A STUDY ON ENTRY-LEVEL JOB EXPECTATIONS AMONG MALAYSIAN AND AUSTRALIAN GRADUATING STUDENTS

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DECLARATION

I hereby declare that the material in this thesis is my own except for quotations, excerpts, equations, summaries and references, which have been duly acknowledged.

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ABSTRACT

A STUDY ON ENTRY-LEVEL JOB EXPECTATIONS AMONG MALAYSIAN AND AUSTRALIAN GRADUATING STUDENTS

This study aimed to identify factors that determine entry-level job expectations of graduating students from Malaysia and Australia as entry-level job seekers. The factors were pay expectation, job security, company reputation, working condition, type of work, location of workplace, flextime, career advancement opportunity, and training opportunity. The present study also attempted to explore whether graduating student's entry-level job expectations are different across nationality (i.e., Malaysian vs. Australian) and gender (i.e., Male vs. Female). In addition, the current study examined how Malaysian and Australian graduating students rank these entry-level job expectations in terms of importance to them as entry-level job seekers. Using area sampling technique, questionnaires were distributed to 400 respondents in Malaysia and Australia. A total of 310 questionnaires were collected but only 268 questionnaires were found usable. The data were analyzed using several statistical analyses including factor analysis, reliability analysis, and test of differences. The results revealed that Malaysian and Australian graduating students were significantly different with regard to three job characteristics namely company reputation, working condition, and career advancement and training opportunity. Furthermore, the study found that male and female graduating students in Malaysia only or both countries were significantly different in terms of working condition. Interestingly, the study findings confirmed that pay expectation was perceived to be the most important factor by the graduating students, regardless of where they are from. Whereas type of work was cited as the least important job characteristic in selecting their entry-level jobs. The findings of this study can be beneficial for graduating students as they enter the job market, as well as for human resources managers in attracting and retaining potential employees from the pool of fresh graduates.

ABSTRAK

Kajian ini bertujuan untuk mengenalpasti faktor-faktor yang menentukan jangkaan pekerjaan peringkat kemasukan pelajar-pelajar yang akan tamat pengajian di Malaysia dan Australia. Faktor-faktor berkenaan adalah jangkaan gaji, jaminan pekerjaan, reputasi syarikat, keadaan bekerja, jenis pekerjaan, tempat bekerja, kerja yang fleksibel, peluang kemajuan pekerjaan, dan peluang latihan. Selain daripada itu, kajian ini akan meneroka sama ada faktor-faktor tersebut berbeza ke atas kewarganegaraan (iaitu, Malaysia berbanding Australia) dan jantina (iaitu, lelaki berbanding perempuan). Di samping itu, kajian ini juga membincangkan bagaimana pelajar dari Malaysia dan Australia kadar faktor-faktor tersebut dari segi kepentingannya kepada mereka. Soal selidik telah diedarkan di kalangan 400 peserta dengan menggunakan teknik persampelan kawasan. Sebanyak 310 soal selidik telah dikumpulkan dan hanya 268 soal selidik boleh diguna. Beberapa analisis statistik digunakan iaitu, analisis faktor, analisis kebolehpercayaan, dan ujian perbezaan. Dapatan kajian ini menunjukkan bahawa daripada tujuk faktor tersebut, hanya reputasi syarikat, keadaan bekerja, dan peluang kemajuan pekerjaan dan peluang latihan menunjukkan perbezaan yang ketara di antara pelajar-pelajar yang akan tamat pengajian di Malaysia dan Australia. Tambahan pula, hanya keadaan bekerja adalah berbeza dengan ketara di antara pelajar-pelajar lelaki dan pelajar-pelajar perempuan. Kajian ini juga mengesahkan bahawa jangkaan gaji dikadarkan sebagai faktor yang paling penting, manakala jenis pekerjaan dikadarkan sebagai faktor yang kurang penting. Dapatan kajian ini dapat memberi manfaat kepada para pelajar yang akan memasuki pasaran kerja, dan juga kepada pengurus-pengurus sumber manusia dalam menarik dan mengekalkan pekerjapekerja yang berp<mark>otensi da</mark>ri kumpulan graduan baru.

