



**How does self-esteem affect the career path of
graduating university students majoring in business in
the Y generation in Canada?**

**Kaitlin Davidson, Jamie Metcalfe, Lars Mueller,
Sean Molony and Kristina Vodouris**

**The University of Guelph
Professor: Dr. Sean Lyons**

Abstract

The following study looks into how self-esteem affects the career path of students in, generation Y of Canada, following graduation. Our results showed that self-esteem and GPA seemed to have a strong correlation with one another. The higher amount of debt a student had the less likely they are to take time off after graduating, and vice versa, while low self-esteem was show to be more likely to take time off. A student with high self-esteem seemed to also be a student that felt they could find a job and that the labor market looked positive. Students with a high GPA and subsequently high self-esteem are more likely to enter the workforce or continue higher education as opposed to taking time off.

Introduction

Self-esteem is an important measure into how and why people perceive certain things to be true. A student's outlook on the labor force could change the outcome of their choices post-graduation. This raises some questions, how does self-esteem affect the path of students post-graduation? While another may be, what other factors affect the choices students make after graduation? Decisions students make post-graduation can affect their options down the road. These decisions can be restrained by mitigating factors while other students may have many options after graduation.

It is these options or routes of students that are of great interest; due to the fact that there are qualities or factors that play a role in a student's decision on which one to take. The most common routes we felt were taking time off or extended traveling, finding full-time or part-time employment and continuing education. Knowing that these are the main routes university

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graduates go through, the factors that we found most interesting and felt had the highest correlation to decisions after graduation were GPA, debt, sex and self-esteem. We were intent on looking at self-esteem in our study to determine how this factor may affect or relate to the career path of students following university graduation.

From the conclusions that we form, the hope was that it would show what young people in generation Y are seeking in their lives after graduating. This could provide very useful information due to its importance with employers who are potentially trying to recruit and motivate new young employees who have just graduated. While also providing insight to current students enrolled in university as to what their possible career paths are post-graduation based on which qualities and factors that they have.

Following this introduction, the report begins with a literature review, which will provide the information needed to understand the forthcoming study. It will outline our dependent and independent variables while stating the hypothesis. From there our methodology will describe how we sampled our participants, distributed the survey, and measured the survey results and what scales were used. It will also show how the information was analyzed to understand the results that arose. The following section will describe our results based on the data that was collected from the analytical tests, showing any major positive or negative correlations. While the proceeding section on discussion will interpret our results, discussing the major correlations and compare them to the hypothesis we had believed to be true. We will then list the limitations of the study such as the survey, sample and time restraints while assisting future research, which could potentially provide more accurate information. From there our conclusion will be stated which sums up our main objective, results and the conclusions we have drawn from these results.

Our references will then be stated followed by our appendices, which provide our correlations in graphic format.

Literature Review

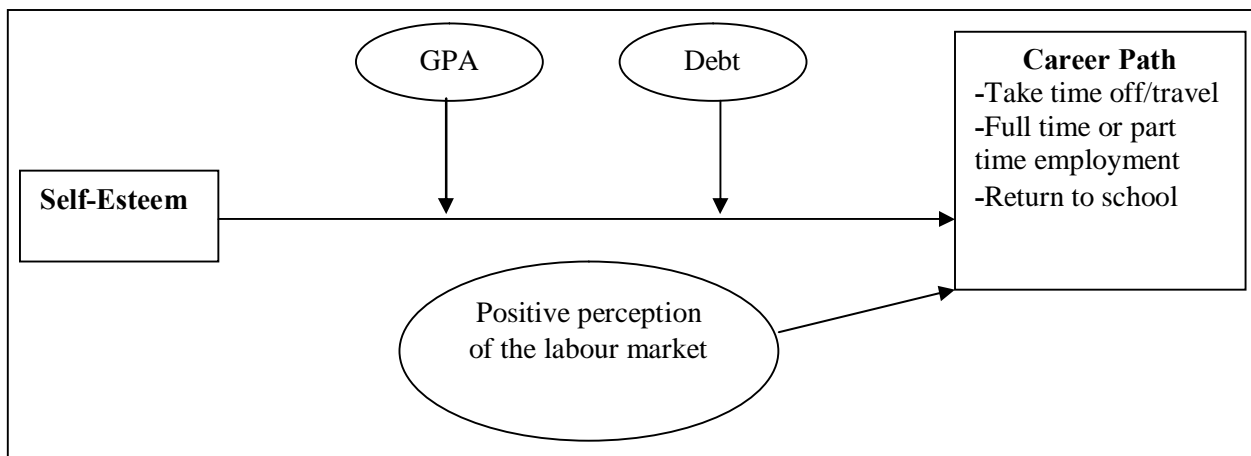
In recent years, there has been a great deal of interest in generation Y's social and behavioral patterns when dealing with job recruitment. The research on a university student's career path enhances society's knowledge of why people are drawn to choose different paths after graduating. "Gaining insight into people's perceptions of basic career options and their related preferences, as well as their similarities and differences, contributes to a better understanding of the emerging practical career landscape comprising both organizational and post-organizational careers at the same time" (Mayrhofer, Steyrer, Meyer & Strunk, 2005, pg 473). A person's perception plays a vital role in the choices they, as individuals, make. The decision-making process is a crucial managerial utility that is increasingly becoming complicated due to political, social and economic factors (Ahmed, Hasnain & Venkatesan, 2012). Ahmed and his colleagues (2012), also suggest that if employers know what university students expect from their organizational environment, they can better prepare these students with a more efficient organizational process. This would make students have more success and make it easier transition to the labor force.

