

# Self-Esteem, Affectivity, and Deprivation: Predictors of Well-Being in the Unemployed

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## Abstract

Theories of economic and latent deprivation have been used by many researchers to explain the deterioration in well-being typically experienced by unemployed individuals. Using a new scale, this study looks at how well deprivation of the latent benefits of employment (i.e., Time Structure, Social Contact, Collective Purpose, Enforced Activity, and Status) predicts psychological distress after other key predictors have been controlled. A standard multiple regression found that the latent benefits accounted for a significant 14% of the variance in distress, as measured by the GHQ-12, but only Time Structure emerged as a significant unique predictor of distress. After controlling for Self-Esteem, PA, NA, Satisfaction with Employment Status, Employment Commitment, and Financial Strain in a hierarchical regression, the latent benefits were unable to significantly predict well-being. These results cast some doubt over the role of latent deprivation as proposed by Jahoda (1982) and suggest that it could play a more indirect role in the prediction of well-being.

## Introduction

Australia's current unemployment rate is 5.6%, which equates to approximately 570,000 people out of work (Australian Bureau of Statistics, 2004). The detrimental effects of unemployment on the psychological well-being of the unemployed have been firmly established in the literature (see Feather, 1990; Murphy & Athanassou, 1999; Winefield, 1995 for reviews). Theories of economic and latent deprivation, predominantly those of Jahoda (1982) and Fryer (1986), have been used by many researchers to explain the deterioration in well-being typically experienced by the unemployed (Brief, Konovsky, Goodwin, & Link, 1995; Creed & Evans, 2002; Creed & Macintyre, 2001; Creed, Muller, & Machin, 2001; Haworth & Paterson, 1995).

Jahoda (1982) proposed that employment provides access to five important categories of experience, including time structure, activity, social contact, collective purpose, and status. That is, being employed imposes a structure for time use, enforces some level of activity, provides opportunities for contact with others outside of one's family and to work with others towards collective goals, and provides a sense of social status (Jahoda, 1982). According to Jahoda (1982), deprivation of these latent functions of employment accounts for the psychological distress experienced by the unemployed. Jahoda (1982) maintained that time structure was the most important of the latent functions,

but the few studies carried out to date on the relative contribution of each of the latent functions have suggested that loss of status may be the most detrimental to well-being (Creed & Machin, 2002; Creed & Macintyre, 2001).

Whilst not discounting the importance of the latent functions, Fryer's (1986) agency restriction theory maintained that it was the experience of poverty due to the loss of the financial (manifest) benefits of employment that better accounted for the deterioration in well-being. Economic deprivation places restrictions on a person's ability to exercise control over their lives, by making it difficult or even impossible to plan and organise a meaningful future (Fryer, 1986).

Until recently, research has largely examined the two theories independently and support has been found for both (e.g., Creed & Machin, 2002; Creed & Macintyre, 2001; Haworth & Paterson, 1995; Whelan, 1992). From studies that have integrated the theories, it appears that the manifest benefit, typically operationalised as financial strain or economic deprivation, is a better predictor than latent deprivation of well-being in unemployed samples (Brief et al., 1995; Creed & Macintyre, 2001). There is, however, a lack of consistency in the scales used to measure access to the latent and manifest benefits, making comparative studies difficult. Further, those that have been used more frequently to measure latent deprivation, for example, the Access to Categories of Experience (ACE) scale (Evans, 1986, cited in Creed et al., 2001), have been criticised for their questionable psychometric properties (Muller, Creed, Waters, & Machin, 2003). Answering the call for a more integrated theory and a more valid scale to measure latent and economic deprivation, Muller et al. (2003) developed the Latent and Manifest Benefits (LAMB) Scale, which measures Financial Strain, Collective Purpose, Social Contact, Status, Time Structure, and Activity. These authors reported sound psychometric properties for the new scale.

One of the more recent criticisms of deprivation models is that they fail to take into account individual differences, such as temperament, values, or experiences (Creed & Evans, 2002). Self-esteem is a potential moderator of the impact of unemployment, in that high self-esteem may buffer some of the negative effects (Feather, 1990). Self-esteem has typically been measured alongside well-being as an outcome variable

in unemployment research, with many studies demonstrating the negative impact of unemployment on self-esteem (e.g., Goldsmith, Veum, & Darity, 1997; Tiggemann & Winefield, 1984).

