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RESEARCH ARTICLE

Furlough and its effects on employees after returning to work: the roles of psychological contract breach and violation, and perceived organizational support

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Abstract
The COVID-19 pandemic brought about changes in the working world. One of the main strategies to cope with the economic situation during lockdowns was to furlough employees. In the current study, we propose that psychological contract breach and violation between the organization and the furloughed employee act as underlying mechanisms that explain the relationship between the employees' furlough status and the increase in their emotional exhaustion and decrease in affective commitment. Furthermore, we suggest that perceived organizational support can act as a buffer that attenuates the association between furloughed employment status and perceived contract breach. The study was conducted at two points in time: during the first lockdown and 4 months afterward ($N = 336$). Results supported the predicted indirect sequential associations. However, perceived organizational support served to buffer the relationship between furloughed employment status and perceived psychological contract breach only in the case of employees who continued to work.

Key words: Affective commitment; COVID-19; Emotional exhaustion; Furlough; Psychological contract

Introduction

The COVID-19 pandemic resulted in an economic emergency that has forced organizations to change workplace practices and employer–employee relationships (Bartik, Bertrand, Cullen, Glaeser, Luca, & Stanton, 2020; Bufquin, Park, Back, de Souza Meira, & Hight, 2021; Hamouche, 2021). Some organizations have resorted to layoffs, while others have been able to retain their employees by reducing employment to part-time jobs or by placing them on furlough – a temporarily non-work, non-pay status. Although furloughing workers had been an uncommon strategy, usually reserved for seasonal employees (Sucher & Winterberg, 2014), the onset of the COVID-19 pandemic has led to more widespread use of furloughs to reduce financial losses.

The goal of the current study is to develop and empirically investigate a model that explains the impact of a furlough experience on employees after they return to work. Specifically, the study proposes an underlying mechanism that explains how and when furlough status relates to employees' affective commitment and emotional exhaustion using the conservation of resources (COR) theory (Hobfoll, 1988) as an overarching framework. Expanding on previous research that

demonstrated that furlough was associated with burnout (Baranik, Cheung, Sinclair, & Lance, 2019), we suggest that furlough status depletes employee resources and thus breaches the psychological contract between the employee and the organization, i.e., the employee perception that the organization has failed to meet implicit and explicit agreements (Zhao, Wayne, Glibkowski, & Bravo, 2007). This, in turn, intensifies employees' 'feelings of betrayal and deeper psychological distress,' i.e., the psychological contract violation (Rousseau, 1989: 129). Consequently, this emotional state further drained employees' resources which lowers the employees' affective commitment to the organization and increases the level of emotional exhaustion, even after they return to work. In addition, we suggest that perceived organizational support (POS), i.e., the degree to which an employee believes that the organization cares for and values their contribution to the organization (Eisenberger, Huntington, Hutchison, & Sowa, 1986) can serve as a resource that buffers the negative association between furlough status and employees' perception of contract breach (see Figure 1 for the study model).

Hence, the study's contribution to the literature is twofold. First, although recent work highlights the potential impact of furlough on employees' well-being and attitudinal outcomes, relatively little research has explored the process that underlies these relationships (Baranik et al., 2019; Shehzad, Xiaoxing, & Kazouz, 2020). Second, in response to Baranik et al.'s (2019) call to examine how support may interplay with the relationships between the furlough status and employee outcomes, we pinpoint the role of POS as a moderator that provides important insights into how and why furloughed employees respond differently to their past furlough status.

Furlough and psychological contract breach and violation

Disruptions as the COVID-19 crisis influence employees' attitudes and reactions to the employee–employer relationship (Adonu, Opuni, & Dorkenoo, 2020). One of the key constructs for understanding the employee–employer relationship is the psychological contract (Tekleab, Laulié, De Vos, De Jong, & Coyle-Shapiro, 2020; Zhao et al., 2007), which consists of employees' beliefs regarding the employer–employee exchange agreement based on promises made by the organization (Robinson & Morrison, 2000).

Employees enter into an employee–employer relationship with an understanding of their obligations to their employers, while employers have certain responsibilities toward their employees and the latter's well-being. This psychological contract encompasses discrete beliefs about the terms of the reciprocal exchange agreement between individuals and their organization (Dabos & Rousseau, 2004; Rousseau, 1995). Employers make explicit and implicit promises to provide certain benefits and rewards in exchange for employees' motivation and commitment to invest

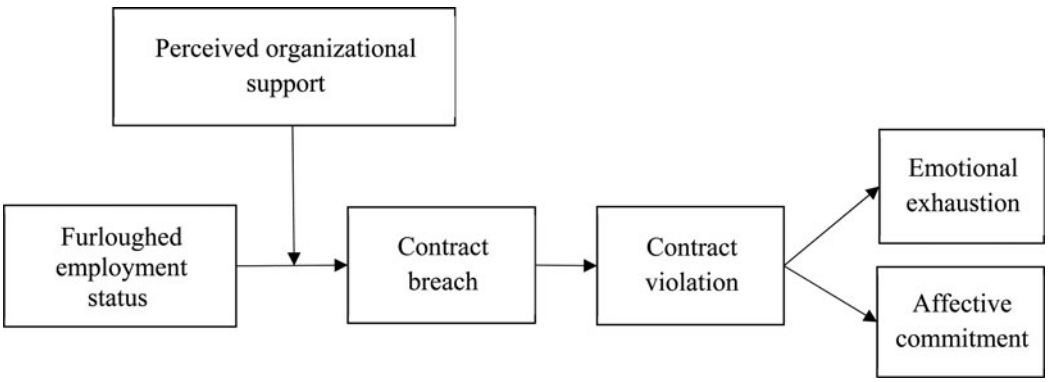

Figure 1. The research model.