Transitioning into the workforce is an important aspect of graduating student's reality. However, generations Y tends to take many diverse directions after graduating. There are many reasons why these students choose different paths. Wall, Covell & Macintyre (1999) depict that a student's career paths are dependent upon their perceived expectations concerning their future. Differences in opportunity structure, social structure/interpersonal context and individual traits

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also has a major influencing factors when is come to graduate's career aspirations (Mayrhofer et al., 2005).

There are many career alternatives that are becoming extremely popular instead of just entering the workforce immediately after graduating. This research will focus on three vital options: taking time off (sabbatical/traveling as a gap year), joining the workforce full-time or part time, and going back to school. The research will directly focus on the effects self-esteem has on this decision. Taking into account the perception of the workforce, the purpose of this study is to predict if students with different levels of self-esteem will choose different courses (options) of actions when graduating; furthermore, GPA and student debt will additionally moderate and reflect different career paths taken. The theoretical model is as follows.



Effects of Self-Esteem

The famous Bandura (1977) expressed the concepts of how the person's self is relatable; self-efficacy conveys a person's perception of their ability to reach a goal, similar to self-esteem which is related to a person's sense of self-worth. Research has shown that students who commit to career jobs have an increased in self-esteem (Bardick, Bernes, Magnusson, & Witko, 2006).

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Having a higher level of self-esteem allows an individual to possess a higher level of social skills, impressing an employer in the recruitment stage (Saks & Ashforth, 1999). Schmit, Amel and Ryan (1993) research could agree with these finding, as they reported that self-esteem shows positive correlation related to assertive and self-confident career seeking behavior. In addition, Saks & Ashforth (1999), research showed a positive correlation through individuals actively seeking for a job, and higher level of self-esteem; which is important for an individual to possess during the job search. Thus, positive levels of self-esteem would assume to help and encourage an individual to get a career job. It is then predicted that those university students, with a high self-esteem, will directly enter the labour market after graduation. Those individual with lower self-esteem will then choose an alternative path, like attending more school or taking time off to travel, as it does not seem favorable for them to enter the labour force at this time in their lives.

Mediating Perception of the Labour Force:

In recent years, the economy in Canada has not been in good condition for those recent graduates. The lack of urgency expressed by many students in regard to the entering into their career workforce is an important topic of interest. Students' perceptions of their readiness to enter the work force will be influenced by factors, including: resources/services available and the practical experiences in the students program of study- however, finding may suggest that factors related to perceptions of career readiness may be situational (economy) rather than developmental in reality (Archer, 2004). Those just entering the labour force trying to find full-time work will be influenced more with changes affecting the economy in their particular labour market segment (Nelson, Quick, Eakin & Matuszek, 1995). The link between occupational preferences and behavioral reality has been approached from a variety of theoretical

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perspectives, which frequently revolves around the preferences and choices of potential employees and employers (Rindfuss, Cooksey & Sutterlin, 1999). The relationship between individuals investment versus preference is shown in behavior relative to realizing those inclinations (human capital theory)- illustrating that those individuals who invest in their finest skills are set based on their preferences and known abilities for particular jobs (Rindfuss et al., 1999). Those that feel like they have a negative perception of the labour force- through either their existent skills or the situational economy may not feel the urgency to enter the career market. Therefore, it is suggested that these students with this attitude would be more inclined to express their interest through travelling or going back to school. It will also be important to take note of any gender differences- as gender varies the determinants and outcome of occupational expectations (Sewell, Hauser & Wolf, 1980).

Emphasis on Current GPA & Debt:

Students' current aspirations have a huge influence on their current GPA and Debt. Students who are continually being supported by family, teachers, and peers show an increase in self-esteem; as they are known to believe they will have success in the future (Wall, Covell, & Macintyre, 1999). However, increased debt or students who are unable to afford further education is one reason as to why students have reduced their career goals (Wall et al., 1999). Heller (2001) identifies that an increase in the cost of living creates an increase of student line of credit. Debt has also increased at a faster rate than the starting salaries of employees entering the workforce at many large firms (Chambers, 1992). In Chambers (1992) final conclusions, he identifies that students' concern about the burden of high debts can affect the choices they make about the kinds of jobs they will seek upon graduation. A realization on how much debt is owed

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towards the end of one's education could cause concern on when students are choosing their future. Student's demand curves for education can assume that tuition fees are exogenous in the short run when deciding on what education to pursue, and rather only comprehended in the long run (Mueller & Rockerbie, 2005). Therefore, it is also hypothesized that university students, with high debt, will enter the labour market directly after graduating- as they have come to terms with understanding that they cannot afford to travel or go back to school just yet.

