Abstract

Objective. The present study aimed at examining the relations between optimism, coping strategies, job search behavior, motivations, and psychological consequences of unemployment among Hong Kong university graduates. It was hypothesized that (1) optimistic graduates would have less stress, (2) optimistic graduates would use more adaptive strategies to cope with unemployment, (3) graduates with higher levels of coping would have lesser stress, (4) graduates with high employment commitment and financial hardship would have higher stress, and (5) higher job search intensity and coping would predict higher chances of being employed.

Method. One hundred and twenty Hong Kong university graduates completed a battery of questionnaires that assessed their psychological health, coping strategy, job search behavior, optimism, employment commitment and financial hardship. Psychological health was assessed by the General Health Questionnaire (GHQ-12). Coping strategy was assessed by the Proactive Search (PS) subscale of Coping with Job Loss Scale (CWJLS). Job search behavior was assessed by an adaptation of job search intensity (JSI). Optimism was assessed by the revised version of the Life Orientation Test (CLOT-R). Motivation variables were operationalized and assessed by employment commitment and financial hardship.

Results. Results indicated that higher optimistic level was associated with better mental health while the use of coping strategies was positively associated with optimism. Results of multiple regression analysis indicated that proactive job search, employment commitment and financial hardship are strong independent predictors of psychological health. Results of logistic regression analysis indicated that males had a higher chance of being employed than females.

Discussion. Consistent with findings from prior Western studies, present findings suggest that optimism benefits one’s psychological health. However, there are also a number of discrepancies between present and previous findings, which may be indicative of cultural differences. Therefore, to have a better understanding of the mental health among the unemployed in Chinese populations, further studies are warranted.
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Chapter 1 - Introduction and Literature Review

1.1 Literature Review

In Hong Kong, the past decade has witnessed a remarkable fluctuation of economy mainly due to the Asian financial crisis in 1997, the outbreak of SARS in 2003, the signing of CEPA, rapid capital relocation and economic restructuring. Unemployment rate in Hong Kong climbed from 2% in 1997 to 8.7% in 2003. In the first quarter of 2008 it went down to 3.4%, which is the lowest since the second quarter of 2001 (Census & Statistics Department, 2008). Due to the fluctuating employment rate in the past few years, unemployment has become one of the most concerning social issues in Hong Kong. Unemployment is no longer only bound to people with low education or skills, but has already extended to the well educated middle class.

Research on the psychological effects of unemployment on Westerners shows that unemployment is associated with many negative psychosocial and health effects (Bartley, 1994; Dooley & Catalano, 1988). These effects include the deterioration of physical and mental health (Schwarzer, Jerusalem, & Hahn, 1994), the decline of martial satisfaction (Morokoff & Gilliland, 1993), the increase of substance abuse (Hammer, 1992), and the increasing risk of family dysfunction (Broman, Hamilton, & Hoffman, 1990).
Unemployment and Psychological Consequences

Freud (1930/1961) argued that the wellspring of psychological health is love and work. Therefore, being unemployed may entail human disruption and pain. The impact of unemployment differs depending on individual’s personality, personal and social resources available, and how resources are mobilized to cope with the situations. Research has been done to demonstrate the psychological consequences of unemployment among Westerners (Bolton & Oatley, 1987; Dew, Bromet & Penkower, 1992).

The earliest theoretical studies on the effect of unemployment on psychosocial well-being were done by Jahoda, Lazarsfeld, and Zeisel (1933) and Bakke (1933, 1940a, 1940b). They concluded that work serves a number of social and psychological functions which are critical to the well-being of the individual. When an individual is unemployed, these social and psychological functions are lost too. Therefore, the deterioration of psychological health is largely due to the loss of these functions. Recent research also shows that the unemployed have significantly higher ‘psychological distress’ (Warr, 1987). Payne & Jones (1987) concluded in their study that employment status accounts for 10% to 16% of the variance of mental health. And Fryer and Payne (1986) also concluded that “in all cases the [cross-sectional] evidence suggests that groups of unemployed have higher mean levels of experienced
strain, and negative feelings … than comparable employed people” (p.247).

There is no doubt that unemployment has a negative consequence on psychological health, moreover, the effect size of the decrement of mental health by employment status is also important (Murphy & Athanasou, 1999). Fryer & Payne (1986) concluded that “the median correlation is 0.34, indicating that employment status accounts for about 14% of the variance in GHQ-12” (p.248). Warr (1987) found that about 62% of the unemployed participants had a higher criterion score on the GHQ indicating an increased risk of becoming a psychiatric case, while only 25% of the employed participants attained such a score. Claussen, Bjorndal, and Hjort (1993), using an index of relative risk derived from the Hopkins Symptom Checklist subscales, suggested that those re-employed participants were less than half as likely to be depressed as those unemployed participants.

But some findings suggest that it is difficult to establish causal relationship between unemployment and psychological difficulties since individuals with mental health problems are more likely to be unemployed. Supporting the hypothesis that unemployment causes psychological health problems, the cross-sectional study of Kessler, Turner, and House (1987b) demonstrated that involuntary job loss indeed causes psychological health problems. A recent study of unemployed Hong Kong Chinese women showed that unemployment is associated with impairment of
psychological health (Lai, Chan, & Luk, 1997). In sum, unemployment affects
individual’s mental health across different cultures and societies.

