LIVING IN POVERTY: IMPLICATIONS FOR WORK ATTITUDES AND BEHAVIORS

by

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Poverty is a powerful context that can affect individuals psychologically and socially, as well as financially. My work aims to introduce a discussion of poverty into the work domain, specifically examining how it can be defined at work, and how it affects work attitudes and behaviors. I present two papers that propose and test a theory of poverty's multifaceted effects on work outcomes (e.g., discretionary behaviors, job attachment, and career development) through a set of mediating mechanisms (e.g., self-efficacy, negative affectivity, and the diversity of social resources).
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INTRODUCTION

In the United States, many of the fastest growing job categories are now occupied by the working poor (e.g., certified nursing assistants; food service workers; child care aides) (Figueroa & Woods, 2007). Although many of these employees work full-time, their wages are not high enough to bring their household income above the poverty level set by the U.S. Census Bureau. Moreover, many of the working poor have few opportunities to advance beyond these low status jobs because they lack the training and education required to obtain higher-paying ones. Despite the large number of employees classified among the working poor, there is still very little research in organizational studies on this group of stakeholders. My dissertation examines the impact of poverty (experience with low-household income in the past and/or present) on employees’ work attitudes and behaviors. The purpose of this research is to present a case for studying the working poor in the organizational literature, and to improve our understanding of the impact of poverty at work. My research extends the work of many policy makers and economists, who make compelling arguments for raising wages for such workers (e.g. Ackerman, 2006; Craypo & Cormier, 2000; Watchel & Betsey, 2001), but also suggests other avenues for developing interventions that can benefit the working poor and also improve outcomes for the organization. Thus, augmenting the literature on how work and employment affect income levels, in my dissertation I examine how income levels affect work outcomes, such as extra-role behaviors, job attachment, and career progression.
There are three primary questions addressed in my research. First, do our models of work motivation and career development – which have been tested largely with samples of managers, professionals, or unionized craft workers – generalize to the working poor? There is some evidence that the working poor develop distinctive models of appropriate behavior at work, leading them to behave differently than their higher-wage coworkers and managers, whose actions more often reflect traditional theories of work motivation and performance (Stephens, Markus, & Townsend, 2007). For example, managers might encourage “extra role” and innovative behavior in employees (Organ & Ryan, 1995; Van Dyne & LePine, 1998) and view these behaviors as beneficial to the organization. However, the working poor may have different models of what constitutes agentic behavior at work (Markus & Kitayama, 2003), or face higher costs from staying late or helping a coworker, thus making the behavior harder for them to perform. If so, this could suggest a realignment of some of the assumptions underlying work design and expectations. Second, what are some mechanisms that can help us to explain how poverty affects work outcomes? The effects of poverty at work may be subtle or attributed to other causes, such as an unwillingness to do the work, or a lack of motivation at work. This work seeks to understand some of the underlying causes of poverty, to improve our understanding of how poverty manifests in organizations and how to design possible interventions to alleviate some of the effects of poverty. Third, if poverty is indeed a strong context, how might it materialize in organizations, and ultimately affect work outcomes, like job attitudes and performance? For instance, what factors influence whether the working poor stay in a low-wage job characterized by work that is emotionally and physically demanding, or to leave one low-wage job only to take another where pay and working conditions are no better? The traditional models of turnover – which argue that turnover is a function of dissatisfaction
with the current job and/or an opportunity for a better alternative – do not seem to be as applicable here. But it is unclear on what basis the working poor make the decision to leave or to stay in a particular job.

To examine these questions, I present a model of poverty as a powerful contextual variable that has strong effects on work outcomes and behaviors, and argue that poverty is a “strong situation” (Mischel, 1977) that overwhelms the effects of individual factors, like personality, on work related outcomes. Other researchers argue that poverty is not only comprised of an individual’s current economic earnings, but also their “background of poverty,” or the socio-structural factors that may have led to their current situation (Gould, 1999; Wilson, 1987). I similarly suggest that the working poor are defined by the intersection of past and present factors that can impact their experiences at work and at home. I propose three papers that develop and test theoretical models of the effects of poverty on work outcomes.

1.1 PAPER 1

In the first paper, I make a case for studying the working poor in organizational research, and develop a theoretical model of how poverty (e.g. a poor background and low current wages) can affect certain work outcomes, such as job attitudes, career development, and in-role and extra-role job performance. I further identify three organizational constructs that may mediate the relationship between the two. In this way, I am using organizational theories to try to explain the effects of poverty at work.
1.1.1  Why the Working Poor?

There are several reasons why the working poor warrant further research. First, the working poor represent a large and growing segment of the U.S. workforce, employed in many of the fastest-growing occupations (Figueroa & Woods, 2007; BLS, 2010). The characteristics of low-wage service jobs, in which the working poor are often employed, highlight a phenomenon that was largely unseen in developed manufacturing economies. Many service jobs are structured like an hourglass, rather than a pyramid, and are characterized by large wage disparities between a group of skilled professionals (e.g. doctors, lawyers, professors, chefs) at the top of the structure, and a larger group of support staff with minimal qualifications (e.g. nurse aides, clerical staff, secretaries, waiters) at the bottom (Craypo & Cormier, 2000). There are few levels in between through which a member of the support staff could eventually move to the top. Second, due to the low skill requirements of the job, support staff are paid low wages, although ironically, they have become the primary point of contact for many customers (Figueroa & Woods, 2007). Finally, from a societal perspective, the working poor in these service jobs provide indirect benefits to the economy by caring for the property and even the family members of the more affluent workers, thus enabling professional workers to pursue higher levels of education and higher status jobs, without the high levels of stress that result when professional employees are unable to adequately accommodate family needs (Hemp, 2004).

1.1.2  Measuring Poverty and Identifying the Working Poor

As mentioned above, to measure poverty, I look at the intersection of current wages and a person’s previous background. I claim that the working poor represent the intersection of low
wages and a poor background. However, it is easy to imagine other groups of workers that differ from the working poor: 1) those with high wages and a non-poor background (“textbook workers”), 2) those with high wages despite a poor background (“aspirants”), and 3) those with low wages despite a non-poor background (“low-wage workers”). As Lubrano (2004) suggests, there are some exceptional individuals who earn higher wages despite their poor background, due to a combination of talent, motivation, and luck. These workers are not the working poor, though. To clarify the term “working poor,” my dissertation briefly distinguishes these four groups of workers before focusing more narrowly on the distinction between the working poor and traditional workers. From here, I propose that poverty represents a classic example of a “strong situation” (Mischel, 1977)—i.e., a context in which situational aspects overpower individual characteristics, limiting the set of behaviors the individual deems appropriate in a given environment (Hattrup & Jackson, 1996).

Research in other fields has already demonstrated that growing up in poverty can detrimentally affect many core aspects of a person’s life, including health and longevity (Taylor, Repetti & Seeman, 1997; Williams & Collins, 1995; Singh & Siahpush, 2006), family patterns—e.g., marriage rates (Small & Newman, 2001; Wilson, 1987)—and cognitive development—e.g., success in school (Jackson, et al., 2000; Farah, Noble & Hurt, 2005). Borrowing from organizational demography literature (Tsui & Gutek, 1999), I use categorical (individual-based), relational, and compositional (structural) perspectives to describe some of the multifaceted effects of poverty on individuals’ lives. I further differentiate each of these three effects of poverty as they relate to the low wage work itself or to non-work factors. For example, a compositional approach in the non-work environment would highlight the work of sociologists, who have found that the poor are often isolated (e.g. physically, geographically and
institutionally) from institutions, people, and opportunities that could help them escape poverty (Wilson, 1987; Newman & Massengill, 2006; Small & Newman, 2001). In my model, I argue that since poverty is such a strong situation, with clear effects in other domains of a person’s life, it will likely create a set of shared experiences among the working poor that can frame their perceptions and behaviors at work.

In this model, I further propose three mediating constructs that could explain the effect of poverty on work attitudes and behaviors: (1) generalized self-efficacy, (2) negative affect, and (3) social capital. These three variables represent cognitive, affective and social dimensions associated with success at work that are likely to be influenced by poverty. The extensive research base that exists on all three of these variables facilitates comparisons between my findings regarding the working poor and existing findings in the business research, using samples of managers and professionals. I discuss these constructs further in paper two, where I hypothesize that poverty (a poor background and a low wage job) decreases generalized self-efficacy and social capital and increases exposure to experiences that increase negative affect.

I expect differences in these mediators to affect three work outcomes: (1) career development, (2) job attitudes, including organizational commitment and turnover intentions, and (3) in-role and extra-role performance. Relationships between the mediators and these outcomes have been shown many times in the literature—e.g., between social capital and career development (Lin, 1999), between affective states and risk preferences (Lerner & Keltner, 2001) and between self-efficacy and performance (Bandura & Locke, 2003; Gibson, 2001). If poverty is mediated by these three constructs, it seems that the effects of poverty could have wider implications for individuals’ attitudes and behaviors at work, beyond a lack of resources. I predict that it will impact employees’ cognitions, emotions and social capital, but beyond this,
poverty can narrow the types of career options available to individuals, reduce the quality of in-role and extra-role performance and become associated with higher rates of turnover and lower organizational commitment. For poor individuals, these outcomes are detrimental—poverty becomes a vicious cycle where individuals have few opportunities to improve their careers, their jobs, or their wages, and therefore have few opportunities to escape the situation of poverty. By failing to develop their workforce, organizations experience costly outcomes, too—high turnover is associated with higher training and development costs and poor organizational quality is the result of poor employee performance. In the next paper, I use two samples of workers to test the model proposed in the first paper.

1.2 PAPER 2

Paper 2 is designed to empirically test the theoretical model proposed in Paper 1, which argues that the context of poverty (both current low wages and a poor background) will impact the working poor at work. There are a few questions driving this line of research. First, how does the strong context of poverty affect the working poor’s work attitudes, behaviors and outcomes? Given the resource constraints and shared mental models of the working poor, they likely experience different outcomes at work than “traditional workers,” but I would like to understand how those differences could be manifested at work. For instance, as mentioned in paper 1, the working poor may have more difficulty developing their careers or progressing in an organization than their higher-wage counterparts. Second, how do the three mediating mechanisms, mentioned in paper 1, affect the relationship between poverty and these work
outcomes? Finally, what differences exist between the working poor and traditional workers in terms of their work outcomes?

1.2.1 Poverty and Self-Efficacy

The first mediator, generalized self-efficacy, represents people’s perceptions of their ability to plan and execute a set of actions to bring about a desired outcome (Bandura, 1977). There are several ways in which poverty could reduce self-efficacy, by limiting the effectiveness of enactive mastery, vicarious modeling, and verbal persuasion (Bandura, 1977). For instance, growing up in poor neighborhoods can reduce exposure to resources (e.g., recreation facilities), and programs (e.g., personal development courses) for developing mastery and enhancing self-efficacy (Gecas, 1989; Hill, et al., 1985) and it is associated with more frequent disruptive spells (Bane & Ellwood, 1986) (e.g., unplanned pregnancy, or poor physical or mental health) that propagate poverty and reduce perceptions of control. Low wage work similarly provides few formal training opportunities for developing self-efficacy (Bandura, 1977), which undermines the working poor’s ability to accumulate work experience. I hypothesize that the situation of poverty will have a negative effect on generalized self-efficacy and that the working poor will be more likely to experience lower generalized self-efficacy, on average, than will individuals who receive higher wages (Sampson, et al., 1997).

1.2.2 Poverty and Affective States

The second potential mediator is affective states—transitory feeling states, including emotions and moods broadly construed along two dimensions: valance and arousal (Russell,
Growing up in poverty exposes individuals to a high number of stressors and negative life events (Dohrenwend, 1973; McLeod & Kessler, 1990), which contribute to more persistent negative affective states (Kessler, 1997; Gallo & Matthews, 1999). First, the working poor are employed in jobs with higher rates of physical injury and a greater demand for emotional labor (Mittal, et al., 2009), which can increase the negative affect experienced at work (Link, et al., 1993). The working poor must sometimes interact with customers who are angry, lonely, or anxious on a regular basis, and these interactions can become emotionally charged. Further, access to, knowledge of, or trust in counseling or other mental health services is generally lower for the working poor than for their higher-wage counterparts (Newman & Massengill, 2006; Gallo & Matthews, 2003). Therefore, I hypothesize that due to an increased exposure to difficult work and stress at home, poverty will be associated with an increase in negative affective states, and the working poor will experience more intense and persistent negative affective states, on average, than their higher-wage counterparts.

1.2.3 Poverty and Social Capital

The final mediator is social capital, defined in terms of the employees’ perceptions of the nature and accessibility of resources embedded in their relationships. The working poor tend to use more disadvantaged social networks compared to their higher-wage counterparts. The phenomenon of homophily, which suggests that people interact with others who share their characteristics or status (Homans, 1957; McPherson, Smith-Lovin, & Cook, 2001), could explain why the economically disadvantaged tend to associate with similarly disadvantaged others, despite the relative lack of resources embedded in these networks, while less disadvantaged workers tend to find better job-related outcomes (Granovetter, 1973; Lin, 1981) by seeking out
diverse sources to whom they are more distantly associated (Green, Tigges, & Browne, 1995). Wilson (1987) argues that neighborhood poverty promotes social segregation, which underlines the point that it may just be difficult for poor individuals to develop relationships with people outside of their local network. Isolation in low wage work, arising from non-standard work hours (Berg & Frost, 2005), distinct and separate work spaces, or a formal chain of command, may also limit the development of and access to social resources. Finally, physical or social taint associated with some low wage jobs (Ashforth & Kreiner, 1999) is also isolating, because individuals in “cleaner” jobs try to avoid the taint, lest some of it transfer to them. I hypothesize that the working poor will perceive that they are less likely to be able to mobilize their social network to get things done for them.

To test these mediation hypotheses, I use a sophisticated statistical tool: a nonparametric bootstrapping procedure (Preacher & Hayes, 2004; 2008), which is described in greater detail in paper 2. This procedure is more robust that other procedures for testing mediation.

1.3 SAMPLES

To test the models in my dissertation, I use two samples. The first is a national sample of U.S. adult consumers from an online panel of a marketing research company. Individuals in this panel register to receive surveys via email from the marketing research firm. In a preliminary round of data collection, I received 207 completed surveys, with data on work practices, behaviors, and outcomes, from the research firm. Participants’ ages range from 26 to 68 years, 69% of the sample is female, and 88% is white. They vary in terms of household income, with
about 31% having high (e.g. > $75,000 per year) and 17% low (e.g. < $30,000 per year) levels. This initial data yielded some promising results regarding the mediation hypotheses in paper 2.

The second sample is a sample of direct care workers (DCWs) employed in different agencies, including nursing homes and hospitals in Pennsylvania, who are more homogenous in terms of their income and background factors than the panel group. This sample is particularly appropriate for looking specifically at the working poor for several reasons. First, many DCWs tend to work full-time, but still receive low-wages. Thus they contradict the stereotype that poverty is the result of an unwillingness to work. According to BLS (2010) data, DCWs in the U.S. earn an average of $11.56 an hour, ($22,195 a year), with 16% of nursing home aides and 19% of home health aides living below the poverty line. Second, most jobs in the direct-care sector offer little opportunity for promotion, skill development or income enhancement. These so-called “dead-end” jobs allow us to study the effects of sustained contact with the situation of poverty. It is interesting to note that we often entrust the most vulnerable members of our society to these workers with little regard to the likely spillover effects of the workers’ personal or financial hardships on the quality of care they are able to provide. Third, this job category represents a significant workforce which is large and growing—projected at about 3.98 million workers in 2008, and expected to increase by 28.8% by 2018 (Lacey & Wright, 2009).

The DCW data comes from a quantitative survey, which was conducted via telephone interviews with a random sample of DCWs in Pennsylvania (n=1355) found using the Nurse Aide Registry maintained by the Pennsylvania Department of Health. The initial sample was additionally screened to ensure that the employees were currently employed in direct care work in Pennsylvania and were working more than 30 hours per week in that job. At time 1, data was obtained from 1,355 phone interviews that were conducted with participants. These participants
range in age from 20 to 65 years, 74% are white, and 94% are female. In round 2, we received 1,048 responses, with similar statistics: ages range from 20 to 65 years, 76% of the sample is white and 95% is female. Currently, two of the three rounds of data have been collected, each one year apart, with the first one beginning in 2008. We are expecting to collect one more round of data from this sample.

1.4 CONCLUSIONS

My dissertation will contribute to both organization theory and management practice by highlighting the unique circumstances of the working poor and—in addition to wages and benefits—the work practices that could alleviate their situation. Regarding the social context of the organization, my work asks: to what degree should the organization consider the needs of the employee in allocating wages and setting work practice? Low wage workers in service jobs are often expected to put the needs of others before their own needs, accepting minimal pay and difficult work (see England, Budig, & Folbre, 1999). My work will identify the potential long-term costs of this thinking to organizations, the workers themselves and society at large.
PAPER 1. ORGANIZATIONAL BEHAVIOR AND THE WORKING POOR

ABSTRACT

The working poor are situated in a very powerful context – the nexus of poverty and low-wage work. Our central premise is that this context represents a “strong situation” that powerfully affects work-related outcomes. Drawing on organizational research, we examine categorical, compositional, and relational influences of workplace and non-work factors on the working poor. In doing so, we propose that the strong situation of poverty affects key organizational outcomes – job attachment, career attainment, and job performance – through mediators like self efficacy, negative affectivity, and social capital. Our goal is to encourage thinking about the working poor among organizational scholars, calling attention to the need for research-based interventions that are sensitive to the context of poverty and the mediating mechanisms that it precipitates.

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2.0 ORGANIZATIONAL BEHAVIOR AND THE WORKING POOR

There is a great deal of evidence that poverty can have a profound influence on individual perceptions, behaviors, and relationships. Yet in organizational studies there is little attention focused on the working poor. In developing theory and drawing conclusions about how people behave at work, organizational researchers have tended to study samples of industrial workers, knowledge workers, managers, and high-status professionals. Over the past ten years (1998-2008), only about a dozen empirical studies published in *Organization Science* have included samples of workers in what could be considered low-wage jobs. Research from other fields, however, shows that the effects of poverty are present in many core aspects of a person’s life, including health, family patterns, and cognitive development (e.g. Adler & Ostrove, 1993; Devine, et al., 2006; Durden, Hill & Angel, 2007). Here we argue that low wage work and a background of poverty—both of which define the working poor – can powerfully affect work attitudes and behaviors, just as they affect other key aspects of life.

Our focus on the working poor is motivated by several transformative trends. First, this is a sizable and growing portion of the workforce in the U.S. and other developed economies, and many of the fastest-growing occupations (e.g., nursing aides, hospitality workers) are low-wage, service jobs (Figueroa & Woods, 2007; BLS, 2009). Second, the emergence of these jobs highlights a phenomenon that was largely unseen in developed manufacturing economies. As Craypo and Cormier (2000) observe, many service firms are structured like an hourglass,
characterized by large wage disparities. At the top is a small set of highly-skilled professionals (e.g. doctors, chefs) and at the bottom is a far larger group of frontline support staff with fewer qualifications (e.g., nurse aides, waiters). Ironically, the occupants of these support jobs – the working poor – are often the primary point of contact with customers, even while they cope with low pay, lack of dignity, and difficult working conditions (Figueroa & Woods, 2007). Third, from a societal perspective, the working poor often occupy jobs that entail caring for the property and even the family members of more affluent professional workers. Hemp (2004) documents the high levels of stress and lost productivity when professionals are unable to adequately meet family needs such as childcare and eldercare. Apart from directly contributing to the economy, then, the working poor provide positive spillover benefits to the larger society by doing jobs that buffer the personal and family demands of professionals. In the process, the working poor also absorb some of the social, psychological, physical and emotional strain associated with such care work.