Having a superior GPA is also crucial in today's job market. Maintaining a high GPA is important to those who goals are attending a top graduate school or their ideal first job. In Ng, Schweitzer & Lyons (2010) study it showed that older students, those nearing graduation, with higher GPA's (among other things) indicated greater knowledge of their preferred careers. Initial salary expectations decreased for students with every consecutive year of study, but increased with every additional GPA point (Ng et al., 2010). Therefore, it is also hypothesized that those students with higher GPA will either choose to go directly into the labour force or apply to go back to school.

Contributions:

Results of this study will help determine the career-related paths and priorities of university students before they graduate. It will provide empirical support for self-esteem relating to career decision styles within the first few years after graduating. The study will examine variations within moderating variables including GPA and Debt and the mediation of the perception that students have of the labour market. It is predicted that those students who have a positive perception of the workforce, with higher self-esteem will go directly into the labour force market (correlating positively with increased GPA and debt). Those that have lower

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GPA or low debt might choose other alternatives like taking extended leisure time or going back to school before entering the labour market in their post graduate career paths. This study should provide employers with guidance on students' future decision making processes to better adjust their organizational process in hiring employees coming into the workforce.

Methodology

Participants

The participants in this survey included 112 male and female students who are currently enrolled in a post-secondary education. Out of the 112 who were surveyed, 42% were male and 58% were female. Ages ranged from 17 to 29 and the average age was 21. The survey included measures of self-esteem and perception of the labour force, as well as debt and GPA analysis of the students. A clustered sample was taken from social media, using Facebook as a way to gather participants. Word of mouth was also used in order to increase the number of participants. Out of 700 potential participants, the participation rate was 16% (112/700).

Measurements

The dependent variable was the career path of individuals transitioning from school to work. The career paths included take time off or extended travel, full time or part time employment, and returning to school. The independent variable that was used was self-esteem. The items being measured in this research paper were GPA, debt, labour market perceptions, and self-esteem. There were 14 questions to be answered on the questionnaire that were related to finding correlations to the research question. In order to measure GPA, an example of a question

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that was asked was: What is your current cumulative university average? Respondents chose the answer that best described their current average.

Ranking questions were used to determine the individual's career path after graduating. This included a question that asked participants to rank from most desirable (1), to least desirable (3). The question asked was: What are your immediate goals after university? There were three options to choose from, and participants were able to rank them in relation to their preference in each item.

As well, there was also a couple of other different measurement scales used in the research process, one being the *5-point Likert Scale*; asking respondents to choose between options on a 5-point scale of strongly disagree (1) to strongly agree (5). This scale was used in asking respondents about their feelings of debt. For example, a question on the scale regarding debt was: "It will be difficult to repay all the money I owe from university within five years of graduating" (Zhang, 2007). Participants who had debt were able to answer their level of disagreement or level of agreement with the questions that were asked. Questions regarding perceptions of the labour market were also asked using a *5-point Likert Scale*, with items answered on a 5-point item scale (ranging again from strongly disagree (1), to strongly agree (5)). An example of a question is: I expect to get employment directly after graduating.

Respondents were able to choose the best response that was directly related to their thoughts on the current labour market, and how they felt the labour market could affect them receiving a job in their school to work transition.

The widely known self-esteem scale developed by Rosenberg (1965) was used to analyze self-esteem; this was also measured by using a Likert Scale. However, it was a *10-point Likert Scale*, with the questions also being answered on a 5-point scale. A question that was asked on

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the scale was: "On the whole, I am satisfied with myself" (Rosenberg, 1965). Using the 5-point scale to choose an answer that best reflected each person (between strongly disagree (1), to strongly agree (5)), respondents were able to rate their own level of self-esteem.

Analysis Procedures:

Students who were enrolled in a research methods undergraduate course at the University of Guelph collected the data for this study. The five students conducting the survey, distributed the survey on a social media website (Facebook), asking those who were currently enrolled in a post-secondary education to participate. Participants were asked to complete the survey in order to help increase the current knowledge known about the process of school to work transition. At the beginning of the survey, there was a participant consent form in which all participants were able to read before agreeing to take part in the study. All responses were anonymous and were kept confidential. Once participants submitted their responses, the data was sent to an online program, which could be seen only by the five team members. As well, the survey had a total of 14 questions, and they were not mandatory. If participants felt uncomfortable in answering any of the questions that were being asked, they did not have to answer them if they did not want to. Since it was a social media website with about 700 people who could have taken part in the survey, there was only a 16% response rate (112 people). However, the survey was only on Facebook and it was only available less than a week.