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in the organizations' objectives (Bal, Chiaburu, & Jansen, 2010; Turnley & Feldman, 2000). Thus, the psychological contract is dynamic in nature, changes as a result of employee–employer interactions (Anderson & Schalk, 1998), and represents subjective mutual obligations (Suazo, Martínez, & Sandoval, 2009).

A *psychological contract breach* occurs when an employee perceives that the employing organization has failed to meet its promises or obligations (Robinson & Rousseau, 1994); this term is distinct from *psychological contract violation*, which denotes the emotional distress and feelings of anger resulting from an unfulfilled psychological contract (Morrison & Robinson, 1997). Although psychological contract breach and violation are related constructs, they are not interchangeable (Robinson & Morrison, 2000; Zhao et al., 2007) and can be seen, respectively, as cognitive and affective indicators used to evaluate the extent to which an organization has fulfilled its obligations (Yang, Chen, Roy, & Mattila, 2020).

Organizational changes can undermine employee perceptions of organizational realities (Lawler & Finegold, 2000), thus altering the foundations of employee–employer relationships. The COVID-19 pandemic caused tremendous disruption in most industries (Charoensukmongkol & Phungsoonthorn, 2020; McKibbin & Fernando, 2020) and forced organizations to change their workforce arrangements almost overnight. In order to adapt to government directives and deal with reduced business activity, organizations have made massive use of job retention schemes, one of which is furloughing employees with the expectation of returning them after a specific period of time. During such significant organizational changes, employees are more likely to perceive their employing organizations as having breached or infringed their obligations (Lo & Aryee, 2003; Robinson & Morrison, 2000). Furlough signals the employers' lack of commitment to the furloughed employees' long-term employment within the organization, increases job insecurity, and disrupts the perceived balance between employee investments and organizational rewards (Mandeville, Whitman, & Halbesleben, 2019). This balance is the essence of the psychological contract, and its disruption lies at the heart of the breach of such contract (Piccoli & De Witte, 2015).

Moreover, furlough creates a crisis situation that provides an example of a potential or actual threat to employees' resources, such as job security and financial means (Carnevale & Hatak, 2020). Hobfoll (1988) introduced the COR theory, which is based on the idea that people struggle to retain and protect the resources they have and to acquire new ones. Resources are defined as means that serve individuals in attaining their goals (Halbesleben, Neveu, Paustian-Underdahl, & Westman, 2014), including status, social conditions, and other things of value (Hobfoll, 1988). Potential or actual loss of valuable resources and/or failure to gain substantial resources can lead individuals to feel threatened (Hobfoll, Halbesleben, Neveu, & Westman, 2018). Thus, furloughed employees are faced with a severe threat of resource loss (Halbesleben, Wheeler, & Paustian-Underdahl, 2013). This creates a psychological contract breach (Coyle-Shapiro, Pereira Costa, Doden, & Chang, 2019), given that the latter reflects the employee's perception that the organization does not provide promised resources (Bordia, Restubog, Bordia, & Tang, 2017; Halbesleben, 2006; Huffman, Albritton, Matthews, Muse, & Howes, 2022; Mandeville, Whitman, & Halbesleben, 2019).

Previous research (see Mandeville, Whitman, & Halbesleben, 2019) focuses solely on how furloughs affect the psychological contract breach, i.e., the cognitive aspect of psychological contract, while ignoring the affective aspect. Psychological contract breach is a significant workplace event that triggers a negative emotional experience, such as anger or frustration, which arises from an interpretation process that is cognitive in nature (Morrison & Robinson, 1997). Based on all the above, furloughs create unmet expectations on the part of employees and thus give rise to negative emotions in response to the cognitive perception of a contract breach (Bellairs, Halbesleben, & Leon, 2014; Mimoun, Ben Ari, & Margalit, 2020). Accordingly, we posit the following:

Hypothesis 1: Furloughed employment status (working vs. furloughed during the lockdown) is positively associated with psychological contract violation via psychological contract breach.

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Furlough, psychological contract breach, and perceived organizational support

Potential or actual threats to employees' resources spark efforts to change the trajectory of loss by clinging to other resources (Gorgievski-Duijvesteijn & Hobfoll, 2008; Halbesleben et al., 2014). One such potential other resource is POS (Jawahar, Stone, & Kisamore, 2007; Shantz, Alfes, & Latham, 2016). POS refers to employees' beliefs about 'the extent to which the organization values their contribution and cares about their well-being' (Eisenberger et al., 1986: 501). It develops over time through social exchanges between employees and their employers (Baran, Shanock, & Miller, 2012).

