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## **Organisational change and job separation in France : endure or escape ?**

Coralie PEREZ

**2011.73**



## **Organisational change and job separation in France: endure or escape?<sup>1</sup>**

Coralie PEREZ\* (Centre d'Économie de la Sorbonne)

**Abstract:** The aim of this paper is twofold: to highlight the relationship between the types of change affecting organisations and modes of job separation (economic redundancy, dismissal on personal grounds or resignation), and to cast light on the process that leads to job separation. It relies upon both quantitative and qualitative data. The quantitative data come from a French matched employer-employee survey, the 2006 'Organisational Change and Computerisation' survey. The qualitative part draws on interviews with individuals who had left their firm. Our results show that job termination is most highly correlated with what the survey defines as 'organisational change', alongside 'financial restructuring'. But they also show that it is quite impossible to disentangle, in such contexts, whether the termination is voluntary (resignation) or involuntary (dismissal). Termination appears in all cases as a way to 'exit', i.e. to escape the degradation of working conditions and the loss of valuable job features.

**Keywords:** Dismissal, job separation, organisational change, working conditions.

### ***Changements organisationnels et ruptures de contrat de travail en France : subir ou fuir ?***

**Résumé :** Identifier les liens entre types de changements (organisationnels, technologiques) affectant les entreprises et modalités de rupture du contrat de travail (démission, licenciement pour motif économique, licenciement pour motif personnel) constitue un premier objectif de ce papier. Le second est d'éclairer le processus qui conduit de la mise en œuvre du changement à la rupture afin de repérer ce qui conduit à la décision de séparation et au « choix » de la modalité de rupture. L'hypothèse est que les changements, organisationnels davantage que technologiques, conduisent à des ruptures dont le caractère volontaire (démission) ou subi (licenciement) est désormais moins clivant. D'un point de vue empirique, le papier croise une approche quantitative (l'exploitation de l'enquête Changements organisationnels et Informatisation de 2006 – COI) et une approche qualitative (l'analyse de 30 entretiens conduits avec des salariés ayant connu une rupture de contrat de travail). Les résultats empiriques montrent que si des liens significatifs subsistent entre types de changement et modalités de rupture, les processus qui conduisent à la séparation sont toujours guidés par la nécessité de fuir des conditions de travail dégradées et une perte du sens du travail.

**Mots-clés :** Changements organisationnels, démission, licenciement, conditions de travail.

**JEL :** J28, J63, M50.

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## Introduction

Firms go through numerous changes which may affect their boundaries, as is the case with buyouts, mergers, relocations and outsourcing, or their internal organisation (delaying, the introduction of integrated management software tools etc). A number of economic studies have shown the impact of technological and organisational change on labour flows (Bauer and Bender, 2002; Askenazy and Moreno-Galbis, 2004; Piva *et al.*, 2005; Walkowiak, 2006). These studies tend to consider change from the perspective of the firm; they look into the labour flows and the rational decisions underpinning them, including decisions concerning separations from the relatively less productive employees. Other studies of a more sociological tenor are concerned with changes from the point of view of workers and examine their impacts on working conditions (Ferrie *et al.* J., 1998; Burchell *et al.*, 2002; Bryson *et al.*, 2009), or aim at describing the experience of work in different systems of work organisation, such as ‘high performance work systems’ (Vidal, 2007; Harley *et al.*, 2010). But the relationship between the nature of these changes and the form taken by the termination of employment contracts has been little explored, so far, in either of these two perspectives. Whilst such correlation may seem obvious in the case of restructuring leading to economic redundancies, the question arises as to the link between change and dismissals on personal grounds or resignations. On the one hand, firms may try to avoid collective redundancies as these are legally framed and binding in France. Thus dismissals on personal grounds may be used by companies aiming at circumventing the law on economic redundancy and at resorting to a less costly and less visible way of separation (Palpacuer *et al.*, 2007). On the other hand, changes may lead to such deterioration of working conditions that workers may have no other option than to try and escape from them, without waiting for redundancies. It may thus be surmised that, in the context of change, the border between, on the one hand, economic redundancy and dismissal (i.e. involuntary modes of separation) and resignations (which are supposed to be “voluntary”) on the other hand is blurred and eroded in practice. Recent statistics on the relative share of economic redundancies in the total of job separations in France would seem to fuel such hypothesis: in 2009, economic redundancies<sup>2</sup> constituted 15%

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<sup>2</sup> In France, there are three kinds of termination of the employment contract:

1/ ‘economic redundancy’ takes place for reasons which are independent from the employee, such as the removal or transformation of a job, or the rejection of a modification of the employment contract (e.g. following economic difficulties or technological change) by the employee. When more than 10 people of the same company are affected by economic redundancy, the employer is compelled to set up and implement an employment protection plan; 2/ dismissal on personal grounds takes place for reasons concerning the individual employee such as misconduct, repeatedly missing work or missing work for long periods of time (i.e. a kind of

of the motives for registration with *Pôle Emploi* (the French Jobcentre organisation), nearly as high a share as resignations (16.9%), whereas ‘other dismissals’ made up nearly half of registrations (45.1%) (Arnold and Picard, 2010).

