The relationship between core self-evaluations, employment commitment and well-being in the unemployed

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Abstract

We surveyed 173 unemployed adults and assessed their levels of core self-evaluations (self-efficacy, self-esteem, neuroticism, control), employment commitment, and psychological well-being. Three hypotheses were tested: (a) that higher self-esteem and self-efficacy, lower neuroticism and greater perceptions of control would be positively related to well-being; (b) that employment commitment would account for additional variance over and above that accounted for by the core self-evaluation variables; and (c) length of unemployment would moderate the relationship between employment commitment and well-being. Self-esteem, neuroticism and control were related to well-being in the expected direction. In support of incongruence theory, employment commitment contributed unique variance. Further, the relationship between employment commitment and well-being was contingent on length of unemployment, with those unemployed longer being disproportionately disadvantaged when employment commitment was high. The study demonstrated the value of considering dispositional characteristics when examining the well-being of unemployed people; and demonstrated direct support for the incongruence model by showing that employment commitment was unrelated to core self-evaluations and was differentially related to well-being in unemployed people, depending on their period of unemployment.
Unemployment remains a serious economic and social problem in most countries (Wrightson, 2005). At the time of this study, the national unemployment rate for Australia was 4.6% (Australian Bureau of Statistics, 2007), with approximately 468,000 individuals unemployed. When the hidden unemployed (e.g., older workers who have withdrawn from the workforce because they do not believe they will get a job) and the underemployed are taken into consideration, the estimated actual rate is double the level of the official measure (Barrett, Nukic, & Treuren, 2005), and predicted to get worse over the next two years (OECD, 2008).

Efforts to understand the psychological issues associated with unemployment have led to a significant body of research typically focused on job search attitudes, determinants of reemployment and the relationship between unemployment and psychological well-being (McKee-Ryan, Song, Wanberg, & Kinicki, 2005). The current study adds to the understanding of the negative well-being effects associated with unemployment by (a) testing the relationship between core self-evaluations (Judge, Erez, Bono, & Thoresen, 2002) and well-being in an unemployed sample, (b) testing whether employment commitment explains additional variance in well-being over and above the core self-evaluations, and (c) testing whether the relationship between employment commitment and well-being varies depending on the length of time people have been unemployed.

Since the 1930’s, many studies have shown that unemployment is associated with a decline in well-being (McKee-Ryan et al., 2005), and several models have been
proposed to account for this deterioration. Jahoda (1982) argued that the decline was related largely to the loss of latent benefits associated with employment (e.g., the loss of structure to one’s day, the loss of regular social contact), whereas Fryer (1995) argued that it was the loss of income and subsequent impoverishment that led to the decline in well-being, as this restricts personal agency and reduces the capacity to make plans and organize a meaningful and satisfying life. However, these models have been criticized for their failure to consider the dispositional characteristics that may influence well-being during unemployment (Creed & Evans, 2002). With this limitation in mind, and the knowledge that there is considerable variability in the unemployment experience, researchers have broadened their studies to include various personality traits that have been assumed to either aid in the process of coping with job loss, or directly affect well-being. In a recent meta-analysis that examined the correlates of well-being during unemployment, McKee-Ryan and Kinicki (2002) identified several dispositional characteristics they considered to be important precursors to the coping process. The most important of these were those related to the individual’s self perception of worth or perceived control over life events, and included self-esteem, self-efficacy, locus of control and neuroticism, which together comprise the recently conceptualized core self-evaluation construct (Judge et al., 2002).

Self-esteem reflects an overall evaluation of self worth. It is related to well-being in numerous ways. For example, it functions as a gauge of how well we perceive we will be accepted by others, and also operates to promote interpersonal relationships, which are associated with better well-being (Leary, 1999). Self-efficacy is an individual’s appraisal of what they are capable of accomplishing in a given setting, and according to Bandura (2001), is the key ingredient in human achievement and
well-being. Locus of control refers to an individual’s belief about how much control they have over situations in their life. People with an internal locus of control see themselves as primarily in control of their behaviour and its consequences, and typically experience less anxiety and greater well-being than those who do not feel in control (Reich, 1997). Finally, neuroticism refers to the ease and frequency with which a person becomes upset and distressed. Neuroticism both exposes people to more perceived stressful events and increases their reactivity to those events (Bolger & Schilling, 1991).

