

# **Foregoing lucrative employment to preserve low self-esteem<sup>1</sup>**

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Word count: 2772 including Appendix; 30 references.

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Study based on the first author's doctoral dissertation. We thank Gordon Bower, Alicia Betsinger, and Chris King for helpful comments on an earlier version of this manuscript. We also thank the Texas Workforce Commission for providing access to UI wage data.

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### Abstract

We predicted job turnover among 7758 former college students using individual earnings trends over time and their self-esteem scores. After two years with the same employer, an interaction effect emerged, indicating that the relationship between earnings trend and job tenure depends on self-esteem level. High self-esteem persons tended to leave their jobs sooner when their earnings declined or remained flat. Low self-esteem persons tended to quit more when their earnings increased over time.

Numerous laboratory studies indicate that people with negative self-views display a paradoxical tendency to avoid interacting with those who evaluate them positively. The research reported herein extends these findings to a naturally-occurring analogue of this phenomenon: that people with low self-esteem may quit jobs in which they receive greater pay than they think they deserve. Our question is: Will people with negative self-views quit their jobs if they get paid too much?

Sumner (1907) was probably the first theorist to suggest that people preferred information that confirms their beliefs. Lecky (1945) later narrowed this idea by suggesting that people were specifically interested in information that confirmed their chronic conceptions of themselves (but not necessarily their momentary self-views or attitudes, as later suggested; Aronson, 1968; Festinger, 1957). Lecky proposed that people form self-views based on the treatment they receive from others and then use these self-views to predict the reactions of others, to guide their behavior, and to organize their conceptions of reality (e.g., Mead, 1934). He argued that people perceive information that confirms their self-views as reassuring, whereas information that challenges their self-views is disorienting and dangerous.

Swann (1983) extended Lecky's reasoning by arguing that people structure their lives so as to maximize exposure to confirming information and minimize exposure to disconfirming information. For example, Swann suggested that people with negative self-views would strive to maintain these self-views by embracing negative self evaluations. Numerous laboratory studies conducted over the last several decades have supported this provocative hypothesis. For example, people with negative self-views prefer interacting with individuals who evaluate them negatively over those who evaluate them positively (e.g., Hixon & Swann, 1993; Robinson & Smith-Lovin, 1992; Swann, Hixon, Stein-Seroussi, & Gilbert, 1990; Swann, Pelham, & Krull, 1989; Swann, Wenzlaff, Krull & Pelham, 1992; see Swann, Rentfrow & Guinn, 2002, for a review).

This preference emerges whether the self-views refer to specific qualities (intelligence, sociability, dominance) or global self-worth (self-esteem, depression). Nevertheless, except for a few studies of reactions to marital versus dating partners (Cast & Burke, 2002; Swann, Hixon, & De La Ronde, 1992) or college roommates (Swann & Pelham, 2002), all of the supporting evidence has come from lab studies. It is essential to determine the generality of these phenomena. To this end, we asked here whether people with low self-esteem will remain in jobs in which their earnings trend is flat or declining, and quit<sup>2</sup> jobs in which their earnings trend is increasing.

For an earnings trend to be capable of challenging or threatening one's firmly-held self-views, some time must pass for the source to become credible (Swann & Schroeder, 1995). Research has shown that preferences for self-confirmatory evaluations are stronger if the evaluator is highly credible (Hixon & Swann, 1993). Similarly, those with negative self-views prefer positive dating partners but negative marital partners, presumably because marital partners know them better than dating partners (Swann, De La Ronde, & Hixon, 1994). These findings suggest that when people initially take a new position, the evaluations they receive (in the form of raises) may lack credibility because their employer knows little about them. After they have been employed for some time, however, the fact that their employer has observed them over an extended time will lend the employer more credibility. As a result, the longer one is employed, the stronger should be one's preference for self-confirmatory feedback. Thus, people

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<sup>2</sup> We use the term "quit" throughout this paper to simplify the discussion, however, employment spells can end for a variety of reasons. Our theoretical argument does not require that participants intend to end their employment, or even that they be aware of the factors responsible, and in any case the available data do not allow the distinction to be made. Factors outside the control of employees, such as layoffs, constitute random error in this model.

with low self-esteem might initially tolerate positive performance feedback (increasing pay), but should become increasingly less tolerant of such positivity over time<sup>3</sup>.