*Optimism and Psychological Consequences*

Relationship between optimism and psychological health has been studied
extensively in the past in the West (Scheier & Carver, 1992, 1993; Plomin et al., 1992;
Carver et al., 1993; Scheier et al., 1989; Taylor et al., 1992). These studies suggest
that optimistic individuals maintain higher level of subjective well-being during times
of stress than do less optimistic individuals. Research among the Hong Kong Chinese
indicates similar findings (Lai, 1994, 1995, 1997; Lai & Wan, 1996). These findings
include fewer physical symptoms among optimistic students (Lai, 1994, 1995, 1997),
and negative affect (Lai, 1997), but more positive emotions (Lai, 1997; Lai, Cheung,
Lee & Yue, 1998).

Research on optimism and psychosocial well-being suggests that optimists cope
with stress in more adaptive ways than less optimist individuals (Scheier & Carver,
1992). Optimistic individuals are more likely to take direct action to solve their
problems, are more planful in solving difficulties, and are more focused in their
coping efforts. They are more likely to accept the stressful situations that they
encounter, and try their best to make the best out of the stressful situations. On the
other hand, less optimistic individuals adopt avoidance and escape strategies when
difficulties raised (Scheier, Weintraub, & Carver, 1986).

*Coping and Psychological Consequences*

Coping refers to a constant change of cognitive and behavioral efforts to manage the internal and external demands of transactions (Folkman, Lazarus, Dunkel-Schetter, DeLongis, & Gruen, 1986). Coping has been conceptualized as problem focused and emotion focused (Lazarus, & Folkman, 1984a). Problem focused coping refers to efforts directed to do something constructive about the stressful situation. Individuals engage in activities which can decrease the hardship associated with stressful events such as increasing participation in social activities, and asking a friend for advices. (Leana & Feldman, 1995a; Pearlin & Schooler, 1978). Emotion focused coping refers to efforts directed to do something regulating or managing the emotional reactions of the stressor (Lazarus & Folkman, 1984b). Based on the concept of coping strategies in stressful situations, Latack, Kinicki and Prussia (1995) proposed control-oriented coping with unemployment and escape-oriented coping with unemployment. The former relates to strategies that are proactive in nature like engaging more time on job search activity, taking part in training programmes or working on ways to save money. The latter relates to the avoidance of situation such as trying not to think about unemployment, or self talking by telling oneself that it is not the end of the world (Kinicki & Latack, 1990).
Impacts of coping with unemployment on both short-term and long-term psychological health have been investigated extensively (Hanisch, 1999). Research points out that the effects of coping are more likely to be found in short run instead of long run (Leana & Feldman, 1995b; Wanberg, 1997).

With regard to the research about coping with unemployment, relatively little has been done on Chinese participants than non-Chinese participants. Confusing results have been found in past research. Some research indicates that escape-oriented coping was related to higher level of emotional distress and depression in Scandinavian or Australian (Grossi, 1999; Patton & Donohue, 1998; Smari, Arason, Hafsteinsson, & Ingimarsson, 1997). But such relationship was not significant among US participants (Kinicki & Latack, 1990; Leana & Feldman 1995b; Wanberg, 1997). Moreover, in a sample of unemployed Hong Kong Chinese women (Lai & Wong, 1998), the use of escape-oriented coping has been reported to be related to lower levels of psychological distress. Kinicki and Latack (1990) proposed that escape-oriented coping is negatively correlated with stress symptoms among the unemployed because the unemployed perceive little controllability over stressors in the long run. Thus, repeated failures to use control-oriented coping may lead to higher level of emotional distress, and the remaining option is the adoption of escape-oriented coping strategies.

The inconsistent results in past research can be explained by the difference in
economic and cultural context and the availability of employment opportunity.

Unemployment can be viewed as normal by some cultures or societies (Schaufeli & Van Yperen, 1992). In a society where unemployment is socially more acceptable, psychological well-being of the unemployed is less affected. The availability of employment opportunities in the societies is an essential factor in determining the mental health of an individual (Turner, 1995). When employment opportunities are perceived to be low, proactive job search may lead to repeated failure and in return causing higher levels of distress.

Financial Hardship, Employment Commitment and Stress

A number of studies have identified financial hardship as a key factor mediating the relationship between unemployment and depressive symptomatology (e.g., Vinokur, Price, & Caplan, 1996; Vinokur & Schul, 1997). Kessler, Turner, and House (1987a) reported that financial hardship has the greatest impact on the mental health of the unemployed, whereas all other variables have relatively minor effects. Research using unemployed community samples also provide evidence that economic strain is a risk factor for depression among the unemployed (Price, van Ryn, & Vinokur, 1992).

Different theories have been formulated in explaining the mechanisms of undesirable mental health effects that caused by unemployment. All these theories
share a common theme that motivation to cope with unemployment was triggered by the deprivation of vital needs when being unemployed (Jahoda, 1982; Warr, 1987). This deprivation is associated with negative mental health and thus motivates the unemployed individual to work as soon as possible. As suggested by Jahoda (1982), economic and psychosocial needs can be fulfilled by paid employment. As unemployment means that these needs cannot be fulfilled and eventually lead to impairment of functioning.