Negative Affect (NA) is also related to well-being. A consistent finding in the literature is that people with high Negative Affect scores also score highly on self-report symptom scales, such as the GHQ. Less evidence is available for the influence of PA, but it is likely that the tendency to view life events more positively (i.e., high PA) will act as a buffer to psychological distress in the unemployed.

At a more situation-specific level, having a positive view of one's employment status (whether employed or unemployed) is also likely to influence levels of distress. Hesketh, Shouksmith, and Kang (1987) found that not all unemployed people are unhappy with their employment situation. Those who were happy being unemployed were engaged in purposeful work, had good social contacts (thus accessing two of the latent benefits), and high self-esteem, whereas those who were unhappily unemployed had low self-esteem, financial strain, few social contacts, and high employment commitment.

Employment commitment has been found to be a moderator of unemployment and psychological well-being, such that unemployed people with high levels of employment commitment experience greater distress than those who are more ambivalent about employment (Feather, 1990; Jackson, Stafford, Banks, & Warr, 1983; Mean Patterson, 1997). Rantakeisu and Johnsson (2003) found a strong link between employment commitment and mental health, even after the effects of perceived economic concern were accounted for.

## Hypotheses

This study will test the following hypotheses:

1. Deprivation of the latent and manifest benefits of employment is significantly correlated with psychological well-being;
2. Employment commitment and financial strain will significantly predict well-being after controlling for self-esteem, PA, NA and labour market satisfaction; and
3. The importance of the latent benefits of employment to psychological well-being will diminish after controlling for self-esteem, affectivity (PA, NA, and satisfaction with employment status), employment commitment, and financial strain.

## Method

### Participants

Participants for this study were a convenience sample of 213 ( $M = 121$ ;  $F = 92$ ) unemployed clients of Centrelink or various Job Network providers (private government contracted employment agencies) in South East Queensland. Ages ranged from 17 to 65 years ( $M = 33.62$ ,  $SD = 13.06$ ). Respondents were mostly single,

with 112 never married, 14 separated, 32 divorced, 4 widowed, 48 married/defacto, and 3 participants not responding. Most participants (151) were not currently doing any paid work, 33 were working casually or part-time, and 20 were doing unpaid or volunteer work, 8 ticked the "other" category (e.g., studying), and 1 participant did not respond. Seventy-nine participants had completed Year 10 or less, 53 had completed Years 11 or 12, and 68 had some form of tertiary education (e.g., Trade Certificate, University Degree). Most participants (201) had previously been in some level of employment, with 158 of those having held a full-time job some time in the past. For most of those participants (93), it had been at least a year since their last full-time job. The majority of participants (195) were receiving some form of government income support payment, with participants' mean net fortnightly income being approximately \$370 ( $SD = \$169$ ). Many of the participants (172, or approx. 81%) reported some level of difficulty living on their fortnightly income.

### Materials

A cross-sectional survey was developed, which included demographic questions and the following measures:

The *Latent and Manifest Benefits Scale* (LAMB, Muller et al., 2003) – consists of 6 subscales each with 6 bipolar items measured on a 7-point scale: Financial Strain (e.g., My income usually allows me to socialise as often as I like/My income rarely allows me to socialise as often as I like), Time Structure (e.g., I often/rarely have nothing to do), Social Contact, Collective Purpose, Status and Enforced Activity. A high score on each of the five latent benefits indicates greater access to that benefit, whilst a high score on Financial Strain indicates greater financial strain. Scale reliabilities for this study ranged from .83 (Activity) to .93 (Social Contact).

*Satisfaction with employment status* was measured by one item, which asked participants to rate satisfaction with their current employment status on a 5-point scale from 1 (Extremely unsatisfied) to 5 (Extremely satisfied).

