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**HEADLINE:** How Layoffs Affect Workers

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**BYLINE:** Kenneth Howe, Chronicle Staff Writer

**BODY:**

### THIRD OF FOUR PARTS

Corporate restructurings and one of the worst recessions in decades are taking a high toll on American workers.

The number of U.S. jobs has been cut by 700,000 in the past two years. The official unemployment rate is 7.2 percent -- 9.5 percent in the (once) Golden State. And people are staying out of work longer. According to the California's Employment Development Department, more than one-quarter of the state's 1.5 million unemployed filed for extensions to the normal 26-week unemployment insurance benefits.

The numbers may have lost their shock value. But don't tell that to employees who get their pink slips.

"I was so shocked," said Hasmig Vasgerdsian, who got the word on her 22nd anniversary with Bechtel Group Inc. earlier this year. Given three weeks notice and no severance, the technical editor and contract writer recalled, "I stood there staring at the layoff notice and I couldn't believe it was happening. I felt betrayed."

It's a common feeling, say the ex-perts, who note that the hardships of a layoff aren't just economic, but psychological.

"There are few events more traumatic than losing your job," said Stephen White, a psychologist who specializes in work-related traumas. "Losing one's job ranks right up there with stresses such as the death of close family member, a major illness or a divorce. You are dealt a blow to your self worth that can combine a feeling of loss, helplessness and, possibly, humiliation."

And the trauma can last. In a five-year study of nearly 50 men who had been fired and remained jobless for six months or more, Fairfield University psychologist Dorothea Braginsky found that the experience left "permanent scars."

Feeling "betrayed and discarded by the very social institutions in which they once place their trust," she wrote in a study, their lives were "tainted forever by that loss of work."

OMINOUS CONSEQUENCES

Other studies document more ominous consequences including a long-suspected relationship between joblessness and what economist Richard Fowles calls "social pathologies."

After examining unemployment in 30 large cities from 1975 to 1990, the University of Utah professor found that rising unemployment was responsible for higher rates of both crime and heart disease, "depending on whether the stress (of joblessness) is directed outward or inward."

The study showed that each two-percentage-point jump in the unemployment rate had a "strong statistical correlation" to increased incidents of stroke and heart attack as well as rising levels of homicides, burglary, aggravated assault, robbery and auto theft.

But some who are laid off actually welcome the news.

"I was delighted to be laid off," said Carol Daly, former director of banquet sales for Pacific Fresh, a small restaurant chain in Pleasant Hill. Even though her husband also is unemployed, she said, "I'll do my Tai chi and my roller-blading and enjoy myself -- at least until my unemployment runs out."

#### NEW CAREER

Others have successfully turned a sudden job loss into a springboard to something better.

After David Hansen was laid off from Control Data in 1988, he bought a Screenmobile franchise and now installs custom screen doors and windows instead of computer programs.

"Sure, you miss the stability of a nice paycheck," said the 46-year-old Walnut Creek resident. "But I enjoy working with my hands, controlling my life and not existing at some one else's whim. You know, I used to get a lot of migraine headaches. Now, I don't even remember the last one."

But not every worker is as fortunate as Hansen, whose savings and severance package helped provide him the more than \$ 100,000 it took to buy and build his franchise.

Blue collar workers, traditionally hurt in recessions, are again living the blues with unemployment rates of more than 14 percent in some crafts.

Even security guards face insecurity. Take Lolita Cruz, who last week lined up behind 60 other jobseekers at 8:30 a.m. to speak to an employment specialist at San Francisco's Turk Street unemployment office.

The 40-year-old native of the Philippines was laid off three weeks ago when her small security firm sold out to a competitor. "I was shocked," said Cruz, "I came to work and my boss just said, 'Go home, I've sold the company.' " With her landlord clamoring for the rent on her small hotel room, Cruz worries, "I may be homeless 'til I can find more work."

The wait for jobs can be long. The average length of time on unemployment in California is 17.2 weeks, up from 16.3 weeks just a year ago, according to the state Employment Development Department. It's much longer for management jobs. Outplacement experts estimate it takes six to seven months to place mid-level executives, up from about 4.5 months a year ago.

#### MIDDLE MANAGEMENT HIT

"There has been a real strafing of the middle-management ranks," said Peta Penson, managing partner in charge of the San Francisco office of Enterchange, an Atlanta outplacement firm.

Those in middle age face the toughest time.

"If you are over 40, it's very difficult to find a job," said Jack Kyser, chief economist of the Economic Development Corp. in Los Angeles. "And, if you're over 50, whew, that's dangerous."