Results

The analysis generated several results based on the data that was collected from the analytical tests. When determining the results from the independent variable self-esteem, it was

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found that there were multiple correlations that were significant to the research study. There was a significant positive relationship between individuals' self-esteem and whether or not they believed the labour market would affect them getting a job ($r=0.293$, $p<0.01$). It was also found that there was a significant negative relationship between individuals' self-esteem and taking time off after graduating university ($r=-0.22$, $p<0.05$). There was a non-significant correlation between self-esteem and directly entering the labour market ($r=0.105$). There was no correlation between self-esteem and returning to school ($r=0.107$). There was also a connection between the moderator, which was GPA, and the independent variable, as there was a significant positive relationship between students' GPA and self-esteem ($r=0.494$, $p<0.01$). There were also many correlations regarding the relationship between GPA and the dependent variable, career paths. There was a significant negative relationship between students' GPA and taking time off after graduating university ($r=-0.409$, $p<0.01$). It was also concluded that there was a significant positive relationship between students' GPA and the likelihood of going back to school after graduating university ($r=0.222$, $p<0.05$). There was no significant correlation between GPA and entering the labour market ($r=0.152$). The second moderator, debt, was also relevant in the study as it was found that there was a significant negative relationship between the amount of debt a student has, and taking time off after university ($r=-0.264$, $p<0.01$). It was also determined that there was a significant positive relationship between the amount of debt a student has, and attaining employment directly after graduating ($r=0.199$, $p<0.05$).

Discussion

During the analysis of the study, the results showed that there were many significant correlations. The career path that was chosen first was dependent on many different factors, including self-

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esteem, sex, GPA, and debt. Both males and females were more likely to choose full time or part time employment as their ideal career path after graduating university (see Appendix 1.0). Again, both sexes chose travel as their second chosen career path (see Appendix 1.1); however there was a smaller percentage difference between the first two career paths for males, than there was for females. Similarly both males and females chose returning to school as their third career choice (see Appendix 1.2). This shows that the majority of individuals chose employment as their first choice after graduating university. This begins to differ depending on the variables we add into the research study.

As self-esteem was the independent variable, it was hypothesized that University students with a high self-esteem will directly enter the labour market after graduation. Although there was no direct relationship between these two variables, there was a positive relationship between self-esteem and the labour market, meaning those that had a higher self-esteem believed that the outlook of the labour market was positive. There was also a negative relationship between self-esteem and taking time off, so those who had a lower self-esteem were more likely to take time off after graduation. This proves that self-esteem does have an impact on the career path that individuals choose after graduating university.

Grade point average was a moderator as it was presumed that University students with a high current GPA would directly enter the labour market after graduation or return to school. Although there was no direct relationship between a high current GPA and whether or not they entered the labour market after graduation, there was a positive relationship between a high GPA and returning to school. Those that had a GPA over 90% planned on continuing their education as their chosen career path (see Appendix 2.0). It was also found that there was a strong negative relationship between GPA and whether individuals take time off after graduating university. This

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shows that those who have a high GPA were not as likely to take time off which directly tied into the hypothesis. This resulted in the third chosen career path to be travel, as it was not likely that individuals with a high GPA wanted to take time off (see Appendix 2.1). In relation, those that had a low GPA (below 50%) were much more likely to take time off after graduating (see Appendix 2.0). It was also determined that there was a strong correlation between GPA and self-esteem. Therefore students who had a high GPA were more likely to have a higher self-esteem, believed that the labour market was positive, and return to school after graduation.

It was assumed that debt would play a factor in what path university students would take. It was theorized that University students that held a high student line of credit would enter the labour market directly after graduating. There was no direct relationship between debt and entering the labour market directly after graduating. However, there was a strong negative correlation between debt and taking time off. This shows that those with a low debt were more likely to take time off after graduating. Those that had 60,000+ in debt planned on full time or part time employment to be their first career choice path (see Appendix 3.0). Students that had the highest amount of debt chose return to school as their second choice of future career path (see Appendix 3.1). Regardless of amount of debt, most chose return to school as their third chosen career path (see Appendix 3.2). Those that had some form of debt were most likely to choose employment as their first career path (see Appendix 3.0).

Limitations/Directions for Future Research

The results from this study do come with a few limitations that should be taken into consideration. Our study was limited first off by the number of participants we got to take the survey; due to time restraints there was not enough time to get more people to take the survey.

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With only 112 people completing the questionnaire there was not enough individuals in some categories, including people with large amounts of debt, and high averages or low averages, this limited our ability to find strong concrete results for these categories. Another restraint like in other studies of career expectations was; the data were self-reported, which may give rise to social desirability and response-set biases (Eddy S. W. Ng, Linda Schweitzer, Sean T. Lyons 2010). For example people may not want to put down their proper grade if they believe it is low and may feel embarrassed. Also some individuals have not finished school yet, so they do not know their exact amount of debt, they may be over or underestimating their total amount. Lastly the study was based on a convenient sample, and different types of sampling would be needed to hit a more wide range of individuals. For future research we suggest doing a longitudinal study, as it will allow for more accurate information. Over a long period of time it is more likely the correlations will become more clear and accurate. Also future research should explore different qualities and how they affect individual's career paths.