Emerging research in other fields suggests that the working poor may have different models of action at work, leading them to behave in ways that do not comport with traditional theories of work motivation and performance. Hazel Markus and her colleagues show that middle-class students and adults are more likely to value independence and uniqueness in choices they make, while lower-income individuals are more likely to make choices based on a desire to be similar to others and “fit in” (Snibbe & Markus, 2005). At work, managers might interpret such preferences negatively, as indicative of a lack of initiative or proactivity by employees. Moreover, higher-paid co-workers and managers may have different normative beliefs regarding what constitutes agentic behavior at work. In an illuminating study, Stephens, Hamedani, Markus, Bergieker and Eloul (2010) examined outsiders’ attributions about Hurricane
Katrina survivors who evacuated prior to the storm (leavers) versus those who did not (stayers). Leavers were predominantly middle-class, college educated, with the resources to leave, while stayers tended to have lower income and educational attainment, and often lacked basic resources that would permit leaving (e.g., reliable transportation). The researchers found that both aide workers and “lay” subjects attributed positive motivations (e.g., agency, responsibility, independence) to leavers while stayers were likely to be described as passive, irresponsible and inflexible – regardless of differences in available resources. Moreover, interviews with actual survivors revealed divergent responses to the storm: Leavers (higher SES) tended to emphasize their own actions – e.g., risk assessment, planning and choice – while stayers (lower SES) tended to emphasize virtues like perseverance and hope.

If such results can be generalized to the work environment, they may have important implications for future research and for practice as they question basic assumptions about perceived work motivation and behavior for a significant segment of the workforce. Individuals who live in poverty may be less likely to act in ways that are perceived as conventionally agentic at work – e.g., striving for recognition, control, and attainment – than are the managers and professionals who are far more often the subjects of organizational research. In addition, norms of interdependence rather than independence, and security rather than risk taking, may be more powerful considerations for those with fewer financial resources (Stephens, Markus & Townsend, 2007).

Against this backdrop, we examine how the combined conditions of past poverty and current low wages can affect attitudes and behaviors at work. We propose a framework that includes categorical, compositional, and relational approaches to understanding the condition of poverty as it pertains to work organizations. We also discuss potential mediators and moderators.
of the relationship between poverty and work outcomes. Our goals are: (1) to heighten researchers’ awareness of the potentially powerful influence of poverty on work attitudes and behaviors; (2) to stimulate reflection about theories in organizational behavior that are largely based on studies of managers and professionals; and (3) to call attention to management practice and potential interventions (in addition to enhancing pay) that may benefit the working poor.

2.1 THE WORKING POOR

In examining the working poor, we limit our inquiry to full-time, adult workers in the United States and other developed economies for several reasons. First, this facilitates comparison with prior organizational research which largely comprises full-time paid employees in developed countries. Second, focusing on full-time workers living in poverty—the working poor—belie the stereotype (and conceptually rules out the alternative explanation) that the working poor differ based on their inability or unwillingness to work. Third, full-time jobs are generally more permanent and integrated into the fabric of the organization than are part-time jobs, and full-time workers are thus likely to be exposed to the same organizational stimuli as traditional employees, facilitating comparison between these two groups.

Who are the working poor? An economic perspective that focuses on income defines them as individuals currently earning sub-standard wages. In the U.S., the federal poverty threshold is used for defining and counting the poor (U.S. Census Bureau, 2009). This metric

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1 At the same time, we realize that large swaths of the world’s poor live in developing and underdeveloped countries, where they face extreme living and working conditions with few government protections (e.g., labor laws) and little social assistance to protect those in need (e.g., income supports). We also acknowledge that many part-time workers in developed countries do not earn enough to escape poverty.
uses current income and family size to classify a family as above, at, or below the poverty threshold, and is updated annually to reflect cost of living increases. In assessing poverty, some agencies (e.g., National Research Council) further consider household incomes as high as 200% of the poverty threshold to qualify as poor (Ackerman, 2006). While imperfect, the “poverty line” definition provides an economic rationale for classifying and counting households in poverty. An alternative means-based definition of the working poor includes individuals who have jobs, but do not earn enough to afford the “necessities of life,” to “maintain a minimum conventional standard of living in their community” or to “avoid poverty during temporary periods of unemployment” (Craypo & Cormier, 2000: 31).

Other researchers consider poverty not just in terms of the current economic earnings of workers, but also their background of poverty. This is a more expansive approach – (and many argue, a more useful one in terms of understanding and remediating poverty’s effects) – which allows researchers and policy-makers to consider not just the current income of individuals but also the psychological and socio-structural factors that may have led to their current situation (Gould, 1999; Wilson, 1987). Thus, the condition of poverty encompasses a set of past and present factors that impact a worker’s experiences inside and outside the organization.

To elaborate on these distinctions, in Table 1 we show four groups of workers, differentiated by their current household income and their background of poverty. Cell IV contains “Textbook Workers” – individuals with middle- to high-income backgrounds who currently hold middle- to high-wage jobs. These are the most frequent subjects of organizational research, and are commonly the point of reference in organizational behavior (OB) and

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2 The poverty threshold was originally determined by estimating the cost of food for families of different sizes and then multiplying this amount by three (assuming that food costs are 1/3 of household expenditures). In 2008 the poverty threshold for a household of four was $21,834, which translates into an hourly wage of about $10.50 for one full-time employee (U.S. Census Bureau, 2009).
Table 1. Relationship between Past and Current Income on Future Expectations

<table>
<thead>
<tr>
<th>Past Experience</th>
<th>Current Experience</th>
<th>Low Income</th>
<th>Middle to High Income</th>
</tr>
</thead>
</table>
| Poverty         | Cell I: Working Poor | - Consistency between past and present experience.  
                              - High expectation that future stream of resources will be similar to their current income.  
                              - Low expectation of escaping poverty in the future. |
| Middle to High Income | Cell II: Aspirants | - Inconsistency between past and present experience.  
                              - Potential anxiety in the present because of fear that current situation is temporary, and because they do not share the same developmental experiences as their peers. |
|                 | Cell III: Low-Wage Worker | - Inconsistency between past and present experience.  
                              - Potential anxiety in the present because of loss of social contacts and status as a result of the downward change in income from past to present. |
|                 | Cell IV: Textbook Workers | - Consistency between past and present experience.  
                              - High expectation that future stream of resources will be similar to their current income. |

management textbooks. These workers have not experienced poverty in the past, and are now earning high enough wages to continue to avoid it. Textbook workers form the empirical basis for much of organizational theorizing and include professionals, managers, and skilled and/or unionized workers. Organizational research on this group tends to focus on the individual’s current situation, assuming it to be reflective of a similar past and predictive of a relatively stable future.
We label individuals in Cell II as “Aspirants.” They grew up in poverty but have since obtained higher-wage jobs that provide them with middle to high income. As described by Lubrano (2004), aspirants are likely to face anxiety as a result of the disparity between their poverty-laden past and the more munificent environment of their present. Many of these workers are straddling two worlds, such that experiences that their peers take for granted are new to them and require increased effort on their part to learn. A key source of anxiety for aspirants includes new work situations that they had never experienced growing up, but that were commonplace for their peers (e.g., international travel).

Cell III contains “Low-Wage Workers” who grew up in households with average or high levels of income, but who now earn much less, either voluntarily or involuntarily. Voluntary low-wage workers may include artists and altruists, who accept lower wages in exchange for the opportunity or freedom to do work they enjoy. Involuntary low-wage workers may have faced situations such as downsizing or a family relocation. Although the social and psychological toll accompanying involuntary job loss and underemployment is well documented (e.g., Leana & Feldman, 1992; Newman, 1998), these workers are different than the working poor described in Cell I because the working poor have a past as well as a present circumstance that is marked by economic hardship.

Cell I contains the “Working Poor,” the focus of this paper. The working poor have a background of poverty and presently earn low wages. They tend to cluster into jobs such as cleaning, hospitality services and direct care (BLS, 2009). In the United States, they are disproportionately female, racial minorities, and recent immigrants (U.S. Census Bureau, 2009). The working poor differ from low-wage workers (Cell III) in terms of their background of poverty. This distinction between the economic backgrounds of low-wage workers and the
working poor is crucial for explaining the different motivations and behaviors of each group. As noted earlier, Stephens, et al. (2007) found a normative preference for choice similarity (i.e., choosing what similar others chose) among those who grew up in lower-income families, but a preference for selecting different choices among those who grew up middle-class. The distinction between fitting in and standing out can evoke different behaviors from each group (e.g., remaining silent vs. speaking out when your supervisor asks you to do something you don’t agree with), even when employed in the same low-wage jobs.

It is also important to understand that low-wage workers differ from the working poor in terms of future expectations. Future expectations for low-wage workers may be more ambiguous than for the working poor. Low-wage workers may be able to change their situations in the future such as when the starving artist “sells out” for a conventional job or when the laid-off investment analyst finds new work as a mortgage lender. In contrast, the working poor have relatively stable expectations about their future trajectory, i.e., their current low income will persist into the future. Expectations about “permanent income”—i.e., future lifetime earnings—can perpetuate behaviors that produce self-fulfilling prophecies over the long run (Friedman, 1957). Thus, consistency between low current wages and the past experience of poverty often leads to low future expectations, defining the working poor in terms of their past, present, and future income.

2.1.1 Poverty as a “Strong Situation”

As our earlier discussion suggests, poverty is not an attribute of the individuals who comprise the working poor. Rather, poverty is a “strong situation” (Mischel, 1977) that envelopes the individual. Conceptually, a strong situation is a context that creates conditions that are sufficiently powerful so as to overwhelm the effect of individual factors like personality on outcomes. Strong situations such as poverty can frame ambiguous information for the working
poor in ways that may be very different from the frames available to those who are not poor. Strong situations also promote a set of consistent normative expectations, which reinforce behaviors deemed desirable and appropriate (Mischel, 1977). Through such mechanisms, living in poverty shapes the individual’s interpretation of information and appropriate response patterns in ways that pervade important aspects of life.

Note that we are not arguing that the poor are doomed to face shortened lives of deprivation and stress. The “culture of poverty” literature (e.g., Lewis, 1968; Miller, 1958) implied such a deterministic view, although later research has largely refuted such a notion. The early thesis about a culture of poverty (see Corcoran, et al., 1985 for a cogent summary) suggested that the poor may have distinctive traits that manifest in values and aspirations that persist across generations through socialization of the young, and thus block the success of ameliorative policy efforts aimed at the poor. In contrast, more recent views suggest that there is no automatic transfer of either poverty or values from parents to children (Kane, 1987). As evidence, Lubrano (2004) argues that there are a number of exceptional individuals who have experienced poverty but are able to thrive through some combination of talent, motivation, and luck. It is important to emphasize, however, that these exceptional individuals are indeed the exception. Poverty, like culture, is not deterministic, but rather provides a context with systematic and persistent influences that shape the experiences of individuals living in it. As summarized by Stephens, et al. (2007: 814), “Although the material conditions of the socio-cultural context do not determine people’s actions, they do promote certain kinds of actions and increase the likelihood that these actions will become normative and preferred.” Theoretically, a central question confronting organization scholars is to understand how the strong situation of poverty enveloping the working poor translates into work attitudes and behaviors.
2.1.2 Work Outcomes

Here we briefly describe the influence of poverty on three broad categories of work outcomes: career attainment, work performance, and job attachment. These outcomes are important to individuals as well as to organizations, and have been extensively researched in prior studies in organizational behavior. Our review of the literature on poverty from other disciplines also suggests that such outcomes are likely to be adversely affected by poverty and thus highly relevant to understanding the poor in the context of work.

Career Attainment. Career attainment is a life-long process involving stages such as preparing for a profession, looking for a job, being hired, and improving skills along the way (Feldman, 2002), and is commonly measured using objective indicators such as vertical progression in status, responsibility and income. A variety of factors can affect career attainment. For example, success at early stages of one’s career predicts future success (Hall, 1976). Similarly, personality characteristics as well as social networks can differentiate among high and low career achievers (Seibert, Kraimer, & Liden, 2001).

Compared to their well-to-do counterparts, the working poor are less likely to follow the development process described in the careers literature (Craypo & Cormier, 2000). Gould (1999) shows how the intersection of urban culture and discrimination inhibits the opportunities available to the working poor. Further, factors such as running a household as a single parent or working in multiple low-level jobs might restrict the range of occupational options available to the working poor, reducing their ability to get or keep a job, advance in it, or even pursue a conventional career (Kossek, et al., 1997). Thus, the working poor may find it more difficult to realize career success, at least as it is typically represented in the OB literature (e.g., objective progressions in status, responsibility and rewards) compared to “textbook workers.”
**Job Performance.** Griffin, Neal and Parker (2007) describe job performance in terms of an employee’s proficiency (meeting the requirements of the job), adaptability (adapting to changing circumstances or roles), and pro-activity (initiating change through self-directed action). The working poor may have difficulty with all three facets of performance. For example, punctuality is important in low-wage jobs with set business hours (e.g., retail sales); however, those likely to fill such jobs may find punctuality to be a difficult goal due to a lack of reliable childcare or transportation (Kossek, et al., 1997). Similarly, adaptive behaviors may be inhibited in low wage work that tends to be highly regimented, structured, and regulated. Additionally, Markus and Kitayama (2003) report that the economically disadvantaged are more likely to rely on accommodating forms of agency, tailoring their behavior to match the environment, rather than trying to challenge and change environmental conditions. Thus, the working poor may be seen by management as less proactive or reluctant to show initiative at work.

**Job Attachment.** An individual’s decision to remain with or to leave the organization is the result of several forces—including those on-the-job and at home (Lee, et al., 2004). Turnover rates tend to be higher in jobs that are more likely to be occupied by the working poor (Lane, 2000). Turnover also tends to be higher for single parents and those with lower SES (Kossek, et al., 1997). The working poor may show higher rates of work absenteeism and tardiness too. With fewer slack resources or “safety nets” in their lives outside of work, being consistently available and on-time may be more challenging than it is for workers with greater financial and social resources. Going to work may not even be economically rational some days (e.g., if the pay does not outweigh the costs of getting to work), making absenteeism a sensible decision in terms of economic value (Kossek, et al., 1997). In these ways, poverty may further dampen work
performance and career attainment through its association with higher levels of turnover, absenteeism and other withdrawal behaviors.

Not surprisingly, past research has found some association between poverty and work outcomes. As described here, much of the association has been based on observations about the workplace behaviors and outcomes experienced by samples of the working poor (e.g., Kossek, et al., 1997; Lane, 2000; Kossek, Lewis & Hammer, 2010; Gould 1999). Missing in the previous literature, however, is a unified framework that enables researchers to better theorize about and specify the processes through which the strong situation of poverty may affect these and other important work outcomes.

2.2 THE WORKING POOR AND ORGANIZATIONAL BEHAVIOR

Existing theories explaining the causes and effects of poverty on the working poor are multifaceted. To understand them in an organizational context we draw on organizational demography research (Tsui & Gutek, 1999) which examines categorical (individual-based), compositional (structural), and relational explanations for observed work outcomes. The three perspectives are not mutually exclusive explanations. Rather they are best seen as theoretical vantage points that can more clearly elucidate the organizational phenomenon being investigated. **Categorical** explanations of poverty focus on individual-level features associated with being poor, such as limited education and impoverished work experience. **Compositional** explanations focus on structural dimensions like work group composition, organizational structures, and even how communities are structured. For example, the composition of neighborhoods, and of work places, can isolate the working poor from beneficial opportunities and experiences available to others. Finally, a **relational** explanation focuses on relationships with other people and how social networks with few resources can be detrimental to the working poor as they pursue employment. As Tsui
and Gutek (1999) explain, this approach can combine the emphases of both of the previous approaches, suggesting that the nature of the relationships with others can be affected by an individual’s characteristics as well as structural aspects of the groups or organizations to which the person belongs. Using these three perspectives we describe the interplay of work and non-work factors that affect key job outcomes for the working poor.

2.2.1 Workplace Factors and the Working Poor

There are categorical, compositional, and relational barriers in the workplace itself which can isolate the working poor from opportunities that may enhance career attainment as well as job attachment and performance. A categorical approach highlights individual factors associated with the working poor that can affect work outcomes. These individual factors may range from education and training to the very nature of the work itself. For example, formal on-the-job training tends to be minimal in low-wage jobs (Figueroa & Woods, 2007), inhibiting prospects for career attainment. The working poor also may have less exposure to beneficial challenges early in their careers or a planned development process like managers do (Craypo & Cormier, 2000). At a deeper level, the working poor may be stigmatized because of the nature of their work if it is considered “dirty work” (Ashforth & Kreiner, 1999). The working poor are also more likely to be employed in jobs such as nursing aides and childcare that can deplete physical and psychological strength (Gallo, et al., 2005). This can negatively affect work performance (Mascaro, et al., 2007), leading to even higher levels of distress and resulting in a potentially destructive cycle for the working poor.

A compositional, or structural, approach might focus on factors such as the structure of labor markets in the service industry and occupational segregation that affect the working poor. The “hourglass” structure of labor markets in service industries suggests that a relatively small set of highly-skilled professionals at the top of the structure (e.g. doctors, designers) are supported by, and separated from, a far larger group of support staff with fewer qualifications at the bottom (e.g. nurse aides,
janitors). The occupational segregation experienced by the working poor is reinforced by physical structures as well as processes, policies and rules (Lambert, 2008). For example, in healthcare settings, workplace policies such as irregular or off-peak schedules can structurally isolate the working poor by requiring them to be available to patients at all times, even after higher-wage administrators have gone home. Such workers often face uncertain hours, too, when managers in service work shift the risks of fluctuating demand onto employees (Lambert, 2008), reducing or increasing their hours in a given day or week in response to customer demand. Similarly, the working poor are often given cramped common spaces to congregate and lockers in which to store their personal belongings, and are physically isolated from professionals, who typically have offices and conference rooms to meet with others at work.

Even if organizations enact policies encouraging interaction such as a common lunch area, a number of social forces in the organization are likely to isolate the working poor. Relational barriers between the working poor and other workers are commonplace. Between the top and the bottom levels of the organization, there may be very few, if any, opportunities for creating and fostering strong relationships (Figueroa & Woods, 2007). The feminization of many front-line service jobs creates relational barriers between the women in these jobs and the men in higher-wage jobs, negatively affecting current wages and future opportunities (Pearce, 1983). Thus, it is difficult for the working poor to establish relationships with high-status members of the organization who could help them to find better opportunities or to advance in their careers. At the same time, the working poor rely upon higher-status supervisors for evaluations and resources, even though these relationships are unlikely to persist outside the organization and nearly always involve power asymmetries. To the extent that social networks differentiate those who advance in their professions from those who do not (Seibert, et al., 2001), the working poor are disadvantaged and unlikely to realize career benefits from the social interactions they do have at work.
2.2.2 Non-Work Factors and the Working Poor

Categorical, compositional, and relational boundaries are not limited to work, but are also found in the non-work (personal, family, and social) domains. In terms of categorical factors, a background of poverty may limit the acquisition of a particular set of personal skills and characteristics (e.g., experience, education), inhibiting a person’s ability to find a better job and escape poverty (Willis, 1981). The effects of poverty are also salient in other core aspects of life, including health and cognitive development (e.g. Adler & Ostrove, 1993; Jackson, et al., 2000). People living in poverty have higher rates of morbidity and mortality and report poorer overall health than those in non-poverty households (Adler & Ostrove, 1993; Williams & Collins, 1995). Children growing up in poverty, with unpredictable access to food, may learn to over-eat when food becomes available, resulting in disproportionately higher rates of obesity and associated health problems later in life (Olson, Bove & Miller, 2007). Those living in poverty have a higher incidence of mental health problems as well, and report lower levels of emotional well-being (Barrett & Turner, 2005). They also report higher levels of stress, which can contribute adversely to an individual’s physical and mental health, fostering disorders like high blood pressure and depression (Kessler, et al., 1994).