### Method

To test our hypothesis, between 1993 and 1995 we measured the self-esteem of 7758 male and female college students (gender will not be discussed as it did not interact with our effects) using Tatarodi and Swann's (1995) self-report questionnaire. Ten questions tap social worth (feeling valued and respected by others), with high scorers endorsing items such as 'I feel comfortable about myself,' and disagreeing with items such as 'I feel worthless at times.' Another 10 questions tap agency (feeling strong and capable due to one's knowledge of what one can do), with high scorers tending to endorse items such as 'I am a capable person,' and disagreeing with 'I don't succeed at much.' Although correlated, these two forms of self-esteem are empirically distinct<sup>4</sup>. Conceivably, perceptions of both forms of self-esteem (social worth and agency) might be related to turnover. Perceived social worth might predict persistence

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<sup>3</sup> Although our hypothesis may seem improbable in light of recent assertions that indices of self-esteem are not useful in predicting behavior (e.g., Baumeister, 2003; Dawes, 1994; London, 1997), there are two reasons why such assertions may not apply here. First, to the best of our knowledge, ours is the first attempt to use self-esteem and its higher-order interactions to predict employment turnover. Second, unlike past researchers, who have failed to discriminate two distinct forms of self-esteem, we distinguish social worth and agency (e.g., Tatarodi, Marshall, & Milne, 2003; Tatarodi & Swann, 1995).

<sup>4</sup> For example, agency is related to self-perceived competence but social worth is not (Tatarodi & Swann, 1995). When people are criticized by their parents or rejected by their lovers, their perceived social worth declines but their perceived agency remains high; at the same time, when people fail an exam or behave inappropriately during a job interview, their perceived agency drops while their perceived social worth remains high (Tatarodi & Milne, 2002).

in a job because work takes place in a social setting, and work-place rewards are seen as reflecting how much people are valued by their supervisors and co-workers. Perceived agency might be influential insofar as people use self-perceived competence as a yardstick for their value on the labor market.

We obtained employment and earnings information for participants between 1994 and 1999 using Unemployment Insurance (UI) data collected and maintained by the Texas Workforce Commission. The UI program monitors quarterly wages for virtually everyone holding a legitimate job in Texas (excepting a few industries). By linking to this database we were able to determine how much each participant earned from any given employer in any given calendar quarter.

To hold constant across the study period the real value of earnings, all wage amounts were converted to constant dollars using the Consumer Price Index. This adjustment partially attenuates the trend of increasing earnings across time, and more accurately reflects the fact that when earnings levels remain constant, their real value (or purchasing power) actually decreases.

We defined earnings trends at the level of the individual person-employer relationship, beginning with the first self-sufficient job the participant held for at least four consecutive quarters after his or her self-esteem measurement. To test our hypothesis that chronic self-esteem interacts with earnings trend to determine employment turnover, we used event history analysis to model employment durations. The criterion variable was the employment “lifetime” (or tenure) of participants with their employer. Event history analysis estimates employment lifetimes using all available information, starting with the actual lifetimes of those who quit, and adjusting for the time-on-the-job of those still with their employer at the end of the study (referred to as “censored” observations).

## Results

The predictors of the employment lifetime variable were self-esteem (summed over social worth and agency), earnings trend, and the interaction of these two. The results plotted in Figure 1 show that the interaction of self-esteem and earnings trend began to predict turnover after 24 months of employment. Most strikingly, those with low self-esteem show greater and greater preference for remaining in jobs in which they received no raises and for leaving jobs with increasing earnings. In contrast, those with high self-esteem were more apt to remain with the focal employer if their earnings had been increasing. Hence, for those employed 24 months or more the results confirm our predictions.

To determine if the patterns displayed in Figure 1 were statistically significant we conducted a series of regressions. We used earnings trend, self-esteem, and the interaction of earnings trend and self-esteem to predict, for all participants still employed at each successive month between 11 and 39, how many additional months they would remain employed. The results of these analyses (see Table 1), confirmed the pattern of results displayed in the figure. The interaction of earnings trend and self-esteem significantly predicted employment duration for all who had been employed 24 months or more.