Research into the capacity of the core self-evaluation variables to predict psychological well-being has proceeded along two fronts. The first concerns the construct in its entirety. Judge et al. (2002) argued that the four core self-evaluation variables should not be considered in isolation as they were so strongly correlated they could be explained by a higher order factor. The empirical evidence from this perspective suggests that the composite construct is a good dispositional predictor of job (Judge & Bono, 2001) and life satisfaction (Judge, Locke, Durham, & Kluger, 1998). A recent, large longitudinal study, for example, found that the core self-evaluation construct explained 84% of the variance in job satisfaction in a sample of German employees (Dormann, Fay, Zapf, & Frese, 2006). Second, research, including research with the unemployed, has examined the four traits separately. The unemployment studies have generally concluded that the self-evaluation variables moderate the experience of unemployment and its effects on well-being. Evidence supports the notion that having a positive self-view is a protective resource when faced with unemployment (McKee-Ryan & Kinicki, 2002), and correlations have been found between well-being and self-esteem (Leana & Feldman, 1995), locus of control, self-efficacy (Vinokur, Price, & Schul, 1995), and optimism, which overlaps
with neuroticism (Lai & Wong, 1998). McKee-Ryan et al. (2005), in their meta-analysis of unemployment and well-being, called for future research to directly test the relationship between psychological well-being during unemployment and the core self-evaluations. The current study tested the relationship between these variables and psychological distress in a sample of unemployed people.

*Incongruence Theory*

Employment commitment (also known as work-role centrality) is concerned with the desire to be in paid employment. It is regarded by many, but not all, to be a stable dispositional trait that results from a lifelong socialization process (Kanungo, 1982; Paul & Moser, 2006). Employment commitment is the central concept in the incongruence explanation for psychological decline in unemployed people (Paul & Moser, 2006). This hypothesis states (a) that unemployed people are in a state of incongruence, as they desire to be in paid employment but are in a state of unemployment, and (b) that, while people are generally motivated to reduce discrepancies between goals and achievements, discrepancies are associated with negative outcomes, such as psychological distress.

In a recent meta-analysis, Paul and Moser (2006) concluded that both employed and unemployed people have high mean levels of employment commitment, with the level for unemployed people only marginally below that of the employed, and that a major cause of psychological distress in unemployed people was the incongruence between high levels of employment commitment and the experience of unemployment. These authors also showed that employment commitment remained stable over time, and subsequently argued that unemployed people did not exhibit an adaptation process over time to reduce their distress by lowering their employment commitment.
The current study will, first, test whether employment commitment explains additional variance in psychological well-being in unemployed people over and above that explained by the core self-evaluations. This will test whether additional dispositional variables should be included when assessing specific populations. Second, the study will test whether the relationship between employment commitment and psychological distress is a simple one as suggested by Paul and Moser (2006) or whether the relationship between employment commitment and psychological distress is different during different phases of the unemployment cycle; that is, the study will test if length of unemployment moderates the relationship between employment commitment and distress.

Study Hypotheses

The study tested the hypothesis that the negative experience of unemployment is associated with the people’s core self-evaluations of self-efficacy, self-esteem, neuroticism and locus of control, together with their level of employment commitment, which represents the level of incongruence between the goals they have and their unemployment situation. The study also examined whether the relationship between employment commitment and distress is affected by the period of unemployment.

Specific hypotheses were:

1. Higher self-esteem and self-efficacy, lower neuroticism and a more internal locus of control will be positively related to well-being;

2. Employment commitment will contribute additional variance to predicting psychological distress after the core self-evaluation variables have been accounted for - specifically, the higher the level of employment commitment the more psychological distress; and;
3. Length of unemployment would moderate the relationship between employment commitment and well-being – we did not specify direction on moderation as this hypothesis is exploratory.

**Method**

**Participants**

Participants were 173 unemployed people: 66 males (38%) and 107 females (62%); mean age of 34 years ($SD = 14.03$). Sixty-four (37%) reported some post-secondary schooling, 28 (16%) had completed 12 years of high school, and 81 (47%) had completed 10 years or less. Eighty-three (48%) reported being unemployed for less than 6 months, 34 (20%) for between 6 to 12 months, and 56 (32%) for 12 months or longer (average length of unemployment was 7 months). When this sample was compared to the population of people seeking employment in the area sampled, this sample had a slightly higher proportion of females (52% was the area average), matched the mean age (of 34 years) and had been unemployed for a shorter duration (19 months was the average area duration; Australian Bureau of Statistics, 2007).