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LIST OF ABBREVIATIONS

ASA Attraction-Selection-Attrition

HR Human Resources

OECD Organisation for Economic Co-operation and Development

SU University of Sydney

UKM Universiti Kebangsaan Malaysia

UM Universiti Malaya

UMSKAL Universiti Malaysia Sabah-Labuan International Campus

UNSW University of New South Wales

UPM Universiti Putra Malaysia

USM Universiti Sains Malaysia

UTM Universiti Teknologi Malaysia

UTS University of Technology Sydney

U.S. United States

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CHAPTER 1

INTRODUCTION

1.1 Introduction

Thousands of fresh graduates leave their universities for the world of work every year in search of their first employment (Devlin & Peterson, 1994). Some graduates are goal-directed and systematic in job searching, whereas some graduates undertake the process in a more casual manner (Devlin & Peterson, 1994). Whichever approach they take, these graduates will eventually determine what their new workplace is like and will decide whether they are suitable with the chosen organization (Kammeyer-Mueller & Wanberg, 2003). Two pertinent research questions should be raised at this point of time: (1) What are these fresh graduates' expectations for their entry-level jobs? and (2) Are human resource (HR) managers aware of what these fresh graduates seek in their first employment?

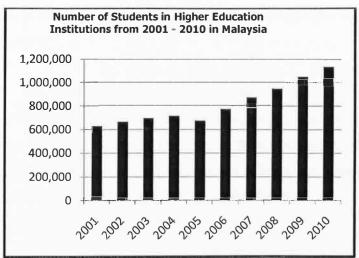
Many researchers (e.g., Mowday, Porter, & Steers, 1982; Wanous 1992) have proposed that graduates' existing attitudes influence subsequent behavior. The studies of Adkins (1995) and Morrison (1993) reported evidence that graduates' work behavior and attitudes soon after entry are highly correlated with behavior and attitudes a few months later. Apart from that, labor market studies (e.g., Farber, 1994; Jovanovic, 1979; Wanous, 1992) have further revealed that turnover in the organization is most likely to occur among recently hired employees. This finding is hardly surprising given the fact that when an individual's expectations are not substantially met, his or her propensity to withdraw from the organization would subsequently increase (Yao, Ma, & Yue, 2010). The outcome of high turnover will cause organizations to suffer financial loss from recruiting expenses because employees are just departing after investment has been made into recruitment and training (Griffeth & Hom, 2001; Grimes, 2002). Hence, it is very important for organizations to understand and be knowledgeable about graduates' entry-level job expectations. Those organizations that are able to attract fresh graduates into their workforce are likely to outdo others in acquiring human resources and opportunities for competitive advantage (Devlin & Peterson, 1994).

Lamentably, to date, there is little research done on students' entry-level job expectations. Attention given to this type of research is even more limited in the Malaysian context. However, one Malaysian study conducted by Asaari and Karia (2002) found that students perceived career development and self-development as the most important factors in selecting their entry-level jobs. Data gained from such studies are clearly useful for organizations in the formulation of effective human practices that include hiring decisions for entry-level job seekers.

Given the above scenario, the present study was embarked upon with the primary aim to investigate the entry-level job expectations of graduating students in Malaysia and Australia. The study hoped to compare these expectations between the two countries. The main reason for a comparative study between Malaysian and Australian graduating students is due to following argument: Instead of comparing two developing countries (e.g., Malaysia vs. Thailand), it would be more interesting and worthwhile to compare a developing country (i.e., Malaysia) and a developed country (i.e., Australia) in terms of entry-level job expectations' response. Since the focus of the present study is on graduating students, some statistics on this population are in order. Table 1.1 provides the number of students in higher education institutions in Malaysia from the year 2001 to 2010. As is evident, in the period between 2001 and 2010, the number of students in Malaysia higher education institutions increased rather significantly. The number of students in 2001 was only 628,479 as compared to 1,134,134 in 2010. Meanwhile, the number of students in higher education institutions in Australia also increased from year to year from 2001 to 2010 (see Table 1.2). The number of Australian students in 2001 was only 748,000 as compared to 1,192,657 in 2010. Based on the above statistics, it can be concluded that the number of students in both countries, Malaysia and Australia, similarly spiraled from year 2001 to 2010.

Table 1.1: Number of Students in Higher Education Institutions from 2001 to 2010 (Malaysia)

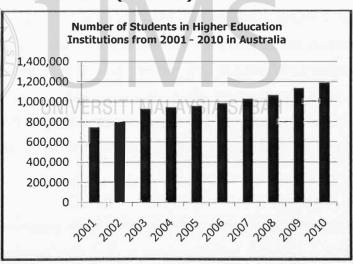
Year	Number of Students
2001	628,479
2002	664,402
2003	698,156
2004	716,294
2005	674,499
2006	774,280
2007	873,238
2008	947,828
2009	1,050,726
2010	1,134,134



Source: Indicator of Higher Education in Malaysia, 2009-2010.