The first objective of this contribution is to characterise types of change and highlight their relationship with modes of job separation (economic redundancy, dismissal and resignation). The second objective is to provide an interpretation of the link between types of change and modes of separation by casting light on the process that leads to the termination of employment in a context of organisational or technological change. This process is approached through the ‘experience’ of workers themselves, the meaning that the changes have for them and the consequences (especially on employment insecurity) which they attribute to these changes.

The methodology consists in a double survey mechanism, with both a quantitative and a qualitative strands: it relies on the 2006 ‘Organisational Change and Computerisation’ matched employer-employee survey (known as the COI survey in French); as well as on face to face interviews carried out with a sample of 33 workers in 2009, nearly three years after the termination of their employment contract<sup>3</sup>.

The paper is structured as follows. The first section sets out the links established in the economic and sociological literature between the technological and organisational changes affecting firms and labour flows, focusing on processes of exit from employment. The second section addresses the data and methodology used for measuring changes and their correlation with different types of job separations. The results of the model estimates are presented in the third section. We confront them with the results of the analysis of our interviews in the fourth section. We conclude by a discussion of our results.

## Theoretical and empirical literature

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‘forced voluntary’ separation). If dismissal occurs on grounds of misconduct, the employer may be exempted from some of the dismissal related payments.

3/ resignation: here, the motive for terminating the employment contract originates in the employee (i.e. a voluntary quit).

In 2008, a new mode of employment contract termination was introduced by law in the French Labour Code: ‘separation by convention’, whereby ‘the employer and the employee may jointly agree the conditions of termination of the employment contract which binds them together’. It is an alternative to both dismissal and resignation, which opens up the employee’s right to unemployment benefits and to a payment by the employer at least equivalent to a redundancy payment. Meanwhile, this mode of separation did not exist at the time of the fieldwork on which this paper is based.

<sup>3</sup> This ‘post COI survey’ was carried out in response to a 2006 tender of the DARES (i.e. the department of the Ministry for Employment in charge of studies) (see Berton and Perez, 2009).

### *Change and labour flows*

Technological and organisational changes have consequences on labour flows. But, as stated by several authors, organisational innovations bring about a greater renewal of the workforce than technological innovations, as the latter rather tend to be carried out in a context of stabilisation of employment (Bauer and Bender, 2002; Coutrot, 2004; Walkowiak, 2006). Faced with technological innovations, firms adjust the headcount through temporary contracts for the workforce at the periphery, as the resignation and dismissal rates of the permanent workforce are low. Such stability is seen as necessary for the satisfactory appropriation of these new technologies. Conversely organisational innovations more frequently lead to exit flows (i.e. economic redundancies but also other kinds of dismissals) as a result of downsizing and the redefinition of organisational boundaries. Who are the workers most affected by these changes? From an economist's perspective, labour tends to be reallocated according to the impact of change on the relative productivity of factors. The greater complexity and autonomy of work, which such changes induce, calls for a more qualified labour force, equipped with more general skills. Broadly, it seems that organisational change is skill-biased because it induces higher job destruction and separation rates for unskilled and medium-skilled workers than for their skilled counterparts (Askenazy and Moreno-Galbis, 2004; Walkowiak, 2006).

However, separations do not seem to target employees with a lower productivity. It can be argued that separations can be used as a way of facilitating the implementation of change, when such organisational changes leads to the imposition of a new management style, a new workforce management policy, or a new work organisation, which put the values and the organisational culture of the workers on the internal labour market at stake (Smeets *et al.*, 2008). Separations (whether they are effected through redundancy, dismissal or incited resignation) can then be used to *facilitate* change by ousting those employees deemed more reluctant or little adaptable to the new conditions. The call for 'voluntary' redundancies can be seen as stemming from the will to 'entrench' the new work practices. This hypothesis has been confirmed by studies led on collective and individual redundancies in the 80s and 90s in the United Kingdom (Hudson, 2002); in France, it has been illustrated with the example of the 'mobility policy' set up for the restructuring of France Telecom.

On this basis, we can start relating the likelihood of job separation to the type of change: organisational change and restructuring act as favourable factors for job separations whereas technological change is much more unlikely to increase external labour flows (job creations as

well as destructions) even if it may lead to further internal flexibility (Capelli & Neumark, 2004). But linking modes of separation (either voluntary or involuntary) and types of change remains more uncertain. In view of the fact that change produces new circumstances that may generate instability in the attachment to firms (i.e. external churning), consequences in terms of modes of separation are not straightforward and a similar remark obtains with regard to the impact of changed working conditions.