**Materials**

*Psychological Distress.* This was measured using the widely used 12-item General Health Questionnaire (Goldberg, 1972), which taps both positive and negative affect. Participants were asked to report their recent experiences, such as, “Have you recently lost much sleep over worry?”, using a 4-point scale (scored 0 to 3) with endpoints of *better than usual* and *much less than usual*, with higher scores indicating more distress. Reliability for the scale has consistently been high: Creed and Evans (2002) reported an internal consistency of .86 and Goldberg and Williams (1988) .85. In the present study, the internal reliability coefficient was .93.
Core Self-evaluations. (a) Self-efficacy was measured using the 10-item General Self-efficacy Scale (Schwarzer & Jerusalem, 1995). Participants responded to statements such as, “I can usually handle whatever comes my way”, on a 4-point scale with endpoints of not at all true and exactly true, with higher scores indicating more self-efficacy. Schwarzer and Jerusalem reported internal reliability coefficients of between .82 and .93. The internal consistency for the scale in this study was .89. (b) Self-esteem was measured using the 10-item Rosenberg (1965) Self-esteem Scale. Participants responded to statements such as, “On the whole, I am satisfied with myself”, on a 4-point scale with endpoints of strongly agree and strongly disagree, with higher scores indicating more self-esteem. Blascovich and Tomaka (1991) reviewed considerable empirical data to support the reliability and validity of the scale. The internal reliability coefficient in the present study was .88. (c) Locus of Control was operationalised using the 7-item Personal Mastery Scale (Pearlin, Menaghan, Lieberman, & Mullan, 1981), which taps the extent to which an individual views life either as being under personal control or as fatalistically determined. Participants responded to statements such as, “I have little control over the things that happen to me”, on a 4-point scale with endpoints of strongly disagree and strongly agree, with higher scores indicating greater control. Support for the reliability and validity of this scale has been provided by Pearlin et al. (1981). Internal reliability in the current study was .81. (d) Neuroticism was measured using the 12-item Neuroticism scale of the short version of the Eysenck Personality Questionnaire – Revised (Eysenck & Eysenck, 1991). Participants were asked to respond yes (scored 1) or no (scored 0) to questions such as, “Are you a worrier?”, and, “Are your feelings often hurt?”. Higher scores indicate higher neuroticism. The scale has a strong
average internal reliability of .86 (Gregory, 2004), with the current study reporting .85.

**Employment Commitment.** This was measured by the 8-item Commitment to Having a Job Scale (Rowley & Feather, 1987). Respondents were asked to indicate their level of agreement on items such as, “I hate being on the dole”, on a 4-point scale with endpoints of *strongly disagree* and *strongly agree*. Higher scores indicated a stronger desire to be in paid work. Rowley and Feather reported an internal reliability of .85; this was .87 in the current study.

**Procedure**

The study was survey based and cross-sectional. Participants were sourced by asking attendees to several offices of the national employment agency to complete a survey. If they agreed, they were asked filtering questions to confirm that they were in receipt of a government unemployment benefit and actively seeking work. Participants either completed the survey immediately or were given a pre-paid envelope with a return address if they elected to take it with them. Participants who completed the survey had their names placed in a draw for the chance to win a voucher to the value of $100 at the store of their choice. The study was conducted under the auspices of the authors’ human ethics committee.

**Results**

**Bivariate Correlations**

The bivariate correlations reported in Table 1 indicated significant correlations among the core self-evaluation variables, which was consistent with Judge et al.’s (2002) proposal that the four variables should be related. There were no significant correlations between these variables and employment commitment, suggesting no overlap between the core self-evaluations and commitment, suggesting that
employment commitment does not constitute an aspect of core self-evaluations. All core self-evaluation variables and employment commitment were significantly associated with psychological distress and were thus included in the subsequent regression analysis. None of the demographic variables were associated with psychological distress and were thus not included as control variables.

Predicting Psychological Distress

A hierarchical multiple regression analysis was conducted to test (a) that the core self-evaluation variables would predict psychological distress, (b) that employment commitment would explain additional variance in psychological distress, and (c) that length of unemployment would moderate the relationship between employment commitment and well-being. Psychological distress was entered as the outcome variable. All of the core-self-evaluation variables were entered at Step 1. Employment commitment was entered at Step 2. Length of unemployment was entered at Step 3; and the employment commitment by length of unemployment interaction term was entered at Step 4. The interaction term was based on centred scores to avoid difficulties with multicollinearity (Aiken & West, 1991).