Table 1.2: Number of Students in Higher Education Institutions from 2001 to 2010 (Australia)

Year	Number of Students
2001	748,000
2002	795,000
2003	929,857
2004	944,977
2005	957,176
2006	984,146
2007	1,029,846
2008	1,066,095
2009	1,134,866
2010	1,192,657



Source: Australia Government Department of Education, Employment, and Workplace Relations, 2010.

The hike in the number of tertiary students in both countries accordingly suggests that the demand for tertiary education has increased greatly over this decade in these two countries. This phenomenon is not something unexpected in light of Swail, Redd, and Perna's (2003) contention. They (2003) posited that education has a profound impact on both society as well as individuals. They (2003) added that

on average a bachelor's degree holder earn twice of high school graduates, and those with a professional certificate earn twice of a bachelor's degree holder. Acquiring a tertiary qualification is also one of the ways to overcome the barriers of poverty and increase individual's economic levels.

Against this backdrop, the following section of this chapter defines the research problem. The research objectives and research questions are provided next. In the subsequent section, this chapter highlights the scope of the research, its significance as well as the definitions of key terms. The current chapter concludes with a summary of the organization of the remaining chapters in this thesis.

1.2 Research Problem

According to the Minister of Higher Education of Malaysia, Y.B. Dato' Seri Mohamed Khaled Nordin, the education and skills of the workforce will be the key competitive weapon for the 21st century and particularly so in the emerging global economy. (Y.B. Dato' Seri Mohamed Khaled Nordin, 2009). Therefore, tertiary education has been recognized as one of the major forces to achieve sustainable economic growth (Lim, 2011). It has been widely documented that changes are the norm in the modern workplace. Hence, fresh graduates need to adapt to this new business environment and workplace demands in order to keep pace with global competition (Shafie & Nayan, 2010). It follows that higher education institutions should equip graduates with proper employability skills to achieve success in the workplace (Robinson & Garton, 2007).

Employers today are concerned about seeking and acquiring good employees who do not only have basic academic skills such as communication, listening, writing, and reading, but also skills like decision making, problem solving, and critical thinking. Other than that, they also target those who have personal qualities such as honesty, responsibility, self-confidence, and adaptable skills (Shafie & Nayan, 2010). While research on the employability of fresh graduates has been quite substantial, little has been done to look at what graduating students need and desire for their entry-level jobs.

In the global setting, one of the most important determinants of unemployment duration is the level of English language proficiency. In countries such as Malaysia where English is used as a second or even a third language, the proficiency of English language is an important determinant in an individual's employability (Lim & Normizan, 2004). This is because English language proficiency gives an added advantage to job applicants vying for jobs in private companies in Malaysia (Lim, 2010). However, in Australia, the unemployment duration of those born in non-English speaking countries is lower than those born in an English speaking country (Carroll, 2006). Interestingly, it was also reported that as the length of their stay in Australia increases, the negative effect on exit rate tends to diminish (Carroll, 2006).

Questions have also been raised about the increasing turnover rates in organizations. Nelson and Sutton (1991) found that 25 percent of newly hired employees left their jobs within the first 6 months of the employment. It remains a challenge to match fresh graduates' job expectations with the need and realities of available jobs (Carvajal, Bendana, Bozorgmanesh, Castilio, Pourmashia, Rao, & Torres, 2000). Graduates will consider moving to another job or perhaps even to other organizations when their expectations and job realities do not match. According to Carvajal *et al.* (2000), this seems to occur often with recent college and university fresh graduates. Moreover, individuals who perform above their own expectations tend to leave due to opportunities or benefits from other organizations, whereas individuals with low performance may leave because their performance is not up to their own expectations or there seems to be no hope for further improvement (Davidson, 2009). This is how voluntary turnover occurs.

Thomas (2009) defined voluntary turnover as an employee's choice to terminate association with an organization. Voluntary turnover can be a critical problem for organizations. Wanous (1992) stated that voluntary turnover often occurs during the first year of employment. Furthermore, Thomas (2009) proposed that high turnover in an organization indicates employee dissatisfaction with the organization with regard to what employees seek and expect in a working place. Similarly, Grant (1999) and Knouse (2009) argued that met job expectations can translate into job satisfaction, whereas unmet job expectations can result in job dissatisfaction.

Ultimately, job dissatisfaction will lead to turnover. Apart from that, Grimes (2002) revealed that frequent voluntary turnover in the organization can cause decreased levels of morale and productions as veteran employees become frustrated. Besides that, training replacement and re-establishing relationship with customers or clients will also be affected. Finally, the voluntary turnover will cause organizations to suffer substantial financial loss from recruiting and training expenses (Grimes, 2002).