### ***Change and unsustainable work***

Technological and organisational innovation modifies working conditions and may lead to levels of work intensification which are hardly sustainable and foster job insecurity. Furthermore, the implementation of change may take place under adverse conditions (including tensions with colleagues and line management, contradictory injunctions etc.), which have a damaging effect on working conditions and increase the risk of job loss. In the literature as well as in fact, the effect of change on working conditions is seldom distinguished from the effect of the conditions under which change is introduced; but such effects have been empirically warranted.

The introduction of innovative organisational practices, restructuring, merger and acquisition processes as well as reorganisations all constitute factors of work intensification (Askenazy, 2005). Confronted with increasingly complex organisations as well as with changing and blurred priorities, workers cannot develop the learning required to adapt. Due to the work intensification they face, their workload can become (at least temporarily) unsustainable. This means that work intensification might cause withdrawal or exit from employment, depending on the employee's capacity to 'adapt' to these new working conditions.

This is what Amossé and Gollac (2008) have highlighted in their study of the long-term sustainability of intensive work. They establish a positive relationship between work intensity (measured through constraints in terms of work rhythm) and mobility (understood as job change, including outside the firm). Mobility leading to exit from employment (and into either unemployment or inactivity) is more likely *ceteris paribus* in the case of cumulative constraints in terms of work rhythm. More generally, work intensity increases, *ceteris paribus*, all forms of mobility, but the effect of work intensity on trajectories varies widely according to the employee's resources and the context in which s/he operates. Indeed, since Karasek's study, we know that work intensity is easier to cope with where one feels that one can maintain a certain level of autonomy in one's work and where one is able to count on

support from colleagues and /or relatives. The collective dimension of change is thus not to be neglected. In addition, the capacity of the ‘work community’ to resist, maintain cohesion amongst employees and even demand (and/or organise) the setting up of change-related support mechanisms, is decisive. The consequences of change on employment thus depend on power relations within the firm, i.e. in particular on the bargaining power of employees (Bryson *et al.* 2009).

Change also affects the well-being of workers who are not directly exposed to or threatened by it: change is likely to lead to an increase in the fear of losing one’s job across the workforce as a whole. This perception of risk acts as a stress factor and it brings about lower motivation and involvement, as a number of economic, sociological and management studies on downsizing and redundancy ‘survivors’ have shown. Attachment to the organisation or, conversely, the propensity to leave it, is thus related to the feeling of fairness or injustice aroused by the downsizing operation. Feelings arising from the breach of the implicit employer/employee contract, which trades off continued employee effort and loyalty for the maintenance of employment, also come into play (Burchell, 2002 ; Maertz *et al.*, 2010 ). In other words, even when employment ‘stability’ is not directly under threat from the introduction of change, the ‘insecurity’ created may lead some employees to look for another job and resign.

Overall, change – meaning organisational rather than technological change – gives rise to job separations for the workers directly affected but also more widely for all workers of the organisation whose working conditions are directly or indirectly affected. As for the modes of separation (redundancy, dismissal or resignation), it may be assumed that they are related with the employee’s way of handling the situation arising from this new configuration, either by enduring or by escaping it.

## **Data and Methods**

### ***A double survey mechanism, both quantitative and qualitative***

On one hand, the COI 2006 matched employer-employee survey makes it possible to assess the spread of change in organisations and to grasp some of its consequences. The ‘business’ strand addresses a sample of 14,000 firms (+10 employees, in the market sector, except for agriculture). Data collection with the employees of these firms provides additional information on the organisational characteristics of the jobs and on the use of ICTs as well as on employees’ integration in the work collective, participation in training etc. The ‘employee’



strand was carried out through the random sampling of 2 or 3 employees per firm with +20 employees and taking part in the ‘business’ strand (i.e. a total of 14,369 employees). The data file on ‘employees who have left the firm’ comprises those employees of the COI firms who have left the firm in which they had been sampled, i.e. a total of 1,394 employees, 800 of whom underwent the termination of their employment contract<sup>4</sup>.

On the other hand, semi-directive interviews were carried out with a sample of 33 out of the 800 employees who experienced job separation in 2006 in the context of a study funded by the Employment Ministry. We interviewed them again face to face in 2009, i.e. two years after this event, about the circumstances in which they left the firm, the employment and working conditions in the firm they left, their career path before they had joined and since they left the firm. These interviews were recorded and transcribed. The analysis has allowed us to cast further light on the separation processes from the perspective of the experience of these changes by individuals.

Thus the quantitative data make it possible to describe and systematically compare the situations faced by employees in change contexts, whereas qualitative information provides a better understanding of the way in which job separations occurred, in what context and following what process(es).