Financial hardship can be conceptualized from objective and subject perspectives (Price, Friedland, & Vinokur, 1998). Objective financial hardship means that when an individual is experiencing a reduction of financial status and has to cope with that by cutting back on expenses. Subjective financial hardship refers to financial strain which occurs when an individual perceives his/her economic situation is under constraint or when an individual is expecting future financial problems. Both objective and subjective financial hardship are critical in account for the detrimental impact on mental health. Apart from financial needs, the deprivation of psychosocial needs can be measured by employment commitment. Employment commitment refers to attitudinal variable of how important an individual would place on the paid work (Feather & Bond, 1983). Individuals with higher employment commitment to paid work are more likely to suffer from unemployment and thus more motivated to
maintain their work identity than are those with lower employment commitment. Past research also suggests that higher commitment to paid work predicts lower mental health among unemployed individuals (Jackson, Stafford, Bank, & Warr, 1983).

1.2 Conceptual Framework and Hypotheses

The present cross-sectional study investigated the relationship between optimism, coping and psychological health. It also attempted to identify the reliable predictors of employment success and psychological well-being in case of unemployment among Hong Kong University fresh graduates. Based on the earlier review, predictors that are theoretically related to psychological health and employment were examined.

Job-seeking behaviours (job-search intensity), coping strategies (proactive search), personal coping resources (optimism), and motivational factors (financial hardship and employment commitment) were constructed as independent predictors of psychological consequences and employment status.

Although optimism has been shown to affect both physical health and psychological health, the current study focused only on its impacts on psychological health. It is because most of the past studies on optimism were about optimism’s impacts on psychological health (or variables related to psychological health) rather than on physical health, whether the samples were Western or Chinese (Andersson, 1996; Lai et al., 1998).
This current study is conducted to test five major hypotheses. Firstly, optimistic graduates would have better psychological health. Secondly, more optimistic graduates tend to use control oriented coping strategies (proactive search) to cope with unemployment. Thirdly, more frequent use of proactive coping strategies would have better psychological health. Fourthly, higher level of employment commitment and financial hardship would have a negative psychological effect on the unemployed graduates. Fifthly, higher job search intensity and coping would predict higher chance of employment.
Chapter 2 - Methodology

2.1 Participants

A total of 120 Hong Kong university graduates, including 66 male and 54 female were recruited to participate in the present study on a voluntary basis. The ages of the participants ranged from 21 to 26 years (M = 22.5, SD = 1.4), participants were all ethnic Chinese. All participants were recruited from universities in Hong Kong including the University of Hong Kong (n = 16), the Chinese University of Hong Kong (n = 16), City University of Hong Kong (n = 31), the Hong Kong Polytechnic University (n = 18), the Hong Kong Baptist University (n = 16), Lingnan University (n = 9), and the Hong Kong University of Science and Technology (n = 14). Participants came from different Faculties including business (n = 24), humanities and social science (n = 46), science and engineering (n = 23), creative media (n = 21), and law (n = 6). When the present study was being conducted, 70 of the participants were employed and 50 of them were unemployed. The employed participants had been employed for 2 to 7 months (M = 3.3, SD = 1.56) while the unemployed participants had been unemployed for 1 to 5 months (M = 2.3, SD = 1.29).

2.2 Procedure

Questionnaires were administered to the participants on the day of their graduation ceremony inside the university. All participants were fresh graduates.
Questionnaires were given to them in random base and collected once after they have finished filling in the questionnaire. Informed consent was provided to the participants. Each participant was required to fill in a battery of questionnaires on stress level, coping strategies, optimism level, motivation on job search, and job search intensity over the past one week. Instructions for filling out the survey were written in English and were verbally explained to participants in Cantonese.

2.3 Measures

The battery of questionnaires was contained in a booklet that consisted of a cover page and the five scales described below. Demographic information was collected in separate section. All measures were written in English. The instructions for filling out the survey and each scale were clearly stated in English.

Psychological well-being. Psychological health was measured by a widely used instrument for tapping minor psychiatric disturbances in community settings, the 12-item General Health Questionnaire (GHQ-12) (Goldberg, 1972). Argyle (1989) suggested that GHQ is one of the most reliable indicators of psychological stress. It is one of the most commonly used scales for measuring mental health (e.g., Bartley, 1994). The GHQ-12 is the shortest version among the five versions of the General Health Questionnaire. The GHQ-12 consists of 12 symptoms or behaviors (e.g. lost much sleep over worry; felt constantly over strain). Respondents were asked to
indicate on a 4-point scale (1 = less so than usual; 4 = much more than usual) how often they had experienced each of the 12 symptoms or behaviors in the last two weeks. A global stress score was computed by summing the ratings on the 12 items. A higher global stress score indicated a higher degree of psychological stress. The scale showed high internal consistency in prior studies with Western ($\alpha = .94$: Wanberg, 1997; $\alpha = .92$: Wanberg, 1997) and Chinese samples ($\alpha = .85$: Lai & Yue, 2000). The Cronbach’s $\alpha$ of the GHQ-12 for the present sample ($N=120$) was .93.