A cumulative body of research has demonstrated that POS can buffer the harmful effects of organizational mistreatment or high workplace demands (e.g., Jawahar, Stone, & Kisamore, 2007; Schat & Kelloway, 2003). Employees who experience high levels of POS feel more in control when negative events occur and are less likely to blame their organizations for unfulfilled expectations (Bal, Chiaburu, & Jansen, 2010; Solinger, Hofmans, Bal, & Jansen, 2016). The importance of POS is apparent during crises such as the COVID-19 pandemic, when the depletion of resources undermines the perception of the psychological contract held by all types of employees, but especially that of employees on furlough. Thus, furloughed employees experience greater resource loss (Hobfoll et al., 2018) compared to employees who continue to work during the crisis. Furloughed employees are more likely to question whether their employers still appreciate their contribution and care for their well-being. Consequently, they tend to be more sensitive to any sign of concern, goodwill, or support from employers and ascribe greater importance to these signs as a basis for reducing their uncertainty and renewing their connection with the organization. Hence, although POS is a valuable resource for all employees (Ott, Haun, & Binnewies, 2019), it is particularly important for furloughed employees because it offers a means of attenuating the destructive effects of the crisis – in our case, the COVID-19 pandemic – on perceived contract breach through the employees' perception that support from the organization is available when needed (Eisenberger et al., 1986). Furloughed employees stand to benefit more from POS than employees who continue in their positions, since the reservoir of resources for those on furlough is more depleted. POS may represent the only channel through which the organization's social and physical resources are still available to those on furlough. Therefore, we hypothesize the following:

Hypothesis 2: POS moderates the association between furloughed employment status (working vs. furloughed during the lockdown) and psychological contract breach, such that the positive association between furlough status and psychological contract breach is attenuated when POS is high.

Furlough, psychological contract breach and violation, and employee outcomes

A furlough status denotes a threat to an individual's ability to achieve valuable gains, and thus it is an obstacle to goal attainment and is associated with strain (Zapf, Kern, Tschan, Holman, & Semmer, 2021). This, in turn, has a negative impact on employees' attitudes such as affective commitment, and amplifies their emotional exhaustion (Cavanaugh, Boswell, Roehling, & Boudreau, 2000; LePine, Podsakoff, & LePine, 2005). COR theory suggests that people facing the threat of reduced or lost resources are likely to experience higher *emotional exhaustion* (Hobfoll, 1989), which has been defined as 'feelings of being overextended and depleted of one's emotional and physical resources' (Maslach, Schaufeli, & Leiter, 2001: 399). From an evolutionary perspective, people are biased toward overweighting resource loss and underweighting resource gain (Hobfoll, 1989). Thus, a stressful event such as a furlough that stems from ongoing health and economic crises taxes the ability of employees to conserve their resources and thus reduces their well-being. Indeed, furloughs have been related to personal resource loss, which in turn has been associated with physical, cognitive, and emotional burnout, even 5 weeks

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after the end of the furlough (Baranik et al., 2019). However, what is the mechanism that underlies this resource depletion? We suggest that this depletion results from the breach and the violation of the psychological contract between the employee and the employer.

Furthermore, in addition to contributing to emotional exhaustion, furloughs may shape employees' attitudes toward the employing organizations. *Affective commitment*, a term that highlights the emotional component of organizational commitment (Mustafa, Badri, & Ramos, 2022; Solinger, Van Olffen, & Roe, 2008), refers to an employee's 'emotional attachment to, identification with, and involvement in the organization' (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002: 21). The key antecedents of affective commitment are employees' feelings of having their psychological needs met and deriving a sense of security within the organization (Meyer & Allen, 1991). However, furlough is a special case of job insecurity in which employees face both the threat of job loss and the actual loss (Halbesleben, Wheeler, & Paustian-Underdahl, 2013). In response to this uncertainty about their employment future, employees tend to emotionally withdraw from their organization (for meta-analyses results see Cheng & Chan, 2008; Sverke, Hellgren, & Näswall, 2002). Accordingly, we propose that feelings of insecurity stemming from being furloughed are associated with a resulting decrease in employees' affective organizational commitment and an increase in emotional exhaustion.

We also argue that resource loss from being furloughed, and the subsequent increase in emotional exhaustion and decrease in affective commitment, are partially mediated by contract breach and the concomitant emotional toll. Several studies have established the relationship between contract breach and contract violation, on the one hand, and emotional exhaustion (e.g., Costa & Neves, 2017; Duran, Woodhams, & Bishopp, 2021) and affective commitment (e.g., Cassar & Briner, 2011; Coyle-Shapiro & Kessler, 2000), on the other. When employees experience contract breach and violation, they focus on understanding, interpreting, and giving meaning to their damaging experience (Robinson & Morrison, 2000). This process demands effortful sense-making and the investment of certain resources (Deng, Coyle-Shapiro, & Yang, 2018); it also drains additional resources. Furthermore, contract violation is a significant trigger of rumination and unwelcome thoughts (Ingram, 2015), the elimination of which requires the investment of additional resources by the employee (Baranik, Wang, Gong, & Shi, 2017). These resource investments do not lead to goal achievement or direct coping with the event; therefore, following COR theory, they constitute a *resource loss spiral* (Halbesleben et al., 2014; Hobfoll, 1989). In a resource loss spiral, a person who experiences resource reduction or loss becomes more vulnerable to further resource loss. Therefore, a furlough situation initiates a resource depletion process that leads to and escalates personal resource loss resulting from a violation of the psychological contract. This, in turn, further drains employee resources – which leads to emotional exhaustion – and reduces the investment of emotional resources in the organization, thus decreasing affective commitment. Therefore, we hypothesize as follows:

Hypothesis 3: Contract breach and contract violation serially mediate (a) the positive association between furloughed employment status (working vs. furloughed during the lockdown) and emotional exhaustion and (b) the negative association between furloughed employment status and affective commitment.

Methods

Sample and data collection procedures

Participants were recruited with the help of an online survey firm that has access to a broad sample of employees in multiple occupations and a variety of work roles. Participants received a small honorarium for their participation. We filtered employees based on the following criteria: all were above 21 years of age and had worked full-time within their current organization for at least a year prior to the pandemic. The Institutional Review Board approved the study protocol.