From a structural perspective, sociologists have found that the poor are often physically, geographically, and institutionally isolated from people, institutions and opportunities that could help them escape poverty (Newman & Massengill, 2006; Small & Newman, 2001). Many of the working poor reside in neighborhoods characterized by high crime rates, limited access to transportation, and greater exposure to physical hazards such as pollution (Taylor, Repetti, & Seeman, 1997). These neighborhoods act as barriers, physically isolating the working poor from middle-class or higher-wage professionals. Moreover, in these neighborhoods there are fewer resources (e.g. shops, businesses, museums) that might otherwise encourage higher-wage individuals to enter them (Cohen, Farley, & Mason, 2003). Even noise creates a distracting
environment, making it more difficult for the working poor to effectively engage in seemingly simple activities such as sleeping or studying. Such structural barriers impose high challenges which are difficult to escape (see Wilson 1987).

Finally, beyond physical boundaries, the lack of resources in poor neighborhoods and the scarcity of visits by individuals from other neighborhoods can create social or relational boundaries, influencing one’s comfort with and understanding of the larger world (Wilson, 1987). From a socio-cognitive perspective, relationships and experiences shared by those in low-income neighborhoods may be mutually reinforcing, setting up behavioral norms (such as aggressive behaviors) that may be professionally deleterious (Willis, 1981). Furthermore, the working poor tend to have fewer social resources or “safety nets” in their lives outside of work, making it challenging to cope with last minute schedule changes or emergency situations. For instance, single mothers may not have resources to arrange for adequate childcare to accommodate schedule changes at work, leading to higher role strain and problems with supervisors and co-workers who do not share such concerns (Swanberg, 2005).

In summary, both workplace and non-work factors impose a strong situation that affects the working poor. As described earlier, the influence of these factors can be systematically examined from three vantage points—categorical, compositional and relational. For organizational researchers, the question is linking these categorical, compositional, and relational factors to organizational outcomes that matter to both employers and employees. We next posit a set of mediators through which the context of poverty affects work outcomes for the working poor. Conceptually the mediators enable us to articulate why differences between the working poor and other workers might be observed.
2.3 MEDIATING FACTORS

We discuss three factors that may account for the effect of poverty on work outcomes: self-efficacy, negative affectivity, and social capital. Clearly there are other potential mediators but we focus on these for three reasons. First, each has a strong research base linking the phenomenon to particular work behaviors (e.g., Gist, 1987, and Bandura & Locke, 2003, for self-efficacy; Lerner & Keltner, 2001, for negative emotional states; Lin, 2000, for social capital). Second, collectively they represent cognitive (self-efficacy), affective (negative affect) and social (social capital) routes to understanding the effects of poverty on work outcomes. These map onto the existing literature on poverty from other disciplines as previously described, as well as the larger OB literature on work motivation and performance. Third, there are theoretical linkages among these three factors. For instance, social capital losses may drive self-efficacy, just as lower self efficacy may lead to lower social capital. The joint and interactive effects of cognitive, affective, and social mediators represent a future avenue for theory and research. Our primary goal here is to develop a framework for such future work.

Self-Efficacy. Self efficacy is a person’s judgments about her ability to organize and execute the courses of action required to bring about a desired outcome (Bandura, 1977). Self efficacy may be generalized (i.e., global perceptions of one’s ability to perform a variety of tasks) or task-specific (Gist, 1987), with the latter referring to self-efficacy perceptions of specific domains or tasks in an individual’s personal or organizational life. To understand the association between self-efficacy and poverty, a useful starting point is to examine differences in self-efficacy perceptions between the working poor and other workers. At a descriptive level, what might be the association between poverty and self-efficacy based on categorical, compositional, and relational perspectives?
A categorical approach suggests that those living in poverty typically have less education and/or formal training than their non-poor counterparts, likely leading to lower generalized self-efficacy. Clausen’s (1986) longitudinal analysis found that feelings of low self-competence in adolescence led to poor decisions and coping abilities, and lower self-efficacy later in life. Even as adults, research shows that individuals in poverty have more frequent occurrences of disruptive spells—both personal (e.g., unplanned pregnancy, illness) and work-related (e.g., layoffs)—that can erode efficacy and perpetuate poverty (Bane & Ellwood, 1986). Once such a spell occurs, the likelihood of it persisting is also higher among the poor because they lack the resources to break the spell. Bane and Ellwood (1986) found that among the poor, nearly 56% had been in a disruptive spell lasting for eight years or more.

A compositional approach examines how poor neighborhoods structurally inhibit self-efficacy for residents. Poorer neighborhoods have fewer resources such as educational facilities, preventive health programs, and institutions aimed at developing life and professional skills (Gecas, 1989; Hill et al., 1985). This is compounded by lower awareness of such programs among the poor (Coward, Feagin & Williams, 1974), and an inability to access them due to constraints such as time and transportation (Gurin & Gurin, 1970; Coward, et al., 1974). Co-location in poor neighborhoods (Rosenbaum, et al, 2002) creates a social context which affords few if any opportunities for the working poor to observe success and vicariously learn through observation. Such a context reinforces the dynamics of lower generalized self-efficacy in areas such as parenting, health, and other life skills (Lewis, 1968; Gecas, 1989), which may persist throughout life (Cervone & Palmer, 1990). Mortimer, et al. (1982) found that early self-competence perceptions in the domains of work and family life affected self-efficacy perceptions ten years later. Over time, such views of one’s self efficacy tend to become self-fulfilling.
Finally, the working poor tend to hold jobs whose basic characteristics – e.g., low pay, high monitoring – can lower self efficacy (Andersson, Holzer & Lane, 2005). From a relational perspective, it is likely that the working poor receive less positive feedback from their supervisors, since many work systems are designed to highlight negative exceptions (e.g., lapses) instead of positive behavior. A lack of respect by supervisors and the larger society, along with negative feedback, are common occurrences in low-wage work (Berg & Frost, 2005). The relational perspective suggests that cohort membership and the experiences of similar others who are also poor can further erode perceptions of self efficacy through vicarious learning (Bengtson, Reedy, & Gordon, 1985). Thus, relational factors do little to counter, and may exacerbate, low self-efficacy among the working poor.

The evidence for the work-related consequences of self-efficacy is robust. Individuals with high self-efficacy tend to set higher goals, initially choose relatively more difficult tasks, persist longer in tasks, and generally perform at a higher level than individuals with lower self-efficacy (e.g. Wood, Bandura & Bailey, 1990). This pattern of findings is supported at the individual and group levels (e.g. Judge & Bono, 2001). In his comprehensive review of self-efficacy, Gecas (1989: 311) concluded:

High self-efficacy . . . leads to favorable or beneficial consequences for the individual…such as better physical and psychological health, creativity, cognitive flexibility, better problem-solving and coping skills, higher self esteem, greater involvement in political processes…although the direction of causality is not always clear and is probably reciprocal in most situations. Even the illusion of efficacy and control (and often it is only that) seems to be beneficial.

Research shows that lower self-efficacy is related to poorer work performance, lower goals, and lower commitment to attaining those goals. In part this occurs because lower self-efficacy reduces motivation (i.e., the person believes that he simply lacks the capability to
achieve desirable outcomes and therefore doesn’t expend much effort to attain them; Bandura & Locke, 2003). Kohn and Schooler (1973) document that jobs associated with lower SES create environments where individuals not only lack the ability to set their own goals but also are more likely to experience a sense of routinization, which prohibits independent goal setting altogether. Moreover, because of more frequent job changes, the working poor can develop a sense of ineffectiveness and lack of control, reinforcing the practice of setting lower goals as a buffer from persistent uncertainty and/or failure (Gecas, 1989).

In addition to its direct effects, generalized self-efficacy can affect performance by moderating the extent to which job stressors affect work outcomes (Fox, Dwyer & Ganster, 1993). Higher self-efficacy mitigates the deleterious impact of job stressors on worker coping, stress, and other such outcomes (Schaubroeck & Merritt, 1997). Similarly, self-efficacy moderates the relationship between feedback and performance. Those with lower self-efficacy are more likely to focus on negative cues and feedback and to interpret otherwise objectively neutral or ambiguous cues as negative (Mittal, et al., 2002).

Self-efficacy also affects career attainment. Research shows that lower self-efficacy about career attainment at an early age adversely affects career aspirations and goals later in life (Bandura & Locke, 2003). Lower self-efficacy is associated with a lower level of maturity about career management (Anderson & Brown, 1997). There are also barriers to training and self-management skills for the poor compared to others (Heckman & Smith, 2004). These barriers exist in a variety of forms ranging from a lack of awareness about training resources, lack of transportation to access such resources, and an inability to spend time using them (e.g., no childcare). Danziger, et al., (1999) found that fewer than 15% of the poor were able to utilize such resources as a result. Additionally, the working poor likely have skills deficiencies that
restrict their ability to move into different types of jobs laterally and certainly into better-paying jobs vertically (Burtless, 1997). While they may develop specific expertise in a finite set of tasks, the job mobility of the working poor is limited compared to others who have specialized skills that are in higher demand, and/or generalized skills that can transfer across different jobs (Lambert, 1999).

Over time, a self-debilitating dynamic can occur that manifests as lower, rather than higher, voluntary turnover, but in jobs that do not allow for further skill acquisition, career development or significant wage increases (Vancouver, et al., 2002). In this regard, the working poor can develop high task-specific self-efficacy in a very narrow task domain, but low generalized self-efficacy overall (Betz & Hackett 1981), thus limiting their ability, actual and perceived, to move into better jobs. Olson and Schober (1993) suggest that after repeated failures, a person not only believes that he is helpless to try to change his circumstances, but that he changes his attitude to match his situation – thereby seeming satisfied in very dissatisfying circumstances. Mittal, Rosen, and Leana (2009) offer this as one explanation for high job satisfaction among nursing home aides, despite the low pay, low status, and lack of respect by management.

**Negative Affectivity.** Affective states are defined as transitory feeling states and include both target-specific emotions (e.g., anger) and more diffuse moods (e.g., general sadness). Affective states are broadly construed along two independent dimensions: valence and arousal (Russell, 2003). Along the valence dimension affective states can be positive (e.g., happiness, joy) or negative (e.g., anger, fear, sadness), and this has been the focus of most empirical research (Mittal & Ross, 1998). More recently, researchers have examined specific emotions using the appraisal-tendency framework (Lerner & Keltner 2001). Here, emotions can induce
specific appraisals of the situation regarding the levels of personal control, certainty, anticipated effort, and responsibility. Differences in these appraisals may lead to different consequences for otherwise similar emotional valence. For example, Garg, Inman, and Mittal (2005) show that anger is characterized by high certainty compared to sadness.

From a categorical perspective, a large body of research documents an inverse relationship between SES and depression\(^3\) (Salokangas & Poutanen, 1998); SES and anxiety (Warheit, et al., 1975); and SES and stress (McLeod & Kessler, 1990).\(^4\) Individuals with lower SES are not only more likely to experience negative life events (Murphy, et al., 1991), but also more likely to experience negative affective states more strongly and intensely after such events (McLeod & Kessler, 1990). From a structural perspective, empirical research shows that the working poor are exposed to a relatively high number of stressors and negative life events (Dohrenwend, 1973; McLeod & Kessler, 1990), which can contribute significantly to negative appraisals and affective states (Kessler, 1997; Gallo & Matthews, 2003). Moreover, coping resources such as counseling services are less available to the working poor (Danziger & Gottschalk, 1995; Gallo & Matthews, 2003). From a relational perspective, the working poor have restricted social resources (Rankin & Quane, 2002; Dominguez & Watkins, 2003), limiting the amount of information or the number of options available to them (McLeod & Kessler, 1990). Indeed, Brown and Moran (1997) found that chronic episodes of negative affect were more common among the working poor, particularly when a social support system was lacking.

\(^3\) We do not imply a dispositional or trait-based causal mechanism between poverty and negative affectivity like anger or persistent sadness. Numerous higher-paying jobs may also be associated with negative affect (Teuchmann, et al., 1999; Eck, et al., 1998), and plenty of other off-work factors may lead to persistent negative emotional states.

\(^4\) Gallo and Matthews (2003) define depression as an emotion low in pleasantness and activation, which they distinguish from clinically diagnosable depressive syndromes that reflect a clustering of negative emotions and other symptoms. They also distinguish between anxiety, an emotion low in pleasantness but high in activation, and an anxiety disorder, discriminated by its duration, intensity or situational appropriateness.
Negative affect focuses a person’s attention to the negatively-valanced information embedded in a situation (Hartlage, et al., 1993). In some types of jobs (e.g., air traffic controllers) a focus on negatively-valanced cues may motivate a person to be more attentive to the potential downside risk of the situation and make them more mindful at work. At the same time, an inordinate focus on negative cues is likely to hamper performance in front-line service jobs that pose an expectation of gregariousness (e.g., server at a restaurant) and/or close compliance with highly-structured job demands. From a relational perspective, research shows that affective cues are sometimes inaccurate and cause perceptual misalignments, leading to counterproductive work behavior. For example, Fox, Spector and Miles (2001) found that when faced with job stressors such as interpersonal conflict and perceived injustice, those experiencing higher negative affect are more likely to engage in counterproductive work behaviors. Similarly, negatively-valanced affective states like sadness can decrease the intensity of effort exerted toward the job, as well as persistence in following a task to completion (Seo, Barrett, & Bartunek, 2004). Naquin and Holton (2002) found that those having higher negative affectivity also had lower job involvement, motivation to train, and performance outcomes. There is evidence that negative affect, particularly related to depression, can significantly curtail a person’s ability to perform regular day-to-day tasks at work (Dooley, Prause & Ham-Rowbottom, 2000). Thus, despite exceptions based on specific task characteristics, negatively-valanced affective states – particularly depression – are functionally debilitating and can adversely influence job performance.

Evidence regarding career outcomes among the working poor has focused on persistent negative affect, particularly depression (Brown & Moran, 1997), with longitudinal studies showing a strong relationship with downward career mobility (Dooley, Prause & Ham-
One type of negative affect, fear, has been shown to lead to risk aversion, particularly in assessing career-related decisions. Raghunathan and Pham (1999) found that among those who experienced fear, a job with “average salary with high job security” was more attractive than a job with “high salary with low job security.” One explanation is that fear, like general negative affect, focuses people’s attention on potential negative consequences, which activate risk aversion (Han, Lerner & Keltner, 2007). Thus, those experiencing fear may be more likely to take the safer route by staying in their current job or seeking only jobs similar to their current one, rather than risking new career options with potentially higher payoffs.

Negative states focus the individual’s attention to negatively-valanced aspects of the situation, leading to lower satisfaction judgments (Oliver, 1993) and behavioral intentions (Smith & Bolton, 2008). In addition, negative affective states can exacerbate the negative impact of job dissatisfaction on feelings of job insecurity and associated coping behaviors (Jordan, Ashkanasy & Hartel, 2002). Research has further shown that the link between high satisfaction and positive behavioral intentions can be attenuated by a negative emotional state (Smith & Bolton, 2008), suggesting that negative emotions may erode the link between job satisfaction and organizational attachment behaviors. For instance, those in emotionally taxing jobs (e.g., nursing aides) may be more likely to experience negative affect and, as such, may display weak job attachment, even when they report high job satisfaction. Controlling for factors such as age, race, parental education, work experience, religiosity, area of residence and job history, Ahituv and Lerman (2004) found a significant impact of family income on job change. These findings are also consistent with the negative-affect escape model (Baron, 1977) which suggests, more generally, that aversive situations lead to increased negative affect and a “fight or flight” response. In summary, research shows that the working poor may evince higher levels of negative affectivity.
which, in turn, has largely negative effects on job performance and attachment, and career attainment over time.

**Social Capital.** Social capital is defined in terms of the nature and the accessibility of resources embedded in relationships. In relations among individuals, social capital has at least two components: (1) social resources – or assets such as information and referral benefits that are embedded in social relations; and (2) network structure and position – or how contacts among people are arrayed (e.g., dense or sparse ties) and the position occupied by the individual in the social structure (e.g., centrality in the network). Lin (1999; 2000) and his colleagues (Lin & Dumin, 1986) have most directly focused on access to, and mobilization of, social resources. Social resource theory states that assets such as information, referrals, and sponsorship are accessible through one’s direct and indirect ties to others. Further, it is not just the number of one’s ties, but also their quality and range, that lead to positive outcomes for individuals (Lin, 1982; 1999). The theory has three main propositions: (a) social resources – both their availability and their quality – affect valued outcomes such as status and wealth; (b) the individual’s position in a hierarchy, or socioeconomic status, can affect access to such resources; and (c) ties can affect outcomes such as work status, particularly for those individuals in disadvantaged initial positions. Empirical research has found support for all three propositions (e.g., Huang & Tausig, 1990; Lai, Lin & Leung, 1998; Lin & Dumin, 1986; Seibert, et al., 2001).

Compositional and relational theories of poverty are most relevant to understanding social capital among the working poor. The working poor tend to have impoverished social networks compared to their wealthier counterparts; such networks, in turn, are associated with negative individual outcomes. Green, Tigges, and Browne (1995) found that job seekers who were economically disadvantaged were more likely to turn to neighborhood friends and relatives
for job referrals while the more advantaged sought out diverse sources to whom they were more distantly connected. More diverse and distant ties, in turn, have been associated with better outcomes for job seekers (Lin, 1981). Such impoverished social circumstances, moreover, tend to be self-perpetuating. As summarized by Lin (2000: 789), “people in lower socioeconomic status tend to use local ties, strong ties, and family and kin ties. Since these ties are usually homogeneous in resources, this networking tendency reinforces poor social capital.”

There are several reasons why the economically disadvantaged may tend to associate with disadvantaged others, despite the relative paucity of social resources embedded in such relationships. The phenomenon of homophily suggests that people are likely to interact with others who hold characteristics and status similar to their own (McPherson, Smith-Lovin & Cook, 2001). From a structural perspective, Wilson (1987) suggests that neighborhood poverty can promote social segregation, further diminishing the social resources available to residents. Individuals in poorer communities not only develop stronger social ties within the community, but they may also become an encapsulated network with poor connections (Granovetter, 1985). At the same time, residents of wealthier communities are unlikely to interact with those from poorer neighborhoods, perhaps because of fear of taint or because they perceive that their lower-income neighbors have little to offer to them.

The nature of low-paying work may further limit social resources. Low-status work environments are often understaffed or require unusual work hours (Berg & Frost, 2005), which limits the formation of diverse work networks. Low-status workers may also have less access to higher status others in the organizational hierarchy, and their direct supervisors are likely to be lower-level managers with fewer high-status contacts of their own. The working poor may become isolated in organizations as well, as they are often physically or temporally segregated.
from other employees. For example, building janitors may share the same physical space as office workers, but they occupy that space at different times of day.

In summary, the working poor may have limited access to social resources because of their limited association with more advantaged others. Homophily is one explanation for this, but it is not the only one. Some of the social segregation characterizing the working poor may be due to higher-status others’ reluctance to associate with them due to fear of taint or stigma (Ashforth & Kreiner, 1999). Moreover, restricted resources in terms of time and flexibility may further isolate the working poor (Berg & Frost, 2005; Stack, 1974). Finally, the working poor may be physically or temporally segregated from other workers. Thus, while the working poor may be inclined, like everyone else, to gravitate toward the familiar in their social relationships, there are relational and structural factors that may further impede their access to and accumulation of social capital.

Researchers have demonstrated a link between social capital and several measures of career success, including job attainment (Granovetter, 1974), mobility in the organization (Podolny & Baron, 1997), and wage levels (Boxman, DeGraaf & Flap, 1991). Both network structure (i.e., characteristics of the network itself and one’s position in it) and the resources that can be mobilized through the network such as information, referral, and sponsorship can influence career success. The most influential work on social networks and career attainment is Granovetter’s (1974) “strength of weak ties” hypothesis, which proposed that ties with acquaintances are more valuable in job search than are ties to family and friends because they are richer sources of unique information. While there has been mixed support for this hypothesis, arguably it is at least as applicable to the economically disadvantaged as to the professionals who tend to be the subjects of much of this research. For people at the bottom of the economic ladder,
weak ties are likely to hold more resources than strong ones, if for no other reason than because when one is at the bottom, weak ties tend to reach up (Lin, 1999). Strong ties, conversely, tend to be with like others – i.e., those who are also in low status positions and therefore unlikely to hold unique information or valuable referrals (Rankin, 2003). Indeed, Lin, Ensel and Vaughn (1981) report that the positive effects of weak ties is dependent on whether they reach up to those with more resources or whether they reach across to others in similarly disadvantaged positions.