The issue relating to voluntary turnover among recent recruits and the hosts of negative and costly consequences associated with it could perhaps be mitigated if organizations are better informed of the job expectations of new employees. As such, it is of paramount importance that fresh graduates' job expectations be examined more closely. These job expectations have indeed been empirically investigated (*e.g.*, Asaari & Karia, 2002; Carvajal *et al.*, 2000; Chan & Ho, 2000; Devlin & Peterson, 1998; Heckert, Droste, Adams, Griffin, Roberts, Mueller, & Wallis, 2002; Jackson, Gardner, & Sullivan, 1992; Major & Konar, 1984) in the past but not much attention has been given to the topic in recent years. Moreover, previous studies have examined job expectations in a piece-meal fashion, incorporating only two or three job characteristics in the research model.

Equally, noteworthy is that past studies (e.g., Guest & Conway, 2006; Hamori, 2006; Harris & Brannick, 1999; Millward Purvs & Cropley, 2003; Rousseau, 1990; Sangeetha, 2010; Tomprou & Nikolaou, 2011; Wanous, 1992) typically focused on what employers expect from their potential employees, and not the other way around. In fact, very few studies were done on employees' perspectives and these have examined employees who are already on the job for a period of time rather than on the new recruits. Moreover, past studies (Devlin & Peterson, 1994; Devlin & Peterson, 1998; Plantenga & Sjoerdsma, 2002; Rubery, Grimshaw, & Figueiredo, 2005; Sousa-Poza & Sousa Poza, 2000; Theodossiou & Vasileiou, 2007) that examined students' entry-level job expectations were mainly found in western countries such as the United States, New Zealand, France, and Netherlands. However, in Malaysia, only one single study (*i.e.*, Asaari and Karia, 2002) was found to examine students' entry-level job expectations. In view of the above, there is clearly a need to address the research gaps by investigating job expectations among entry-level job seekers within a more comprehensive model.

That being said, the current study was undertaken with a two-fold objective: The outcome of the research will allow graduates to improve their employability profile by not only focusing on their academic skills and achievements but also their entry-level job expectations. More importantly, this research aimed to help organizations to better understand the entry-level job expectations of graduating students. This could in turn help to reduce organizations' voluntary turnover rates. It has been propounded that the best organizations should strive to have a zero percent voluntary turnover rate by filling fresh graduates who see their jobs as rewarding and fulfilling (Thomas, 2009). Simply put, when organizations are aware of graduating students' entry-level job expectations, they will be able to attract and retain potential employees.

1.3 Research Objectives

In the light of the above problems and gains, the purpose of the present study is to provide a more comprehensive and systematic investigation of entry-level job expectations. Specifically, the research aimed to identify factors that determine entry-level job expectations among graduating students from Malaysia and Australia. The factors of interest are pay expectation, job security, company reputation, working condition, type of work, location of work place, flextime, career advancement opportunity, and training opportunity. The extant literature (e.g., Fombrun, 1996, cited in Shamma, 2007; Hedge, Borman, & Bourne, 2006; Hogue, DuBois, & Fox-Cardamone, 2010; Mohr, 2000; Ostroff, 1991; Poggi, 2010; Schwab, Rynes, & Aidag, 1987, cited in Chan & Ho, 2000; Tilahun & Levinson, 2010; Zeytinoglu, Cooke, & Mann, 2009) has identified these nine job characteristics as relevant to entry-level job seekers.

At this juncture, it is important to highlight that this study focuses on graduating students' perceptions towards their first employment as entry-level job seekers rather than on people who are already on the job for a period of time. To the best of the researcher's knowledge, research of this nature has never been done in Malaysia or Australia. Therefore, the study findings would be significant to the public, organizations, and graduating students from universities and colleges in Malaysia and Australia.

The objectives of this study are as follows:

- a. To identify factors that determine entry-level job expectations (*i.e.*, pay expectation, job security, company reputation, working condition, type of work, location of workplace, flextime, career advancement opportunity, and training opportunity) among graduating students in Malaysia and Australia.
- b. To examine graduating students' entry-level job expectations in relation to nationality (*i.e.*, Malaysian *vs.* Australian) and gender (*i.e.*, Male *vs.* Female).
- c. To investigate the importance of entry-level job expectations (*i.e.*, pay expectation, job security, company reputation, working condition, type of work, location of workplace, flextime, career advancement opportunity, and training opportunity) for an entry-level job seeker.