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The first stage of data collection (T1) took place at the beginning of the first lockdown in Israel (March–April 2020). The participants completed an online survey measuring current employment status, POS, and demographics. The second phase of data collection (T2) was conducted 4–5 months later (mid-August 2020), when the country's economy had begun to normalize. At T2, a second survey was sent to the same participants. It included the study's mediators (i.e., contract breach and contract violation scales), and its dependent variables of emotional exhaustion and affective commitment. In addition, we asked participants to report their current employment status. Given that this parameter was also assessed at T1, data from those participants not working at T2 were not examined as part of the study.

A total of 499 individuals responded to the T1 survey, and 360 followed up with the T2 survey (attrition rate = 27.86%). We filtered out participants who did not return to the organization in T2 ($n = 24$; these individuals remained on furlough or were fired). Thus, the final sample included $N = 336$ employees from different organizations (63.1% from the private sector and 36.9% from the public sector) who were working during the lockdown ($n = 199$) or were furloughed and returned to their organizations after the lockdown ($n = 137$). The final study sample demographics were as follows: $M_{age} = 43.49$ years (SD = 11.60), 57.1% were women, and $M_{organizational\ tenure} = 8.83$ years (SD = 10.49).

Measures

Furloughed employment status was measured by asking the participants to report whether they were furloughed, continued to work during the lockdown, or returned to work after a furlough status. Please note that in Israel there is no partial furlough. During furlough, employees do not work and are not paid by the organization for the entire period. They receive a partial salary from the National Insurance Institute (akin to Social Security). This makes Israel a specific case study in furlough strategy implementation.

Unless otherwise specified, a 5-point Likert scale was used to score responses ranging from (1) *Strongly disagree* to (5) *Strongly agree*. The study scales were translated and back-translated into Hebrew to check the reliability of the translation.

POS was measured using Eisenberger, Armeli, Rexwinkel, Lynch, and Rhoades's (2001) six-item Short Survey of Perceived Organizational Support (sample items: 'The organization takes pride in my accomplishments' and 'The organization shows little concern for me' [R]; $\alpha = .90$).

Perceived contract breach was measured using Robinson and Morrison's (2000) five-item scale. This scale evaluates employees' perceptions of the extent to which their organization has fulfilled its obligations to them (sample item: 'So far my employer has done an excellent job of fulfilling its promises to me' [R]; $\alpha = .89$). Participants were asked to assess their agreement with the items using a scale that ranged from (1) *Strongly disagree* to (7) *Strongly agree.*

Perceived contract violation was measured using Robinson and Morrison's (2000) four-item scale. While perceived contract breach has a cognitive focus, the scale to measure contract violation is designed to capture emotional responses in the context of a psychological contract (sample item: 'I feel extremely frustrated by how I have been treated by my organization'; $\alpha = .92$).

Emotional exhaustion was measured using a four-item scale developed by Wilk and Moynihan (2005). One example is the item 'I feel burned out from my work' ($\alpha = .91$). Participants were asked to assess the frequency of experiencing certain emotions over the previous weeks using a scale that ranged from (1) *Never* to (7) *Almost every day. Affective commitment* was measured using a six-item scale (Meyer, Allen, & Smith, 1993). One example is the item 'I would be very happy to spend the rest of my career with this organization' ($\alpha = .91$).

Control variables: We controlled for employees' organizational tenure because previous research has demonstrated negative associations between this construct and organizational commitment (Mathieu & Zajac, 1990; Meyer et al., 2002) and emotional exhaustion (Hwang, Hur, & Shin, 2021). In addition, based on past research on the psychological contract (Kickul & Lester,

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2001; Lo & Aryee, 2003; Restubog, Hornsey, Bordia, & Esposo, 2008) that suggests a possible effect of age and gender on the experience of contract breach, we also controlled for those variables.

Results

Table 1 presents descriptive statistics and correlations among the study variables.

To mitigate concerns about common method variance (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003), we conducted a six-factor model omnibus CFA, i.e., five factors for each of the study variables (POS, contract breach, contract violation, affective commitment, and emotional exhaustion) and an additional factor to which all the 25 items loaded. Results demonstrated $\chi^2 = 69.65$, df = 262, $p < .01$; CFI = .93; TLI = .92; SRMR = .07; and RMSEA = .07. In addition, the common method variance factor was responsible for 23.04% of the common variance between the study variables, which is under the 50% threshold (Podsakoff et al., 2003).

In order to test Hypotheses 1 and 2, we used the PROCESS macro for SPSS (Hayes, 2018; Models 4 and 1, respectively) with bootstrap sampling distribution ($n = 10{,}000$) and 95% bias-corrected confidence intervals (BCCIs) for the indirect effects. Unless specified otherwise, we controlled for age, gender, and organizational tenure in the analyses.

As shown in Table 2: PROCESS Model 4 Results, furloughed employment status was positively associated with contract breach ($\beta = .35$, $p < .001$), such that participants who were on furlough during the lockdown period reported higher levels of contract breach. Moreover, contract breach was positively and significantly related to contract violation ($\beta = .59$, $p < .001$). The indirect effect of furloughed employment status on contract violation via contract breach was significant (indirect effect = .21, SE = .06, 95% CI [.08, .34]); these results supported Hypothesis 1. Next, we tested the moderation effect proposed by Hypothesis 2 (see Table 2: PROCESS Model 1 Results).