Conclusion

The main objective of this study was to find out how self-esteem affects the career path of graduating university students in the Y generation in Canada. The results we found were that higher self-esteem gave people a positive outlook on the labour market and being able to find a job. Those with lower self-esteem were more likely to take time off. Other conclusions the study showed us was the students with higher GPA's will enter the work force right after graduation or return to school, and are less likely to take time off. Self-esteem and GPA had a strong correlation. Also those students with less debt are more likely to take time off.

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This study should provide employers with new knowledge and understanding of the graduate labour market. Career decision-making is a continual process that keeps changing as new generations come into the labour force. This study has shown that students do put their self-worth in external sources- including their academic performance and debt. Employers need to understand what type of people they are recruiting and how to obtain those graduating students who may be thinking of taking other paths of action after university. Workshops, presentations and other forms of communications are recommended to increase student's positive reception of the workforce, and gain the attention of those who feel uneasy about starting work. Students that receive positive praise or compliments on how great their program /school is by future employers may improve their internal feelings and make it easier for those employers to obtain a greater recruitment pool. Employers could also better communicate on who they hire; how much certain aspects of a person (ex. GPA) are weighed. Research has shown that there is a stronger need in society in this generation for recognition. Forms of recognition are imperative to building of one's self-esteem. If employers want to maintain having motivated employees, they need to work on positive reinforcements to help build their self-esteem.

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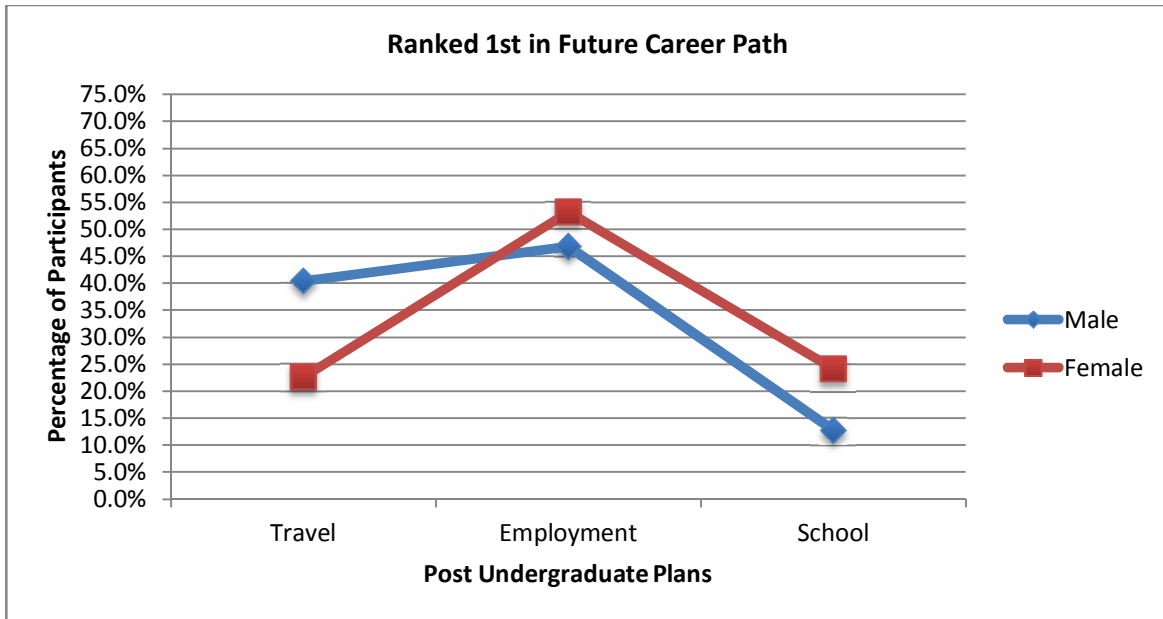
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Appendices

Appendix 1.0

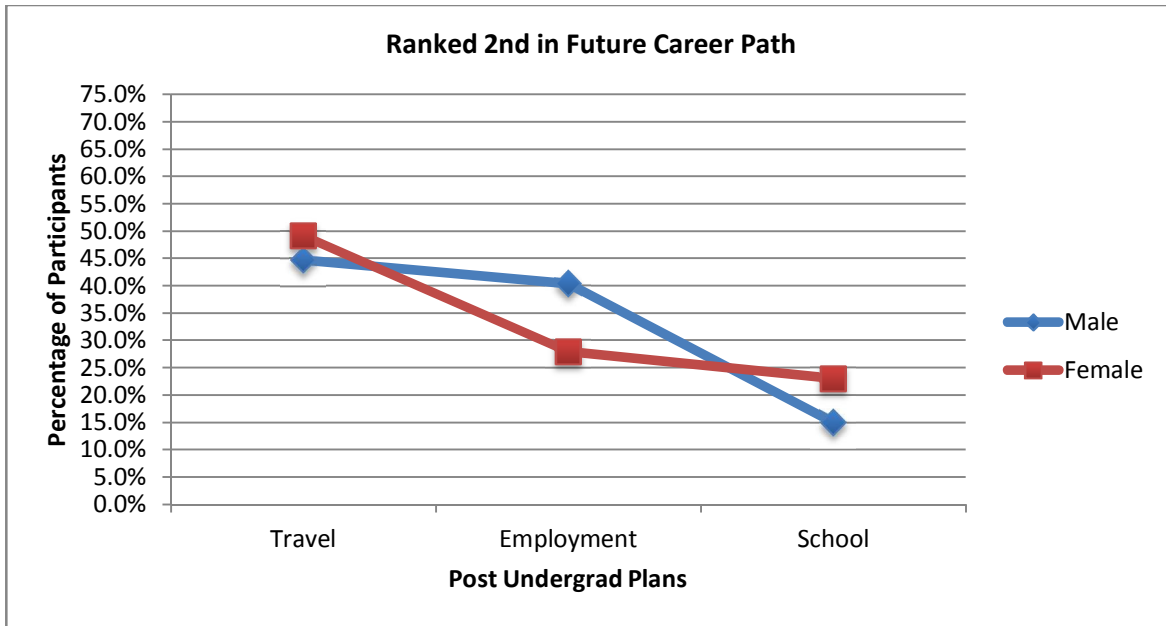
First chosen career path in relation to sex