With regard to the resources within social networks, Lin (1999) and his colleagues have provided substantial evidence that network resources like information and referrals are positively correlated with career outcomes like work opportunities, wages, and job prestige (Boxman, et al., 1991; Green, Tigges & Diaz, 1999; Lin, et al., 1981). Seibert, Kraimer and Liden (2001) also show that sponsorship by others who are more senior in the hierarchy can be particularly advantageous in terms of salary and career advancement. Moreover, they demonstrate the mediating role of network benefits (access to information, resources, and sponsorship) in the relationship between network structure and career outcomes, offering further support for Lin’s social resource theory.

Seibert and colleagues (2001) describe other ways in which social capital can enhance job performance. When an individual has better access to information and resources, her job is likely to be enriched and she is thus more motivated to excel. In addition, individuals with greater resources and information are perceived as more influential by others (Brass & Burkhardt, 1993) and are thus better able to secure the actual resources they need to get their work done efficiently and effectively. Finally, those who are better connected have access to more diverse information – another resource that can enhance job mobility and work performance.
With regard to job attachment, Krackhardt and Porter (1986) demonstrated the effects of social capital on turnover in a study of fast food workers. Here they found that employees who occupied similar roles tended to leave in clusters: when an individual observed that similar others were leaving the job, he was more likely to leave himself. In another study, Fernandez, Castilla and Moore (2000) reported similar results with call center employees who could receive a bonus if they were the source of referral for a new employee. They found that referred employees were no less likely to quit their jobs than employees recruited through other means, but they were more likely to leave if the referring employee left. Overall, this work suggests that turnover may be contagious, at least among friends, which may be particularly detrimental to the working poor who do not have an abundance of alternatives.

### 2.3.1 Mediators as Moderators

In our discussion so far we have described how low self-efficacy, negative affectivity, and limited social capital explain why the working poor may exhibit stifled career progression and weaker job attachment and performance. In this regard, we have treated them as mediators between poverty and work outcomes. At one level, programs designed to affect the mediators directly may help change work related outcomes for the working poor. For example, there is evidence pointing to successful interventions (Frayne & Geringer, 2000; Eden & Aviram, 1993) that can break the vicious cycle of low self-efficacy and career losses. For instance, Krieshok et al (2000) report two studies among veterans seeking vocational assistance, where résumé assistance and training were offered to enhance self-efficacy. Both studies report ameliorative effects on career decision making, job seeking, and work. Similarly, Frayne and Geringer (2000) found that training sessions designed to teach participants how to overcome obstacles at work
significantly improved self-efficacy, outcome expectancy, and performance relative to control groups. Follow-up over the next year found that the beneficial effects continued well after the program was complete.

At the same time, each mediator (e.g., social capital) can act as a moderator of the association between other mediators (e.g., negative affectivity) and work outcomes. Indeed, many interventions aimed at enhancing job outcomes for the working poor have implicitly done this. For instance, Kossek et al. (2010) describe an intervention aimed at reducing work-family conflict for grocery workers. Here, supervisors were trained to be friendlier and more approachable to their low-wage subordinates – a form of support aimed at enhancing social capital. The researchers found that workers, whose supervisors received such training reported higher job satisfaction, lower depressive symptoms, and more attention to safety procedures. Negative affectivity can also potentially moderate the relationships between social capital and work outcomes for the working poor. The association between social capital and career attainment may be stronger for those with lower levels of negative affectivity than for those with higher levels. Thus, while we posit self-efficacy, negative affectivity, and social capital as mediators of – or explanations for – the association between the strong situation of poverty and work outcomes, clearly they may also attenuate such relationships and, in this regard, act as levers of change.

Here we have focused on only three factors – self-efficacy, negative affectivity and social capital – as illustrative of an approach that considers cognitive, emotional, and social pathways respectively linking poverty with work outcomes. We have discussed each separately but they are clearly related and tend to co-occur. As such, the different pathways may combine in their effects on work outcomes. For instance, social capital losses can lower self-efficacy, as well as
increase negative affectivity. Reciprocally, lower self-efficacy or negative affectivity may culminate in lower social capital because of a person’s reluctance to network with others. At the same time, interventions aimed at enhancing one pathway may also enhance others (e.g., higher self-efficacy may result in lower levels of negative affectivity), multiplying the benefits of such efforts.

2.4 GENERATING ORGANIZATIONAL RESEARCH ON THE WORKING POOR

Our goal has been to initiate a theory-driven description of how being among the working poor—a background of poverty coupled with current low income—might logically affect attitudes and behavior at work; to consider how such employees might differ from their “textbook” counterparts; and to argue for future study. Toward those ends, we have touched upon various research streams examining the working poor, spanning fields like sociology, economics, education, and psychology. Concurrently, the intellectual maturity of our field and the changing nature of the world economy suggest that the working poor need to be treated not at the margin of organizational studies, but integrated in a more focused and attentive manner. There are likely many differences between the working poor and “textbook” employees – i.e., managers, professionals and knowledge workers who are the subjects of much of the field research in OB. Our goal here is to spur future research to more fully examine them.

The working poor are situated in a very powerful context—the nexus of poverty and low-wage work. Rousseau and Fried (2001: 6) argue that “contextualization is a way of approaching research where knowledge of the settings to be studied is brought to bear in design and implementation decisions.” They offer several suggestions for designing research studies with a
stronger consideration of context, including more attention to construct comparability – e.g.,
does a construct mean the same thing for one group – the working poor – as another – “textbook”
employees? For many core constructs in organizational behavior, the answer to this question
might be “possibly not” or even an outright “no.” For example, the literature on organizational
citizenship behavior pays little heed to potential differences among individuals in the costs they
incur (e.g., time, effort) for being good citizens at work. To the extent these costs are taken into
account, they are largely treated as universal threats to motivation (e.g., helping others may not
further self interest). This reflects the influence of economics in the study of work behavior, but
it also reflects an inattention to differences in individuals’ situations in and outside of work that
may influence how they behave in their jobs. In the case of citizenship behavior, actions like
helping out a colleague or staying later at work to finish a project are more costly to the worker
who is already struggling to complete her own tasks and/or has nobody at home to tend to the
children while she works extra hours.

Another example of how our theories of organizational behavior might be informed by a
consideration of the effects of poverty is in the area of career management. Research suggests
that resource depletion and repeated failure can lead to lower risk taking more generally (Mittal,
Ross & Tsiros, 2002), which in turn can manifest in timidity in career planning and an undue
attachment to the status quo at work. Such risk aversion might be attributed to the individual’s
disposition or general lack of initiative, and thus coded as a motivation problem by management.
But the true source of what may be interpreted as unwarranted timidity may be a lack of efficacy
and over-estimation of the risk of change because any errors in judgment are inherently more
costly to those with diminished resources.
While we argue here for a consideration of the context of poverty in organizational science, we recognize that individual actors are not passive recipients of context and that people who grow up in poverty can, and do, become high wage earners. Even when they remain in low-wage jobs, there are many ways to modify the context—socially, symbolically, psychologically, and perhaps spiritually—to imbue it with meaning (see Kossek, Lewis & Hammer, 2010 for a recent example). At the individual level, the working poor may re-draw the psychological boundaries of their work and the meaning they ascribe to it. Wrzesniewski and Dutton (2001) found a good deal of “job crafting” among hospital cleaning staff whose pay was generally low and formal job descriptions quite narrow. Many of the subjects in their study informally expanded the boundaries of their cleaning work (e.g., by welcoming families or attending to patients’ emotional needs) to better match their own perceptions of the job’s enhanced scope and importance. Socially, the working poor may create new relationships or redefine and renegotiate existing relationships. Mittal, et al., (2009) found that many of the nursing home assistants in their study enriched the meaning of their jobs through emotional and spiritual relationships with their elderly residents. These workers also described their feelings of mastery and self-respect because of the importance of their work to society at large, regardless of the low pay and the job’s perceived low status. Beyond that, the working poor may also reshape their relationships with their co-workers, offering emotional and symbolic support to one another in work as well as non-work spheres.

Another potentially fruitful line of inquiry concerns how conceptions of religiosity, spirituality, and group identity help the working poor to navigate difficult jobs and personal lives. When instrumental resources are scarce, how do people extend existing social, spiritual, emotional, and cognitive resources? Further, how do extant differences—in terms of gender,
race, work status, and experience—hinder or facilitate such resource accumulation and sharing as it pertains to work? These are all questions to be investigated if we are to understand the variety of coping mechanisms that may be available and utilized by the working poor.

One way to do this may be to take top management team (TMT) research and turn it on its head. TMT research is predicated on the assumption that leaders are consequential to organizational outcomes and that characteristics of the TMT—categorical and compositional—matter. We suggest here that a similar approach to understanding the working poor, but not focused solely on instrumental resources, would be a useful catalyst to enhancing our theories in organization science to capture the perceptions and experiences of not just the few at the top, but also the many at the bottom of the organization.

The perspective we have outlined here, however, needs to be pursued heedfully. Like culture (and some of the early literature on the entry of women and minorities into jobs that were historically occupied by white males), there is a danger of reifying poverty as a concept and linking it directly to work outcomes. Thus, studies that simply document differences among the working poor and others, without investigating how and/or why poverty or low wage work may be a causative factor, could lead to false causal attributions. We want to emphasize the critical need for articulating the underlying processes and mechanisms that are associated with poverty, which in turn may affect work outcomes. Similarly, our focus on the working poor should not be taken to suggest that the working poor represent a social class with innate characteristics. Being poor or having a low-wage job is no more an innate characteristic than is being a “physician” or a “CEO.” Yet, as an initial step, an empirical body of research that can enable us to understand the experienced reality of the working poor is needed. Recognizing these are not monoliths of
people, a nuanced approach is warranted to understand what happens at the base of the organizational pyramid.

Research also needs to fully explore and articulate the relationship between poverty and low-wage work. We have argued that jointly they represent the working poor. However, how do the working poor come to be who they are? Especially important will be a historical and temporal account of categorical, compositional, and relational factors associated with a past of poverty that influence cognitive, affective and social mediators at work. Research is also needed to better understand the temporal evolution of social, structural and psychological aspects of low-wage work that likely propagate poverty. Future work should develop multi-level models (e.g. theoretical and empirical) for understanding the interplay of categorical, compositional and relational factors. The first step would be to more precisely theorize how specific constructs need to be measured and the level at which they should be conceptualized. While it is easier to specify categorical factors (e.g., SES, education, work experience) at an individual level, this may be more difficult for the other factors. Descriptive case studies over time, as well as longitudinal panel studies, will be useful in this regard.

While there is no shortage of research on leadership in the organizations literature, power dynamics between the working poor and their supervisors may be a particularly rich, yet under-researched area of inquiry. Kossek, et al. (2010) show the potential power of small changes in supervisor behavior on the poor workers who report to them. With this exception, much of the past research on worker-supervisor relationships has been job focused (e.g., job evaluations; job design). However, social relationships inside and outside of work are important as well. Of particular importance are the exaggerated power dynamics of these relationships. The disparity in resources may, in some ways, magnify the perceived power of the supervisor of the working
poor. There may also be structural aspects of low-wage work – e.g., job designs that allow supervisors to immediately document negative deviations from tight performance norms while discouraging adaptive and proactive behavior—that magnify such power disparities. To the extent that they exist, they need to be more systematically studied in terms of their influence on self efficacy, negative affectivity, social resources, and other potential mediators.

2.5 CONCLUDING COMMENTS

Bertrand, Mullainathan and Shafir (2004) observe that the fundamental effect of poverty on individuals is that it leaves little room for error: Missing a day at work may be inconsequential to a college professor, but the same behavior can result in a janitor’s termination. Similarly, if a manager’s car fails to start in the morning, she might borrow her partner’s car or take a taxi into work. When a health aide faces the same problem, the result may be a reprimand and docked pay for her “unexcused” tardiness, or missing work altogether.

We have argued that the nexus of past poverty and low current wages represents a strong situation that influences an individual’s attitudes and behavior at work, just as it does other aspects of life like health and family patterns, education, social interactions, and area of residence to mention a few. The working poor are similar in some ways to the “textbook” workers in organizational research in that both groups experience a consistency between their past and current economic status, which makes their futures more predictable. These groups are vastly different, however, regarding the munificence of their current and past economic lives, and it is this difference that is our focus here. We have argued that the persistence of economic deprivation that marks the lives of the working poor may present a context so powerful as to call
into question the generalizability of organizational research whose focus has been largely on more affluent others.

As a final point, it is interesting to speculate why organizational research has been so silent with regard to the working poor. The ascension of the service sector has made such workers seemingly indispensable to the value creation model for firms in developed economies. Yet organizational researchers seem to have been slow to recognize this. One explanation is that the managers and professionals who are more often the subjects of our research are seen as contributing greater value to organizations and the economy as a whole, and are thus more important subjects for research attention. Another explanation may rest with our own fear of “taint through association”: If our research is centered on lower-status workers, maybe it too will be seen as having lower status. These two explanations are perhaps intertwined. Regardless of intention, however, both serve to maintain the status quo regarding the value we place on different kinds of jobs and on the people who occupy them.
3.0 PAPER 2. TESTING THE MEDIATORS OF POVERTY: HOW DOES HOUSEHOLD POVERTY AFFECT WORK OUTCOMES?

Understanding how context affects work outcomes is an important task for OB researchers (Johns, 2006; Rousseau & Fried, 2001) because it provides insight into when and why our theories generalize (Drazin & Van de Ven, 1985; Van de Ven & Drazin, 1985; Sinha & Van de Ven, 2005). Previous research on context has examined such phenomena as the influence of cross-national culture on attitudes towards the job (Maguire & Kroliczak, 1983; Triandis, 1994), the effects of temporal contexts on career dynamics (Fried, et al., 2007), and the effects of environmental factors on performance (Sutton & Rafaeli, 1988; Sutton, 1991). In one powerful example, Sutton and Rafaeli (1988) found that environmental factors associated with the context of convenience stores yielded an unexpected negative relationship between employees’ display of positive emotions to customers and subsequent sales in the stores. In another example, cross-cultural researchers (e.g. Hofstede, 1980) have found that differences in the cultural values—including individualism versus collectivism, uncertainty avoidance and power distance—arising from particular cultural contexts are associated with the different dimensions of organizational commitment (Clugston, Howell, & Dorfman, 2000) and affect how people perceive environmental cues (Hong, et al., 2000). Such findings help to create boundaries around the prevailing wisdom, and to delineate when our core theories of work behavior generalize. In this paper, we examine another powerful context that has not received attention in
organizational research: that of poverty, and its effects on job attitudes and discretionary work behaviors.

A recent article by Leana and colleagues (2011) suggests that poverty is a context with multifaceted effects on job outcomes. Building on an inter-disciplinary stream of literature, they argue that living in poverty generates strong norms that shape how low-income employees perceive and interpret the world, and subsequently, how they think and behave. Indeed, research from many fields has demonstrated the strong effects of poverty on discretionary behaviors—including proactive health behaviors (e.g., the use of healthcare) (Anderson & Armstead, 1995; Durden, Hill & Angel, 2007) and job search behaviors (Lin, 1999)—and on general attitudes, about family responsibilities (Small & Newman, 2001) and perceptions of dignity at work (Berg & Frost, 2005). These findings suggest that poverty not only affects people’s access to resources (e.g., financial or social) but that it can also affect them psychologically, fundamentally influencing how they think and feel. However, while there is a substantial amount of evidence from other fields that demonstrates the significant effects of poverty on many aspects of a person’s life, it is still unclear how poverty affects attitudes and behaviors at work.

In this paper we empirically examine the effects of poverty on employees’ discretionary behaviors, as well as their work attitudes and career-related outcomes. We suggest that the effects of poverty will occur through a set of psychological mechanisms (i.e., self-efficacy and negative affect), and social mechanisms (i.e., the diversity of an employee’s social resources), such that the strong situation of poverty will create a context that inhibits the development of self-efficacy and diverse social resources, but increases negative affect. When all three mediators are considered together, we expect that the pattern of mediation between poverty and
each outcome will be different. In other words, self-efficacy will mediate the relationship between poverty and discretionary behaviors, negative affect will mediate the relationship between poverty and job attitudes, and the mediation effects of the diversity of social resources will be strongest for career-related outcomes.

If empirically supported, the theoretical and conceptual implications of the model are significant. First, this improves our theorizing about the effects of context on discretionary behaviors and attitudes at work, which contributes to our understanding of why certain workers behave the way they do at work. It would also suggest that the constraints associated with low household income extend beyond the financial domain to affect individuals cognitively, affectively, and socially and to influence how they approach and implement their work tasks. Second, researchers use tests of mediation to understand the relationships between organizational constructs and to help them explain and eventually predict organizational phenomena. Proposing and testing mediating pathways is one way for researchers to actually understand the processes that lead one construct to affect another (Mathieu, DeShon, & Bergh, 2008). The theoretical and conceptual utility of understanding the effects of context at work, then, becomes more meaningful as the mechanisms and processes underlying the observed empirical effects of poverty become clearer (Johns, 2006). For instance, as we discover a set of underlying factors that mediate the relationship between poverty and work outcomes, we can begin to explain the effects of poverty on-the-job, and to understand the mechanisms that lead poverty to affect certain outcomes differently than others. Third, and in a related way, identifying poverty mechanisms has strong policy implications. Without understanding the underlying mechanisms through which poverty affects outcomes, employers might incorrectly extrapolate from partial observations that the working poor are poor performers because they are lazy, unwilling, or
unable to do the work. This could result in policy implications that heavily monitor the working poor. If instead, though, the underlying issue is low self-efficacy, which prevents the workers from engaging in new behaviors outside of their comfort levels, then high monitoring behaviors could actually increase the level of stress employees experience and further limit their work performance (Stetz, Stetz, & Bliese, 2006). Identifying these underlying factors allows organizations to develop policies and practices to improve attitudes and behaviors, without incorrectly drawing false causal relationships that exacerbate the negative effects of poverty. Finally, this model simultaneously examines the effects of all three mediators. Previous studies on self-efficacy, negative affect, and social resources tend to look at the constructs independently. However, we suggest that poverty, as a strong situation, could influence all three constructs simultaneously, so that the working poor consistently experience low self-efficacy, low diversity among social resources, and high negative affect. This is not to say that all individuals with high negative affect are poor, nor that all poor people are guaranteed to experience negative affect, but that poverty is a context which promotes consistently high levels of negative affect, as well as lower levels of self-efficacy and diverse social resources. Examining these three factors at once will provide a more complete understanding of the effects of poverty, especially at work.

Against this background, the purpose of this paper is to empirically examine three potential mediators (i.e., self-efficacy, negative affect, and diversity of social resources) of the relationship between poverty and work outcomes (Leana, et al., 2011). We empirically test these mediators in two studies. The first study uses a nationally representative sample of individuals from an online marketing research panel, who vary in terms of income and occupation. In study 2, we refine our sample and examine the effects of poverty among a group of the working poor.
(i.e., certified nursing assistants) to see whether these effects hold among individuals in the same occupation. In both samples, we examine how low-household income (i.e., household poverty) affects work behaviors. In the second sample, though, we further examine these effects among a group of individuals who all receive low wages. While household income includes the annual income received by all members of the household, wages are specific to the participant, alone. It is possible, then, for someone to receive low-wages, but to still have a high household income—e.g., if their spouse has a higher-paying job. We do not expect such workers to experience the psychological effects of poverty as strongly, despite their employment in a low-wage job. We use our second sample to try to examine some of these effects.

