

# Effect of low-wage jobs on the Self-esteem of fresh graduates

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## Introduction

The transition from university into employment often carries an expectation that education will lead to work that uses graduate skills, offers professional status, and provides a noticeable improvement in earnings. When a first job pays far less than expected or does not match a graduate's field of study, the experience may influence job satisfaction, confidence, future expectations, and willingness to remain with the employer. This issue is especially relevant where graduate unemployment and underemployment make it difficult to refuse an entry-level position. The Lahore study examined here explored how low-wage first jobs were experienced by newly graduated middle-class employees rather than testing a universal claim that low pay automatically lowers self-esteem. Because the study did not administer a validated psychological self-esteem scale, its results are more accurately interpreted as evidence about work-related self-evaluation, satisfaction, hope, well-being, and career expectations. That distinction matters: a graduate can feel underpaid or mismatched while still learning, performing well, and retaining confidence in a broader career. The relationship between low wages and self-esteem is therefore mediated by opportunity, job fit, progression, and meaning.

## Method and Scope of the Lahore Study

The research used a small qualitative design informed by constructivist grounded-theory principles. Four unmarried women between twenty and twenty-five years old were recruited from private schools in Lahore after entering their first jobs as teachers. All were recent graduates from broadly middle-class backgrounds, and their historical monthly salaries were approximately PKR 8,000 to PKR 12,000 at the time of the study. Semi-structured interviews explored salary expectations, learning, workplace environment, teaching performance, professional development, future plans, satisfaction, and perceptions of personal change. Interviews were recorded and transcribed with permission, and participants reviewed the transcripts, providing a basic form of member checking. The analysis used open, axial, and selective coding to identify recurring themes rather than measuring predetermined numerical effects. Because the sample was very small, homogeneous, and restricted to one occupation and city, the results cannot represent all Pakistani graduates. They are best understood as exploratory evidence showing how a particular group interpreted low-paid entry-level work during an early stage of career development. (Charmaz, 2014)

## Low Pay Coexisted With Learning and Professional Growth

The interviews did not support a simple pattern in which low wages immediately reduced productivity or destroyed confidence. Participants described their first jobs as useful settings for learning how workplaces operate, improving communication, managing classrooms, developing professional conduct, and gaining experience that could support later applications. Themes related to job specifications, knowledge, personality, teaching skills, responsibility, and performance showed that work itself retained developmental value even when compensation was disappointing. This finding is important because early-career employees may evaluate a job through more than salary alone. A role can provide social networks, references, technical practice, routine, and evidence of employability, all of which may support confidence. At the same time, these benefits do not make low compensation irrelevant. Graduates compare their wages with the cost and time invested in education, expected professional status, peer outcomes, and the standard of living they hoped a degree would support. The first job can therefore be simultaneously useful as a learning opportunity and unsatisfactory as a long-term employment arrangement.

## Career Fit and Future Opportunity Shaped Satisfaction

The clearest negative theme concerned the relationship between the current job and participants' future plans. Several women described the teaching position as temporary, expressed interest in moving to another field, or said they were waiting for a better opportunity. Their broader hope for the future remained intact, but commitment to the existing employer was weak because salary and career fit did not match expectations. This pattern is consistent with wider research on graduate underemployment. Studies have linked overeducation and skill mismatch with wage penalties, lower job satisfaction, and greater turnover intentions, although effects differ across labor markets and individuals. A graduate who perceives a low-wage role as a short training stage with credible advancement may respond differently from someone who sees no path to better work. Progression therefore changes the meaning of low pay. Employers that cannot offer high starting salaries may still influence retention through useful training, transparent promotion criteria, supportive supervision, and a believable pathway toward greater responsibility and compensation. Without those conditions, graduates may treat the first job mainly as a stepping stone.

## Self-Esteem Should Be Distinguished From Job

## Satisfaction

The term “self-esteem” can refer to a relatively broad evaluation of personal worth, while organization-based self-esteem, job satisfaction, career optimism, psychological well-being, and perceived employability are different constructs. The Lahore interviews included statements about confidence, financial disappointment, enjoyment, learning, personality, productivity, and future plans, but they did not establish that general self-esteem declined because no validated self-esteem instrument was used before and after employment. This methodological limitation does not make the interviews uninformative; it changes the claim they can support. Participants’ accounts show that low wages and educational mismatch affected how they evaluated the job and its future, while positive learning experiences could coexist with dissatisfaction. Contemporary underemployment research reaches a similar conclusion by separating psychological outcomes rather than assuming one global effect. Job mismatch can reduce satisfaction without producing the same degree of change in general well-being for every worker. Future research would be stronger if it measured general self-esteem, work-related self-evaluation, job satisfaction, mental health, and career expectations separately and followed graduates over time as their employment circumstances changed.

## Implications for Graduates, Employers, and Labor-Market Policy

The findings suggest that the quality of entry-level employment cannot be assessed through employment status alone. A graduate may technically have a job while remaining underemployed in pay, skill use, hours, or occupational fit. That distinction matters for universities and policymakers because increasing the number of jobs does not necessarily guarantee that education is translated into productive graduate employment. Career services can help students develop realistic expectations, identify transferable skills, and evaluate whether an initial role offers learning and progression rather than only a starting salary. Employers benefit when they make advancement criteria visible and avoid relying indefinitely on graduates’ willingness to accept low pay for experience. At the policy level, better labor-market information can identify sectors where graduate supply and demand are poorly aligned, while support for enterprise development and skill-intensive employment can expand alternatives. The Lahore participants demonstrate that new graduates may tolerate low wages temporarily when they see value in experience, but dissatisfaction grows when compensation, qualifications, and future prospects remain disconnected. The issue is therefore employment quality and trajectory, not simply the psychological effect of one wage figure.

## Conclusion

Low-wage first employment can affect fresh graduates negatively, but the Lahore study does not support the claim that low pay automatically reduces self-esteem in a uniform way. The four

participants described a more complex experience. Their teaching jobs provided learning, routine, communication practice, responsibility, and professional development, yet salaries and limited career fit reduced satisfaction and encouraged plans to leave for better opportunities. Because the research used qualitative interviews rather than a validated self-esteem scale, its strongest conclusions concern work-related perceptions, job satisfaction, career expectations, and the meaning graduates assigned to underemployment. Wider research on educational and skill mismatch supports the importance of those factors, particularly the association between mismatch, wage penalties, lower satisfaction, and turnover. The practical lesson is that early employment should be evaluated as a trajectory. Low starting pay may be more tolerable when accompanied by useful training and credible progression, whereas prolonged mismatch can weaken commitment even when performance remains strong. A larger longitudinal study across occupations, genders, wage levels, and fields of study would be needed to estimate psychological effects more confidently.

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