That fact of work life is obvious at a recent Monday meeting of 40- plus, a nonprofit group that helps executives and managers past 40 find new jobs. In a converted barracks in a little-used corner of the Oakland Airport, about 60 out-of- work salesmen, managers and executives -- mostly men and all wearing suits -- first cheer those who go to a podium to ring an old ship captain's bell and describe positions they landed.

- \* A one-time preacher says he is now driving a truck;

- \* A laid-off clothing store buyer takes a pay cut to to sell Bibles and religious paraphernalia to Christian bookstores;

- \* A former pharmaceutical saleswoman becomes a drug and alcohol counselor;

- \* A manager gets a part-time consulting job in the personnel department of Clorox;

After the morning meeting, members huddle to swap leads, help each other with resumes and practice their interviewing skills.

For Don Heisler, the interviewing is the hard part. "I've been told I need to smile more," said the 54- year-old former Kaiser Aerotech production manager. Heisler doesn't have a lot to smile about, 10 months after defense cuts eliminated land-based MX missiles for which Kaiser Aerotech made components.

### PEAKS AND VALLEYS

To remain busy and supplement his unemployment check, the former production manager took a a low-paying, part-time job driving a truck two days a week, making service calls to auto shops for a battery repair company.

"You really go through the peaks and valleys," said Heisler. "You land a job interview, and it goes great. But then you don't hear anything. You follow up and find out there were hundreds of applicants and they decided on somebody else who was just a tiny bit better qualified."

Although 40-Plus meetings are not designed as gripe sessions, there is underlying resentment about the way their former companies treated them.

Bill Kane, who has been "restructured" out of three middle- management jobs in two years, said, "they say don't take it personally; it's a business decision. Well, bullshit. It makes you feel like a piece of furniture. How can companies expect you to be loyal anymore when they aren't loyal to you?"

### LOYALTY DECLINING

White, the psychologist, thinks a decline in loyalty by employees is inevitable given the way business is restructuring.

"We used to believe in a basic virtue that if you did a good job, you'd stay employed," he said. But that compact is being destroyed. "Today's downsizings are financial, strategic and operation decisions. They have nothing to do with how much you put yourself into your work, or with how good a job you did."

One result of that broken compact is that more displaced workers are contemplating wrongful termination suits. Los Angeles employment attorney Joseph Posner said that the number of queries from those interested in such suits doubled to 136 in his latest annual tally.

But the actual number of suits filed may not increase much, in part because downsizings are generally legitimate moves taken by companies that are themselves casualties of the economy. Moreover, those who are given severance packages usually sign away rights to sue their employers. Although some employers will cut older employees because they often earn higher salaries, age discrimination can be hard to prove.

### GUARDING AGAINST BIAS

Sophisticated employers also are starting to do a rigorous analysis of those they lay off to make sure they aren't discriminating against older employees, or women, or minorities. And some companies are becoming more generous to employees they ax, in part because more executives have had the experience themselves.

When BankAmerica Corp. acquired Security Pacific, BofA's head of personnel was one of the first to lose his job. "I think it did make me a lot more sensitive," said Robert Beck, now personnel chief for Abbott Industries near Chicago. "I knew that we had nowhere to send some of our displaced people, so I wanted to create a humane way to let them go."

Before leaving BofA, Beck set up a severance plan that included a minimum of three months severance pay, one-year continuance of health insurance, \$ 1,500 tuition assistance for those who sought retraining and salary supplements of as much as \$ 30,000 for six months for employees who left to work for nonprofit companies. CONTINGENT WORKFORCE

To avoid future layoffs, many companies are changing the nature of their workforce. Instead of hiring full-time employees, many are relying more on the so-called contingent workforce -- temps, part-timers, consultants and independent contractors.

Part-time workers -- those who work fewer than 35 hours a week -- total 20 million, up 70 percent during the past two decades. Temporaries, who work for limited periods of time, tripled to about 1 million from 1982 to 1990, according to the Bureau of Labor Statistics.

This rapidly increasing workforce is both flexible and -- because they receive fewer benefits -- cheaper. One Cornell University study indicates that contingent workers will make up 43 percent of support staff and 7 percent of management in the service industry by the year 2000.

The changing economy and job markets means that workers have to learn to identify and package their skills and be able to move fast and frequently.

"The old corporate paternalism is gone," said workplace psychologist White. "People know that you don't get married to a company for life anymore, you just date as long as you can."

**GRAPHIC:** CHART: PHOTO,PHOTO, At 40-plus, a group that aids managers over 40, Gene Nelson (center) and Steve Peskin explained how to find a job , BY VINCE MAGGIORA, THE CHRONICLE, CHART, GROWTH OF TEMPORARY, PART-TIME EMPLOYMENT ,

## CHRONICLE GRAPHIC