The results of PROCESS Model 1 demonstrated a significant interaction effect between furloughed employment status and POS on contract breach (see Figure 2). To examine the nature of the interaction we used the Johnson–Neyman technique (Johnson & Neyman, 1936), which eliminates the need to select arbitrary values of the moderator when probing the interaction (Hayes, 2018). The 95% CIs for the simple slopes depicted in the Johnson–Neyman plot demonstrated that the conditional effect of furloughed employment status on contract breach was significant for values of POS above 4.11 (see Figure 3).

Thus, these results partially supported Hypothesis 2: for employees with high POS as compared to low, the contract breach was significantly lower for those employees who were not on furlough. However, POS did not attenuate the contract breach levels of furloughed employees.

Finally, to test the overall study model, we conducted a path analysis using Amos 19 (Arbuckle, 2010). We employed a two-step approach (Anderson & Gerbing, 1988): The first step focused on evaluating the measurement model and its construct independence using confirmatory factor analysis (CFA). The second step centered on verifying the research model. Results of the CFA of the hypothesized five-factor model revealed an acceptable fit to the data ($\chi^2 = 478.15$, df = 259, $p < .001$; CFI = .97; TLI = .96; SRMR = .06; RMSEA = .05), and the standardized item loadings on their factors were above the .40 cut point. Moreover, this five-factor model had a better fit to the data compared to alternative models (see Table 3).

For the path analysis we specified the relationship between furloughed employment status, POS, the interaction term between furloughed employment status and POS, contract breach, contract violation, and the study's two dependent variables. Moreover, based on Becker's (2005) recommendation, we specified only the links between the control variables that were significantly correlated with the dependent variables. We applied a bias-corrected bootstrap procedure (Preacher & Hayes, 2004) with 10,000 replications to estimate the indirect relationships. Results revealed an acceptable fit ($\chi^2 = 41.14$, df = 11, $p < .001$; CFI = .97; TLI = .91; SRMR = .07; RMSEA = .09). Specifically, as hypothesized, contract breach was positively associated with

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Table 1. Means, standard deviations, and correlations among the study variables

	M (SD)	1	2	3	4	5	6	7	8
1. Furloughed employment status[a]	1.41 (.49)								
2. Perceived organizational support	4.79 (1.36)	−.04							
3. Contract breach	2.26 (.93)	.18**	−.24**						
4. Contract violation	1.78 (.98)	.20**	−.16**	.59**					
5. Emotional exhaustion	3.47 (1.44)	.07	−.17**	.28**	.51**				
6. Affective commitment	3.32 (.99)	−.05	.36**	−.39**	−.32**	−.30**			
7. Age	43.49 (11.60)	−.08	−.08	−.11	−.10	−.10	.13*		
8. Gender[b]	1.57 (.50)	.21**	.05	−.02	−.06	.06	.03	−.08	
9. Organizational tenure	8.83 (10.49)	−.06	.02	−.06	−.05	−.08	.22**	.37**	.07

Note. $N = 336$. *$p < .05$. **$p < .01$.
[a]1 = participants who continued to work during the lockdown, 2 = participants who were furloughed.
[b]1 = male, 2 = female.

Table 2. Regression results for mediation and conditional indirect effects

	PROCESS Model 4		PROCESS Model 1
	Contract breach	Contract violation	Contract breach
Effect	*B* (SE)	*B* (SE)	*B* (SE)
Constant	2.32** (.30)	.47^{+} (.28)	4.27**(.60)
Age	−.01^{+} (.00)	−.00 (.00)	−.01*(.00)
Gender	−.13* (.10)	−.15 (.09)	−.10 (.10)
Tenure	−.00 (.01)	.00 (.00)	.00 (.01)
Furloughed employment status	.35**(.10)	.22*(.09)	−.44 (.36)
Contract breach		.59**(.05)	
POS[a]			−.40** (.11)
Furloughed employment status × POS			.16* (.07)
R^2	.05	.36	.12
F	$F_{(4,331)} = 3.95$**	$F_{(5,330)} = 36.59$**	$F_{(6,329)} = 7.18$**
POS			*B* (SE)
Low			.10 (.15)
High			.55**(.14)

Note. $N = 336$ $^{+}p < .10$, $^{*}p < .05$, $^{**}p < .01$. [a]POS = Perceived organizational support.

contract violation (β = .61, SE = .05, $p < .001$), and contract violation was positively associated with emotional exhaustion (β = .76, SE = .08, $p < .001$) and negatively associated with affective commitment (β = −.14, SE = .06, $p < .05$). The indirect relationships between contract breach and emotional exhaustion (indirect effect = .46, 95% BCCI [.34, .60]) and between contract breach and affective commitment (indirect effect = −.08, 95% BCCI [−.16, −.01]) via contract violation were significant, supporting Hypotheses 3a and 3b. Moreover, results revealed that contract breach and contract violation serially mediated the relationships between the interaction term (furloughed employment status and POS) and emotional exhaustion (indirect effect = .12, 95% BCCI [.03, .22]), and between the former and affective commitment (indirect effect = −.10, 95% BCCI [−.19, −.02]); these findings supported the overall research model (see Figure 4).