**Figure 1. A Model of the Effects of Household Poverty on Work Outcomes**
3.1 THEORY DEVELOPMENT

Figure 1 shows a model of the effects of household poverty (i.e., low household income) on work outcomes, though a set of psychological and social mechanisms. We expect that household poverty will have broad effects on the ways in which people experience events and perceive new information. In this section, we elaborate on the direct effects of household poverty on the two psychological mechanisms (i.e., self-efficacy and negative affect), and the diversity of their social resources.

3.1.1 Self-efficacy

Self-efficacy is a psychological factor associated with cognition that represents employees’ beliefs about their ability to organize and complete a set of tasks to bring about a desired outcome (Bandura, 1977). Individuals with high self-efficacy believe in their ability to accomplish difficult tasks, while those with lower self-efficacy are less certain about what they can do. Bandura (1977) describes four mechanisms through which individuals can enhance their self-efficacy: mastery, vicarious learning, persuasion, and physiological arousal. However, there are a set of structural factors associated with household poverty (and low-wage work) that restrict the opportunities available to the working poor to develop their self-efficacy at work. First, the situation of poverty lowers self-efficacy by magnifying the salience of unsuccessful events and failure experienced by the working poor. The deprivation and hardships associated with poverty can become an “enduring testimony to [the working poor’s] lack of success or to the inadequacy of [their] efforts to avoid problems” (Pearlin, Lieberman, Menaghan, & Mullen, 1981: 345). Individuals living in poverty have limited access to material, social, and cultural
resources, which restricts the range of tasks in which they can successfully engage in the future (Boardman & Robert, 2000) and regulates their selection of tasks, the effort they expend on those tasks, and their persistence with the tasks in the face of adversity (Gist & Mitchell, 1992). This further decreases the probability of success on those tasks. For instance, low-income employees are less likely to succeed at finding higher-paying jobs because of their lack of access to high-status social resources (Lin, 2000). While successful experience with a task raises the individual’s self-efficacy, by increasing their expectations about being able to complete a similar task in the future, repeated failure on a task lowers self-efficacy by reinforcing perceptions of incompetence or inability, reducing their expectancies of achieving desired outcomes, and causing them to give up more easily (Wood, Bandura, & Bailey, 1990). To save face and avoid failure, people generally avoid activities that they believe are beyond their skill-level (Bandura, 1977). Second, in many low-wage occupations, feedback tends to be negative and to emphasize lapses in performance rather than exceptional performance, reducing the amount of verbal persuasion directed at enhancing employees’ self-efficacy. For instance, employees who are absent or who overlook details of their work are more likely to receive attention from their managers than employees who finish their work in a timely, efficient manner. Living in poverty and working in low-wage work, then, motivates low-income employees to adopt a prevention focus, where the goal is to avoid punishment, rather than to pursue their aspirations (Higgins, 1997). Regulatory focus theory (Higgins, 1997; 1998) distinguishes between a prevention focus, or self-regulation concerned with security that is evaluated in terms of the absence or presence of negative outcomes, and a promotion focus, or self-regulation concerned with nurturance evaluated in terms of the presence or absence of positive outcomes. The emphasis on negative outcomes associated with the prevention focus suggests that individuals will be motivated to
avoid failure or punishment, and even opt out of certain behaviors to avoid the chance of failing (Forster, Grant, Idson, Higgins, 2001). This avoidance makes it more difficult for the working poor to build enactive mastery, since the employees deny themselves the opportunity to gain successful experience on new tasks. So, poverty inhibits the development of self-efficacy by making unsuccessful experiences salient and activating a prevention focus towards work, which incentivizes low-income employees to regulate their behavior to avoid punishment or sanctions.

Next, the lack of resources (e.g., time, money) associated with living in poverty reduces self-efficacy by lowering perceptions of agency and limiting the control low-income employees feel over their lives. Perceived control is a critical determinant of self-efficacy (Bandura & Wood, 1989; Bandura, 1986; Parker, 1998), because it enhances perceptions of the employees’ ability to complete the task and it enhances the causal link between employees’ efforts and the resulting outcomes. However, many low-wage jobs provide little in the way of formal job-related training (Eaton, 2000), or formal autonomy, making it difficult for low-wage employees to develop self-efficacy through mastery in their jobs. Low-wage employees tend to have little control over their schedules and assignments (Lambert, 2008), the resources available to them, and the effectiveness of their coworkers, who worked the previous day or during the previous shift. Further, low-wage work tends to be understaffed, which can overwhelm workers who are tasked with more work than they are able to do (Mittal, et al., 2009). The lack of control experienced by low-income employees reduces their perceptions of their abilities, because it removes the link between their actions and outcomes. For instance, low-wage workers who try, and fail repeatedly, to receive better paying jobs, or to finish all of their work on time, will eventually perceive that their efforts will not yield success. Thus, they reduce their efforts.
Even in organizations where training does exist, it is often organization-specific, focusing on a narrow set of skills that may be difficult to transfer between organizations.

Finally, there are few opportunities for the working poor to develop self-efficacy through vicarious learning—learning from observing successful behaviors in others. Network isolation models suggest that individuals living in low-income neighborhoods, where unemployment is extensive, have fewer opportunities to gain self-efficacy by observing the successful behaviors of others (Small & Newman, 2001; Wilson, 1987; Tigges, et al., 1998; Boardman & Roberts, 2000). In fact, as people become more successful, they tend to leave low-income neighborhoods, making it difficult for others in those neighborhoods to learn from their success. Even within organizations, rigid role assignments, with formal chains of command, create organizational barriers that further inhibit the working poor from getting to know or interacting with higher status members of the organization, who exhibit higher self-efficacy as a result of their status and their broad experiences with success at various tasks. Instead, the working poor are more likely to interact with other low-wage workers, who have similarly few opportunities to develop self-efficacy through vicarious experience (Lin, 2000). Thus, we expect that individuals with high household poverty will experience lower levels of self-efficacy.

H1: Household poverty will be negatively associated with self-efficacy

3.1.2 Negative Affect

Negative affect is a negatively valenced “dimension of affective responding” (Cropanzano, James & Konovsky, 1993: 596), where individuals with high levels of negative affect are likely to be tense or nervous and those with low levels are likely to feel calm or contented (Watson & Clark, 1984; Cropanzano et al. 1993). Research has shown that affect
influences how employees emotionally frame situations, direct their attention, and interpret new information (Cote, 1999). Negative affect tends to direct people’s attention to negatively-valanced information, and causes them to interpret new information more pessimistically. For instance, when shown videotaped interpersonal interactions, individuals experiencing negative affect tended to rate seemingly poised interactions to be awkward and unskilled (Forgas & George, 2001; Forgas, Bower & Krantz, 1984). Workers with low-household income tend to experience more intense and more persistent levels of negative affect. They are more frequently exposed to negative (e.g., car troubles, neighborhood violence, or medical issues) (Gallo & Matthews, 2003; McLeod & Kessler, 1990; Small & Newman, 2001), or unpredictable (schedules designed to accommodate variations in customer demand or unexpected expenses) (Lambert, 2008; Lambert & Waxman, 2005) events or situations, and are likely to experience more frequent disruptive spells (e.g., pregnancy, illness, or lay-offs) (Bane & Ellwood, 1986) than higher-wage workers. These unpredictable events enhance the experience of negative affect and direct the employees’ attention to dealing with these problems in the present, making it more difficult to plan for the future. This present-focused orientation makes the negative affect they experience seem overwhelming, since there is no plan for change in the future. Cognitive resources are depleted as a result of handling or preventing current problems. For these workers, the negative affect associated with these occurrences is compounded by a lack of resources—financial and non-financial—that they could otherwise access to prevent or resolve the problems (by paying for preventative measures) or to buffer themselves from the impact of problems once they occur (Gallo & Matthews, 2003). Second, low-wage work, itself, is emotionally challenging, especially in service-related industries. The physically and emotionally demanding aspects of low-wage work increase negative affect by generating negative physiological cues that
can overwhelm employees. Mittal, et al (2009) found that low-wage care workers cited disrespectful supervisors and difficult work as negative aspects of the work that led them to leave their jobs. Employees also have to deal with customers who are angry or sad (Sutton, 1991; Mittal, et al., 2009) or to display emotions that they do not actually feel (Hochschild, 1983), which can lead to increases in stress. For instance, many care workers are expected to continue to provide high levels of care after the death of a close patient, and are given little to no time to mourn (Mittal, et al., 2009). Indeed, burnout is prevalent in many low-wage jobs, including call center jobs (Sutton, 1991) and care work (Mittal, et al., 2009), that combine heavy workloads with little control over the work (Landsbergis, 1988). We are not suggesting that individuals with high household poverty will necessarily react differently than higher income workers in response to a negative stimulus. Instead, we suggest that the working poor will have a smaller reserve capacity, or set of resources for dealing with negative situations (Gallo & Matthews, 2003), and will be exposed to a greater number of negative situations and events. Therefore, the working poor quickly exhaust their limited capacity and thus develop more persistent negative moods.

H2: Household poverty will be positively associated with negative affect

3.1.3 Diversity of Social Resources

The diversity of social resources refers to the extensity of resources in an individual’s social network, incorporating strong and weak ties, and consisting of individuals from various levels of social status (Lin & Dumin, 1986). The more diverse the network of social ties, the better the opportunities individuals have to access and mobilize social resources that are beneficial for accomplishing certain goals (Lin, 1999). For instance, higher-status social resources can help individuals to obtain a better paying job. However, individuals working in
low-wage jobs are likely to be disadvantaged in terms of the diversity of resources they have in their social networks. The homophily effect suggests that people tend to interact with others who are similar to them, in terms of socioeconomic characteristics, demographic characteristics, or similar values and interests (Lin, 2000). Indeed, the working poor tend to associate with individuals who have similarly high household poverty and low-wage jobs (Lin, 2000). As a result, they are frequently able to obtain information about other low-wage jobs, but their social networks tend to be disadvantaged in terms of their ability to leverage high-status members to obtain better jobs (Lin, 1999). The working poor are comprised of members with less power or status, who have fewer opportunities to build higher-status social resources. Not only do low-income neighborhoods tend to be isolated from higher-income neighborhoods (Small & Newman, 2001), but the working poor tend to be isolated from workers earning higher wages in the organizations, as well (Lin, 2000). Formal organizational hierarchies isolate workers at the base of the organization, by reinforcing strict roles through which employees communicate, or by creating physical or temporal boundaries that separate high- and low-wage workers. Low-status employees communicating through these chains of command have less frequent contact with high status organizational members, and attempts to build relationships with high-status organizational members, above an employee’s supervisor, could be negatively construed as an attempt to circumvent the formal structure, and discouraged by the employee’s direct supervisor. Even though service organizations are becoming less rigid, there still exist formal boundaries between high- and low-wage workers, regarding their levels of education and experience, and the authority, responsibility, and control they have over their work (Craypo & Cormier, 2000). For example, nurses in hospitals and nursing homes distance themselves from tasks associated with nursing assistants, so that they can maintain their higher-status in the organization. Second, the
working poor are physically isolated into shared common spaces in the organization, while higher-status members are provided with private offices. In retail stores, retail associates share a break room and receive small lockers in which to store their belongings, while managers typically have access to an office. Third, low-wage workers are isolated temporally in the organization, since they are more likely to work non-traditional hours. For instance, cleaning crews tend to come into the building once most other staff members have left, and some nursing assistants are asked to come in for early morning shifts, to ensure that care is available to patients 24/7. These hierarchical, physical, and temporal boundaries make it difficult for low wage workers to get to know higher status workers, or to integrate them into their social networks, limiting the diversity of their social resources.

H3: Household poverty will be negatively associated with the diversity of social capital resources.

3.2 THE DIFFERING EFFECTS OF THE MEDIATORS

So far, we have discussed the direct effects of household poverty on self-efficacy, negative affect, and the diversity of social resources. However, as we mention above, we are primarily interested in whether these three factors mediate the relationship between household poverty and specific work outcomes, such as career progression, job attachment, and extra-role behaviors. Prior literature shows these to be important outcomes. Indeed, a substantial amount of research on the low-wage workforce, especially in the health care domain, has examined turnover intentions or turnover rates among the working poor (Harrington & Swan, 2003; Eaton, 2000). Turnover rates are especially important in care domains, where employees are expected
to take care of the patients’ emotional and physical needs, since high employee turnover can degrade the quality and consistency of care delivery (Harrington & Swan, 2003). Another outcome, career progression has been important to economists and social scientists as they search for mechanisms through which workers can escape poverty. The working poor tend to have lower educational attainments than higher-wage workers, and are likely to move from one low-wage job to another rather than to advance in a career. This makes it difficult for them to obtain higher-paying jobs that would move them out of poverty. The welfare-to-work literature has examined the challenges encountered by low-wage workers in developing a career and obtaining higher paying jobs along a career trajectory (Mastracci, 2004). Finally, we decided to include extra-role behaviors as a performance measure, because it reflects behaviors that are not explicitly defined as part of the job (Van Dyne & LePine, 1998), but that benefit other members of the organization.

We propose that each mediator will have a different effect on the set of outcomes. From a theoretical perspective, it should be obvious that different psychological and social mechanisms will be differentially associated with work outcomes. Thus, and as explained later, while the diversity of one’s social ties should be associated with career progression; there is little reason to expect that it must also be associated with extra-role behaviors. The effects of poverty will be visible through these psychological and social mechanisms.

3.2.1 The Effects of Poverty on Extra-Role Behaviors

Extra-role behaviors are discretionary behaviors that are not specified in the job description, nor formally rewarded or punished as part of the job (Van Dyne & LePine, 1998). Van Dyne and colleagues (1995) develop a typology of different types of extra-role behaviors,
including promotive behaviors that can be either affiliative (e.g., helping others) or challenging (e.g., speaking out on someone’s behalf). Promotive behaviors are discretionary behaviors that require individuals to take initiative to get something done (Van Dyne & LePine, 1998). There appear to be two streams of thought regarding poverty and discretionary behaviors in the organizational behavior literature. Some researchers have proposed the presence of discretionary behaviors in low-wage work, or among low-wage workers. In a set of qualitative interviews, Stacey (2005) found that home care workers, who receive low wages to provide care in other people’s homes, enjoy a fair amount of autonomy, which some of them use to engage in discretionary behaviors, such as staying longer with their patients, engaging in tasks outside of their defined roles, or paying for client expenses themselves. At the same time, though, discretionary behaviors are risky and can be especially costly to low-wage workers. Other research suggests that the working poor will be less likely to engage in discretionary behaviors, because of the potentially negative outcomes associated with doing so. For instance, there may be factors associated with discretionary behaviors in low-wage jobs that could disincentivize low-income workers from engaging in tasks outside of their prescribed roles. Even beyond the potential consequences, though, living in poverty can influence the employees’ desire or motivation to engage in these tasks. Research by Stephens and colleagues (Stephens, Markus & Townsend, 2007; Stephens, Fryberg & Markus, 2010; Stephens, Hamedani, Markus, et al., 2009) suggests that individuals from working-class families are other-focused, meaning that they prefer to maintain the status quo and generally dislike having to make choices for themselves. This is unique from the literature on middle-class participants, which suggests that employees prefer greater autonomy to engage in extra-role behaviors. In a set of experiments, when participants were offered a pen and then given the option of exchanging that pen for one of their choice or
keeping the pen they were offered, most of the working class participants kept the pen they were offered (Stephens, Fryberg, & Markus, 2011). This likely reflects differences in norms regarding agency and other-focus versus self-focus, such that individuals from the working-class background try harder to fit in than to stand out as an individual (Stephens, Frybert & Markus, 2011). Even among the home care workers interviewed by Stacey (2005), some were adamant that they would not engage in tasks that fell outside of their job description, because engaging in these tasks could result in disciplinary action, including termination from their jobs. While this is slightly different than trying to fit in, it again suggests that engaging in extra-role behaviors is risky in low-wage work, and that some home health aides would prefer to avoid the risk. We expect that poverty affect a person’s motivation to engage in extra-role behaviors through two mechanisms: by decreasing their self-efficacy with the task.

### 3.2.2 Mediating Role of self-efficacy on extra-role behaviors

When all three mediators are added to the model, we expect that self-efficacy will help to explain the relationship between poverty and extra-role behaviors. First, we expect that poverty will inhibit the employees’ ability and motivation to engage in extra-role behaviors by decreasing their self-efficacy perceptions. Self-efficacy influences the employees’ comfort with and decision to engage in extra-role behaviors, and their perceptions of success or failure on the task. Drawing on Bandura’s (1977; 1982; 1986) Social Cognitive Theory, self-efficacy expectations affect employees’ perceptions of their ability to bring about a desired outcome, and also influence their selection of activities, the amount of effort they expend on the tasks, and their persistence with the activities in the face of challenges (Bandura, 1977; Wood, Bandura, & Bailey, 1990). As we mention above, living in poverty reduces self-efficacy by highlighting
unsuccessful experiences. When choosing to engage in new activities, employees with low self-efficacy will select familiar activities, and will likely avoid activities that are unspecified or ambiguous in terms of outcomes, like extra-role behaviors. People tend to “act on their judgments of what they can do, as well as on their beliefs about the likely effects of various actions” (Bandura, 1986: 231). Since poverty also reduces the level of control employees have over their work, it will reduce the low income workers’ motivation to engage in discretionary behaviors by reducing the relationship between employees’ efforts and their perception. Finally, low-income employees develop lower self-efficacy as a result of a prevention focus, which motivates them to obtain security by avoiding behaviors that could result in failure. Extra-role behaviors lie outside of the specified tasks associated with a job, so the risk involved in completing them is high. While the literature tends to suggest that employees who behave in extra-role behaviors will be rewarded, the outcomes among the working poor are not as clear. In some cases, employees caught engaging in extra-role behaviors could be fired or disciplined, especially if the extra-role behaviors interfere with their other duties or somehow endanger the customer. As a result, individuals in poverty with low self-efficacy, who perceive many tasks to be beyond their skill level are likely to avoid ambiguous or risky activities (Bandura, 1977), and may choose not to engage in extra-role behaviors, where the risk of failure is greater. Indeed, individuals can become proficient at tasks in a very narrow task domain, while avoiding extra-role tasks that they perceive to be beyond their skill (Betz & Haskett, 1981). Thus:

H1a: Self-efficacy mediates the relationship between poverty and extra-role behaviors. Specifically poverty reduces extra-role behaviors through its effects on self-efficacy.
3.2.3 Mediation effect of negative affect on job attachment

Job attachment represents an employee’s affinity towards, and their desire to remain employed in their job. We examine three aspects of attachment that have been extensively examined in the literature: turnover intentions (Hom, et al, 1992; Steers & Mowday, 1981; Maertz & Campion, 2004), and job satisfaction (Locke, 1976; Brown & Peterson, 1993). Turnover intentions represent the employees’ expectations to quit the organization (Hom, et al., 1992). Maertz and Campion (2004) suggest that turnover intentions can develop at different speeds—either slowly (from preplanned or conditional intentions to leave at some time in the future) or quickly (in response to a sudden negative event or better career opportunities). Affect provides information to individuals (Schwarz, 2000) about how they feel in a certain situation, and influences their cognition and behavior in an affect-consistent manner (Clore, Schwarz, & Conway, 1994; Forgas, 1995). For instance, negative affect highlights fault with the current situation, which motivates employees to seek change (Cote, 1999). One such change that employees could implement involves increasing their turnover intentions (Maertz & Campion). Employees high in negative affect use detail-oriented information processing to find solutions that avoid and prevent future negative outcomes (Seo, Barrett & Bartunek, 2004). In fact, turnover and burnout are often high in many low-wage jobs (e.g., call center workers; direct care workers) (Maslach, 1978). As we mentioned, negative affect signals that an environment is unpleasant or dangerous, and motivates them to change it. Thus, we expect that individuals high in negative affect will experience higher turnover intentions.