A potential alternative interpretation for our findings is that self-esteem only serves as a proxy for the employee's actual ability. This line of argument would suggest that people with low self-esteem in jobs in which they were receiving regular raises displayed high turnover because they were incompetent and were consequently fired or resigned due to embarrassment. According to this rival hypothesis, a need or desire for stable self-esteem would play no role in turnover rates.

We tested this alternative by examining the independent effects on turnover of social worth and agency. Specifically, we repeated the same regressions mentioned above, substituting both social worth and agency for the total self-esteem predictor, and substituting two new interaction terms with earnings trend. The results (see Table 2) clearly indicated that the interactive effect of total self-esteem on employment tenure was driven by social worth rather than agency. Whereas there were numerous significant social worth by earnings trend interactions observed for those employed 24 months or more, no significant interaction effects emerged for agency by earnings trend.

The failure of perceived agency to mimic the overall self-esteem pattern diminishes the plausibility of the notion that our self-esteem effects merely reflect a tendency for self-esteem scores to track actual ability. This is because perceived agency (but not social worth) has been shown to be related to self-perceived abilities in domains as varied as academic, social, athletic, and creative ability (Tafarodi & Swann, 1995). And when people fail competence-related tasks, their perceived agency declines while their perceived social worth remains high (Tafarodi & Milne, 2002). Therefore, it appears that agency as compared to social worth is a superior measure of ability. Given the null effects for agency, it seems unlikely that the tendency for self-esteem to covary with actual ability can account for our self-esteem effects.

## Discussion

A pearl of our cultural wisdom is that people love to be loved. Social scientists have provided support for this idea by repeatedly showing that people prefer and seek favorable evaluations (e.g., Jones & Pittman, 1982; Schlenker, 1980; Taylor & Brown, 1988). Our findings challenge the generality of this proposition by showing that a powerful desire for coherence may override the preference for positivity among people

with low self-esteem. So strong is this desire for coherence that it will even cause people with low self-esteem to quit high paying jobs.

The preference for earnings that are perceived as commensurate with one's sense of self-worth did not emerge immediately but only after a significant period of time (two years) had elapsed. The latter finding presumably reflects a tendency for perceived over- or under-payment to produce discomfort only when the employer is well acquainted with one's performance. Apparently, after two years, participants felt that their employer should have known them better than to pay them amounts that their self-views told them were inappropriate. This finding is reminiscent of Swann et. al's (1994) evidence of the emergence of coherence strivings among married but not dating persons. Whereas dating couples were intimate with positive but not negative partners, married couples were most intimate with partners who evaluated them in a manner that confirmed their self-views, even if these self-views were negative. In that study, as in the present data, it appears that self-discrepant evaluations are especially troubling when they come from credible sources who should know the person well.

Our findings challenge recent contentions that self-esteem is a mere product of social interaction that has no impact on significant social phenomena (e.g., Baumeister, 2002; London, 1997; Dawes, 1994). That is, it appears that self-esteem encourages people to systematically gravitate toward contexts that will reinforce their conceptions of themselves, even if these conceptions happen to be negative. That they will do so even to their own financial detriment is a testament to the strength of the underlying motive.

We should emphasize here that however paradoxical or self-defeating our participants' behaviors may appear to the outside observer, they may be adaptive within the frame of reference of the participants themselves. From previous laboratory studies,

we know that people with low self-esteem do not savor unfavorable evaluations as one might expect masochists to do. Instead, they are ambivalent about such evaluations. In choosing a negative evaluator, one person with negative self-views noted: “I like the [favorable] evaluation but I am not sure that it is, ah, correct, maybe. It sounds good, but [the unfavorable evaluator] ... seems to know more about me. So, I'll choose [the unfavorable evaluator]” (Swann, Stein-Seroussi, & Geisler, 1992).