Job search behaviors. The 10-item version of Job-Search Intensity (JSI) adapted by Lai (2003) was used. The adaptation was based on Blau’s (1994) 12-item measure of Job-Search Intensity (JSI). The 12 items were based on prior measures of job search behavior (Dyer, 1972; Kanfer & Hulin, 1985; Sheppard & Belitsky, 1966; Vinokur & Caplan, 1987). Of the 12 items, six items represent preparatory job search behaviors, and the other six items represent active job search behaviors. In the present study, two items irrelevant to the Hong Kong context or unemployed job seekers were excluded. Thus, the resulting adaptation consisted of 10 items. This scale directly measures the frequency of specific job search behaviors rather than the use of broad job seeking strategies. The Job Search Intensity scale has been commonly used for assessing job-search behaviors and shown acceptable level of internal consistency ($\alpha = .80$, Wanberg, Watt, & Rumsey, 1996; $\alpha_s = .82$ and .86, Wanberg et al., 1999).
Cronbach’s $\alpha$ of the JSI for the present sample (N=120) was .96.

To complete the scale, respondents were asked to indicate the frequency that they carried out each behavior within the past two weeks on a 5-pont scale (1 = Never [0 times]; 2 = Rarely [1 or 2 times]; 3 = Occasionally [3 to 5 times]; 4 = Frequently [6 to 9 times]; 5 = Very Frequently [at least 10 times]). If the respondents had already become employed, they were asked to indicate the level of job search intensity during the 2 weeks before they got their current jobs. Ratings on the 10 items of this scale were summed to form a global score, with higher scores indicating more intense job seeking. Past studies have found that this 5-point scale can precisely measure the frequency of each job search behavior as measured on a binary Yes/No response scale (Black, 1981; Kanfer & Hulin, 1985; Kopelman, Rovenpor, & Millsap, 1992; Sheppard & Belitsky, 1966).

Coping with job loss. Proactive Search (PS) of the Coping with Job Loss Scales (CWJSI) originally developed by Kinicki & Latack (1990) was used to access coping with job loss. The CWJSI consisted of five factors including Proactive Search (PS), Distancing from Loss (DFL), Job Devaluation (JD), Non-work Organization (NWO), and Positive Self-Assessment (PSA) (Kinicki & Latack, 1990). The scale is conceptually separated into two coping dimensions of control strategy versus escape strategy. The control strategies included PS, NWO, and PSA while escape strategies
In the present study, only items of Proactive Search were used for the following reasons. First, items of Proactive Search are more relevant to the Hong Kong cultural context than the other factors. Second, Proactive Search explained 31.5% of the total variance (Lai, 2003). Third, one part of the CWJSI were used to reduce the fatigue of the respondents which caused by long questionnaire. Proactive Search consists of five items that assessed proactive attempts to find job and range from focusing time and energy on job seeking activities in looking for a job. To complete the scale, respondents were asked to indicate on the frequency of using the five strategies to cope with unemployment during the last two weeks on a 5-point scale (1 = hardly ever do this; 5 = almost always do this). For example, “devote a lot of time to looking for a new job” and “focus my time and energy on job search activities”. If respondents had already become employed, they were asked to indicate how often they used these five strategies to cope with unemployment during the past two weeks before they got the current job. The scale was scored in a positive direction. Higher scores on the scale indicated higher degree of proactive search. A total score was computed by summing all individual ratings on each of the five items. Cronbach’s $\alpha$ of the scale for the present sample (N=120) is .92, which is higher than those in previous studies ($\alpha = .72$, Lai & Wong, 1998; $\alpha = .73$, Kinicki & Latack,
Optimism. Optimism was assessed by the Chinese Revised Life Orientation Test (CLOT-R) (Lai et al., 1998). It was an adaptation of the revised LOT (LOT-R) (Scheier, Carver, & Bridges, 1994) for measuring optimism in Chinese subjects. The CLOT-R consisted of three positively worded items (e.g. generally speaking, in certain times, I always expect the best) and three negatively worded items (e.g. generally speaking, looking into the future, I do not see any positive scenery). Since optimism can be both a cause and effect on employment status, a general overall optimism of respondent was measured in order to avoid the confusion. The recent measured optimistic level indicated the respondents’ overall optimism but not the altered optimistic level because of current employment status. Participants were asked to indicate their agreement of the six items, using a 5-point response scale ranging from 1 (strongly disagree) to 5 (strongly agree). After reversing the scores of the negatively worded items, item scores were added up to yield an overall optimism score with higher scores representing greater optimism. In the present sample (N=120), Cronbach’s $\alpha$ is .78 which is consistent with previous studies ($\alpha = .82$, Scheier et al., 1994; $\alpha = .74$, Lai, 2003).

Motivational variables. Employment commitment was measured by the scale of employment commitment developed by Rowley and Feather (1987). It contains eight
items which assessing the centrality of work to the life of respondents (e.g. even if I
won a great deal of money in the lottery, I would want to continue working
somewhere; I do not feel right when I am out at work). Some research suggested that
the scale contains important element of Protestant work ethic (Jackson et al., 1983)
and which may not be suitable for Hong Kong Chinese. However, no allusion could
be revealed by an elaborative inspection of the meanings of the items of the scale. As
a result, the scale was assumed to be applicable to the Hong Kong Chinese samples
because of its cultural neutrality. Past research in the West have shown that the scale
has high internal consistency ($\alpha = .85$, Rowley & Feather, 1987; $\alpha = .82$, Wanberg et
al., 1996; $\alpha = .76$, Wanberg et al., 1999) and predicted job-search frequency reliably
(Rowley & Feather, 1987; Wanberg et al., 1996). Internal consistency of the scale in
the present sample (N=120) is $\alpha = .91$, which is comparable with prior research. To
complete the scale, subjects were required to indicate the degree to which they want to
be employed on a 5-point scale (1 = strongly disagree; 5 = strongly agree). Item
scores were added up to form an overall total score in which higher scores represent
greater employment commitment.