Appendix 1.1

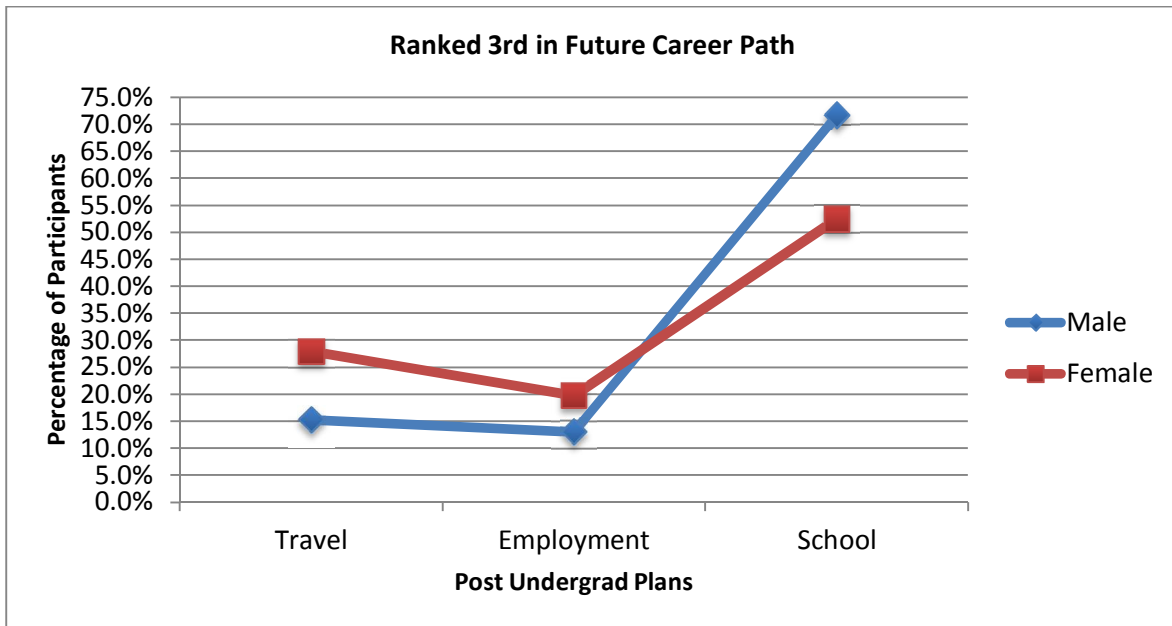
Second chosen career path in relation to sex

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Appendix 1.2

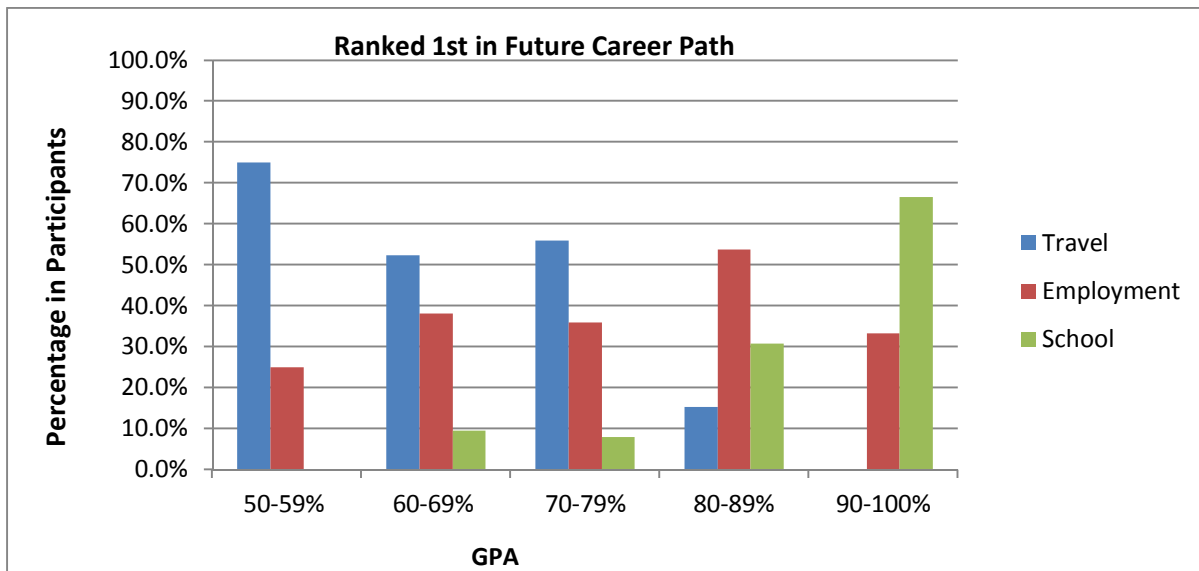
Third chosen career path in relation to sex