At Step 1, the core self-evaluation variables accounted for 50.6% of the variance in psychological distress, $F(4, 168) = 42.99, p < .001$. Employment commitment at Step 2 accounted for an additional 2.9%, $F_{\text{Change}}(1, 167) = 10.40, p = .002$. Length of unemployment at Step 3 did not contribute additional variance, $F_{\text{Change}}(1, 166) = .01, p = .93$, but the addition of employment commitment by length of unemployment interaction term at Step 4 explained an additional 1.2%, $F_{\text{Change}}(1, 165) = 4.26, p = .041$. At this final step, the significant predictors, in order of importance, were self-esteem ($\beta = -.40, p < .001, sr^2 = 7.56\%$), control ($\beta = -25, p < .001, sr^2 = 3.69\%$),
neuroticism ($\beta = .23$, $p < .001$, $sr^2 = 3.57\%$), employment commitment ($\beta = .16$, $p = .003$, $sr^2 = 2.40\%$), and the employment commitment by length of unemployment interaction term ($\beta = -.11$, $p = .041$, $sr^2 = 1.17\%$). Those with lower self-esteem and control and higher neuroticism and employment commitment reported more psychological distress (see Table 2). This final model accounted for 54.7% of the variance in psychological distress, $F(7, 165) = 28.41$, $p < .001$. The relationship between employment commitment and psychological distress was moderated by length of unemployment. As recommended by Aiken & West (1991), we plotted the significant two-way interaction to demonstrate its effect (Preacher, Curran, & Bauer, 2008). When employment commitment was low, there were no differences on psychological distress among the short length of unemployment group (1 SD below the mean), the average length of unemployment group (at the mean) and the long length of unemployment group (1 SD above the mean). However, when employment commitment was high, the short length of unemployment group had lower levels of psychological distress than the average group, which in turn had lower levels than the long length of unemployment group (see Figure 1).

Discussion

This study tested (a) whether the possession of protective abilities related to core self-evaluations were associated with positive well-being in an unemployed sample; (b) whether employment commitment, which represents the incongruence between wanting to be in a job and being unemployed, contributed to the explanation of decline in well-being, and (c) whether employment commitment was related differently to well-being with different lengths of unemployment.
The hypothesis regarding core self-evaluation and psychological distress was partially supported. The core self-evaluation variables accounted for a sizable proportion of the variance in psychological distress (51%); however, only self-esteem, neuroticism and control were unique predictors. Consistent with previous research, higher self-esteem (e.g., Wanberg, 1997), lower neuroticism (e.g., Creed & Evans, 2002) and more internal control (e.g., Creed & Bartrum, 2008) were associated with less psychological distress. Plausible explanations for why these variables contribute to a decline in well-being in the unemployed have been proposed by numerous authors. For example, it has been argued that unemployment damages self-esteem by generating feelings of depression (Goldsmith, Veum, & Darity, 1996; Heimpel et al., 2002), whereas neuroticism sensitivity operates to reduce well-being as it influences the way individuals perceive and react to negative daily events (Bolger & Schilling, 1991).

Self-efficacy did not account for unique variance in psychological distress in the regression model, although it did have a significant bivariate correlation in the expected direction. Self-efficacy was significantly associated with the other core self-evaluations and its contribution to well-being in the regression analysis may have been swamped by these variables. Other studies have shown a positive relationship between self-efficacy and well-being in unemployed people (Wiener, Oie, & Creed, 1999) and between self-efficacy and well-being generally (Bandura, 1997; Flammer, 1990). It is possible that the relationship between self-efficacy and well-being in unemployed people is not a simple one and that this relationship is contingent on other environmental and person factors. As an example, social support has long been proposed as protective factor for individuals in stressful situations (Cohen & Willis,
1985), and Vinokur and Caplan (1987), argued that social support was an important mental health buffer for highly motivated people who do not find work.

Employment commitment was not bivariately correlated with any of the core self-evaluation beliefs, and explained significant variance in well-being over and above that explained by these variables. This indicates little to no overlap with the core self-evaluations and suggests that employment commitment merits consideration in its own right when evaluating well-being in unemployed people. The unemployed sample tested in this study reported a high mean employment commitment level, and higher levels of employment commitment were associated with more psychological distress. These results are consistent with previous research that examined employment commitment separate from the core self-evaluations (e.g., Jackson, Stafford, Banks, & Warr, 1983; Warr & Jackson, 1987). The findings are consistent with Paul and Moser’s (2006) proposition that unemployed people typically have high levels of employment commitment and that the incongruence between this dispositional trait and the situation of unemployment causes distress. Individuals who place high importance on the goal of being employed and view having a job as a central component of their self-image are more likely to experience negative affect during unemployment as their goals and views are compromised.