Financial hardship was measured by an adapted version of 3-item scale
developed by Vinokur and Caplan (1987). Financial hardship refers to difficulties
faced by respondent financially and the decrease of respondent’s standard of living.
The scale consisted of three items and has high internal consistency in prior studies ($\alpha = .86$, Wanberg et al., 1996; $\alpha = .85$, Wanberg et al., 1999); in the current sample (N=120), $\alpha = .83$. To complete this scale, participants were asked to indicate on a 5-point scale (1 = not at all difficult; 5 = extremely difficult) on the extent to which they had difficulties in living on their household income when they graduated (e.g. how difficult is it for you to live on your total household income when graduate?). A score of overall financial hardship were derived by summing ratings of the 3 items. Higher scores indicate greater level of difficulties.

2.4 Statistical Analyses

Correlation analysis was used to examine the effect between the relationships among optimism, coping, and psychological well-being. Hierarchical multiple regression analyses were used to evaluate the independent predictive power of the predictors on psychological stress among unemployed graduates. For outcome measures that was dichotomous (employment status after graduated), hierarchical logistic regression was used for data analysis. For both types of regression analyses, demographic variables were entered in Step 1 of the equation as control variables, which were followed by different predictor variables in subsequent steps. The relative contribution of these predictors in explaining psychological well-being over and beyond the demographic variables could therefore be assessed.
Chapter 3 - Results

3.1 Descriptive Statistics

Pearson product-moment correlations, means, standard deviations, and Cronbach

alphas of the six scales are listed in Table 1.

Table 1. Means, Standard Deviations, Correlations and Coefficient Alphas

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
<th>α</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 GHQ</td>
<td>24.8</td>
<td>7.6</td>
<td>.93</td>
<td></td>
<td>-.47**</td>
<td>-.51**</td>
<td>-.91**</td>
<td>-.76**</td>
<td>.65**</td>
<td>-.45**</td>
<td>-.29**</td>
<td>.26**</td>
</tr>
<tr>
<td>2 JSI</td>
<td>23.1</td>
<td>8.5</td>
<td>.96</td>
<td></td>
<td>-.79**</td>
<td>.34**</td>
<td>.35**</td>
<td>-.21*</td>
<td>.32**</td>
<td>.49**</td>
<td>-.21*</td>
<td></td>
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<tr>
<td>3 PS</td>
<td>13.3</td>
<td>4.8</td>
<td>.92</td>
<td></td>
<td>.43**</td>
<td>.61**</td>
<td>-.19*</td>
<td>.46**</td>
<td>.36**</td>
<td>-.15</td>
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<tr>
<td>4 CLOT-R</td>
<td>20.4</td>
<td>4.6</td>
<td>.78</td>
<td></td>
<td>.71**</td>
<td>-.74**</td>
<td>.30**</td>
<td>.44**</td>
<td>-.49**</td>
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<tr>
<td>5 EC</td>
<td>27.0</td>
<td>6.8</td>
<td>.91</td>
<td></td>
<td>-.45**</td>
<td>.58**</td>
<td>.17</td>
<td>-.28**</td>
<td></td>
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<tr>
<td>6 FH</td>
<td>7.80</td>
<td>2.7</td>
<td>.83</td>
<td></td>
<td>.04</td>
<td>-.28**</td>
<td>.51**</td>
<td></td>
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<tr>
<td>7 Age</td>
<td>22.5</td>
<td>1.4</td>
<td></td>
<td></td>
<td>.25**</td>
<td>.15</td>
<td></td>
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<td></td>
<td></td>
<td>-.63**</td>
<td></td>
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<tr>
<td>9 Employment status</td>
<td></td>
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</tr>
</tbody>
</table>

Notes
N = 120
* p < .05; ** p < .01.

GHQ = General Health Questionnaire; JSI = job-search intensity; PS = proactive search;
CLOT-R = Chinese Life Orientation Test - revised; EC = employment commitment;
FH = financial hardship; Age = age; Gender = gender; Employment status = employment status.

As the table shows, CLOT-R shows a significant negative correlation with GHQ-12 (r

= -.91, p < .01). As expected, psychological health is negatively associated with

optimism.
Coping strategies of proactive search exhibited a significant positive correlation with CLOT-R (r = .43, p < .01). As expected, more frequent use of proactive search coping strategies is significantly and positively associated with optimism.

Reliability coefficients (Cronbach $\alpha$) were computed to test the internal consistency of the scales. As shown in Table 1, Cronbach $\alpha$ of all scales were acceptably high, ranging from .78 to .96.

### 3.2 Multiple Regression - Psychosocial Factors as Predictors of Psychological Health Among the Unemployed.

To examine the predictive power of coping strategies, employment commitment and financial hardship on psychological health, hierarchical multiple regression was used.