Other measures included the *Employment Commitment Scale* (ECS, Feather, 1990); the *Positive and Negative Affect Schedule* (PANAS, Watson, Clark, & Tellegen, 1988); the *Rosenberg Self-Esteem Scale* (Rosenberg, 1965); and the 12-item version of the *General Health Questionnaire* (GHQ-12, Goldberg, 1972).

### Procedure

Surveys were distributed to unemployed clients of Job Network agencies and Centrelink who indicated a willingness to participate in the study. Participants either completed a survey on site at the Job Network agency during a training session or were given a survey to take home to complete. Reply-paid envelopes were provided in the survey package.

## Results

Table 1 presents the means, standard deviations, alpha reliability coefficients, and correlations among the main study variables. All correlations with the GHQ were statistically significant, except for Enforced Activity. Results of a standard multiple regression analysis (See Table 2) showed that the latent benefits accounted for a significant 14% (adj.  $R^2$ ) of the variance in GHQ scores,  $F(5, 207) = 7.89, p < .001$ , with Time Structure being the only significant unique predictor, accounting for approximately 6% ( $p < .001$ ) of the total variance explained. Results of a hierarchical multiple regression (see Table 3) showed that all of the variables together accounted for 63% (adj.  $R^2$ ) of the variance in

psychological well-being. At Step 1, PA, NA, Satisfaction with Current Employment Status, and Self-Esteem significantly predicted GHQ scores,  $F(4, 208) = 82.02, p < .001$ , accounting for 61% of the variance. Except for Self-Esteem, each made a significant unique contribution, with NA being the most important predictor. The addition of Financial Strain and Employment Commitment at Step 2 contributed a further 2% to the variance in GHQ scores,  $\Delta F(2, 206) = 4.66, p = .01$ , with both variables making small, but significant unique contributions. The latent benefits were entered at the final step and did not add significantly to the prediction of GHQ scores,  $\Delta F(5, 201) = 2.23, p > .05$ .

Table 1: Means, Standard Deviation, Alpha Coefficients, and Correlations for Main Variables (N = 213)

	<i>M</i>	<i>SD</i>	$\alpha$	1	2	3	4	5	6	7	8	9	10	11	12
1. GHQ-12	15.00	7.29	.92	-	-.35	.73	-.49	-.26	.40	.19	-.30	-.28	-.27	-.18	-.08
2. Positive Affect	34.10	6.04	.87		-	-.25	.42	.09	-.06	-.02	.25	.27	.29	.33	.26
3. Negative Affect	26.68	8.15	.91			-	-.57	-.09	.32	.12	-.23	-.27	-.20	-.21	-.26
4. Self-Esteem	29.94	5.23	.86				-	.00	-.21	.05	.19	.24	.22	.39	.36
5. Satisfaction	1.89	0.86						-	-.27	-.24	.25	.06	.05	.07	-.10
6. Commitment	36.95	8.15	.81						-	.00	-.43	-.09	-.01	-.03	.07
7. Financial Strain	33.81	8.07	.91							-	-.12	-.44	-.41	-.02	-.04
8. Time Structure	25.27	9.47	.90								-	.19	.12	.07	.04
9. Collective Purpose	18.69	8.50	.88									-	.54	.27	.25
10. Social Contact	22.00	9.79	.93										-	.40	.17
11. Status	31.51	7.54	.90											-	.53
12. Enforced Activity	28.01	7.08	.83												-

Note.  $r_s \geq .14$  and  $r_s \geq .19$  significant at .05 and .01, respectively; Satisfaction = Satisfaction with Employment Status; Commitment = Employment Commitment.

Table 2: Standard Multiple Regression of Latent Benefits on Psychological Distress (GHQ-12)

Variable	<i>Unstandardised Beta (B)</i>	<i>SE Beta</i>	<i>Standardised Beta (<math>\beta</math>)</i>	<i>sr<sup>2</sup></i>
Time Structure	-.19	.05	-.25***	.06
Collective Purpose	-.13	.07	-.14	.01
Social Contact	-.10	.06	-.14	.01
Status	-.08	.08	-.08	.00
Enforced Activity	.01	.08	.02	.00

Note.  $N = 213$ ;  $R^2$  (adj.) = .14 ( $p < .001$ ); \*\*\* =  $p < .001$ .

