

## Psychological Consequences of Unemployment: A Comparative Study of Employed and Unemployed Youths in Rural Areas

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### Abstract

*Life satisfaction is considered as the highest goal of human life in each and every cultural paradigm whereas optimism leads human beings towards a bright side of life and gives a self confidence & positive mental framework. Employment plays a crucial role in life satisfaction and optimism. Present study was undertaken with the objective of to understand the level of life satisfaction and optimism among employed and unemployed youths in rural areas. Study was also planned to investigate the relationship between life satisfaction and optimism. Study was conducted at 13 villages located in Uttarakhand and Uttar Pradesh. In order to achieve the objectives, 200 participants were selected using simple random sampling. Standardized tools by Diener et al. (1985) and Scheier & Carver (1985) were used to assess the life satisfaction and Optimism respectively. Data were analyzed using appropriate statistical methods. Cross tabulations were done among relevant variables. Findings of the study reveal that employment is a key factor in life satisfaction and optimism of participants. Life satisfaction and optimism were found greater among employed youths in comparison to unemployed youths.*

**Keywords:** Life Satisfaction, Optimism

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### Introduction

Looking to current economic conditions, finding a source of livelihood is hard. Notwithstanding the apparent financial disadvantages of youth unemployment, its psychological effects are impairing the mental health of youths. Employment plays a major role in determining life satisfaction and hopeful view of individuals. Life satisfaction is defined as a whole assessment of feelings and attitudes about one's life at a particular point in time ranging from negative to positive. Life satisfaction is one of three major indicators of well-being: life satisfaction, positive affect, and negative affect (Diener, 1984). Frank and Enkava (2009) found in their study that economic growth enhances

life satisfaction over time. The effect was not direct but mediated through monetary satisfaction, health satisfaction and job satisfaction.

Optimism is a term, which involves feelings, expectations, planning, logic and actions (Balci and Yilmaz, 2002; Gençoğlu, 2006). Optimism is defined as the ability to adapt to life, pessimism is seen as mental defectiveness. Goleman (2009) defines optimism as a strong expectation, despite all the difficulties and obstacles. Scheier and Carver (1992) frames optimism as expectations related to the future. Optimistic believe that good things will happen, the pessimistic believe this in reverse.

In a study conducted by Hammarstrom & Janlert (2002) showed that when young people are unable to find work it can cause serious psychological damage. Longitudinal research, conducted with young people over five years, shows unemployment can lead to clinical signs of anxiety and depression. Inability to find work reduces self-confidence and creates feelings of isolation.

The psychological effects of unemployment are possibly more harmful and destructive than any other one. Literature argues that enduring effects of unemployment reduce the individual's ability to cope up with stress and other kind of psychological competencies. Youth unemployment is social and economic challenge in each countries of this fast changing world. The negative outcomes of unemployment related to wellbeing have been found in various studies (Creed & Watson, 2003; McKeeRyan, Song, Wanberg & Kinicki, 2005). Hanisch (1999) distinguished the negative effects of unemployment into individual and family effects. Individual effects consists physical and psychological effects. Physical effects encompasses an increase in headaches; Stomach aches; Sleep problems; Lack of energy etc. Psychological effects include increased depression, anxiety, stress, anger, fear, and social isolation, and low self-esteem, low life satisfaction, aspiration levels, concentration and personal identity. In family effects, an increase in spousal abuse, marital friction, spousal depression, family conflict, and child abuse and a decrease in family cohesion are common. Lee (2008) conducted a study aiming at examining the relations between optimism, coping strategies, job search behavior, motivations, and psychological consequences of unemployment among Hong Kong university graduates. Findings of the study revealed that higher optimistic level was associated with better mental health while the use of coping strategies

was positively associated with optimism. Researcher also investigated that proactive job search, employment commitment and financial hardship were strong independent predictors of psychological health.

Lucas, Clark, Georgellis and Diener (2004) investigated that, even though life satisfaction is moderately stable over time but unemployment affects this in the long term.

The goal of psychology has always been to facilitate human development and foster productive and satisfactory lives. Youth unemployed is rising day by day and it is a persistent problem around the world. Long-term youth unemployment can lead to not only long-term economic problems, but also psychological harms. This study is designed to create awareness regarding psychological consequences of unemployment.

**Research Questions:** Based on literature review following questions were formulated for investigation purposes.

- What is the status of life satisfaction and optimism among employed and unemployed youths?
- Is there any impact of employment on life satisfaction and optimism of youths?
- What is the relationship between life satisfaction and optimism?

**Objectives:** Study was conducted to achieve following objectives:

- To assess the level of life satisfaction of employed and unemployed youths
- To examine the optimism among unemployed and employed youths
- To explore the relationship between life satisfaction and optimism among employed and unemployed youths

**Method**

**Sample:** In order to achieve the objectives, present exploratory study was conducted on 200 participants including 100 employed participants and 100 unemployed participants. Age range was 25-35 years. Participants were selected using simple sampling technique. Study was conducted in rural areas of Uttar Pradesh and Uttarakhand state of India consisting 13 villages.