#### Table 2. Multiple Regression Analysis Predicting GHQ

<table>
<thead>
<tr>
<th>Variable</th>
<th>Step 1</th>
<th></th>
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<th>Step 2</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>t</td>
<td></td>
<td>Beta</td>
<td>t</td>
<td></td>
</tr>
<tr>
<td>1. Age</td>
<td>-.70</td>
<td>-6.95**</td>
<td></td>
<td>-.28</td>
<td>-2.59*</td>
<td></td>
</tr>
<tr>
<td>2. Gender</td>
<td>-.16</td>
<td>-1.54</td>
<td></td>
<td>-.27</td>
<td>-6.80**</td>
<td></td>
</tr>
<tr>
<td>3. PS</td>
<td>.28</td>
<td>3.79**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. EC</td>
<td>-.63</td>
<td>5.85**</td>
<td></td>
<td></td>
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<tr>
<td>5. FH</td>
<td>.47</td>
<td>9.02**</td>
<td></td>
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</tr>
</tbody>
</table>

R² change  .53**  .42**

**Notes**

N = 120

* p < .05, two-tailed; ** p < .01, two tailed.

Age = age; Gender = gender; PS = proactive search; EC = employment commitment; FH = financial hardship.
As shown in Table 2, in the first step, the sociodemographic factors were entered. It indicates that younger participants were significantly more distressed than older participants. In the next step, proactive search, employment commitment and financial hardship were introduced. The addition of these variables produced a significant $R^2$ change. The results indicated that sociodemographic factors explained 53% of the variance in psychological health, and the factors entered in the second step explained another 44% of the variance in psychological health.

3.3 Logistic Regression -Coping Strategies and Job-Search Behavior as Predictors of Employment Status

The effects of coping strategies and job-search behavior on employment status were examined using logistic regression analyses. Demographic variables including gender and age were control variables.

Table 3. *Logistic Regression Analysis Predicting Employment Status*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Step 1</th>
<th></th>
<th></th>
<th></th>
<th>Step 2</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>S.E.</td>
<td>Wald</td>
<td>Exp (B)</td>
<td>B</td>
<td>S.E.</td>
<td>Wald</td>
<td>Exp (B)</td>
</tr>
<tr>
<td>1. Age</td>
<td>-.02</td>
<td>.16</td>
<td>.02</td>
<td>.98</td>
<td>-.25</td>
<td>.23</td>
<td>1.16</td>
<td>.78</td>
</tr>
<tr>
<td>2. Gender</td>
<td>-3.37**</td>
<td>.60</td>
<td>32.00</td>
<td>.03</td>
<td>-4.48**</td>
<td>.86</td>
<td>26.97</td>
<td>.01</td>
</tr>
<tr>
<td>3. JSI</td>
<td>.08</td>
<td>.056</td>
<td>1.95</td>
<td>.16</td>
<td>.078</td>
<td>.056</td>
<td>1.95</td>
<td>.16</td>
</tr>
<tr>
<td>4. PS</td>
<td>-.02</td>
<td>.11</td>
<td>3.31</td>
<td>.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Notes*

N = 120

* p < .05, two-tailed;  ** p < .01, two tailed.

Age = age; Gender = gender; JSI = job-search intensity; PS = proactive search.

Results summarized in Table 3 showed that the only significant predictor was gender.
That is, men had a higher chance of being employed. However, contrary with the prediction of the present study, both job-search intensity and proactive search coping strategies did not reliably predict employment status. As a result, intense use of job search behaviors and proactive search coping did not increase one’s opportunity of being employed.
Chapter 4 - Discussion and Conclusions

4.1 Discussion

Although the study reported here was to a certain extent limited by the characteristics of the sample such as small sample size, the findings clearly show that the four major psychological predictors significantly predicted psychological well-being.

As with prior findings among Hong Kong Chinese (Lai & Wong, 1998), optimism was the most powerful predictor of psychological consequences. Optimistic participants suffered less psychological stress. Consistently with previous research (Lai & Wong, 1998), proactive search coping strategy was associated with higher level of optimism.

With regard to the prediction of psychological well-being, perceived financial hardship was associated with higher stress. Contrary to my predictions, proactive search coping was negatively associated with stress, and employment commitment was associated with higher stress. Gender was also reliable in predicting psychological well-being. Younger participants were more stressful than older participants.

Contradicting my predictions, job-search intensity and coping did not show any significant effect on employment status among the present university graduate sample.
Optimism and Psychological Well-Being

As with prior findings among Western or Chinese samples, optimism has been found to be an important personal resource for coping with stressful situations. Yet, little has been done on the role of optimism in coping with unemployment. Despite the limited existing data, the association between personal coping resources and desirable psychological well-being in the context of unemployment is suggested to be positive. Leana and Feldman (1995a) have found that, compared to less optimistic unemployed individuals, more optimistic unemployed individuals are more likely to become reemployed. Wanberg (1997) also demonstrated that optimism is a strong predictor of psychological well-being among the unemployed. Consistent with these findings, the present study has shown that optimism moderates the effect of unemployment on psychological stress.