Discussion

The COVID-19 pandemic presents businesses and organizations with the necessity of making adjustments in their workforces to meet tremendous challenges and a new, unexpected reality (Carnevale & Hatak, 2020). As a result, the furlough organizational strategy has become widely implemented in response to this environmental jolt. While furlough may have economic benefits, its psychological and emotional costs to employees are less clear. The present study proposes a model that explains how and when furlough status is associated with employees' attitudinal and affective responses and well-being in a jolt context (Bellairs, Halbesleben, & Leon, 2014) and demonstrates that furloughs have negative consequences for employees' outcomes following the latter's return to work. Specifically, the present study clarifies the process underlying the associations between furloughed employment status during the lockdown period and employee emotional exhaustion and affective commitment. Following the study model, the results reveal that contract breach and contract violation sequentially mediate these relationships.

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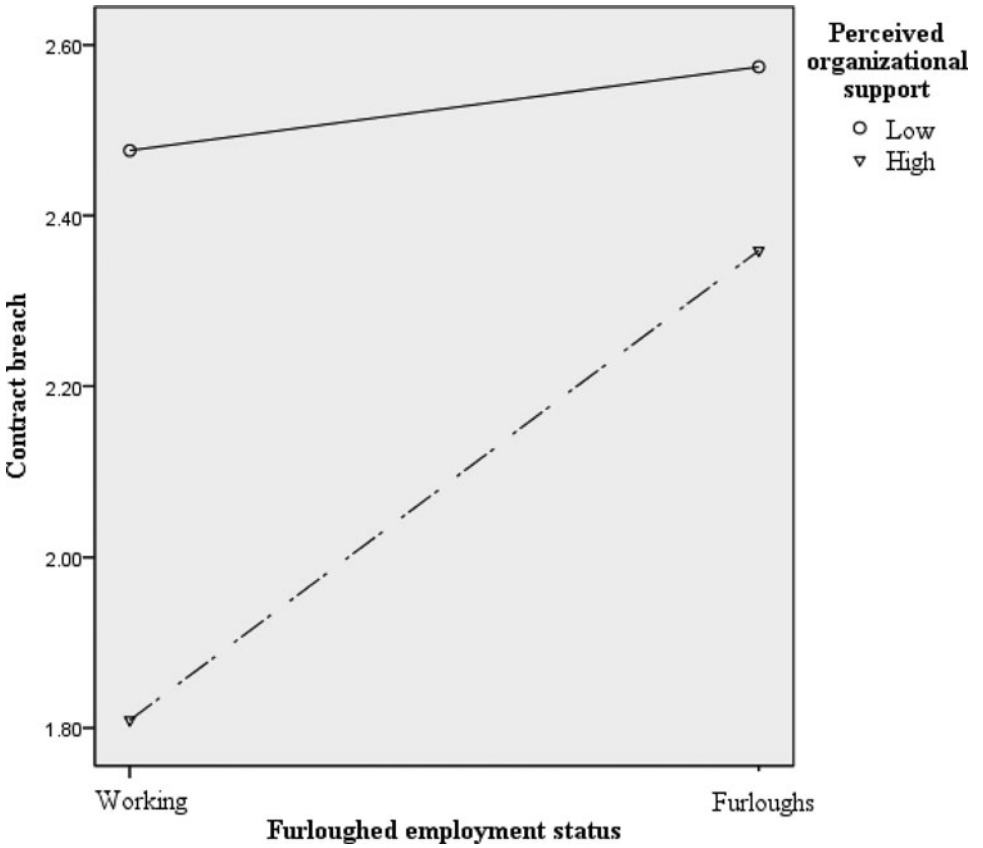

Figure 2. Impact of perceived organizational support on contract breach for the two different employment status.

The results demonstrate that the experience of being furloughed is associated with the feeling of psychological contract violation via psychological contract breach. Furloughs represent a break of the unwritten reciprocal employer–employee psychological contract, according to which employers are obligated to preserve and defend their employees during hard times and crises (Mandeville, Whitman, & Halbesleben, 2019). Secure employment is an essential part of the psychological contract; employees expect that in return for their self-investment and contribution to their employing organizations, those organizations reciprocate by providing them with job security (Piccoli & De Witte, 2015), especially in times of crisis and instability (Bellairs, Halbesleben, & Leon, 2014). The organizational decision to furlough an employee during a pandemic creates a breach of those expectations and indicates to employees that they cannot rely on their organization's unspoken obligations; this, in turn, arouses feelings of anger, frustration, victimization, and betrayal (Robinson & Morrison, 2000). Furthermore, these hard feelings continue to impact the employees' well-being and attitudinal outcomes (i.e., generating higher emotional exhaustion and lower affective commitment to the organization) even after the lockdown period. Thus, the study results extend Baranik et al.'s (2019) research that suggested a resource-based model for the negative impact of furlough status on employee well-being. Specifically, we suggest that resource depletion is the result of both the breach and the violation of the psychological contract between employees and employers, and that these two factors contribute to the former's emotional exhaustion and reduced affective commitment to the organization. We also demonstrate the significant role of organizational support as an essential resource in creating a defense barrier that may shield employees who continued to work during the pandemic lockdown.