### ***How is change measured?***

In the COI survey, change is identified through a closed questionnaire addressed to the managing directors of the organisations (‘employer’ strand) concerning the introduction of new management tools, technological tools as well as new organisational principles (Greenan and Mairesse, 2006). The links between these dimensions and the increased probability of job separation are established through the matched ‘employee’ files of the COI survey. Thus for each employee we have information about the changes that occurred in the firm in which s/he worked (or which s/he had left) at the time of the survey. We have opted for pooling together change in three domains: ‘tools’; ‘structures’; and ‘financial boundaries’ (Kocoglu and Moatty, 2010).

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<sup>4</sup> Amongst these, 454 resigned and 346 were dismissed or made redundant. Employees note the mode in which they have left the company in the questionnaire addressed to them, as well as the reason why (open question). The designation of the separation, in particular as ‘economic redundancy’ or as ‘dismissal on personal grounds’, takes place as a result of coding the indications provided by employees (cf. Berton and Perez, op.cit.).

The first domain of change concerns the adoption between 2003 and 2006 of at least one ICT tool or management tool (among eleven<sup>5</sup>): 47% of all workers of our sample were affected by such changes (see table). Preliminary analyses led to isolate the influence of certain tools, such as integrated management software programmes (either ERP or own-account software) amongst the ICTs; and lean production and just-in-time (JIT) amongst the management tools. The second domain of change concerns the evolution of the organisational structure (39% of all workers). This indicator subsumes three instances of change: the outsourcing of support functions; the evolution of the number of hierarchical layers; and the evolution of the distribution of tasks between management, operators, specialists and clients. The third and last domain of change concerns the financial boundaries of the firm, and consists mainly of financial restructuring (merger, acquisition, sale or buy-out): 34% of the workers of our sample worked in a firm affected by this type of change between 2003 and 2006.

Whilst firms may cumulate changes (and indeed this is the case of 38% firms), the only really significant correlation is that between financial restructuring and the reshuffling of organisational charts. As the effects of the latter are broadly included amongst those also found for the ‘financial boundaries’ factor, we removed the reshuffling of organisational charts from our analyses. In addition, the COI survey makes it possible to identify the contextual factors which are likely to have affected the activity of the firm between 2003 and 2006: the evolution of norms and regulation, of technology and available processes, of exchange rates and the cost of raw materials, the emergence of new competitors and market uncertainty. Furthermore each respondent of the ‘business’ strand was asked to characterise the evolution of the main market in which the firm is located over the three preceding years.

[TABLE I here]

### ***Main results***

Our results confirm, first, that a context of change increases job insecurity. In 2006, 20% of the employees of the COI survey who were still in employment feared losing their job in the course of the following year. The probability that workers fear losing their jobs is significantly higher in firms which have undergone financial restructuring or a change in their

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<sup>5</sup> ICT tools include: intranet, extranet, EDI, central database, archiving or data search tools, data analysis tools, ERP, tailored software programmes and database interfacing tools. Management tools include: processes for obtaining quality certificates for goods and services (G&S); contractual commitment to deliver G&S to tight deadlines; contractual commitment to address a claim or provide after-sale services within tight deadlines; quality or environment certification or accreditation (ISO 9000, ISO 14000, AB etc.); formalised problem solving methods; autonomous teamwork; just-in-time; and traceability tools (Kocoglu and Moatty, op. cit.).

organisational structure since 2003, all other things being equal (cf. table; *Model 1*). The uncertainty of the environment in which the firm operates and a declining market also spur anxiety amongst employees. Conversely employees feel less threatened by the introduction of a technological innovation (which is consistent with the literature).

Secondly, our estimates also confirm that the probability of separation through economic redundancy (rather than staying with the firm) is significantly higher in case of financial restructuring, substantial reorganisation (i.e. introduction of lean manufacturing), decreased activity or where new competitors emerge (cf. table, *Model 2*). Conversely, the introduction of an ICT tool significantly decreases this probability (even though French law considers technological change as an acceptable motive for economic redundancy). There are various reasons for this: first, firms most often introduce new technologies in an incremental fashion, which favours progressive learning and use of the tools. Furthermore the assimilation of such innovations by employees is facilitated in a context of stability of the work and employment environment. Finally technological innovation probably gives a signal that the business group is investing in equipment and in the future of the firm. In France, the selection by the firm of the individuals from which it seeks to separate itself in case of collective economic redundancy must abide by certain criteria; in particular, account must be taken of care responsibilities and of seniority. By contrast, and this goes against the thesis of skill-biased innovation, a low level of qualification (assessed through the level of the degree obtained by the worker) does not significantly influence the probability of redundancy, all other things being equal.