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Appendix 2.0

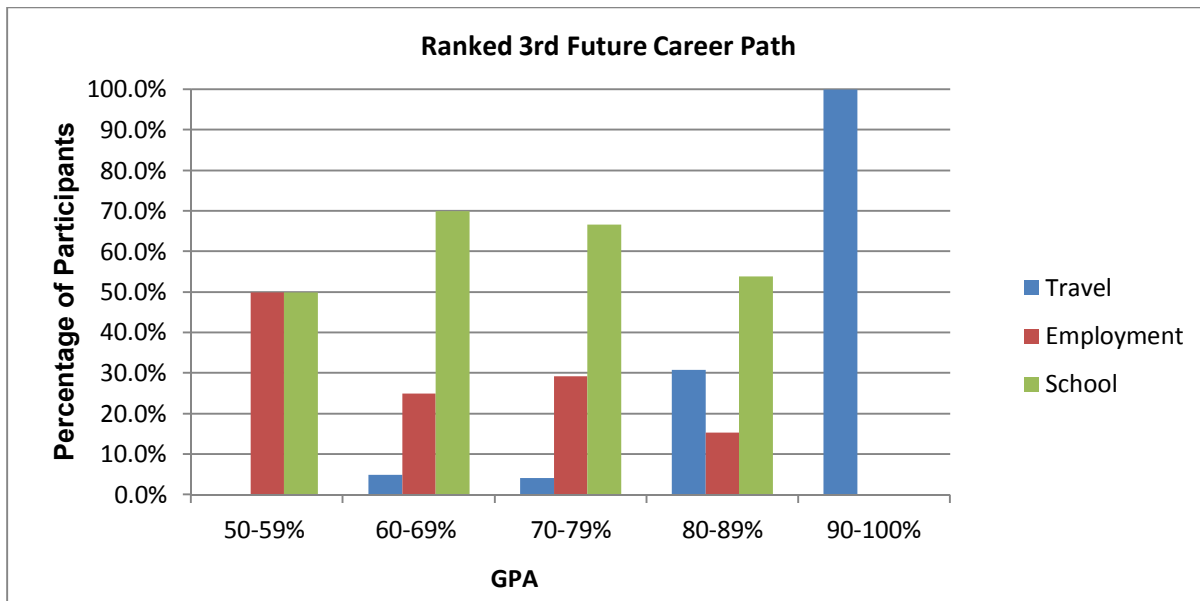
First chosen career path in relation to GPA



Appendix 2.1

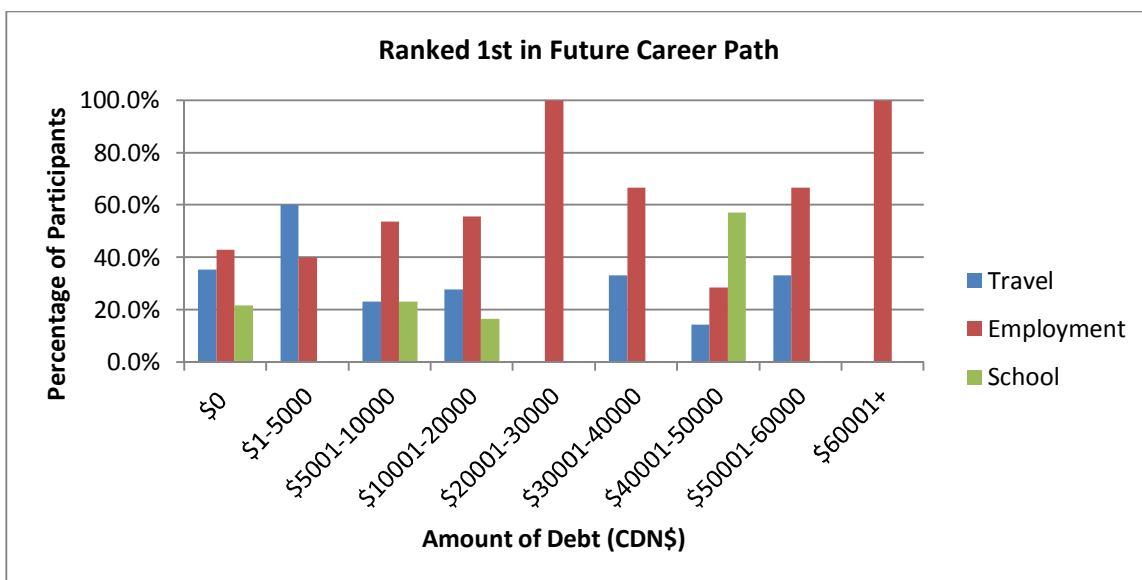
Third chosen career path in relation to GPA