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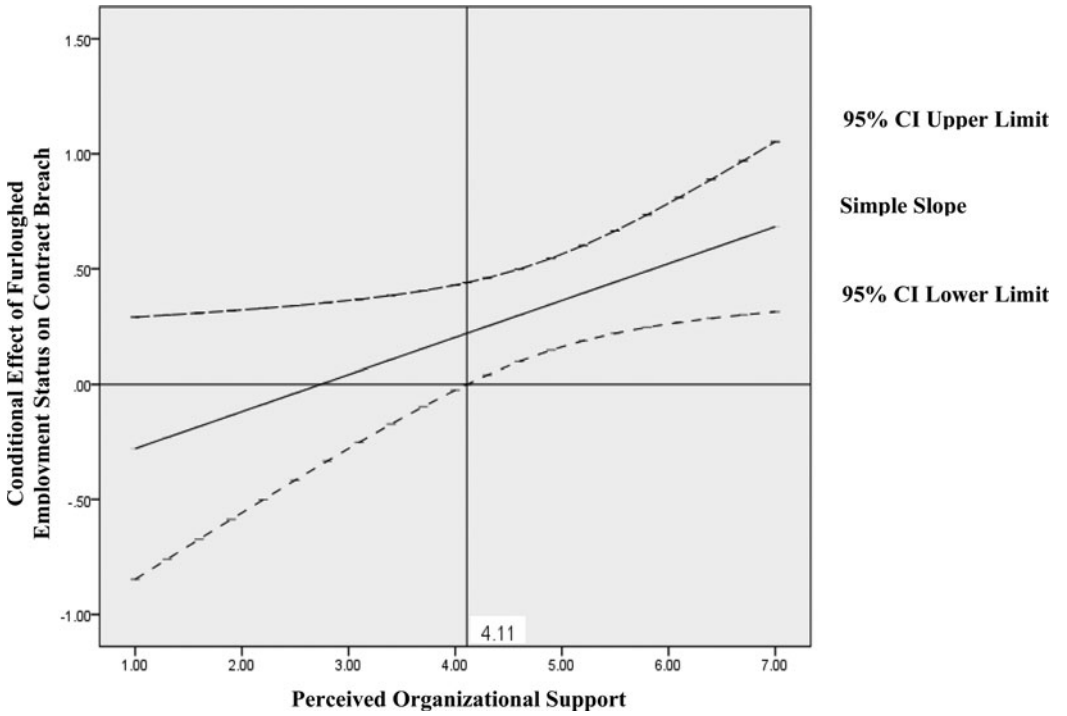

Figure 3. A Johnson–Neyman plot for the simple slope of the conditional effect of furloughed employment status on contract breach as a function of perceived organizational support.

Table 3. Confirmatory factor analyses

Model	χ^2	df	CFI	TLI	SRMR	RMSEA	$\Delta\chi^2(\Delta\ df)^a$
Intended model[b]	478.15	259	.97	.96	.06	.05	–
1-factor model[c]	3357.06	269	.52	.47	.18	.19	28,878.91**
2-factor model[d]	2,571.52	258	.64	.60	.15	.16	2,093.37**
3-factor model[e]	1,833.81	266	.66	.73	.14	.14	1,355.66**

Note. **$p < .01$. [a]Comparison to the intended five-factor model. [b]Hypothesized five-factor model. [c]1-factor model – general model – all study variables were loaded on one factor. [d]2-factor model in which items measured in T1 and T2 were loaded on two different factors. [e]3-factor model: (f1) perceived organizational support, (f2) contract breach + contract violation, (f3) affective commitment + emotional exhaustion.

Our findings are consistent with COR theory (Hobfoll, 1989) and suggest that furloughs serve as indicators of the individual's actual and potential future resource loss (Halbesleben, Wheeler, & Paustian-Underdahl, 2013) and of their economic, psychological, and emotional drainage (Mandeville, Whitman, & Halbesleben, 2019). The contract breach significantly depletes resources (Kiazad, Seibert, & Kraimer, 2014) because it halts the delivery of valuable resources such as job security, a competitive salary, and meaningful work. Thus, the contract breach starts a loss spiral that triggers a negative emotional reaction (i.e., contract violation). This affective response by itself leads to additional employee resource loss (e.g., Lapointe, Vandenberghe, & Boudrias, 2013) and as such, decreases employees' affective commitment and results in their emotional exhaustion.

Furthermore, based on COR theory, we hypothesized that POS would serve as an important resource for furloughed employees compared to employees who continued to work during the

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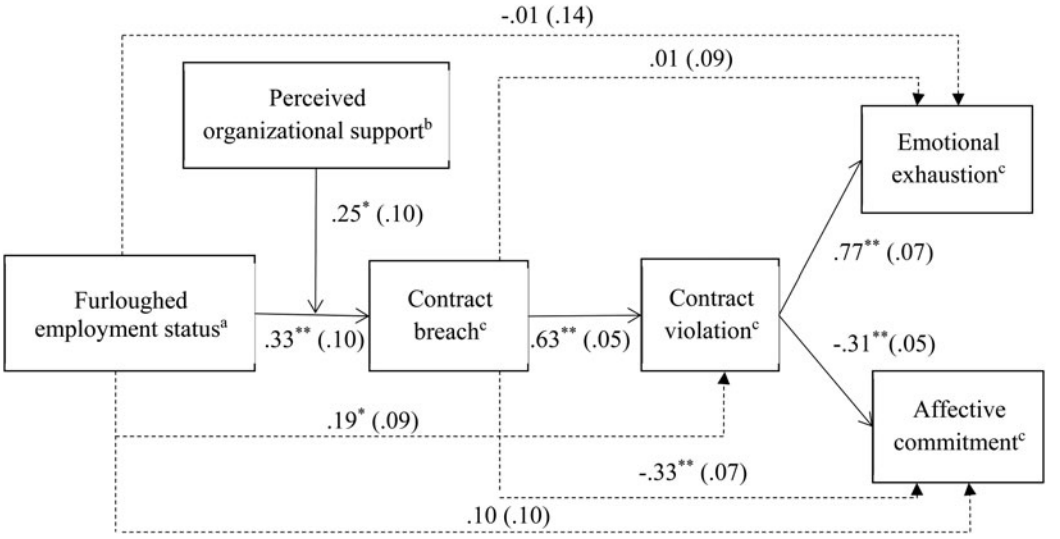