Thirdly, there does not appear to be any positive or significant correlation between change and the probability of resignation (rather than staying with the firm). On the other hand, working in an organisationally and technologically innovative firm seems to provide motives for staying on, all other things being equal. But the probability of resignation is correlated with the socio-demographic characteristics of the worker more than with change: it usually concerns young workers (less than 10 years of seniority) and rises with the level of the degree obtained (which reflects the resources that the employee can mobilise to find a new job), whereas it decreases for women with a child. The evolution of the market of the firm does not have a significant influence on the probability of resignation. Resignations are probably more correlated to the economic situation than to the vicissitudes faced by a firm at a given point in time.

Finally, the factors underpinning personal dismissals seem to differ from both those leading to economic redundancies or those bringing about resignations. Thus the risk of personal dismissal significantly rose *ceteris paribus* in firms in which a lean production-JIT process had started in the past three years. Indeed, these organisational practices are particularly 'harsh' for employees and are associated with increased expectations towards them. The introduction of this new organisational practice may give rise to conflicts and induce job separation on the grounds of reluctance to change (as perceived by the employer) or health problems. The risk of personal dismissal is also linked to the intensity of the evolution of the market for the firm's products and services, although the direction taken by such evolution (growth, stability or reduction) has little relevance. This type of dismissals is likely to entail conflictive situations, which might arise in periods of lower as well as high activity. Contrary to resignation, the probability of dismissal does not appear to be significantly linked, *ceteris paribus*, to the employee's qualification, to the economic sector or to the size of the firm (except for very large firms). Thus separation through personal dismissal does seem to be initiated by the employer to a greater extent than by the employee wishing to negotiate his/her exit.

### **From change to the termination of employment: the contribution of the qualitative analysis**

In order to probe more in-depth into the process leading to separation and to identify the role played by change as defined by the COI survey, we resort to the interviews with 33 employees whose employment was terminated in 2006 following redundancy (8), dismissal (8) or resignation (17). In-depth interviews make it possible to locate the job separations in their context, but also within a biographical perspective so as to determine whether change constituted the event that triggered the separations.

#### ***Beyond change, the dramatic influence of managerial logics***

The process of contextualisation undertaken in the interviews uncovered, first, the deterioration of the employees' working conditions in all cases in the period preceding the separation, whatever its legal form. As respondents sought to identify the origin of such deterioration, they called to mind the internal changes that had occurred in their company. It

can thus be seen that the deterioration of working conditions mediates the effect of change on the termination of the employment contract.

During the interview, employees signal changes which have affected their own working conditions but which have not always been stated by the respondent to the 'business questionnaire': in the main these are changes of 'boss', of 'chief' (which may or may not be part of wider organisational restructuring), as well as the introduction of new tools which affect work routines.

Whilst employees tend to personalise and reify change, these changes in people or tools actually emerge as the vectors of managerial logics which affect work organisation and conditions. These managerial logics result from the profound transformation of capitalism towards shareholder capitalism which started in the 80s in the United States. The objective of shareholder capitalism is to increase returns for shareholders by cutting costs. Such process of corporate financialization leads to the transfer of risk from shareholders to employees and providers (Palpacuer *et al.*, 2010). The managerial logics deployed are really the manifestation of this change of governance; they involve organisational and/or technological innovations which affect working environments and methods. They thus constitute vectors of work intensification; indeed 'work intensity cannot be reduced today to the monitoring and infernal pace which were denounced in the 1970s – even though this has not disappeared. Work intensity is also linked to the fact that objectives and staff numbers are determined without any attention being paid to the realities of work, the complexity of organisations and the quick pace of change' (Gollac, 2005). Untimely reorganisations, for example pressed by mergers and acquisitions, are particularly destabilising. They impinge on work organisation and create a feeling of insecurity. This is confirmed by our interviews, as the case of Christine illustrates (Christine is 34 years old, a cashier, with a seniority of 8 years in the company from which she was dismissed on personal grounds). The company had been bought by a British group two years before she left:

*'Before it was OK, we were doing our job, it was fine, you know. But when it turned English, OK, well, it completely changed .... The team, the boss, kept changing, the bosses would stay for 6 months and then it did not turn out well.... We often changed department, thing, providers. They changed all the time!'*

New checkout counters and new software programmes were brought in. Christine stresses that she adapted without any problem to these new tools, better than her older colleagues. She was

even in a position to informally train those of her colleagues who found it difficult. But the new governance brought about intensified pressure on staff:

*'We had a lot of pressure. We had to cash in more, always more, so we had to deal fairly quickly with the customers. There were moments when customers were moaning.... Let's say that for them [management] we never went fast enough.'*

The deterioration of working conditions is met by acute and often painful questioning on the meaning of one's work. Employees are the carriers of values (such as the sense of what public service or a job well done means), they have their own work ethic, and these can conflict with the direction taken by the company, the new work organisation and with the appraisal of results. It is such a loss of meaning which is expressed by Claire, 41 years old, with a seniority of 14 years in the company from which she was made economically redundant. She was the head of communication in a company which was bought out two years before she left.