Optimism and Coping

Regarding the relationship between optimism and coping, the current study found that optimism was positively associated with proactive search coping strategy. This finding is consistent with prior studies using Western samples (Scheier et al., 1986; Scheier & Carver, 1992, 1993). For instance, optimists more frequently use control-oriented coping to deal with breast cancer (Carver et al., 1993), coronary artery bypass surgery (Fitzgerald, Tennen, Affleck, & Pransky, 1993; Scheier et al.,
1989), bone marrow transplantation (Curbow, Somerfield, Baker, Wingard, & Legro, 1993), and limb amputation (Dunn, 1996). Although optimism also serves as an important coping resource in dealing with stressful situations like academic examination (Lai & Wan, 1996) and daily hassles (Lai, 1995; Lai, Hamid, Lee, & Yue, 1996), studies focusing on stressors other than personal illnesses such as unemployment are still relatively scarce. Therefore, this contention is highly speculative and remains to be verified in future research.

Coping and Psychological Well-Being

Findings of the present study about the effect of proactive coping strategy on psychological well-being are consistent with previous studies with unemployed Western samples which indicated that proactive coping strategy predicts higher stress (Grossi, 1999; Kinicki & Latack, 1990). But at the same time these findings contradict with other studies that suggested that proactive search coping can positively predict psychological well-being (Leana & Feldman, 1990; Wanberg, 1997). Findings reported previously have shown that when individuals perceived high level of control over the unemployment situation (Wanberg, 1997) or good chances of reemployment (Turner, 1995), control-oriented coping would lead to better psychological well-being. Since unemployment rate in Hong Kong has fluctuated drastically in the past decade, perceived controllability of unemployment situation might be lower, and perceived
chances of employment might eventually be reduced.

Cultural difference may also account for the inconsistency between the present study and findings obtained in past studies conducted in the West. Coping strategies adopted between cultures are different. Gerdes and Ping (1994) have examined the differences of coping strategies in stressful situations between college students from the US and the People’s Republic of China. They found that problem-focused strategies were only significant in moderating stress-related symptoms in female US students but not in Chinese. As a result, different coping prescriptions should be used in different cultures for similar stressful events.

Furthermore, severity and controllability of the stressor – unemployment – also played an important role in the effect of proactive search coping strategy on psychological well-being. Because of the relative severity and uncontrollability of unemployment, proactive search for employment may not be effective in eliminating stress in long run. Repeated failures in the continual use of proactive search coping strategy may lead to more stress in return.

*Employment Commitment, Financial Hardship, and Psychological Well-Being*

As with previous studies with Western sample groups, financial hardship was found to be a strong predictor of psychological well-being. Perceived financial hardship was associated with higher stress. However, results of the present study
regarding employment commitment contradict with prior findings. Results of the present study found that higher employment commitment was not associated with higher stress. As suggested by Rowley & Feather (1987), significant positive relationship between employment commitment and psychological distress was only found in unemployed individuals aged between 30 to 49 years, and no significant results could be found in a younger cohort. When a sample with a younger age was studied, as is the case of the present study, positive correlation between employment commitment and psychological well-being may not be observed.

Job-Seeking Intensity, Coping, and Employment Status

With regard to the relationship between employment status and job-seeking intensity and that between employment status and proactive coping, results of the present study showed no significant effect. This finding, however, is inconsistent with previous studies using US samples. For example, Leana and Feldman (1995b) suggested that control-oriented coping strategy was positively associated with employment. Wanberg (1997) also reported a positive association between the use of proactive search coping strategy and employment.

The discrepancy with prior studies can be attributed to the limitation of the operationalization of coping to the use of only one strategy in the present study. Other effective coping strategies adopted by participants might have been omitted. These
omitted but possibly effective strategies for coping with unemployment include looking for social support (Latack et al., 1995) and disclosure of deeply felt experience of being unemployed through expressive writing (Spera, Buhrfeind, & Pennebaker, 1994).

4.2 Limitations and Conclusions

Despite the significant findings of the present study, the results should be interpreted cautiously due to the cross-sectional and retrospective nature of the present study. For instance, a rival hypothesis may be that unemployment is not a direct cause of deterioration of mental health of Hong Kong university graduates because poor mental health could also affect their employment status. To eliminate this rival hypothesis, longitudinal design that was adopted by past studies in investigating the effects of plant closing among Western samples is needed (Iverson & Sabroe, 1988; Kessler, Turner, & House, 1987b). Results of these past studies reliably demonstrated that deterioration in psychological well-being is caused by unemployment instead of the other way round. But whether this is also the case for Chinese remains to be empirically examined. Further studies with more precise designs are warranted.

Nevertheless, major findings in the current study lend support to prior Western studies, but the possible impacts of unemployment due to cultural differences should not be neglected. Results of the present study showed that the psychological
consequences of unemployment and factors predicting these consequences (i.e., the mental health impacts of optimism and financial hardship) are to a large extent universal. However, a number of gaps between the present findings and the previous Western findings are still observed. These controversies cannot be interpreted properly without considering cultural or contextual influences. This can be illustrated by the findings related to the impacts of coping, and employment commitment.

To conclude, findings in this study provide evidence that both individual differences in psychosocial factors and demographic factors are important in determining psychological consequences among Hong Kong university graduates with regard to employment status. Although this finding is consistent with studies done previously with Western samples (Leana & Feldman, 1990, 1995b; Wanberg, 1997; Wanberg et al., 1996, 1999), some of the findings also reveal that research on applicability of dominant theories in Chinese context is limited. Further research on unemployment in Hong Kong Chinese would definitely help gain more understanding on the impact of optimism, coping on psychological consequences of unemployment.
References


Review, 95, 29-30.