Finally, the relationship between employment commitment and psychological distress was not a straightforward one; rather it was contingent on the person’s length of unemployment, with those unemployed the longest being disproportionately disadvantaged when employment commitment was high. These results lend support to the proposition by Paul and Moser (2006) that employment commitment is dispositional rather than situational, as it is sometimes referred to in the literature (Kanungo, 1982), and also provide more direct support for the proposition that
unemployed people do not adapt to their situation by reducing their commitment so as to manage their distress.

In summary, this study demonstrated the value of considering dispositional characteristics when examining the well-being of unemployed people; in particular, considering the protective factors of having a positive self-concept (i.e., having high self-esteem, low levels of neuroticism and perceptions of control) and managing high levels of employment commitment. Intervention programs for unemployed people typically focus on skills development; that is, focus on developing work skills and/or developing job seeking skills. These interventions could incorporate specific components, or integrate components, that promote inoculation against setback by giving strategies to improve self-esteem, manage perceptions of stress and lack of control, and manage the effect of high goal-setting. For example, group discussions that encourage participants to discuss ways of coping with obstacles would foster an increased sense of control. This is likely to contribute to improving well-being, and, as shown by Wanberg (1997), would aid job-seeking and re-employment. In relation to employment commitment, rather than simply urging unemployed people to either look harder or more often for employment, which may increase psychological distress, instead, interventions could focus on teaching the most efficient job-search strategies.

References


Table 1
Summary data and bivariate correlations for all study variables; N = 173

<table>
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<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
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<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<th>7</th>
<th>8</th>
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<td>8.03</td>
<td>-</td>
<td>.34***</td>
<td>.64***</td>
<td>.52***</td>
<td>.56***</td>
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<td>-.00</td>
<td>-.01</td>
<td>-.04</td>
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<tr>
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<td>4.99</td>
<td>-</td>
<td>.62***</td>
<td>-.44***</td>
<td>.46***</td>
<td>.04</td>
<td>.03</td>
<td>.11</td>
<td>.26**</td>
<td>.07</td>
<td></td>
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<tr>
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<td>28.40</td>
<td>5.62</td>
<td>-</td>
<td>.53***</td>
<td>.57***</td>
<td>-.07</td>
<td>.01</td>
<td>.20**</td>
<td>.13</td>
<td>-.00</td>
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<tr>
<td>Neuroticism</td>
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<td>3.58</td>
<td>-</td>
<td>.38***</td>
<td>.09</td>
<td>.02</td>
<td>-.17*</td>
<td>-.05</td>
<td>-.12</td>
<td></td>
<td></td>
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<td>Control</td>
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<td>3.09</td>
<td>-</td>
<td>.07</td>
<td>.06</td>
<td>.09</td>
<td>.04</td>
<td>.02</td>
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<td>Employment commitment</td>
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<td>.01</td>
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<td>Age</td>
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<td>-</td>
<td>.18*</td>
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* = p < .05, ** = p < .01, *** = p < .001

Table 2
Summary data for hierarchical multiple regression analysis for variables predicting psychological distress (N = 173)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
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<td></td>
<td>B</td>
<td>SE(B)</td>
<td>β</td>
<td>B</td>
</tr>
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<td>.11</td>
<td>.08</td>
<td>.09</td>
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<td>.11</td>
<td>-.42***</td>
<td>-.58</td>
</tr>
<tr>
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<td>.15</td>
<td>.24***</td>
<td>.50</td>
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<tr>
<td>Control</td>
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<td>.17</td>
<td>-.27***</td>
<td>-.63</td>
</tr>
<tr>
<td>Employment commitment (EC)</td>
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<td>.08</td>
<td>.17**</td>
<td>.27</td>
</tr>
<tr>
<td>Length of unemployment (UE)</td>
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<td>.21</td>
<td>-.01</td>
<td>-.07</td>
</tr>
<tr>
<td>EC x UE</td>
<td>-.87</td>
<td>.42</td>
<td>-.11*</td>
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</tbody>
</table>

Note: R² at Step 1 = .51*** (Adjusted R² = .49); R² at Step 2 = .54; R² at Step 3 = .54; R² at Step 4 = .55. *p < .05, **p < .01, ***p < .001
Figure 1. Interaction: employment commitment and length of unemployment on psychological distress.