1.4 Research Questions

In today's highly competitive global marketplace, the number of jobs as well as the amount of fresh graduates created by university and college is on the rise (Yeo & Ander, 2008). Every year, thousands of graduating students leave their campuses in search of initial employment (Devlin & Peterson, 1994).

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Meanwhile, HR managers have their concerns as recruitment has emerged as a key antecedent of organizational effectiveness (Palmer, 2008). Rynes (1991) defined recruitment as encompassing all organizational practices and decisions that affect either the number or types of individuals who are willing to apply for, or accept, a given vacancy. It is a combination of activities that can be affected by organizational practices as well as the individual's characteristics (Palmer, 2008). As mentioned earlier, this study will be significant in assisting HR managers in recruiting potential employees. Hence, the research questions are as follows:

- a. What is the job characteristics perceived to be relevant by graduating students in selecting their entry-level jobs?
- b. How do nationality (*i.e.*, Malaysian *vs.* Australian) and gender (*i.e.*, Male *vs.* Female) influence graduating students' entry-level job expectations?

c. What is the most important job characteristic (i.e., pay expectation, job security, company reputation, working condition, type of work, location of workplace, flextime, career advancement opportunity, and training opportunity) for an entry-level job seeker?

1.5 Scope of the Research

This research is a quantitative examination of Malaysian and Australian graduating students' perceptions on their entry-level job expectations. Two groups of respondents were targeted in this research: (1) Malaysian graduating students, and (2) Australian graduating students from various business schools in public universities. Graduating students were sampled for this research because this group of students would soon graduate and are most likely to seek entry-level jobs. Besides that, graduating students will have some time before their graduation to determine their entry-level job expectations and apply for organizations of their choice.

Using area sampling method (Brown, Jacquier, Coulombier, Balandine, Belanger, & Legros, 2001), the Malaysian sample was drawn from four states: Penang, Kuala Lumpur, Johor, and Labuan. In these states, a total of six public universities were selected. They are Universiti Sains Malaysia (USM), Universiti Malaya (UM), Universiti Kebangsaan Malaysia (UKM), Universiti Putra Malaysia (UPM), Universiti Teknologi Malaysia (UTM), and Universiti Malaysia Sabah-Labuan International Campus (UMSKAL). As for the Australian sample, the location chosen was Sydney. The selected universities are University of Sydney (SU), University of New South Wales (UNSW), and University of Technology Sydney (UTS). Self-administered questionnaires were employed to collect data from these two countries.

1.6 Significance of the Research

As noted earlier, recruitment has emerged as a key antecedent of organizational effectiveness (Palmer, 2008). Since recruitment and selection are a two-way process (Billsberry, 2000), both employer and employee should come to the table with offerings and expectations. As such, it is important for both organization and graduate to ensure that the right job goes to the right person. Therefore, this study will be a significant endeavor in assisting HR managers in attracting and retaining potential employees. In addition, by understanding the needs and wants of the graduates,

organizations can be assured of a competitive advantage for recruitment (Sangeetha, 2010) in a challenging business environment. Specifically, the research findings would be beneficial for organizations that have branches throughout Malaysia and Australia in terms of recruiting and attracting potential employees from the pool of graduates in these two countries.

By understanding the needs and desires of graduates, organization's turnover rate could also be reduced. According to Grant (1999), met expectations can lead to reduced turnover, whereas unmet expectations may result in the decline in satisfaction, and thus turnover. Voluntary turnover can be expensive for the organizations. Not only time and money has to be spent to train a replacement, but it can also cut down productivity of the organization (Grimes, 2002).

Apart from that, the multidimensional concept of entry-level job expectations proposed in the current study could serve as future reference for studies on graduate employability and job expectations.

Additionally, comparative studies between different countries in terms of entry-level job expectations remain scarce. Hence, this study is clearly warranted to confirm if Malaysian graduates are different from their Australian counterparts with regards to their entry-level job expectations. Collectively, the study findings would be significant to the public, organizations as well as fresh graduates from universities and colleges in Malaysia and Australia.

1.7 Definitions of Key Terms

The present study is a comparative study between Malaysian and Australian graduating students in regard to their entry-level job expectations (*i.e.*, pay expectation, job security, company reputation, working condition, type of work, location of workplace, flextime, career advancement opportunity, and training opportunity). Besides that, this study also explored graduating students' entry-level job expectations across two variables which are nationality (*i.e.*, Malaysia *vs.* Australia) and gender (*i.e.*, Male *vs.* Female). Moreover, this study also examined how Malaysian and Australian graduating students rated these entry-level job expectations as entry-level job seekers. Each of these elements requires some thoughtful definitions.