*'I spent two years trying to know and understand, in addition I was dealing with communication, internal communication (...). I saw it, it was terrible! I saw things coming and happening and everybody [the managers above her] said "no, no" and I was asked to do a very, kind of, reassuring type of communication, "everything is fine in the best of worlds", that was not easy either! Because I felt I was lying ....'*

Claire's job was directly threatened by the reorganisation which followed a redundancy plan set out by the company. However other respondents terminated their employment contract as they considered their work context to be too deteriorated, especially by comparison with what they regard to be the quality of their work (i.e. work well done). It is for example Christine's case, who, as a cashier, was forced to 'cash in', with little regard for the relationship with the customer. She became infuriated and let management know about her frustration and her desire that things changed, even suggesting that she might leave; she was notified of her dismissal for misconduct a few weeks after that interview.

Beyond this, financial and organisational restructuring gives rise to criticism of the globalised capitalist system and the primacy of financial profitability. Thus Jean-Charles resigned from a large private sector firm, which regularly underwent restructuring, in order to take up a job in a public organisation, bearer of values closer to his own. He could find no motivation in working to increase shareholder dividends, all the more so when the achievement of

professional objectives exclusively served this priority with no respect for working conditions or the quality of work.

*'When I started working, it was not at all like that, there was respect for, well, we tried to provide quality.... Now we had to make money, full stop. For me, to work in a firm and to make money to pay shareholders, for me it's a problem, that's it!'* (Jean-Charles, 38 years old, project manager; 3 years of seniority; resigned).

As for Joseph, 56 years old, he negotiated his dismissal (on personal grounds) after his company was sold to another one and a few months had passed under very hard working conditions:

*'What they want [business group B, which bought out his company] is performance, cash. When they feel it's not the right niche, they get rid of it, and that's what they did.... Many of us think the same, it's not the only company, right, so it's the evil of hyper liberal society if you want. They push people to give the maximum and then they throw them away a bit, you know.'*

### ***Endure or escape?***

Change in the sense of the COI survey is an event which interacts with the employees' career trajectory, and which can, depending on the moment at which it occurs and on the social characteristics of the employees concerned, favour their separation from the company or not. Change is thus not to be studied only as an imposition on employees but also as a process which they experience. The resources that they can mobilise are contingent upon their position in the social space, their social networks, the characteristics of their organisation and the power relations within it (Denave, 2006). These 'configurational dynamics' account for the difficulty to establish unequivocal causal relationships between change and modes of exit.

Thus such events do not always strike as lightning under a clear sky. The discrepancy between the employee's dispositions and aspirations on the one hand and her/his professional position was there before the separation in a latent fashion. Similarly working and/or employment conditions might have been considered unsatisfactory before (absence of promotion, a wage deemed too low). But the satisfaction that the employee found in her/his job had so far made up for such inconveniences. Change comes to modify the realm of the possible. In this new configuration, working and/or employment conditions which had been endured for years become unbearable or employees simply do not bear them anymore.

*'We were asked to do so much work that anyway, in the end, we had conflicts between us, at the end of each day we calmed down, but we were asked to do so many things that in the end it was too tense, a day like that it was very tiring!' '(...) my salary remained the same, for sure, I was a bit disappointed because precisely what I was doing, I was doing far more than my share and the salary was not rising, you know'* (Gabriel, 42 years old, security agent, 6 years of seniority in the firm that he left, resigned).

Whilst the collective dimension of change cannot be denied, change also brings about forms of suffering which are experienced on an individual basis: The lack of collective support in these contexts of change comes out clearly in our interviews and concerns both company-based support mechanisms and the role of the unions. Such situation generates psychic suffering and damages dignity and self-esteem, thereby possibly bringing about health problems. For those workers who terminated their employment contract, leaving the firm could be a way to preserve their integrity, which had been under threat in an environment that generated too much anxiety. The decision may take some time to prevail and the help of a third party may be needed, for example when the malaise felt has repercussions in the family sphere and relatives encourage the person to make the decision. In Sylvie's case, for example, it is her husband who helped her to make the decision to resign:

*'In fact somehow it's him [her husband] who led me to this, because he could see the change in me too. He used to tell me that I had become sadder, more tired as well; that, indeed, if it had reached this point...'* (Sylvie, 30 years old, 6 years of seniority in the company that she left, project manager in a firm which acquired another one).

A period of sick-leave for burn-out as well as advice from his GP allowed Jean-Pierre (38 years old, project manager, 3 years of seniority) to make the decision to leave.

*'Yes, I stopped one week for burn-out before I left... It is the GP who told me "You have to stop"'*.