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Appendix 3.0

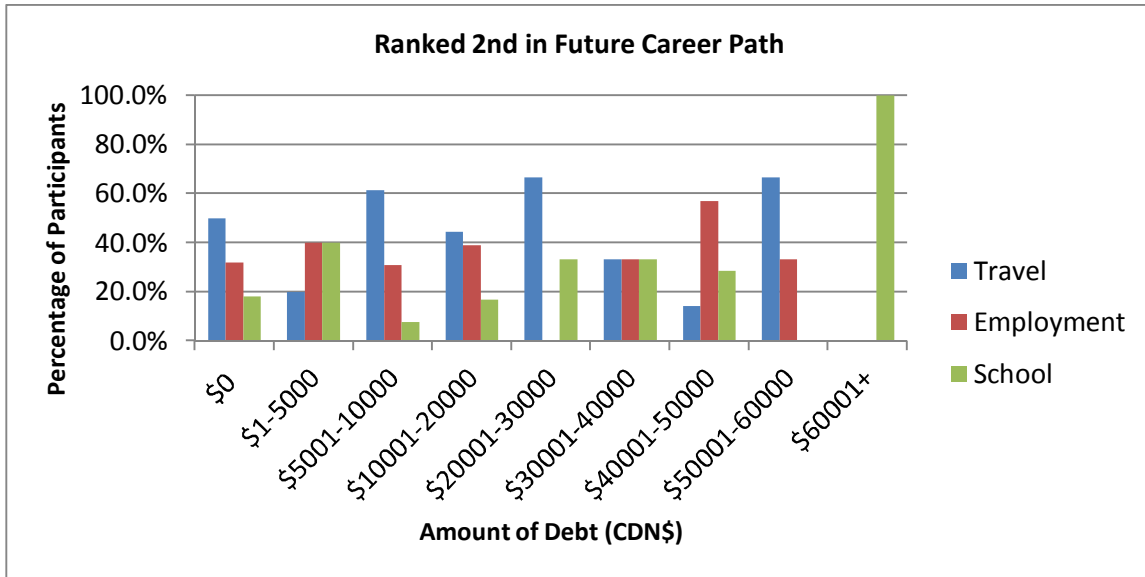
First chosen career path in relation to amount of debt



Appendix 3.1

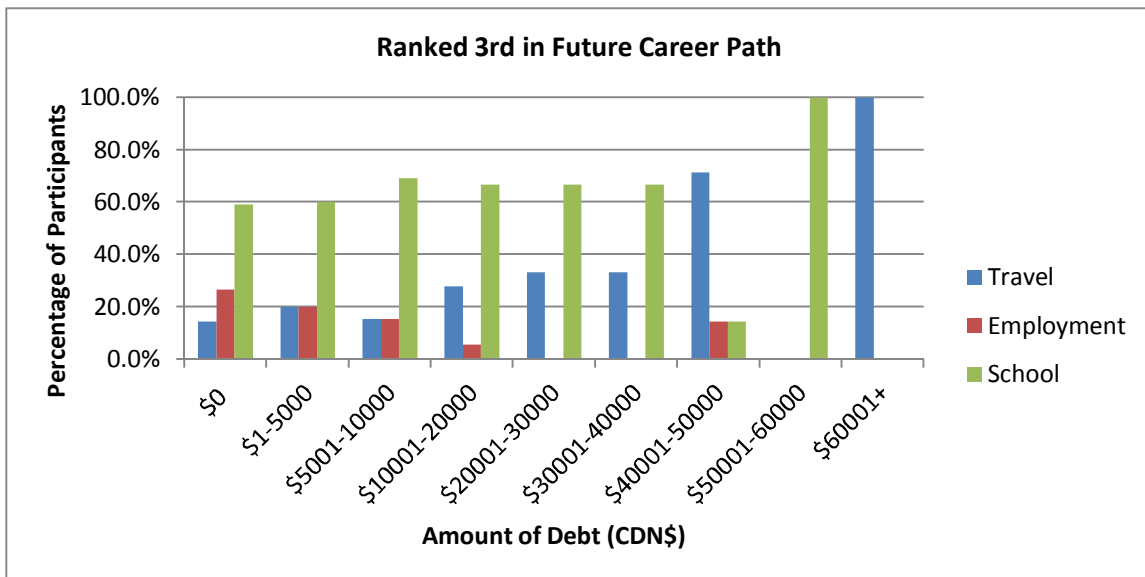
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Second chosen career path in relation to amount of debt



Appendix 3.2

Third chosen career path in relation to amount of debt



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