Figure 4. Results of the structural equation model.
Note. Unstandardized coefficients are shown, with standard errors in parentheses. [a]1 = participants who contitued to work during the lockdown, 2 = participants who were furloughed; [b]the construct was measured at Time 1; [c]the construct was measured at Time 2; $^{*}p < .05$, $^{**}p < .01$.

lockdown. Indeed, previous literature (e.g., Bellairs, Halbesleben, & Leon, 2014; Huffman et al., 2021) pointed to the importance of the organizational context to the association between furlough and employee outcomes. For example, social support was identified as an important protective factor for individuals who experienced layoffs (Cotter & Fouad, 2013). However, the present study's results demonstrated that POS as an element of the organizational context did not moderate the association between furlough and contract breach perception, but had a beneficial effect on employees who kept working during the lockdown. One possible explanation for these findings is that furlough reduced the employees' resources to such an extent that the perception of organizational support could not compensate for the drained pool of resources. Indeed, Hobfoll et al. (2018) argue that since the spiral of resource gain has less magnitude and a slower flow than the spiral of resource loss, resource gain spirals tend to be weaker and take a longer time to evolve. Another possible explanation for these results is that furloughed employees, being apart from the organization, have difficulty determining the extent to which it cares about them, what its real motives are in showing its concern for them, and whether its support will be forthcoming in the future (Lee & Peccei, 2007; Luthans & Sommer, 1999). In addition, the furlough experience may result in a number of negative responses. Specifically, furlough diminishes the employees' trust in the organization and their perception of justice (Bellairs, Halbesleben, & Leon, 2014; Huffman et al., 2021), loyalty toward the company, and perceived job security (Berry & Awdish, 2021; Kim & Choi, 2010). It is worth noticing that a different line of literature has found all these negative consequences of furlough to be antecedents of POS (Kurtessis, Eisenberger, Ford, Buffardi, Stewart, & Adis, 2017). Hence, in this case, these other variables may have negated the positive contribution of POS.

Finally, the current study focuses on POS as a source of positive social support for employees. However, social support can derive from a variety of sources, such as peers, managers, family, and spouses (Ford, Heinen, & Langkamer, 2007). Thus, future research should examine different forms of organizational support, including aid provided by supervisors and coworkers, that may fit the postulates of the 'matching hypothesis,' which holds that the type of social support must match the type of the stressor or demand under investigation (Viswesvaran, Sanchez, &

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Fisher, 1999). Moreover, future research may center on external types of social support, such as those offered by spouses or friends, which have been found to be positively associated with work-related well-being (e.g., Craig & Kuykendall, 2019).

Managerial implications

The study's results reveal that the negative impact of furloughs on outcomes is at least partially explained by psychological contract breach and the associated contract violation. In light of such findings, managers should acknowledge this nonfulfillment of organizational promises and obligations toward employees. Forthright and transparent communication between employees and managers is an important step toward understanding the depth of this breach and increasing the organization's ability to respond to it effectively. The handling of psychological contract breach and the resulting feelings of violation requires active steps and repair tactics on the organization's part. After furloughed employees return to work, managers need to renegotiate the psychological contract with their employees, addressing both its cognitive and emotional aspects; for example, they should recognize the violation, identify its causes and admit culpability, recognize that the furloughing act was harmful, and take responsibility for the consequences (Lewicki & Bunker, 1996). Specifically, managers can relate to the cognitive aspect of contract breach by creating a sense-making process (Weick, 1995) that should lead to a shared understanding and an accepted account of the objective circumstances that forced the organization to send employees to furlough. In addition, managers should relate to the affective aspect of contract violation by incorporating a relational approach, i.e., engaging the returning employees in social rituals and symbolic acts in order to attenuate the negative emotions caused by the violation and rebuild the reciprocity between the parties (Dirks, Lewicki, & Zaheer, 2009). This includes, for example, providing explanations and apologies, and if possible, also compensating the furloughed employees (Bachmann, Gillespie, & Priem, 2015). Psychological contracts that are discussed more explicitly can help employees achieve a better sense of control over their future, thereby reducing uncertainty for both parties (Rousseau, 1995) and subsequently diminishing negative employee outcomes.

Limitations and future research

Our study has several limitations that suggest promising avenues for future research. First, the study's cross-sectional design may be susceptible to same-source bias as all study variables were collected from the study participants via online surveys (Podsakoff, MacKenzie, & Podsakoff, 2012). However, the study design minimizes the potential for this bias. This is because we used objective data as one of the study's independent variables and applied a temporal separation between measuring the moderator (T1) and collecting the mediators' and dependent variables' data (T2) (Podsakoff et al., 2003).

Second, the study was conducted in Israel. Furloughs in Israel are unpaid-leave plans that allow employees to be partially reimbursed by the National Insurance Institute. In contrast to other countries, the Israeli government regulates organizations by providing them with two choices – either keep their employees at work or put them on 100% furlough. This situation creates a clear differentiation between two classes of employees: those who continue to work in their current organizations, and those who become the government's responsibility and who are not entitled to any of the benefits stemming from the employer–employee relationship. Thus, our study's results may not be generalizable to other countries where different furlough plans are implemented. Future studies may compare different countries with different plans to detect the ongoing effects of different furlough plans on employee attitudes, well-being, and behavioral outcomes.

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