
Lost in a Downturn = Lost for Good? Will laid off Energy Workers come back?

Center for Applied Psychological Research
University of Houston



Christiane Spitzmüller, Ph.D.
Caitlin Porter, Ph.D.
Bob Newhouse – Newhouse Consultants
cspitzmu@uh.edu or christianes@gmail.com

CAPR Projects and Impact across Technical Training & Development Business

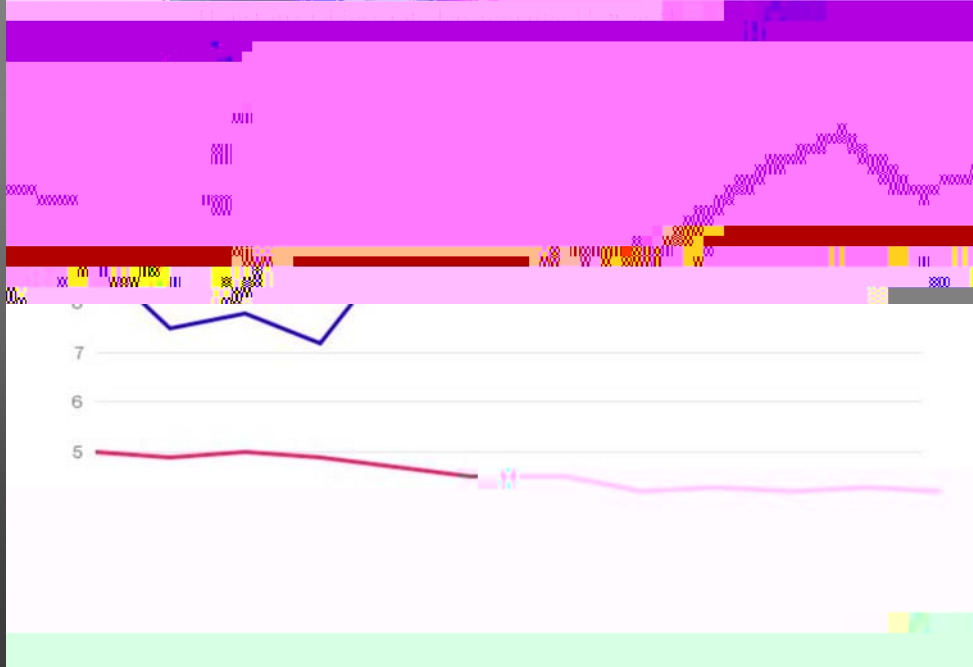
Why study what happens to laid-off energy workers?

Background:

- Major downturn in the 1980ies remembered by many
- Consequences for succession planning and project staffing were significant



... Different Results for the Houston Economy



Differences to 1980ies bust:

- Houston unemployment rate is low
- 87% of jobs were energy-tied in 1980ies, with fewer than 50% tied to energy in 2010
- Risk of losing mid- and high-skilled workers to other sectors higher
- Cost of hiring “newbies” substantial, safety and reliability implications need to be managed

Why study what happens to laid-off energy workers? The Psychology of lay-offs

Seminal studies in justice in organizations and in layoffs

- Procedural, distributive, transactional and informational justice predict outcomes
- Fairness in lay-off processes affected theft, other counterproductive work behaviors
- "Psychological" best practices around lay-offs are documented in other industries:
 - Explanations for why
 - Explanations for who
 - Opportunities to ask questions
 - Focus on respect for employee and his/her personal situation



Study Goals: Determine who leaves the industry, finds other work, willingness to return