Such remarks suggest that in avoiding employment opportunities that are financially beneficial, participants with low self-esteem are avoiding situations that are likely to be psychologically stressful. The responses of low self-esteem participants may thus be members of a larger class of responses that are designed to ensure that their worlds seem safe, predictable and congruent with previous experiences rather than dangerous, unpredictable, and incongruent with previous experiences.

## Appendix

Earnings. Due to the imprecision of using calendar quarters as the unit of time for measuring the primary dependent variable, employment durations were converted to monthly units by estimating the proportion of the first and last quarters worked and rounding to the nearest month. Not only did this serve to improve the precision of the employment measure, but it also brought spells into closer alignment with respect to their month of hire. Nearly identical results were obtained with unconverted quarterly data. For ease of comprehension, monthly data were averaged to quarterly intervals in graphical presentation of the results.

The individual earnings trend was defined as a modified linear trend in monthly earnings over this interval, with the first and last two months excluded in order to reduce the potential influence of earnings in ‘converted’ quarters (as described above). The earnings trend was calculated with linear weights that increase in absolute value with increasing distance from the midpoint of the interval, except that in this case only positive weights were used, and the sum of the latter half was divided by the sum of the first half, as compared to the simple subtraction achieved by negative weights. This effectively renders the earnings trend as a proportionate increase in earnings over the interval, and consequently minimizes the effect of between-person mean earnings differences on the earnings trend measure.

To ensure that these earnings levels met some minimal threshold of impactfulness, and were not simply measuring part-time work while in college, we required that the salary level allowed self-sufficiency across the initial four quarter period. This was determined by comparing average monthly earnings against poverty thresholds, available from the US Census Bureau. Participants who made, on average, 185% or more of the federal poverty limit were considered to be making self-sufficient earnings.

Only the first such spell per participant was counted, and those who failed to meet this criterion for any employment spell were excluded.

Transformation of self-esteem and earnings-trends. Some have warned about the statistical difficulty of detecting moderator or interaction effects in field studies relative to experiments (e.g., McClelland & Judd, 1993). They argue that this is due to nonoptimal distributions of the component variables of the interaction, which reduces the residual variance of their product. This results in lower efficiency of the design, and reduced power for detecting an interaction effect. Optimal distributions for detecting interactions, as exemplified by a 2x2 experiment, maximize the residual variance of the product by concentrating all observations in the corners of the bivariate distribution.

In an attempt to make the current design more optimal, nonlinear transformation of self esteem and earnings trends was done with the goals of reducing their skewness and eliminating positive kurtosis. This was achieved using negative square root transformations for all self-esteem measures; and using the sign times the log of the absolute value of the earnings trend, which maintains its positivity or negativity but reduces the peakedness of the earnings trend distribution. Finally, in order to reduce the high degree of covariation between earnings trend, self-esteem, and their product, both variables were centered about zero (by subtracting the mean) before computation of the interaction term (Aiken & West, 1991).

Survival data. Analysis of survival data in which some observations are censored is done using one of several members of the class of accelerated failure time models. These use maximum likelihood to arrive at parametric regression estimates of the shape of the hazard function over time (Allison, 1995). Unlike ordinary least squares regression, they require selection of a type of distribution for the disturbance, or error term. Several types of distributions were tested in predicting the employment duration variable, and the log-normal and log-logistic models were consistently found to provide

the best fit. Thus, because of the dichotomous nature of a spell of employment ending, the log-logistic model was selected as slightly more appropriate on theoretical grounds, and was used in all subsequent analyses.

We tested the significance of the interaction patterns portrayed in the figure with a series of regressions in which the earnings trend was successively re-defined over longer intervals for those still employed for each length of time. The predictors were treated as continuous variables in the regression analyses, but for purposes of graphical presentation, points were selected to correspond to one standard deviation above and below the mean of each variable, earnings trend and self-esteem. The results of these regressions are presented in Tables 1 and 2.