Thus the mode of separation takes shape and is constructed within a process of disengagement, at the end of which dismissal is 'negotiated', a 'voluntary' redundancy is taken, or the decision to resign is made. Though those resigning are, legally, the initiators of the separation, most of the time they are driven into such a decision by the actual or felt



deterioration of their working conditions. In the contexts described, enduring or escaping often constituted the only alternative for the employee: on the one hand, enduring the decision made by the employer to remove her/him from her/his job (redundancy or dismissal), or accepting deteriorated working conditions and a higher work intensity; on the other hand, escaping by taking the initiative to leave (and resigning, or taking a ‘voluntary’ redundancy), under the pressure of events.

## **Conclusive remarks**

Amongst the types of change included in our quantitative analysis, organisational change clearly has the highest correlation with termination of employment, alongside financial restructuring. However, the employee interviews clearly show that all ‘organisational determinism’ should be discarded. What is at stake is not so much employee adaptation to ‘tools’ or to the overhaul of the organisational chart as adaptation to managerial logics which show little respect for work communities or for the conditions fostering employee involvement and ‘quality’ work.

In these contexts deteriorated by change, ‘exit’ has constituted a way out for the employees we met; the possibilities to have their ‘voice’ heard (Hirschman, 1970), e.g. through the employee representatives, were thin, not to say nonexistent (except in some cases of collective redundancies). As for the behaviour of those employees affected by the changes but who finally stay with their company, is it to be considered ‘loyal’? The studies bearing on the ‘survivors’ of restructuring processes rather tend to point to a loss of trust toward the organisation and their own negotiation capacities, and may even lead to ‘neglect’ (i.e. avoidance and disregard; Berntson et al., 2010). However the analogy between the behaviour of workers and that of consumers (suggested in the use made here of Hirschman’s concepts) should not be exaggerated. Leaving one’s job (‘exit’) is seldom a choice. Thus our quantitative findings show that, whilst resigning is more likely for young and graduate workers, specific instances of change – such as financial restructuring – are linked with the risk of redundancy, independently from personal characteristics. But what we learn from the qualitative survey is that the process leading from the introduction of change in the organisation to job separation (via the degradation of working conditions) follows similar patterns whatever the mode of separation. As to the latter, it is no doubt in part determined by the type of change introduced, but, above all, by the conditions of implementation of such change and the capacities and resources which the worker can mobilise to cope with it.

In such contexts, it is impossible to distinguish who is at the initiative of a separation. Whether they resigned or were dismissed, employees willy-nilly managed to get out of an inextricable situation at work and few of them regret the separation, whatever the form it took. Whereas ‘separation by convention’ (i.e. a regulated form of separation by mutual consent) had not been created yet at the time of our investigation, its current success (more than 250,000 such separations took place between the date of its set up in August 2008 and March 2010) is not surprising in view of our results. In work environments characterised by lack of care for working conditions and for the meaning that employees give to their work, the origin of the separation becomes blurred (even though it is not without consequences for the financial arrangements or for the preparation of a new professional career).

Finally, we may wonder about the longer term implications of these managerial practices on employees as well as on organisations. Our interviews show that the employees who terminated their employment contract in contexts marked by such practices had the feeling that they had been given a hard time, that they had been mistreated and abused. A number of them have distanced themselves from waged work, so much so that they have become self-employed or have got involved elsewhere, in the family, in voluntary work or by taking part in associations, where they hope to find more recognition. Others report that they have changed their attitude to work and now prefer to contain their efforts and involvement. To the extent that the implementation of permanent change curtails employee involvement and cooperation, is such an economic model sustainable?

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**Table 1:** Change between 2003 and 2006 and mode of termination of the employment contract (Methods: multinomial and logistic regression).

		Model 1 : <i>Binary logistic</i> <sup>6</sup>	Model 2 : <i>Multinomial regression</i> <sup>7</sup>		
	All workers (%)	Fear of losing one's job	Dismissal on personal grounds	Economic redundancy	Resignation
<b>Constant</b>		-1.21*** (0.13)	4.32***	6.24***	3.21***
<b>ICT or management tools</b>					
Introduction of at least one ICT tool	47%	-0.12*** (0.04)	(ns)	-0.24***	(ns)
--- of ERP or own-account software programme	15%	(ns)	(ns)	(ns)	-0.12*
--- of at least one new management tool	22%	(ns)	(ns)	(n.s)	(ns)
--- of lean manufacturing/ JIT	7%	(ns)	0.25**	0.22*	(ns)
<b>Evolution of the organisational structure</b>	34%	0.23*** (0.04)	(ns)	(ns)	-0.08*
<b>Financial restructuring</b>	39%	0.25*** (0.04)	(ns)	0.15*	(ns)
<b>High level of change in the organisational environment</b>					
In regulation and norms affecting the firm	56%	-0.23*** (0.04)	(ns)	-0.14*	(ns)
In the available technologies and processes affecting the firm	39%	(ns)	(ns)	-0.15*	-0.08*
In market uncertainty affecting the firm	62%	0.31*** (0.05)	0.21**	0.23**	(ns)
In the exchange rate or cost of raw materials affecting the firm	48%	(ns)	(ns)	(ns)	(ns)
Emergence of new competitors	42%	(ns)	(ns)	0.18**	(ns)
<b>Evolution of the main market in which the firm operates</b>					
Stable	49%	-0.29*** (0.05)	(ns)	-0.34***	(ns)
Growing	27%	-0.40*** (0.06)	(ns)	-0.66***	(ns)
Ref. : declining	24%				
<b>Socio demographic characteristics</b>					