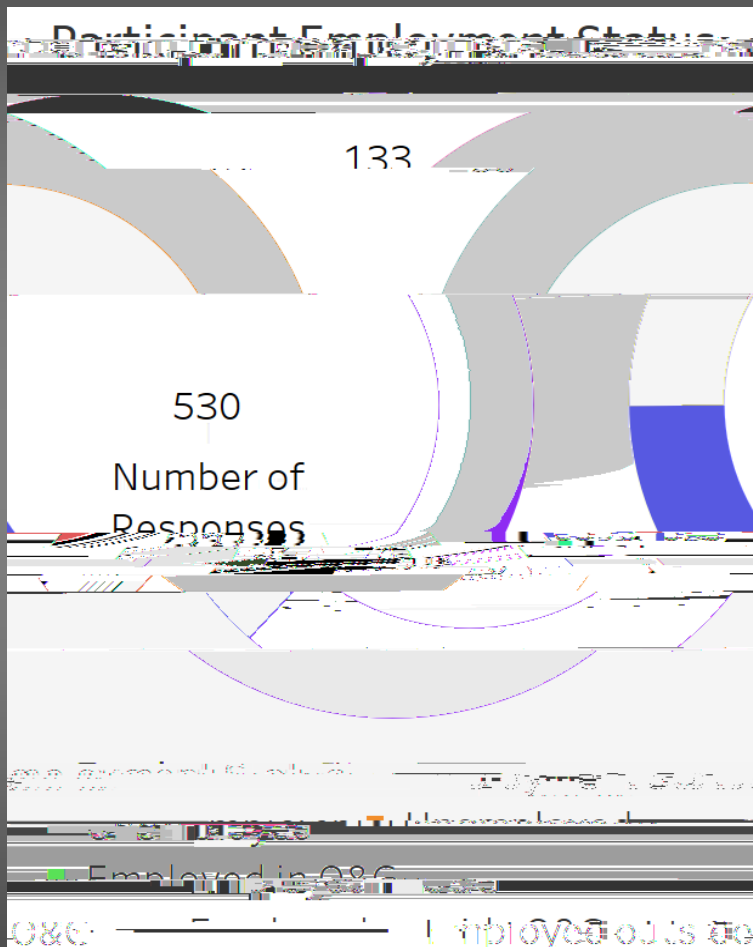


Who did we ask? Study method and sample demographics

Method	Recruitment approach	Resulting Sample
Web-based survey study using validated survey instruments derived from the extant career mobility literature	Partnered with industry associations and industry websites – using databases and posting study information link	530 laid off energy workers – majority professional workers – 73% with at least a Bachelor's degree, 87% white, 89% male, median age: 53 years

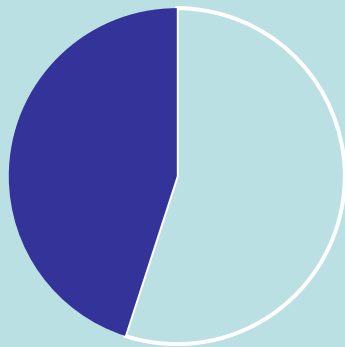


So... what are laid off energy workers doing now?



- About a quarter of former energy employees found work outside the industry
- Majority of laid off workers we recruited are still unemployed
- Less than 20% of the people we surveyed were able to find a new position with an energy company
- **Among those who found new employment, about 2/3rds left the energy industry**

Are laid off oil workers intending to leave the industry?



More than half of those surveyed intend to leave energy work in the next year

Differences between Energy Stayers and Leavers

Dimension	Stayers	Leavers
Anxiety about future of industry	More positive overall outlook on the industry (ups and downs are part of it; it's really great when it's great)	Less likely to possess positive view of future of energy industry (concerned about alternatives, future boom/bust cycles)
Enjoying work in the industry	More likely to find work interesting/exciting/meaningful	Less industry/work satisfaction
Procedural justice during lay-offs	Experienced more procedurally fair layoffs and interpersonally respectful treatment	Feelings that discharge process was "biased" and they had no opportunity to express concerns or understand layoff system

How prevalent were negative experiences? Are there good news?

71% felt anxious about future of energy industry
66% reported that discharge procedures were biased and handled poorly

Still: 81% felt that overall, working in the energy industry was satisfying and made for a good career



1. Depending on pace of hiring, more sophisticated approaches to