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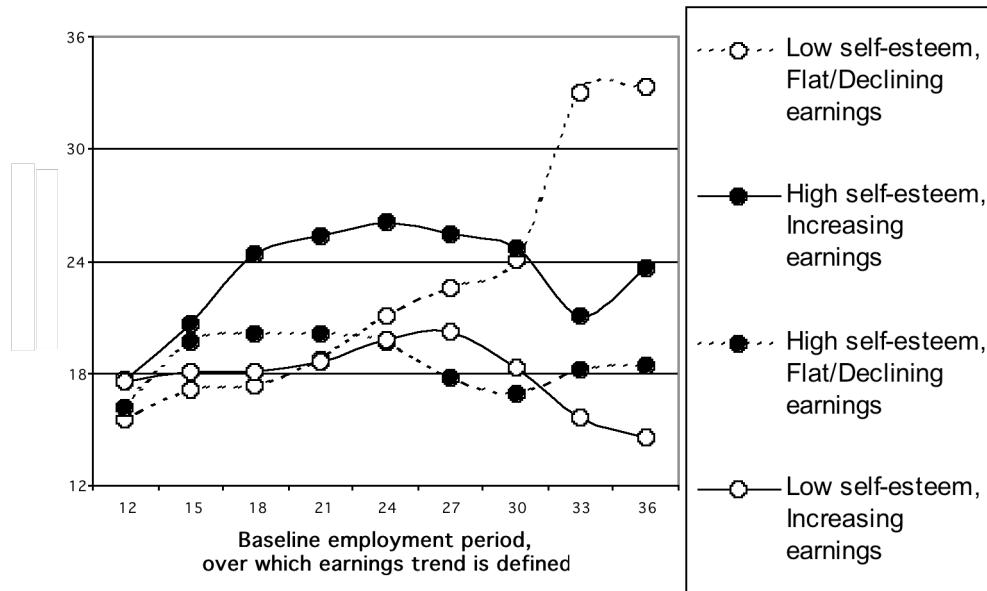
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Figure 1: Employment duration – display of earnings trend by total self-esteem interaction



**Table 1: Total self-esteem by earnings trend interaction effects on employment tenure.**

Baseline employment months	N	Self- esteem	Earnings trend	Earnings trend X		
				self- esteem	Intercept	Scale
12	1201	0	0.11**	-0.003	3.512	0.344
15	911	0.004	0.045	-0.001	3.595	0.302
18	664	0.008**	0.084	0.007	3.762	0.258
21	441	0.007	0.07	0.007	3.814	0.249
24	279	0.003	0.063	0.015*	3.903	0.22
27	219	0	0.063	0.017**	3.883	0.198
30	171	0.002	0.064	0.023**	4.026	0.187
33	116	-0.006	-0.215	0.033**	3.974	0.168
36	83	-0.004	-0.11	0.039***	4.066	0.163
39	60	0.005	-0.233	0.044***	4.312	0.152

In this and the following table, statistical significance is reported for parameter estimates with one asterisk for  $p < .10$ , two for  $p < .05$ , and three for  $p < .01$ . Parameters for gender and gender unknown not shown, generally non-significant. Two-tailed tests were done for all predictors except for directional predictions concerning earnings trend, for which a positive earnings trend indicates a positivity effect; and earnings trend by self-esteem (or its components), for which a positive coefficient represents a self-consistency effect. No significance is reported for the intercept and scale parameters.

**Table 2: Social worth/agency by earnings trend interactions simultaneously predicting employment tenure**

Baseline months	N	Agency	Social worth	Earnings trend X			Intercept	Scale
				Earnings trend	agency	social worth		
12	1201	-0.001	0.001	0.121**	0.013*	-0.017	3.507	0.343
15	911	0.003	0.001	0.045	0	-0.001	3.595	0.302
18	664	0.002	0.007	0.087	0.008	0	3.759	0.258
21	441	0.005	0.002	0.059	-0.007	0.016	3.815	0.249
24	279	0.004	-0.002	0.042	-0.007	0.027*	3.905	0.219
27	219	0.006	-0.007	0.002	-0.013	0.038**	3.886	0.194
30	171	0.006	-0.004	-0.029	-0.023	0.056**	4.032	0.178
33	116	-0.006	-0.001	-0.264	-0.016	0.066**	3.967	0.157
36	83	0.002	-0.008	-0.136	-0.007	0.058**	4.063	0.158
39	60	0.014	-0.012	-0.278	-0.005	0.064**	4.336	0.145