**Measures:** Following measures were employed for collecting data.

- A. Satisfaction with Life Scale:** This scale was constructed by Diener, et.al. in 1985. It consists 5 item scale designed to measure global cognitive judgments of one's life satisfaction. This scale is not a measure of either positive or negative emotional aspects. Response scale ranges from 7 (strongly agree) to 1 (strongly disagree). The SWLS takes a global approach to assessment because no specific domains are named within the scale and items are not specific in nature. Pavot & Diener (1993) found

pessimism, Scheier & Carver (1985). Three items are positive (e.g., "In uncertain times, I usually expect the best") and measure the optimism subscale, three items are negative and measure the pessimism subscale (e.g., "I hardly ever expect things to go my way"), and the remaining four are filler items (e.g., "I enjoy my friends a lot").

The items are scored on a 5-point Likert scale which ranges from 1 (strongly disagree) to 5 (strongly agree).

**Results and Discussion**

Study was planned to examine the role of employment in life satisfaction and optimism. It was also investigated the relationship between life satisfaction and optimism among the persons who are employed and unemployed as well. After analysis of data following significant trends were found;

**Table No. 1. Mean Value & S.D. of Life Satisfaction and Optimism, N=200**

| Variables         | Employed |      | Unemployed |      |
|-------------------|----------|------|------------|------|
|                   | Mean     | S.D. | Mean       | S.D. |
| Life satisfaction | 25.84    | 2.30 | 19         | 2.46 |
| Optimism          | 18.83    | 2.22 | 11.91      | 1.02 |

test retest reliability ranging 0.83 to 0.50 intervals ranged from 2 weeks to 4 years. In general higher reliabilities were related with shorter test intervals.

- B. Life Orientation Test-Revised (LOT-R):** The Life Orientation Test (LOT) is a 10 item scale which was developed to assess individual differences in generalized optimism versus

Table clearly indicates that employed participants scored more on life satisfaction and optimism than unemployed participants. It may be said that psychological effects are possibly more damaging than the economic and other kind of effects. Psychological literature argues that long-term effects of unemployment affect people's coping with stress and how they relate to society as well. Therefore unemployment is

both psychosocial and economic challenge in our country. Lucas, Clark, Georgellis and Diener (2004) argued that, even though life satisfaction is moderately stable over time but unemployment affects this in the long term.

**Table No. 2. Difference between Mean Values of Life Satisfaction, N=200**

| Types of Participants | Mean Value of Life satisfaction | t-Value |
|-----------------------|---------------------------------|---------|
| Employed              | 25.84                           | 3.65**  |
| Unemployed            | 19                              |         |

\*\* $p < .001$ , \*  $p < .05$

Above table clearly indicates that there was a significant mean difference on life satisfaction. Freud (1961) stated in his book that the wellspring of psychological health is love and work . hence unemployment may affect our psychological peace of mind and lead to pain

and discomfort. This is also a matter of personality traits and available resources to cope with the situations. So it may said that unemployment is one of the major constraints in attaining standard level of life satisfaction.

**Table No. 3. Difference between Mean Values of Optimism, N=200**

| Types of Participants | Mean Value of Optimism | t-Value |
|-----------------------|------------------------|---------|
| Employed              | 18.83                  | 4.73**  |
| Unemployed            | 11.91                  |         |

\*\* $p < .001$ , \*  $p < .05$

Table shows that significant mean difference was found between employed and unemployed participants on optimism. Employment plays a major role in determining the optimism of

individuals. Negative effects of unemployment are apparent in terms of less optimism among participants.

**Table No. 4. Correlation Coefficient between Life Satisfaction and Optimism, N=200**

|                          |                     | <b>Life Satisfaction</b> | <b>Optimism</b> |
|--------------------------|---------------------|--------------------------|-----------------|
| <b>Life Satisfaction</b> | Pearson Correlation | 1                        | .675**          |
|                          | Sig. (2-tailed)     |                          | .000            |
|                          | N                   | 100                      | 100             |
| <b>Optimism</b>          | Pearson Correlation | .675**                   | 1               |
|                          | Sig. (2-tailed)     | .000                     |                 |
|                          | N                   | 100                      | 100             |

\*\* $p < .001$ , \*  $p < .05$

Table shows that there is a high positive correlation between life satisfaction and optimism. This means optimism and life satisfaction have the same variable. In a study conducted by Chang, Olivares and Zurilla (1997), it was investigated that optimism and pessimism to be significant correlates of life satisfaction. Cummins and Nistico (2002) found that the need for optimism regarding oneself was thoroughly linked to life satisfaction. Bailey et.al. (2007) concluded that hope and optimism were related to life satisfaction. Thus, it may be concluded that life satisfaction levels get higher as the optimism levels increase.

### Conclusions

Creating employment opportunities are successful in raising life satisfaction and optimism of individuals. Being employed provides individual with plenty of opportunities. It facilitates youths to provide and care for family members. Through employment youths fulfill their survival and other basic needs which play a vital role in strengthening the life satisfaction and optimism. Governments should not only pay attention to quantitative but also to qualitative growth of individuals. Optimism and life satisfaction are reciprocal and mutually enhanced through fulfilling the employment need of youths who are unemployed although studies suggest life satisfaction and optimism

are affected by variety of factors including personality disposition.

Therefore, capacity building programs should be implemented to stimulate economic growth, job creation and skills development and to have a better understanding of the other psychological consequences among the unemployed Indian youth's population. Further studies must be carried out. The factors affecting the optimism and life satisfaction of participants may be multi-variable. Hence, other studies may be conducted on determining the relationships among other variables.

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