Job satisfaction represents the employees’ positive affective state resulting from a positive appraisal of their jobs (Locke, 1976: 1300). Employees who enjoy aspects of their work are more likely to experience higher job satisfaction. In contrast, employees who are high on
negative affect tend to frame situations, people, and events more negatively and to recall information consistent with their negative mood (Bower, 1981). For instance, Forgas and George (2001) found that employees with high negative affect are more likely to rate a potential job candidate as awkward and unskilled, even after employees with high positive affect rated the same candidates as poised and skilled. When people are experiencing negative affect, they tend to interpret other events or stimuli with these negative feelings. Negative affect shapes the employees’ attitudes about their organization, the people with whom they interact, and the work that they have to do. This can be beneficial for some tasks, since it focuses the individuals’ attention on details and improves their ability to engage in systematic routinized thinking (Cote, 1999; Schwarz & Bohner, 1996). But, it may be less attractive in front-line service work, where employees are expected to provide high-quality and sometimes customized care. Cote and Morgan (2002) find that employees who must repress negative emotions experienced levels of job satisfaction because of the emotional dissonance they feel. In these jobs, negative affect can lead employees to develop lower satisfaction evaluations (Oliver, 1993), since they perceive aspects of their work negatively.

H2a: Negative affect mediates the relationship between poverty and job attachment, specifically:

H2a₁: poverty increases negative affect, which increases turnover intentions

H2a₂: poverty increases negative affect, which decreases job satisfaction

3.2.4 Mediation effect of the diversity of social resources on career progression

We finally argue that the diversity of social resources should be strongly related to career progression. Career progression entails a set of steps designed to develop a career. Indeed, work
by Lin and colleagues (1999; 2000; Lin, Ensel & Vaughn, 1981) suggests that access to and use of social resources can improve the effectiveness of an individual’s job search. Lin (1999) suggests that a more diverse network of social resources is beneficial because it improves the flow of information to individuals (e.g., job seekers) and gives them access to influential others (e.g., high status contacts) (Campbell, Marsden, Hurlbert, 1986). The higher status contacts are able to leverage their own social resources—e.g., assets like status, support, prestige or power that exist in their social network (Lin, Ensel, & Vaughn, 1981)—to recommend individual job seekers, and help them to be noticed by the relevant job search parties. Contacts from a similar status-level provide the job seeker with access to additional social resources, such as information about the job and the job search procedure, support during the job search process, or a realistic job preview so that the job seeker knows what to expect. Since social resources tend to be more plentiful in certain social networks, members of those groups are better able to mobilize these resources to achieve beneficial outcomes. So, individuals with access to more diverse and numerous social resources are likely to experience better outcomes, including beneficial career outcomes. Individuals living in poverty have a lower initial status, making it harder for them to develop diverse social resources. The homophily effect suggests that individuals develop social ties with similar others, so those living in poverty are likely to have more social contact with other poor individuals, who are exposed to similar stressors (Durden, et al., 2007). Indeed, the working poor tend to build networks around strong familial and friendship ties, which they use to look for and learn about new jobs (Lin, 2000). However, “weak” social ties with higher-status social resources result in higher-status job outcomes (Granovetter, 1973; Lin, 1999). At work, individuals in poverty have social networks that contain other low-wage workers, who share similar characteristics and incorporate less social diversity. As a result, using strong friendship
ties for career progression will likely result in information about other low-wage jobs and will make it more difficult to obtain a higher-status job. We expect that the diversity of social resources will indeed mediate the relationship between poverty and career progression.

H3a: The diversity of social resources mediates the relationship between poverty and career progression, specifically:

H3a1: poverty decreases the diversity of employees’ social resources, which reduces the number of promotion opportunities employees have.

H3a2: poverty decreases the diversity of employees’ social resources, which reduces the raises employees receive.

3.3 STUDY 1

To test these hypotheses, we present two studies. In the first study, we use a sample of employees from an online marketing research panel to provide an initial test of whether household poverty (i.e., low household income) creates differences in self-efficacy, negative affect, and social capital, and whether these factors in turn mediate the relationship between poverty and a set of three work outcomes. The sample in Study 1 is diverse in terms of occupational categories and household income, to obtain variability in our independent variable.

3.3.1 Sample

For this study, we used a national sample of 202 U.S. consumers from an online panel of a marketing research firm, who register to receive emails inviting them to participate in surveys.
Participants were randomly selected to participate in this online survey, although we oversampled individuals with lower income, to ensure that our sample contained groups of low-income and high-income individuals. Indeed, household income varies in this sample, with 15% of participants having a household income at or above $75,000 per year and 17% having a household income of less than $30,000 per year. These participants work in a variety of occupations (e.g., entrepreneurs, secretaries, cashiers, accountants, and construction workers), and were contacted via email, which means that they had to be familiar with computers to participate. Participants’ ages range from 26 to 68 years, with an average of 47 years (SD=9.75). Their tenure ranges from 1 to 45 years, with an average of a little over 12 years (SD=9.69). Sixty-nine percent of the sample is female, and 88% is white.

3.3.2 Measures

3.3.2.1 Independent Variables: Household poverty

Household poverty is measured by one item, which asks participants to indicate the annual household income from all of the adults living in their household on a 9-point categorical scale. This measure is essentially the inverse of household income. The 9 categories include: 9= < $10,000; 8= $10,000-19,999; 7= $20,000-29,999; 6= $30,000-39,999; 5= $40,000-49,999; 4= $50,000-74,999; 3= $75,000-99,999; 2= $100,000-249,999; 1= $250,000 or more, with higher values indicating higher household poverty. The average level lies between $40,000 and $50,000. Since income is inherently non-linear, the range increments are also uneven. Our goal is to examine the effects of household poverty (i.e., low household-income) at work, so we employed a finer gradient of ten-thousand dollar increments at the lower end of the scale. The increments grew larger as the level of household poverty decreased, so that categories 4 and 3
include a $25,000 increment, and category 2 includes everyone earning between $100,000 and $249,999. While the categories on the scale are non-linear, we performed additional analysis to test whether this would significantly affect our results. Combining categories 4, 3, 2, and 1 together in a measure titled ‘> $50,000’ did not significantly affect the results. Thus, we believe that differences in income among those with lower household income will have a greater impact on individuals than small differences among those with high household incomes. In other words, two people earning $20,000 and $30,000, respectively, differ to a greater extent in terms of their access to resources and quality of life than would two other people earning $100,000 and $200,000, respectively. The scale accounts for this by providing more specific categories for lower-income individuals, and broader categories to capture higher-incomes.

3.3.2.2 Dependent Variables Turnover Intentions, Job Satisfaction

Turnover Intentions are measured with a two-item scale asking the participants how likely it is that they will look for a job and quit in the next 6 months, adapted from Becker (1992). The coefficient alpha is 0.85. Each item was measured on a 5-point Likert scale (1=not at all likely, 5=very likely). General job satisfaction is measured as the participants’ satisfaction with a set of dimensions (Hackman & Oldham, 1974): growth (4 items), their supervisor (3 items), their pay (2 items), security (2 items), and social interaction (3 items). Each item was measured on a 7-point Likert scale (1=extremely dissatisfied, 7=extremely satisfied). We are interested in how poverty affects the participant’s overall level of satisfaction in the organization, so we use the average of these 14 items to determine an overall measure of general satisfaction. Cronbach’s alpha is 0.95.
3.3.2.3 Dependent Variable: Extra-role behavior (OCB Scale)

In study 1, we measure extra-role behaviors in terms of organizational citizenship behaviors. We use a set of scales from Organ (1988) which capture 5 dimensions of citizenship behavior, including altruism, sportsmanship, conscientiousness, courtesy, and civic virtue. These scales capture voluntary behaviors that are aimed at providing aid to others at work, being involved in the organization, and going above and beyond minimum job requirements to keep things running smoothly (Podsakoff, et al., 2000). These behaviors are promotive and affiliative, meaning that engaging in them involves being proactive and serves to bring people together. While the OCB scale has five different dimensions, we chose to focus on the general construct, OCBs. Low-wage workers do not always have a lot of autonomy in their work, and in general, helping others at work can sometimes come at a cost. So, we were interested in the extent to which workers would engage in these behaviors. It is the average of 19 items from Organ (1988) and is measured on a 5-point Likert scale (1=never, 5=always). Cronbach’s alpha for these 19 items is 0.83.

3.3.2.4 Dependent Variable: Promotion Opportunities

Promotion Opportunities represents the participants’ perceptions of whether there is any opportunity for promotion in their job in the future. It is a dichotomous variable (1=opportunity for promotion, 0=no opportunity for promotion). A little more than one-third of the participants believe that they could receive a promotion in their job. We were unable to obtain data about raises in Study 1.
3.3.2.5 Mediating Variables:

*Self-efficacy* in study 1 is measured using a 6-item scale, adapted from the mastery scale developed by Pearlin and Schooler (1978). It is measured on a 5-point Likert scale (1=strongly disagree, 5=strongly agree). Cronbach’s alpha for the 6 items is 0.88.

*Negative affect* is measured by seven items, adapted from Watson and Clark’s (1984) PANAS scale. It is measured on a 5-point Likert scale (1=none of the time, 5=all of the time). We were interested in capturing longer lasting moods (instead of fleeting emotions), and so we asked them to consider how often they had felt certain emotions in the last four weeks. Cronbach’s alpha for the seven items is 0.88.

*The diversity of social capital resources* is measured using a position generator introduced by Lin and Dumin (1986). The position generator provides participants with a list of occupations (each corresponding to a different status level, derived from the NAICS), and asks them to answer (a) whether they know someone who works in that occupation and (b) if yes, what their relationship to that person is—family, friend, acquaintance, or other. They are asked to think about people whom they generally know on a first-name basis. From the list of occupations, we construct a measure of social capital: the *diversity of social resources*, which measures the number of occupations of different status in which the participants know someone working. Intuitively, individuals with more diverse connections, in terms of status, should be better positioned to both obtain better jobs, and to learn about job opportunities in the labor market.

3.3.2.6 Control Variables

We include controls for the participants’ age, job tenure, gender, and race, since these factors are associated with income. Indeed, Black and Hispanic workers tend to be twice as
likely as White or Asian workers to be poor (U.S. BLS, 2008). Additionally, we include these factors to control for their effects on the dependent variables. For instance, research has found that age (Porter, et al., 1974; Mobley, et al., 1978) and tenure (Mobley, et al., 1978) are consistently associated with turnover, such that younger and less experienced employees are more likely to turnover as they develop their jobs and shape a career (Mobley, et al., 1979). Failing to account for this could lead to erroneous interpretations of the analysis.

*Age* is a continuous variable measured by asking participants in which year they were born, and then subtracting that number from 2009 (the year in which the data collection took place). *Job Tenure* asks people to indicate in which year they began working in their current jobs. This number is also subtracted from 2009 to determine how many years they were working in their jobs. *Gender* is a dichotomous variable (1=male, 0=female). When this variable is used in regressions, it indicates how being male as opposed to being female influences the dependent variable. *Race* is another dichotomous variable (1=white, 0=non-white). Our sample was predominantly comprised of individuals who listed themselves as White (88%) and Black, or African-American (6%). The remaining 6% was comprised of three other minority groups. The number of participants in each minority group was not large enough to warrant unique inclusion into the analysis. So, we combined these groups together to control for differences associated with being white.

### 3.3.3 Analysis

**Bootstrapping-Based Mediation**

We use a nonparametric bootstrapping procedure in SAS (Preacher and Hayes, 2004; 2008) to test whether self-efficacy, negative affect, and social resources diversity together
mediate the relationship between household income and work outcomes. This procedure involves drawing a large number of random samples (often 5,000) from the original data set with replacement, such that each new drawn sample is equal in size to the original set (Preacher & Hayes, 2004; 2008). At the end of this process, the bootstrapping procedure tests for mediation, using each of these new samples to estimate the indirect effect of the independent variable, x, on the dependent variable, y, through the mediating variable, m. The estimate is essentially the product of the sub-segments, x to m and m to y. Next, the procedure places these estimates in order to create a histogram, or distribution, of the indirect effects. To construct bias corrected 95% confidence intervals around each effect, the procedure identifies the estimates that lie at the 25th and 75th percentiles of that distribution. If the bias corrected confidence interval does not include the value zero, then we can reject the null hypothesis, and conclude that there is an effect from x to y through m.

Recent research (Zhao, Lynch & Chen, 2010) shows that this nonparametric bootstrapping procedure is superior to the Sobel method (Sobel, 1982) and other mediation testing processes, proposed by Baron and Kenny (1986), for several reasons. First, the bootstrapping procedure does not assume that the constructs are distributed normally. This is important because survey data collected in the field is rarely perfect, and is not always normally distributed. While other mediation methods require researchers to modify their data to overcome this, or to find data that is normally distributed, the bootstrapping procedure automatically accommodates any distribution by drawing from that distribution to generate confidence intervals around the mediated effect. Second, this procedure provides a rigorous method for identifying mediation, without having to meet the strict criteria suggested by Baron and Kenny (1986). Baron and Kenny (1986) propose three models for testing mediation, where: 1) the
independent variable significantly predicts the dependent variable, 2) the independent variable significantly predicts the mediator, and 3) the mediator significantly predicts the dependent variable, when included in a model with the independent variable, which ideally becomes less significant. These three tests have been employed in many studies, because they are relatively easy to use and fairly straight-forward. However, they can lead researchers to inaccurately conclude no mediation, when in fact mediation exists. For instance, if the direct and indirect (through the mediator) effects between the independent and dependent variables are both significant, but in opposite directions, then the mediation effect may appear null, even though it is significant (Zhao, Lynch & Chen, 2010). So, it is still possible for the relationship between $x$ and $y$ to change significantly when mediators are included, even if the relationship itself is not initially significant (Hayes, 2009) and the bootstrapping analysis is more likely to account for this. Finally, Baron and Kenny’s (1986) tests further assume that there is no error in the mediating variable, which is a difficult condition to control when conducting field research.

### 3.3.4 Results

Table 1a shows descriptive statistics for the constructs in Study 1. The size of the samples varies slightly because of missing data. Household poverty is significantly correlated with self-efficacy (-0.180) and the diversity of social resources (-0.224), and is associated with negative affect in the predicted direction, although the correlation is not significant at $p<0.05$. 
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<thead>
<tr>
<th>Variable</th>
<th>Mean (SD)</th>
<th>Household Income</th>
<th>Turnover Intentions</th>
<th>Organization Commitment</th>
<th>General Promotion Opportunities</th>
<th>Self-efficacy Affect</th>
<th>Negative Affect</th>
<th>Diversity of Social Resources</th>
<th>Job Tenure</th>
<th>Family Size</th>
<th>Gender</th>
<th>Race</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income</td>
<td>Mean 4.571 (1.933)</td>
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<tr>
<td>Turnover Intentions</td>
<td>Mean 1.899 (1.237)</td>
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<tr>
<td>Organization Commitment</td>
<td>Mean 3.848 (0.874)</td>
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<tr>
<td>General Commitment</td>
<td>Mean 5.309 (1.210)</td>
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<tr>
<td>Satisfaction</td>
<td>Mean 3.446 (0.518)</td>
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<tr>
<td>OCBs</td>
<td>Mean 0.382 (0.487)</td>
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<tr>
<td>Self-efficacy</td>
<td>Mean 3.919 (0.657)</td>
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</tr>
<tr>
<td>Negative Affect</td>
<td>Mean 2.187 (0.765)</td>
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<td></td>
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</tr>
<tr>
<td>Diversity of Social</td>
<td>Mean 4.995 (3.640)</td>
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<td></td>
<td></td>
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<tr>
<td>Resources</td>
<td>Mean 47.344 (9.594)</td>
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<tr>
<td>Job Tenure</td>
<td>Mean 12.164 (9.796)</td>
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<td></td>
</tr>
<tr>
<td>Family Size</td>
<td>Mean 2.836 (1.519)</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>Mean 0.688 (0.465)</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Race</td>
<td>Mean 0.884 (0.322)</td>
<td></td>
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</tbody>
</table>

Note: ***p<0.0001, **p<0.01, *p<0.05, ^p<0.10

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Turnover intentions are relatively low in this sample (1.899 out of 5), and self-efficacy (3.919 of 5) is relatively high. Table 2a shows the effect of household poverty on each of the three mediating factors, controlling for age, tenure, gender, and race.

**Table 3a. Model of the Effects of Household Poverty on the Mediating Factors**

<table>
<thead>
<tr>
<th>Mediating Factor</th>
<th>Study 1: National Panel of Full-Time Workers (n=189)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b</td>
</tr>
<tr>
<td>Self-Efficacy</td>
<td>-0.0587</td>
</tr>
<tr>
<td>Negative Affect</td>
<td>0.0432</td>
</tr>
<tr>
<td>Diversity of Social Resources</td>
<td>-0.4053</td>
</tr>
</tbody>
</table>

Hypothesis 1 states that household poverty will have a positive effect on self-efficacy. Indeed, the path between household poverty and self-efficacy in Table 2a is negative and significant (b= -0.0587, p=0.0225) for participants in Study 1. So, high household poverty (i.e., low household income), is associated with lower levels of self-efficacy. Thus, H1 is supported.

Hypothesis 2 states that household poverty will have a positive effect on negative affect. The relationship between low-household income and negative affect is not significant at the 0.05 level (b= 0.0432, p=0.1575). However, the relationship is in the predicted direction. So, H2 is not supported, but the relationship is in the predicted direction.

Hypothesis 3 states that household poverty will have a negative effect on the diversity of an employee’s social resources. The path between household poverty and the diversity of social resources is negative and significant (b= -0.4053, p=0.0030). High household poverty is associated with less diversity in social resources. Thus, H3 is supported.
To test the remaining hypotheses, we use data generated from the Preacher and Hayes (2008) bootstrapping procedure developed for SAS. A summary of the output is shown Table 3a. These columns show the bias correlated confidence intervals generated around the instantaneous indirect effect of household poverty on the outcomes, through the mediators. According to Preacher and Hayes (2004, 2008), if the bias corrected confidence intervals do not contain zero, then the indirect effect from household poverty to each outcome through a particular mediator is not equal to zero. Rejecting the null hypothesis suggests that there is a statistically significant path through the mediator.

Table 4a. Summary of the Mediation Results between Household Poverty and Work Outcomes for Study 1

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Mediator</th>
<th>Confidence Interval</th>
<th>Indirect Effect?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra-Role Behavior</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(OCB Scale)</td>
<td>Self-efficacy</td>
<td>-0.0742</td>
<td>-0.0576</td>
</tr>
<tr>
<td></td>
<td>Negative Affect</td>
<td>-0.0190</td>
<td>-0.0109</td>
</tr>
<tr>
<td></td>
<td>Diversity of Social Resources</td>
<td>-0.0146</td>
<td>-0.0060</td>
</tr>
<tr>
<td>Turnover Intentions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self-efficacy</td>
<td>-0.0116</td>
<td>0.0250</td>
</tr>
<tr>
<td></td>
<td>Negative Affect</td>
<td>-0.0070</td>
<td>0.0540</td>
</tr>
<tr>
<td></td>
<td>Diversity of Social Resources</td>
<td>-0.0074</td>
<td>0.0498</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self-efficacy</td>
<td>-0.1607</td>
<td>-0.0513</td>
</tr>
<tr>
<td></td>
<td>Negative Affect</td>
<td>-0.0638</td>
<td>-0.0037</td>
</tr>
<tr>
<td></td>
<td>Diversity of Social Resources</td>
<td>-0.0765</td>
<td>-0.0018</td>
</tr>
<tr>
<td>Promotion Opportunities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self-efficacy</td>
<td>-0.0061</td>
<td>0.0095</td>
</tr>
<tr>
<td></td>
<td>Negative Affect</td>
<td>-0.0014</td>
<td>0.0155</td>
</tr>
<tr>
<td></td>
<td>Diversity of Social Resources</td>
<td>-0.0034</td>
<td>0.0145</td>
</tr>
</tbody>
</table>
H1a states that self-efficacy will mediate the relationship between household poverty and extra-role behaviors (i.e., the altruism scale). To test whether household poverty affects extra-role behaviors through self-efficacy, the Preacher and Hayes (2008: 883) bootstrapping procedure generates empirical, nonparametric approximations of the sampling distributions of the indirect effect from household poverty to extra-role behaviors through self-efficacy. It then calculates 95% confidence intervals by placing all of the estimates in order from lowest to highest and selecting the two values that represent the lower and upper 2.5% bounds of the interval. When these confidence intervals do not include zero, then we can reject the null hypothesis that there is no effect through self-efficacy. Indeed, the bias corrected confidence interval for self-efficacy does not contain zero (-0.0742 to -0.0576), suggesting that self-efficacy mediates the relationship between household poverty and extra-role behaviors. Household poverty is negatively associated with self-efficacy, which leads to lower levels of extra-role behaviors. Thus, H1a is supported.