<sup>6</sup> The reference group for this regression comprises employees who were still in employment at the time of the survey and who stated that they did not fear losing their job in the year to come. The dependent variable is the fear of losing one's job.

<sup>7</sup> The reference group for the multinomial regression comprises employees who were still in employment at the time of the survey. The dependent variable is the situation in 2006, which could be one of four: dismissal (on personal grounds), economic redundancy, resignation, or continued employment (in the company surveyed in 2006). Each regression compares the probabilities to be in one of these 4 situations in relation to another one – here: in relation to being in employment in the same company as in 2006.

<b>Seniority</b>					
[1-3 years[	13%	0.15** (0.07)	0.38***	(ns)	0.39***
[3-5 years[	12%	(ns)	(ns)	(ns)	0.20***
<i>Ref. : [5-10 years[</i>	27%				
[10-20 years[	25%	(ns)	-0.42***	-0.20*	-0.30***
[20+[	23%	(ns)	-0.28**	(ns)	-1.01***
<b>Qualification level*</b>					
<i>Ref.: Secondary school 1<sup>st</sup> cycle</i>					
Cap-bep	12%	(ns)	(ns)	(ns)	0.33***
Secondary school 2nd cycle	36%	-0.23*** (0.08)	(ns)	(ns)	0.44***
Sup. 1 <sup>st</sup> cycle (+ BTS, DUT)	18%	-0.36*** (0.08)	(ns)	(ns)	0.41***
Sup. 2nd cycle	18%	-0.28** (0.11)	(ns)	(ns)	0.42***
Sup. 3rd cycle & grandes écoles	6%	-0.38*** (0.10)	(ns)	(ns)	0.52***
	10%				
<b>Disability</b>	8%	0.47*** (0.07)	0.65***	(ns)	(ns)
<b>Woman</b>	38%	0.07* (0.04)	0.18**	(ns)	-0.14***
<b>At least one child</b>	58%	(ns)	-0.14*	(ns)	-0.15***
<b>Single</b>	24%	(ns)	(ns).	0.30***	(ns)
<b>Parents born abroad (other than EU Member States)</b>	9%	0.56*** (0.06)	(ns)	(ns)	0.13*
<b>Computer literacy</b>					
Trained user	36%	-0.34*** (0.06)	(ns)	(ns)	-0.23***
Untrained user	37%	(ns)	(ns)	0.21**	(ns)
<i>Ref.: Not a user</i>	27%				
<b>Participation in training (other than computer skills training)</b>	52%	-0.17*** (0.04)	(ns)	(ns)	(ns)
<b>Firm characteristics</b>					
<b>Economic sectors</b>					
Manufacturing	37%	0.32*** (0.06)	(ns)	0.20*	-0.39***
Construction	8%	-0.39*** (0.11)	(ns)	(n.s.)	-0.26**
<i>Ref. : Wholesale and retail trade</i>	17%				
Transport	8%	(ns)	(ns)	0.33**	-0.16*
Services	30%	(ns)	(ns)	(ns)	(ns)
<b>Company size</b>					
[20-30[	8%	(ns)	(ns)	(ns)	0.22**
[30-50[	12%	(ns)	(ns)	-0.32**	(ns)
<i>Ref. : [50-100[</i>	13%				
[100-200[	8%	(ns)	(ns)	(ns)	(ns)
[200-500[	14%	(ns)	(ns)	-0.24*	(ns)
[500+[	45%	(ns)	-0.35***	-0.48***	(ns)
<b>Number of observations</b>	15169	14369	198	148	454

Note: standard error in parentheses. \* p<0.10, \*\* p<0.05, \*\*\* p<0.01. The reference category is indicated in italics.

Secondary school 1<sup>st</sup> cycle=lower secondary education; Cap-bep=vocational training qualifications under school status; Secondary school 2nd cycle=upper secondary education; Sup. 1<sup>st</sup> cycle=University education 1<sup>st</sup> cycle, and further vocational and technical qualifications; Sup. 2nd cycle=University education 2<sup>nd</sup> cycle; Sup. 3rd cycle & grandes écoles=University education 3<sup>rd</sup> cycle, and higher schools, e.g. business schools etc.

Source : COI survey, 2006-2007, Insee, CEE, Dares. 'Employees' strand.