Lai, J. C. L. (1997). Relative predictive power of the optimism versus the pessimism


Appendix - Questionnaire

Employment Status of University Graduates

The objective of this survey is to investigate the relationships between optimism, coping behaviours and psychological health consequences of unemployment among HK University graduates. Your personal information and answers would be confidential and only use for statistical purpose. Your parents, teachers, colleagues and friends would not able to attain any information, so please feel free to answer it. I really thank and appreciate your patience and efforts on academia. If you have any enquiries, please raise it out, and I will solve your doubt at once.

Thanks for your cooperation.
Questionnaire

1. Age: ___________

2. Sex:
   □ Male  □ Female

3. Which university you are at?
   □ Hong Kong University
   □ Chinese University of Hong Kong
   □ City University of Hong Kong
   □ Hong Kong Polytechnic University
   □ Hong Kong Baptist University
   □ Lingnan University
   □ University of Science and Technology

4. Which faculty you are at?
   □ Business
   □ Humanities and Social Science
   □ Science and Engineering
   □ Creative Media
   □ Law

5. What is your employment status?
   □ Employed  ** If you choose ‘Employed’, please proceed to Question 6 to continue
   □ Unemployed  ** If you choose ‘Unemployed’, please proceed to Question 8 to continue

6. What is your field of work now?
   □ Business
   □ Social Science / Education
   □ I.T. / Engineering
   □ Creative Media
   □ Law

7. How long you have been employed? _____________ (months)

8. How long you have been unemployed? _____________ (months)
Please read the following description carefully, and choose the one suit you most.

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<th>N H</th>
<th>U S</th>
<th>S O</th>
<th>U A</th>
<th>N A</th>
<th>L</th>
</tr>
</thead>
</table>

1. In the past two weeks, have you been able to concentrate on whatever you're doing?

2. In the past two weeks, have you lost much sleep over worry?

3. In the past two weeks, have you felt that you are playing a useful part in things?

4. In the past two weeks, have you felt capable of making decisions about things?

5. In the past two weeks, have you felt constantly under strain?

6. In the past two weeks, have you felt you couldn't overcome your difficulties?

7. In the past two weeks, have you been able to enjoy your normal day-to-day activities?

8. In the past two weeks, have you been able to face up to your problems?

9. In the past two weeks, have you been feeling unhappy and depressed?

10. In the past two weeks, have you been losing confidence in yourself?

11. In the past two weeks, have you been thinking of yourself as a worthless person?

12. In the past two weeks, have you been feeling reasonably happy all things considered?
Please read the following description carefully, and choose the one suit you most.

For **employed**, have you …

For **unemployed**, do you …

1. Read the help wanted/classified ads in a newspaper, journal, or professional association.
2. Listed/List yourself as a job application in a newspaper, journal or professional association.
3. Sent/send your resumes to potential employers.
4. Filled/fill out a job application.
5. Read a book or article about getting a job or changing jobs.
6. Had/have a job interview with a prospective employer.
7. Talked/talk with friends or relatives about possible job leads.
8. Contacted/contact an employment agency, executive search firm or state employment service.
9. Spoke/speak with previous employers or business acquaintances about their knowing of potential job leads.
10. Telephoned/telephone a prospective employer.
Please read the following description carefully, and choose the one suit you most.

|                | D | H | R | O | A | D | H | T | D | H | L | I | Y | S | D | O | N | A | D | L | O | W |

For **employed**, have you …

1. Devoted/devote a lot of time to looking for a new job.
2. Focused/focus my time and energy on job search activities.
3. Given/give it my best effort to find a new job.
4. Gotten/get together with job contacts, people who can help me find another job.
5. Talked/talk with people who can help me find a job.

|                | D | S | I | T | S | R | A | O | G | N | R | G | E | L | E | Y | E | A | S | G | T | R | R | E | O | E | N | G | L | Y |

For **unemployed**, do you …

<table>
<thead>
<tr>
<th></th>
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<th>S</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>A</th>
<th>S</th>
</tr>
</thead>
</table>

Please read the following description carefully, and choose the one suit you most.

<table>
<thead>
<tr>
<th></th>
<th>D</th>
<th>S</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>A</th>
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</table>

1. Generally speaking, in uncertain times, I always expect the best.
2. Generally speaking, looking into the future, I do not see any positive scenario.
3. Generally speaking, I am always optimistic about my future.
4. Generally speaking, I hardly ever expect things to go my way.
5. Generally speaking, I rarely count on good things happening to me.
6. Generally speaking, overall, I expect more good things happen to me than bad.
Please read the following description carefully, and choose the one suit you most.

1. Even if I won a great deal of money in the lottery, I would want to continue working somewhere.
2. I don't feel right when I'm out at work.
3. Having a job is important to me.
4. I'd still want to work even if I could get more money on social security.
5. I wouldn't like being out of work.
6. I get bored without a job.
7. Work make me feel I'm doing something with my life.
8. The most important thing that happened to me have involved my job.

Please read the following description carefully, and choose the one suit you most.

1. It was difficult for me to live on my total household income when graduated.
2. When I graduated, I and my family experienced actual hardships such as inadequate housing, food, or medical attention?
3. When I graduated, I had to reduce my standard of living to the bare necessities of life?