H2a suggests that negative affect will mediate the relationship between household poverty and job attachment, namely turnover intentions, and job satisfaction. Table 3a shows that the bias corrected confidence interval for turnover intentions does contain zero (-0.0070 to 0.0540). So, the path from household poverty to turnover intentions through negative affect is not significant at alpha=0.05. Thus, H2a₁ is not supported. However, the results for job satisfaction are statistically significant, (-0.0638 to -0.0037), allowing us to conclude that household poverty has an affect on job satisfaction through negative affect. Thus, H2a₂ is supported. Additional analysis on job attachment, which we did not hypothesize, found that self-efficacy (-0.1607 to -0.0513) and the diversity of social resources (-0.0765 to -0.0018) also mediated the effects of household poverty on job satisfaction.
Finally, H3a suggests that the diversity of social resources will mediate the relationship between household poverty and promotion opportunities. Although promotion opportunity is a dichotomous variable, the bootstrapping procedure is still appropriate, because it produces robust results by drawing samples from this distribution. Table 3a shows that the bias corrected confidence intervals for the diversity of social resources contains zero (-0.0034 to 0.0145), leading us to conclude that the path from low-income to promotion opportunities through social resource diversity is not significantly different from zero. In fact, none of the mediating variables produced a significant path to promotion opportunities in Study 1. Thus, H3a is not supported.

3.3.5 Study 1 Discussion

This sample provided some promising results. Household poverty was significantly associated with self-efficacy and the diversity of social resources. It appears that living in a low-income household can negatively affect how people perceive their abilities and which social resources they have access to. In addition, it appears that self-efficacy does indeed explain the processes through which household poverty affects extra-role behavior. So, not engaging in extra-role behaviors may not be a result of a lack of initiative nor a lack of desire, but a lack of self-efficacy regarding their ability to complete the task. The relationship between household poverty and turnover intentions through negative affect was also in the predicted direction, even though it was not statistically significant. This could be a result of the range of occupations present in our first sample. Negative affect is not unique to low-income workers, and individuals at all occupations could experience it. Depending on the types of occupations examined, it is possible that we were unable to capture differences in negative affect due to household income.

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We were also surprised that social resources did not mediate the relationship between poverty and promotion opportunities. Again, we believe that this could be a result of the variety in occupations. For instance, individuals in senior level executive positions earn high incomes, but would not likely expect promotion opportunities in their jobs, despite their diverse social resources. So, we would be less likely to find mediation. To address these concerns, we decided to collect a larger sample from one occupation to further examine these relationships. Additionally, we wanted to examine whether the effects of poverty that we found in study 1 could simply be attributable to factors associated with low-wage jobs, or whether they were due to differences in income more broadly. To do this, we use a sample of employees from a single occupation (certified nursing assistants) that is characterized as a low-wage occupation. In the first study, it was not clear whether the effects were somehow due to differences in the individuals’ choices of occupations, or because of household income. The entire sample in study 2 is employed in one low-wage occupation, so that any effects that we find on work outcomes will likely be due to issues associated with household poverty rather than with the type of job itself.

3.4 STUDY 2

In our second study, we examine the effects of household poverty on work outcomes among a group of low-wage workers. As we mention above, we are interested in whether household poverty will still have an effect on work outcomes when all of the participants earn low-wages and work in the same occupation. If so, then this would suggest that the effects on the work outcomes through the mediators are indeed due to household poverty, and not because
of other factors related to differences in occupations. We focus on a group of low-wage service workers, employed as certified nursing assistants in nursing homes and hospitals. These employees are an especially appropriate group for studying the effects of household poverty in low-wage work because they work full-time, but still do not earn wages high enough to single-handedly raise their household income above the poverty threshold proposed by the U.S. Census Bureau (2011). In this way, the sample in study 2 is different from the sample in study 1, because all of the employees working as CNAs earn low wages, so differences in household income are due to outside help.

Additionally, this occupation is an interesting setting for studying work outcomes, because it is often emotionally and physically demanding, closely monitored, and characterized by high turnover. CNAs are responsible for the care and well-being of others, even when they are unable to afford assistance (e.g., babysitters, transportation) for themselves. This can cause employees stress at work, and generate tension between their roles at work and at home. At the same time, the growth of the aging population is increasing the demand for CNAs, who are becoming a large and integral segment of the U.S. workforce. Many states are implementing special measures to recruit and train additional workers, to avoid shortages of CNAs. So, this group is a growing segment of the U.S. workforce. This sample will allow us to understand the effects of household poverty on work outcomes within an extreme setting, where all of the participants are earning low-wages. It will also help us to understand more about the work outcomes among individuals in this occupation, which is receiving increasing attention in the organizational literature.
3.4.1 Sample and Procedure

This sample comes from a larger study designed to understand the turnover patterns of direct care workers (DCWs). These workers are employed in jobs that, like some of the other service jobs alluded to earlier, are often emotionally and physically demanding. Certified nursing assistants (CNAs), a specific group of direct care workers typically employed in nursing homes and hospitals, are responsible for taking care of the functional and emotional needs of patients (see Mittal, et al., 2009). For example, they are often responsible for bathing patients, lifting them in and out of bed, helping them to eat, and comforting them when they are lonely or sad.

A preliminary list of participants was obtained from the Nurse Aide Registry, maintained by the state Department of Health. All CNAs in the state are required to register on this site to maintain their certification (Rosen, et al., 2011), so our sample is representative of all CNAs working in the state. Since there is no comparable list for direct care workers working in assisted living centers or group homes, four additional methods were used to build a sample of DCWs employed in other types of direct care work: (1) some Centers for Independent Living and home care agencies were willing to do a check stuffer to their employees, (2) the College of Direct Support posted a 1-800 phone number on their website, (3) invitations to participate were mailed to members of the Pennsylvania Direct Care Workers Association, and (4) a snowball effect was used to ask every DCW we contacted for the names and contact information of other DCWs. The sample was screened to include only those who reported currently working as a DCW in Pennsylvania for more than 30 hours a week, to ensure that employees were working full-time.

We conducted two waves of data collection via phone interviews. Each phone interview lasted about 25 minutes and included questions about the participants’ background, work history,
pay and benefits, training and future plans, off-the-job factors, physical and mental health, and work attitudes and behaviors. The first round of data collection was conducted in March 2008 and generated 1,355 useable responses from a set of 1,589 eligible participants (response rate=85%), working in Pennsylvania as DCWs for 30 hours or more per week. At Time 2 (T2), conducted one year later, we administered a revised survey to T1 participants, and collected 1,152 matched responses (85%). Collecting data, especially repeated data, from poor populations is challenging, because of uncertainty about their future situations. At time 2, most of the non-respondents had disconnected phone lines, or had moved without providing follow-up contact information. So, non-respondents do not reflect an inability or unwillingness to complete the survey, but are largely indicative of the uncertain nature of living among the working poor. In this study, we further refine the focus to participants working as certified nursing assistants (CNAs) or DCWs in facilities, like hospitals (180), nursing homes (814), assisted living centers (101), group homes (38), or other facilities (13) at T1 (an 84% response rate), not as home health aides or private duty employees. Employees in home health and private duty arrangements are, to a large extent, less regulated than workers in facilities are. First, employees in facilities often have to abide by and maintain records regarding state and federal governmental regulations addressing standards of patient care. For instance, there are regulations regarding how often patients are to be moved to prevent bed sores. Employees in facilities are also more likely to encounter monitoring mechanisms, as a result of these reporting standards and the proximity of their supervisors and coworkers working in a similar location. In contrast, home health care workers tend to work in the patients’ homes, and are more difficult to monitor. In this way, they may have more flexibility in terms of setting their own hours, selecting the number of patients they care for each week, and choosing what to report to supervisors. Ninety—four percent of the
participants are female, which is not surprising in this line of work, and 73% are white. The participants’ ages range from 20-65 years, with a mean of 46 years (SD=10.58), and the average tenure of the sample is 9 years (SD=8.17). Nationally, eighty-nine percent of all direct care workers are female, 47% are White, 30% are African-American and the average age is 40 (PHI, 2011). Only 52% of all direct care workers are employed full-time, though, which likely explains some of the differences in demographics between our sample and all direct care workers, employed both full- and part-time.

3.4.2 Measures

3.4.2.1 Independent Variables:

*Household Poverty* is a categorical variable that measures the participants’ estimation of their previous year’s total household income from all of the household members living with them. As in Study 1, the inverse of household income is used in our analysis. This variable is measured by a single item, on a seven point scale (7=less than $10,000; 6=$10,000 to 19,999; 5=$20,000 to 29,999; 4=$30,000 to 39,999; 3=$40,000 to 49,999; 2=$50,000 to 80,000; 1=more than $80,000). Although the last two categories do not use the same income interval as the previous ones, we ran additional analysis and found that the results remain relatively unchanged even if the last two categories are collapsed together to represent income ‘> $50,000.’ These categories were again chosen to examine a more detailed gradient among those with higher household poverty. In this study, the average level of household poverty lies between $20,000 and $30,000, which means that a greater proportion of individuals in this sample have higher
household poverty than in study 1. In study 1, only 17.33% of participants earned less than $30,000, while in study 2, 34.85% did. Additionally, while 57% of participants in study 1 earned more than $50,000, only 26% of the individuals in study 2 did.

3.4.2.2 Dependent Variables: Turnover Intentions, and Job Satisfaction

*Turnover Intentions* are measured with three items adapted from Becker’s (1992) standardized turnover intention scale. Each item is measured on a four-point Likert scale (1=not likely at all, 4=very likely), and the average of the three items is used to determine the value of turnover intentions at each time. This three-item measure has a Cronbach’s alpha of 0.70. *Job Satisfaction* is measured by a single item, measured on a four-point Likert scale (1=not at all satisfied, 4=very satisfied).

3.4.2.3 Dependent Variables: Promotion Opportunities and Raises

*Promotion Opportunities* is a dichotomous variable that measures the participants’ beliefs that there are opportunities for promotion in their jobs. Twenty-eight percent of participants believed that there was an opportunity for promotion. *Raise* is another dichotomous variable that measures whether an employee received a raise after one year. We asked participants to indicate their hourly pay in 2008 and then contacted them one year later to determine their new level of hourly pay in 2009. The difference between these two values shows how their hourly pay changed from the first time to the second, one year later. The average change in pay is $0.44, which indicates that pay increased on average among our sample, and the range of the change in pay is -$5.70 to $7.70. Positive values denote that an employee received a raise during the year,

5 The poverty level for a family of four in 2010 was $22,350. Many needs-based organizations consider individuals living within 200% of the poverty level to be considered poor.
and are coded with a 1. A value of zero indicates no change or a cut in pay during the year. While individuals who stayed in their job tended to receive smaller, cost-of living pay increases from time 1 to time 2, those who switched jobs or left the industry completely could experience large fluctuations in pay.

3.4.2.4 Dependent Variable: Extra-role Behaviors (Patient Advocacy)

In Study 2, we measure extra-role behaviors in terms of patient advocacy, which involves speaking out on behalf of a patient. Drawing from Study 1, this represents another set of promotive behaviors that involve action on the part of the participant (Van Dyne & LePine 1998). However, these promotive behaviors in Study 2 take on a challenging tone, where participants are engaged in behaviors and actions that act in defense of their patients, which is different from the affiliative extra-role behaviors described in Study 1. Other research has already demonstrated that individuals with lower status prefer behaviors that allow them to blend-in with their peers (Stephens, Markus & Townsend, 2007), and to avoid making decisions (Stephens, et al., 2009; Stephens, et al., 2010; Markus & Schwartz, 2010). In this study, we chose to examine whether low-wage workers employed as CNAs would enact challenging behaviors, which force them to stand in opposition of someone else, as opposed to affiliative ones that would allow them to blend in. Patient Advocacy is a categorical 4-item variable measured on a 4-point Likert scale (1=Not at all true; 4=Very true). It measures the extent to which the DCWs believe they know their patients and understand their needs well enough to speak out on the patient’s behalf. A sample item is: “Sometimes you have to speak up for your patients to protect their rights.”
3.4.2.5 Mediating Variables:

*Self-efficacy* is measured with four items adapted from Chen et al., (2001). To measure task-specific self-efficacy, the questions were designed to refer specifically to the work context (see Chen et al., 2001). Each response was measured on a 5-point Likert scale (1=strongly disagree, 5=strongly agree) and the Cronbach’s alpha for the 4-items is 0.76.

*Negative Affect* is measured with four items adapted from the PANAS scale (Watson, et al., 1988). Since we wanted to capture longer lasting feeling states, we followed the procedure proposed by Cropanzano, et al., (1993) and asked participants to think about how much of the time they had felt a certain way *during the past four weeks*. Asking participants to consider their affect over this time frame, as opposed to thinking about it over the past day or two, ensures that participants will consider their general mood rather than a fleeting emotion (Cropanzano, et al., 1993). At the same time, it is important to note that measuring a person’s affect over four weeks is not the same as diagnosing an affective disorder such as depression or extreme anxiety. Each response was measured on a five-point Likert scale (1=none of the time, 5=all of the time). Cronbach’s alpha for this variable is 0.77.

*The Diversity of Social Resources* is measured using the same position generator from Study 1 introduced by Lin and Dumin (1986). The position generator provides participants with a list of twelve occupations (each corresponding to a different status level, derived from the NAICS), and asks them to answer whether they know someone who works in that occupation. They are asked to consider people whom they generally know on a first-name basis. From their responses, we construct a measure of the diversity of their social resources. *The diversity of*

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6 Indeed, testing for such disorders typically involves a more in-depth study of the individual by medical professionals. While we do not test for more serious disorders here, we suspect that the effects of such affective disorders would likely make our results even more pronounced.
social resources measures the number of occupations of different status in which the participants know someone working. The greatest value of this variable is 12, while the smallest value is 0.

3.4.2.6 Control Variables

Age is a continuous variable measured by asking participants in which year they were born and then subtracting that number from 2008 (the year in which the first round of data collection took place). Tenure asks people at T1 to indicate in which year they began working in their current jobs. This number is also subtracted from 2008 to determine how many years they were working in their jobs. Gender is a dichotomous variable (1=male, 0=female). When this variable is used in regressions, it indicates how being male as opposed to being female influences the dependent variable. Race is another dichotomous variable (1=white, 0=black, Asian, Hispanic, or other), which indicates how being white, as opposed to not white, influences the dependent variable. Household size refers to the total number of individuals (including the participant) living in the participant’s household at T1. We control for household size because standard measures of poverty developed by the U.S. government use both household income and household size to determine whether a household falls below the poverty line (U.S. Census Bureau, 2011).

3.4.3 Analysis

Bootstrapping Macro

We analyze these results using the same non-parametric bootstrapping procedure described above, from Preacher and Hayes (2004, 2008). Our sample in this study is much larger than the sample in the previous study, although the bootstrapping procedure is still robust,
since it draws a large number of new samples from the original sample, with replacement, and uses these to develop estimates of the relationship between household poverty and work outcomes, through the mediators.

3.4.4 Results

Table 1b shows descriptive statistics, including means and standard deviations, for the variables in Study 2. The size of the sample varies slightly in this table because of missing data. In study 2, household poverty is again significantly correlated the diversity of social resources (-0.142, p<0.0001), and is also associated with negative affect (0.096, p<.01). The value of turnover intentions is still relatively low in this sample (1.399 out of 4), and the values of self-efficacy (3.744 of 4) and organizational commitment (3.472 of 4) are relatively high.

To test the first three hypotheses, we examine the relationship between household poverty and the mediators, listed in Table 2. These relationships included controls for age, tenure, gender, and race. Hypotheses 1 suggests that household poverty will be negatively associated with self-efficacy. We find that, as in study 1, household poverty is indeed negatively associated with self-efficacy (-0.0182, p=0.0483). Thus, H1 is supported.

Hypothesis 2 states that household poverty will be positively associated with negative affect. Unlike in study 1, we find that household poverty is indeed significantly associated with negative affect (0.0517, p= 0.0060) in study 2. Thus, H2 is supported in study 2.

Hypothesis 3 states that household poverty will be negatively associated with an employee’s diversity of social resources. As in study 1, we find that household poverty is significantly associated with the diversity of social resources (-0.3118, p=0.0001). Thus, H3 is supported.
Table 5b. Descriptive Statistics for the Variables of Interest in Study 2

<table>
<thead>
<tr>
<th>Variable</th>
<th>Household Income</th>
<th>Turnover Intentions</th>
<th>Organizational Commitment</th>
<th>Job Satisfaction</th>
<th>Promotion Opportunity</th>
<th>Patient Advocacy</th>
<th>Self-Efficacy</th>
<th>Negative Affect</th>
<th>Diversity of Social Resources</th>
<th>Job Tenure</th>
<th>Family Size</th>
<th>Gender</th>
<th>Race</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household</td>
<td>Mean 3.681</td>
<td>Std Dev 1.421</td>
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<tr>
<td>Income</td>
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<tr>
<td>Turnover</td>
<td>Mean 1.399</td>
<td>Std Dev 0.680</td>
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<tr>
<td>Intentions</td>
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<tr>
<td>Organizational</td>
<td>Mean 3.472</td>
<td>Std Dev 0.566</td>
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<tr>
<td>Commitment</td>
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<tr>
<td>Job Satisfaction</td>
<td>Mean 3.472</td>
<td>Std Dev 0.652</td>
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<tr>
<td>Promotion Opportunities</td>
<td>Mean 0.281</td>
<td>Std Dev 0.450</td>
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<tr>
<td>Raise</td>
<td>Mean 0.703</td>
<td>Std Dev 0.457</td>
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<tr>
<td>Patient Advocacy</td>
<td>Mean 3.386</td>
<td>Std Dev 0.563</td>
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<tr>
<td>Self-efficacy</td>
<td>Mean 3.744</td>
<td>Std Dev 0.351</td>
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<tr>
<td>Negative Affect</td>
<td>Mean 2.225</td>
<td>Std Dev 0.715</td>
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<tr>
<td>Diversity of Social Resources</td>
<td>Mean 6.495</td>
<td>Std Dev 3.114</td>
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</tr>
<tr>
<td>Age</td>
<td>Mean 46.664</td>
<td>Std Dev 10.342</td>
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</tr>
<tr>
<td>Job Tenure</td>
<td>Mean 9.7081</td>
<td>Std Dev 8.211</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Size</td>
<td>Mean 3.0602</td>
<td>Std Dev 1.5054</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>Mean 0.0471</td>
<td>Std Dev 0.212</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Race</td>
<td>Mean 0.7579</td>
<td>Std Dev 0.4287</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

Note: ***p<0.0001, **p<0.01, *p<0.05, ^p<0.10
In this study, we also find that household poverty is significantly positively associated with turnover intentions (-0.06, p < 0.01), but not with job satisfaction, patient advocacy, or promotion opportunities. According to the causal steps model, the lack of a significant relationship between household poverty and the other dependent variables would immediately negate the search for indirect effects between them. However, using the bootstrapping procedure, we are still able to test for an indirect relationship between household poverty and these outcome variables, despite the seemingly insignificant relationship between x and y. An indirect relationship suggests that the effects of x on y exist only through the “mediating” factors, so that while poverty may not directly affect work outcomes, it indirectly influences the outcomes through its effect on the mediating factors.

