECD (Organisation for Economic Co-operation and Development) countries. Activation policies look to restore a ‘proper balance between rights and duties’ (Raffass, 2017: 350) between the unemployed and the state. That is, the unemployed are expected to do everything they can to secure paid employment receiving financial sanctions if they do not comply. Common expectations include fulfilling job application quotas; participating in mandatory education and training and accepting any ‘suitable’ paid employment.

Recent critical unemployment research has started to document more clearly the many pressures exerted by society, the diverse institutions dealing with the unemployed, the difficulties of the condition of unemployment, and the resistance the unemployed develop to these pressures (Garcia-Lorenzo et al., 2022). The current pressures exerted on the unemployed transform unemployment into an individual problem and the unemployed into ‘job-seekers’ by forcing them to engage in particular practices through e.g. coercive financial sanctions (Whitworth & Carter, 2014) to ‘help’ them overcome their ‘shortcomings’. The unemployed are expected to discipline themselves accepting personal responsibility for their unemployment, work to enhance their ‘employability’, and ultimately accept any employment available. Unemployment becomes then more than just being out of work; it becomes an institutionalized ‘condition’, shaped by institutions and by social and psychological expectations of what it is to be unemployed (Boland & Griffin, 2015) that unemployed individuals have to overcome. However, as most current research still focuses on the ‘deprivation’ that unemployment creates and define the unemployed in terms of what they are not, we need further research that focuses on understanding how the unemployed creatively navigate and might disrupt this negative experience to generate alternative pathways.

Organizational psychology has been all too easily incorporated into systems that oppress, from characterizing mental health and social problems as individual responsibilities, to investigating how to maximise individuals’ and groups’ capacity to produce profit. We need to keep asking the existential question posed by Graeber (2013), paraphrasing Marx: “assuming that we do collectively make our world, that we collectively remake it daily, then why is it that we somehow end up creating a world that few of us particularly like, most find unjust, and over which no one feels they have any ultimate control?” (p. 222). This entry does not answer this question but I hope it contributes to the search.

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