Table 3: Hierarchical Multiple Regression of Variables Predicting Psychological Distress (GHQ-12)

Variable	<i>Unstandardised Beta (B)</i>	<i>SE Beta</i>	<i>Standardised Beta (<math>\beta</math>)</i>	<i>sr<sup>2</sup></i>
<b>Step 1</b>				
Positive Affect	-0.13	0.06	-0.11*	.01
Negative Affect	0.56	0.05	0.62***	.25
Satisfaction with Employment Status	-1.87	0.38	-0.22***	.05
Self-Esteem	-0.16	0.08	-0.11	.01
<b>Step 2</b>				
Employment Commitment	0.13	0.04	0.12**	.01
Financial Strain	0.07	0.04	0.08*	.01
<b>Step 3</b>				
Time Structure	-0.01	0.04	-0.01	.00
Collective Purpose	0.01	0.05	0.01	.00
Social Contact	-0.07	0.04	-0.09	.00
Status	0.01	0.06	0.01	.00
Enforced Activity	0.14	0.05	0.13*	.01

*Note.*  $N = 213$ ; Step 1  $R^2 = .61$  ( $p < .001$ ); Step 2  $\Delta R^2 = .02$  ( $p < .01$ ); Step 3  $\Delta R^2 = .01$  ( $p > .05$ ); \* =  $p < .05$ ; \*\* =  $p < .01$ ; \*\*\* =  $p < .001$ . Coefficients presented are from when variable was entered into the model.

## Discussion

In support of Jahoda's (1982) deprivation theory, lower access to the five latent benefits of employment was related to well-being, thus confirming the first hypothesis. Time Structure emerged as the most important predictor of well-being, which supports Jahoda's contention that it is the loss of time structure that has the most detrimental impact on the unemployed. This result, however, is not consistent with previous studies (Creed & Evans, 2002; Creed & Machin, 2002; Creed & Macintyre, 2001) in which Status emerged as the most important predictor. One explanation could be the measurement tool, namely the ACE scale, used in previous studies. Creed and Machin (2003) factor analysed the ACE scale and found that it was dominated by an Activity factor and that no factor emerged that was representative of Time Structure.

Support was also found for the second and third hypotheses. As expected, affective disposition and satisfaction with employment status were very strong predictors of well-being. Self-esteem, however, did not make a unique contribution. Negative affect stood out as a major predictor. This suggests that the inclination to view life events in a negative way has a major impact on one's well-being, and tends to override positive feelings and self-esteem when reporting felt distress. After partialling out the effects of affectivity and self-esteem, employment commitment and financial strain were still able to predict well-being, although their impact was quite small. Latent deprivation, however, did not add anything to the prediction of well-being once all of the other variables were statistically controlled. These results cast some doubt over Jahoda's deprivation theory and support the premise that individual differences, particularly negative affect, are key variables in the prediction of well-being of the unemployed.

Based on previous research, this study assumed that dispositional variables (affect and self-esteem) precede work value and perceived deprivation. The small sample size, however, prevented the use of structural equation modeling to test that causal assumption.

Most studies have examined the direct effects of deprivation on well-being. It may be the case, however, that economic deprivation also has an indirect influence on well-being by restricting access to the latent benefits. For example, having less money may limit one's ability to socialise with others or to engage in meaningful activities. Fortunately, researchers have recently started to look at possible interactions between the manifest and latent benefits. Creed and Watson (2003) found that the interaction between financial strain and social support was a significant predictor of well-being in the unemployed. High financial strain was associated with increased psychological distress when social support was low. Furthermore, although the latent functions were not successful in adding to the prediction of distress in this study, their effect on well-being may be mediated by other variables, such as employment commitment. Thus, deprivation could play a more indirect role in the prediction of well-being than Jahoda originally theorised. Future research could examine alternative statistical models of possible indirect, moderating, or mediating effects to provide a clearer understanding of the role of latent deprivation in unemployment. Given that a more psychometrically sound instrument has been developed, the use of the LAMB scale in future studies may shed more light on the robustness of Jahoda's latent deprivation theory when the huge impact of individual difference variables, particularly negative affect, are taken into consideration.

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