Table 6b. Model of the Effects of Household Poverty on the Mediating Factors

<table>
<thead>
<tr>
<th>Mediating Factor</th>
<th>Study 2: CNAs (n=764)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b</td>
</tr>
<tr>
<td>Self-Efficacy</td>
<td>-0.0182</td>
</tr>
<tr>
<td>Negative Affect</td>
<td>0.0517</td>
</tr>
<tr>
<td>Diversity of Social Resources</td>
<td>-0.3118</td>
</tr>
</tbody>
</table>

Table 3b summarizes the results of the non-parametric bootstrapping analysis used to test the remaining hypotheses. The results for study two are contained in the last three columns of the table. H1a suggests that self-efficacy will mediate the relationship between household poverty and extra-role behaviors (patient advocacy). We use the bootstrapping procedure results to test the mediating effects. The bias corrected confidence interval for self-efficacy does not contain zero, leading us to reject the null hypothesis and to conclude that the indirect effect of
Table 7b. Summary of the Mediation Results between Household Poverty and Work Outcomes for Study 2

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Mediator</th>
<th>Confidence Interval</th>
<th>Indirect Effect?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra-RoI Behavior</td>
<td>Self-efficacy</td>
<td>-0.0122  -0.0003</td>
<td>Yes</td>
</tr>
<tr>
<td>(Patient Advocacy)</td>
<td>Negative Affect</td>
<td>0.0017   0.0123</td>
<td>Yes</td>
</tr>
<tr>
<td>Diversity of Social Resources</td>
<td>-0.0001  0.0094</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Turnover Intentions</td>
<td>Self-efficacy</td>
<td>-0.0003  0.0068</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Negative Affect</td>
<td>0.0022   0.0174</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Diversity of Social Resources</td>
<td>-0.0075  0.002</td>
<td>No</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>Self-efficacy</td>
<td>-0.0235  -0.0006</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Negative Affect</td>
<td>-0.0184  -0.0032</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Diversity of Social Resources</td>
<td>-0.0119  -0.0007</td>
<td>Yes</td>
</tr>
<tr>
<td>Promotion Opportunities</td>
<td>Self-efficacy</td>
<td>-0.0026  0.0010</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Negative Affect</td>
<td>-0.0066  -0.0004</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Diversity of Social Resources</td>
<td>-0.0104  -0.0018</td>
<td>Yes</td>
</tr>
<tr>
<td>Raise</td>
<td>Self-efficacy</td>
<td>-0.0049  0.0001</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Negative Affect</td>
<td>-0.0026  0.0031</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Diversity of Social Resources</td>
<td>-0.0079  -0.0002</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Household poverty on extra-role behaviors, namely patient advocacy, through self-efficacy is significant (-0.0122 to -0.0003). This estimate is the product of the two partial paths of the mediation process (household poverty → self-efficacy and self-efficacy → extra-role behaviors). The negative valance of the confidence interval suggests that one of the partial paths is negative, while the other is positive. In other words, household poverty reduces self-efficacy, which is otherwise positively associated with extra-role behaviors. H1a is supported. Interestingly,
though not hypothesized, it seems that negative affect also mediates the relationship between household poverty and patient advocacy in a surprising direction (0.0017 to 0.0123). These results suggest that household poverty increases negative affect, which increases patient advocacy. So, high levels of negative affect may be associated with better outcomes for patients, in terms of behaviors that advocate for the patients. As we discuss later, this finding seems consistent with work by George and Zhou (2007) who suggest that negative affect can have beneficial effects, such as enhancing creativity at work by directing participants’ attention to what’s wrong with a given situation and then narrowing their efforts, through detail-oriented problem-solving, to develop a solution.

H2a predicts that negative affect will mediate the relationship between household poverty and job attachment, including turnover intentions and job satisfaction. We find support for H2a. The bias corrected confidence intervals do not contain zero, which indicates that negative affect mediates the relationship between household poverty and job attachment, resulting in higher turnover intentions (0.0022 to 0.0174) and lower job satisfaction (-0.0184 to -0.0032). This suggests that H2a1 and H2a2 are supported. In additional analysis about which we did not hypothesize, we found evidence that self-efficacy again mediates the relationship between household income and job satisfaction (-0.024 to -0.001), and that the diversity of social resources mediates the relationship with job satisfaction (-0.0119 to -0.0007).

Finally, H3a suggests that the diversity of social resources will mediate the relationship between household poverty and career progression, namely promotion opportunities and raises over the past year. H3a is supported. The confidence intervals around promotion opportunities (-0.0104 to -0.0018) do not contain zero, leading us to reject the null hypothesis and conclude mediation. The diversity of social resources also mediates the relationship between household
poverty and the receipt of a raise over the last year (-0.0079 to -0.0002). Again, the negative
signs in the confidence interval suggest that household poverty reduces the diversity of social
resources, which subsequently reduces the chance of receiving a raise over the last year.
Household poverty is associated with less diversity of social resources, which in turn is
associated with less chance of receiving a raise.

3.4.5 Study 2 Discussion

Our results in study 2 show that household poverty affects work outcomes through self-
efficacy, negative affect, and the diversity of social resources. The mediating variables that
explain the indirect effects of household poverty also differ for each set of outcomes. For
instance, while the effect of household poverty on career progression is primarily mediated by
the diversity of social resources, the effect on behavior is mediated by both negative affect and
self-efficacy. Of the three mediators, negative affect appears to have the broadest effect in study
2. It mediates the effect of household poverty on job attitudes, career progression, and extra-role
behaviors. This is an interesting finding, since negative affect had very little effect in the first
study. One reason for this alluded to earlier could be that in study 2, all employees have the
same occupation. The experience of being a CNA, including exposure to the mentally and
physically demanding nature of the work and the expectation of maintaining a pleasant demeanor
with patients and coworkers, is shared by the employees in study 2. Income differences should
have a stronger effect on the types of negative events workers experience outside of work, and
the resources available to them to cope with the stress of the job. Therefore, any differences in
household poverty should result in significantly lower levels of negative affect.
Despite the use of standard scales, which have been validated in previous literature, the distributions of some of the constructs in study 2 were skewed in a favorable direction. Among the CNAs, for instance, the mean of turnover intentions is 1.399 and the median is 1 on a four-point scale, which suggests that most participants are “not at all likely” to turnover in the next 6 months. The same is true of job satisfaction (mean=3.47 of 4.0), and self-efficacy (mean=3.75 of 4.0). Both have very high means and medians. This lack of variability could be a result of a desire to please the experimenters by answering in a socially desirable way. In our methods, we did try to prevent this by assuring participants that their responses would remain confidential and by asking them to answer honestly, to the best of their ability. There are two other explanations that might explain the high level of attachment in such difficult jobs. The first was presented by Olson and Schober (1993), who suggest that when people are confronted with a bad situation, over which they have little or no control, they experience dissonance and act to overcome the dissonance. To reduce the dissonance, employees can either take action or change their perceptions of the situation. If employees feel little control over the situation, then taking action may not be enough to change anything, and could instead result in undesirable outcomes or even greater dissonance. However, changing their perceptions of the situation, could allow employees to cope with negative aspects of their situation and to express satisfaction with objectively undesirable situations. Another explanation for the strong attachment to difficult jobs could be described by the findings of Mittal, et al (2009), who collected interview data from groups of certified nursing assistants defined as persistent stayers, persistent leavers, or combinations of the two. What they found is that individuals who stayed in their jobs frequently described their work as a “calling,” talked in length about the personal relationships they had built with their patients,
and considered their work as a haven from their home lives. So, despite the difficulties associated with the job, they viewed their work as meaningful and purposeful.

### 3.5 DISCUSSION

Looking at both studies, it seems that household poverty does affect work outcomes through a set of mediators. In both studies, we found that self-efficacy mediates the relationship between household poverty and extra-role behaviors. This suggests that individuals with high household poverty will be less likely to engage in extra-role behaviors because of lower self-efficacy, as opposed to laziness or an unwillingness to do the work. This has significant implications for future research examining exactly how household poverty reduces self-efficacy. For instance, it suggests that to influence extra-role behaviors, employers could focus on increasing job-related training instead of increasing monitoring behaviors. Investing in mechanisms that monitor employees with low self-efficacy further decreases their ability to engage in extra-role behaviors by increasing the stress they experience from not knowing how to complete their job (Stetz, Stetz, & Bliese, 2006). Additionally, we find that household poverty is significantly associated with the diversity of an employee’s social resources in both studies, such that higher household poverty leads to less extensive social resources. In study 2, the diversity of social resources mediates the relationship between household poverty and both measures of career progression: promotion opportunities and receipt of a raise. It seems that “who you know” is important for developing a career, and that individuals with high household poverty have access to a less diverse group of people. This is consistent with Lin’s (2000) work that suggests that low-wage workers use family members and friends to learn about job opportunities.
Finally, there is some evidence that household poverty increases negative affect. Indeed, in study 2, negative affect mediates the relationship between household poverty and job attachment, namely job satisfaction. We did not find statistically significant results for negative affect in the first study, but this could be a result of the diversity of occupations present. As we mentioned above, negative affect is not unique to low-income individuals, but among a group of low-wage workers, differences in income should have a greater effect on the negative affect they experience, and their ability to cope with these experiences. It could be that many of the occupations in our first sample were stressful, regardless of wage level, and so the specific effects of income on negative affect were less apparent. However, it is still promising that the effects of household poverty on negative affect in study 1 are in the predicted direction, though not statistically significant.

The findings among all three potential mediating variables are significant, because they suggest that poverty is a strong context that can influence people’s cognitions, affect, and social resources, and that these effects spill into the work environment. However, the effects are subtle, and many managers might not notice these effects, or might misattribute their observations to other causes. Our findings suggest that individuals who live in low-income households will develop lower self-efficacy, higher negative affect, and less diversity in their social resources. These factors in turn will influence work outcomes. However, without a better understanding of poverty, it is difficult to see these effects. In fact, as we noted above, from a manager’s perspective, the working poor’s behaviors may seem cold or distant—when they do not engage in extra-role behaviors that help coworkers or patients—or they may seem irrational—demonstrating high negative affect while expecting a promotion. The point is that these behaviors may be hard to understand if the context of poverty is not considered as an underlying
source of an explanation. So, our research contributes to the theory of understanding the effects of poverty at work.

In terms of policy interventions, one solution for overcoming the effects of poverty is to increase wages for the working poor, so that they can raise their household income above the poverty threshold. Indeed, despite the fact that our sample is comprised of full-time workers, about 13% of them are still living below the poverty threshold. Raising wages could alleviate some sources of stress or isolation that increase negative affect and decrease self-efficacy and the diversity of social resources among low-income employees. For instance, higher wages could enable low-income workers to leave low-income neighborhoods, to pay for assistance or resources that will help them to cope with the difficult nature of their work, or to engage in new activities that broaden their experiences off-the-job. Raising wages alone, though, can be impractical and may not entirely address the long-term effects of living in poverty. For instance, some managers would argue that employers cannot afford to pay higher wages to low-skill workers in service organizations, where the largest cost tends to be human capital. Alternatively, others would argue that raising wages alone will not address the long-term psychological effects of living in poverty. For instance, individuals with lower household income develop different attitudes toward choice (Stephens, Markus, & Townsend, xxxx) than middle-class individuals. Similarly, self-efficacy perceptions, methods for coping with negative affect, or behaviors that facilitate social interaction will develop differently among low-income employees than among higher-income employees over time, so that additional money alone will not significantly alter these psychological effects. So, while raising wages seems to be a good first step towards creating better paying jobs that can help people escape poverty, it may not be sufficient for addressing the effects of poverty.
In addition to raising wages, our findings suggest that training or interventions should be directed at cognitive, emotional, or social mechanisms, depending on the desired outcome. For instance, managers could implement training programs among the working poor to raise self-efficacy, if they wanted to increase the extent to which employees engage in extra-role behaviors. Schwoerer and colleagues (2005) used longitudinal data to show that training programs can increase participants’ self-efficacy. Self-efficacy training increases the employees’ confidence in their abilities and also enhances the effectiveness of future training in other domains by generating successful expectations for the training experience and by providing them with tools for dealing with challenging they might encounter (Guthrie & Schwoerer, 1994; Schwoerer et al., 2005). Self-efficacy training yields beneficial results for increasing people’s propensity to volunteer for difficult tasks, by increasing their perceptions of success at the tasks (Eden & Kinnar, 1991), and for improving work-related performance (Schwoerer, et al., 2005). Beyond improving task performance, self-efficacy training further enhances the employees’ ability to model successful behavior, including discretionary behaviors that lie outside of their daily tasks. These training programs are most effective for individuals with lower levels of self-efficacy (Brockner, 1988; Eden & Aviram, 1993; Eden & Kinnar, 1991). Organizations wishing to increase extra-role behaviors among low-income workers, then, could invest in self-efficacy training for these workers. Additionally, developing interventions that reduce negative affect could improve employees’ attachments to the organization. Recent work on work-life balance has identified the role of supervisor social support in reducing the amount of stress experienced by employees (Kossek, et al., 1997; Hammer, et al., 2009). Building on this research, Hammer and colleagues (2009) developed a multi-dimensional construct: family supportive supervisor behavior, which can be used by supervisors to identify and develop behaviors that are sensitive
to the off-work needs of their employees. Specifically, interventions can be designed to target: emotional support, role modeling, instrumental support, and creative work-family management. One way to reduce employees’ negative affect, then, is to develop interventions that train supervisors to be sensitive to and supportive of the employees’ home lives (Hammer, et al., 2009). Another way to reduce negative affect is to develop a compassionate work environment, where members of a work group collectively “notice, feel, and respond to pain experienced by members of that system” (Kanov, et al., 2004: 808). Research on compassionate work systems similarly looks at the impact of social support on the employees’ ability to cope with pain, or negative experiences. Creating compassionate situations at work can increase positive emotions and can help employees to feel valued and cared for (Lilius, et al., 2008). This support can reduce the stress employees experience and also increase their ability to cope with negative situations, by providing tangible assistance and emotional support. Finally, employers could try to increase the diversity of an employee’s social resources to improve their career opportunities. While this idea may initially sound undesirable, because employees could develop social ties that would allow them to turnover more easily, building social ties within the organization could improve the employees’ career prospects and provide several advantages for the organization. First, improving the social connections between front-line service employees and higher-status members of the organization will give employees a broader understanding of the organization’s mission and general operations. This will allow the employees to better understand the level of performance necessary to receive promotions or raises within the organization, or the qualifications required to achieve a better position. Additionally, creating relationships between different-status members of the organization could lead to mentorship opportunities or opportunities to share knowledge throughout the organization. Interventions could be designed
to increase the face-to-face communication between high- and low-status workers. For instance, patient-centered teams in hospitals could include CNAs in the group, so that these front-line workers would have the opportunity to access more diverse social resources in the organization.

### 3.5.1 Future Directions

Interestingly, one of our more surprising findings is that negative affect mediates the relationship between poverty and patient advocacy (0.002 to 0.012), and in fact, this relationship is positive. In other words, household poverty increases negative affective states, which increases the employee’s patient advocacy. While other work has suggested that negative affect can have positive effects on creativity (George & Zhou, 2007), customer satisfaction (Sutton & Rafaeli, 1988) and information-processing behaviors (Forgas, 2001), we find further evidence that negative affect could produce beneficial outcomes for customers and the organization as a whole. At the same time, it is worth noting that these beneficial outcomes come at the employees’ expense, since they are forced to cope with these negative emotions for the good of the customer. Future research could examine this relationship to better understand the benefits and costs of negative affect for patient outcomes.

While we propose a set of effects in one direction, one can imagine that the outcomes that we discuss could also affect an employee’s level of household income. Rosen, Stiehl, Mittal, and Leana (2011) showed that turnover among care workers is often associated with pay cuts, suggesting that these employees forego annual raises, or cost of living increases, by switching to a new organization. Employees who lack promotion opportunities, though, are similarly likely to receive fewer large increases in pay, which could otherwise help them to raise their household income. For this reason, many direct care workers cite the need for better career opportunities as
their reason for switching between CNA jobs in the first place (Rosen, et al., 2011). Future research could look at the relationships between these outcomes and subsequent low levels of household poverty. It would also be interesting to examine how certain outcomes together can enlarge the effects of household poverty.
## APPENDIX A

### ITEMS AND RELIABILITY FOR EACH CONSTRUCT

*Appendix: Items and Reliability for Each Construct*

<table>
<thead>
<tr>
<th>Construct</th>
<th>Factor Loadings</th>
<th>Coefficient Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Household Poverty</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What was your 2008 total income from you and your family living with you?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Turnover Intentions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How likely is it that you will actively look for a new job as a paid professional caregiver in the next 6 months?</td>
<td>0.78 0.70</td>
<td></td>
</tr>
<tr>
<td>How likely is it that you will actively look for a new job in another field in the next 6 months?</td>
<td>0.70</td>
<td></td>
</tr>
<tr>
<td>How likely is it that you will quit your job in the next 6 months?</td>
<td>0.85 0.78</td>
<td></td>
</tr>
<tr>
<td><strong>Job Satisfaction</strong></td>
<td></td>
<td>0.95</td>
</tr>
<tr>
<td>All in all, how satisfied are you with your job?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Extra-Role Behaviors</strong></td>
<td></td>
<td>0.83 0.64</td>
</tr>
<tr>
<td>(e.g., altruism scale)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How often do you help others who have heavy workloads?</td>
<td>0.79</td>
<td></td>
</tr>
<tr>
<td>How often do you help others who have been absent?</td>
<td>0.67</td>
<td></td>
</tr>
<tr>
<td>How often do you help others with work-related problems?</td>
<td>0.68</td>
<td></td>
</tr>
<tr>
<td>How often do you help to orient new people, even though it is not required?</td>
<td>0.75</td>
<td></td>
</tr>
<tr>
<td>(patient advocacy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How true is it that you understand what your patient needs better than their own family does?</td>
<td></td>
<td>0.66</td>
</tr>
</tbody>
</table>
How true is it that after a while your patients become like members of your family? 0.63
How true is it that you feel that you know more about your patients as individuals than the doctors or nurses do? 0.78
How true is it that sometimes you have to speak up for your patients to protect their rights? 0.67

**Promotion Opportunities**
Is there opportunity for promotion at your job?

<table>
<thead>
<tr>
<th><strong>Self-efficacy</strong></th>
<th>0.88</th>
<th>0.76</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you agree that you will be able to achieve most of the goals that you have set out for yourself? 0.56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you agree that when facing difficult tasks, you are certain that you can accomplish them? 0.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you agree that you believe that you can succeed at most any endeavor to which you set your mind? 0.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you agree that you will be able to successfully overcome many challenges? 0.68</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you agree that compared to other people, you can do most tasks very well? 0.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you agree that even when things are tough, you can perform quite well? 0.79</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| How confident are you in your ability to do your job well? 0.58 |
| How confident are you that you can successfully overcome any challenges you face at your job? 0.75 |
| How confident are you that at your job, you can succeed at most anything you set your mind to? 0.84 |
| How confident are you that you can achieve most of the goals you set for yourself at work? 0.81 |

**Negative Affect**
In the past 4 weeks, how often have you felt sad? 0.81
In the past 4 weeks, how often have you felt downhearted and depressed? 0.73
In the past 4 weeks, how often have you felt angry? 0.76 0.73
In the past 4 weeks, how often have you felt afraid? 0.72
In the past 4 weeks, how often have you felt worried? 0.78
In the past 4 weeks, how often have you felt frustrated? 0.77 0.78
In the past 4 weeks, how often have you felt nervous? 0.73
In the past 4 weeks, how often have you felt sluggish? 0.68
In the past 4 weeks, how often have you felt jittery? 0.70
BIBLIOGRAPHY


