



Generation Y: Factors Affecting the Formation of Business Students' Career Expectations

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Abstract

Purpose

Students are only partially aware of realities their future careers hold. The purpose of this research is to assess the variables that affect business student's career-related expectations.

Methodology

The sample used in this study consisted of undergraduate students currently enrolled in postsecondary business programs and recent graduates of this same area of study. A total of 138 male and female respondents ranging in age from 18 to 25 years of age completed a self-report questionnaire through LimeSurvey. Career expectations were assessed through self-concept, occupational, and information variables.

Results

Results indicate there is a correlation between certain self-concept, information sources and occupational variables and the student's career expectations. Other research suggests that the gender of the information source affects student's career expectations, however our findings were not in support of this.

Conclusion

This research is valuable to understand how the career expectations are formed as Generation Y enters the workforce. Understanding where these expectations come from will assist in their management and the transition into the workforce.

Introduction

The intent of this study is to determine young people's feelings about various aspects of their jobs, employers and careers, including their work values, commitment to their careers and satisfaction with their careers thus far. In today's workforce, organizations are facing the challenge of satisfying the needs of Generation Y's expectations upon entering the workforce (Twenge et al., 2010). This study focuses on understanding how these expectations are formed. Generation Y consists of individuals

born after 1980 (Eisner, 2005). Self-concept, information sources and occupational variables seem to be most relevant in shaping Generation Y's career expectations. With the noted high career-related expectations of Generation Y, it is important to find out how these expectations are created. This information is useful for employers to understand why their future and or new employees have such demands in comparison to previous generations. Understanding what factors shape student's expectations, universities and other institutions can control the expectations and smooth the transition from school to work.

Previous research will be discussed which demonstrates what information currently exists regarding the factors that influence the career expectations of Generation Y business students. This study expands on current knowledge of this topic providing a new outlook from a research team comprised of Generation Y student researchers. Anonymous, confidential data was collected through an online survey targeting business student across Southwestern Ontario. All measures were self-developed by the research team using Likert scales, multiple selection and multiple choice. Meaning will be brought to this study through analyzing the results and discussing what insights and implications have been discovered.

Literature Review

The literature reveals that student's expectations generally align with recent graduates' experiences (Carvajal et al., 2000). However, students are only partially aware of realities their future careers hold, specifically regarding hours worked and the anticipation of promotion within the organization. This research will aim to link specific career expectations including annual salary, extended benefits, hours worked per week,

promotion opportunities and vacation weeks per year with those independent variables that cause the formation of such expectations. These variables include occupational variables, demographic variables, self-concept variables and career related information sources. For the purpose of this paper, the term career expectations is defined as salary, benefits, vacation weeks per year, hours worked per week and promotion opportunities expected by students in their future career. High career expectations can be defined as higher salary, more vacation time, fewer hours worked per week, larger extended benefit packages and more opportunities for promotion in comparison to other students' expectations.

Occupational variables being studied include choice of university major and desired work location. The study *Modeling College Major Choices using Elicited Measures of Expectations and Counterfactuals* (Arcidiacono, Hotz, Kang, 2011) suggests that the choice of major plays a critical role in determining future graduates' work expectations. More specifically, students in Economics had higher career expectations compared to those students in Humanities (Arcidiacono, Hotz, Kang, 2011). Elam and Mendez (2010) found that accounting students expect flexible schedules that allow for more family time. This increase in expectations of flextime compared to previous generations can be accounted for the fact that the accounting profession has seen an influx of women who anticipate being working mothers over the past decade (Elam & Mendez, 2010). These findings have led to the development of the first hypothesis:

H1: Significant variances in career expectations will occur among each business major

It is common knowledge that average earnings vary depending on the size of the city. Employers that are located in larger cities generally provide higher wages. *Mercer Study: Geographic Salary Differentials* (2005) found that the same job title can vary in pay by up to 32% depending on geographic location. This variation was caused by differences in cost of living and labor costs between larger, more populated cities compared to less populated rural areas (Mercer study, 2005). It is expected that students adjust expected earnings based on these findings. Salary differentials among different geographic locations lead to the development of the second hypothesis:

H2: Students who wish to live in large city centers will expect a higher salary compared to students who wish to live in smaller city centers.

It is recognized that gender plays a major role in shaping expectations among university students and recent graduates. Statistically significant differences were found when comparing men and women's salary expectations. Gasser, Oliver and Tan (1998) found that men have higher salary expectations for jobs that are predominantly male oriented, whereas women have higher salary expectations for predominantly female oriented jobs. It was suggested that women have lower expectations only when working in jobs that are predominantly male oriented (Gasser et al., 1998). This research is further supported in a study conducted by Carvajal, Bendana, Bozorgmanesh, Castillo, Pourmasiha, Rao and Torres (2010) where it was found that men expect to make 6.3% more than women when entering the workforce. Differences in career paths among genders has been said to cause gaps in expected starting salary between men and women (Heckert, Droste, Adams, Griffin, Roberts, Mueller and Wallis, 2002). Elam and Mendez found evidence that supports female students expecting more flexible work schedules

which allows for more time spent with family (2010). Heckert et al. went on to state that women's lower expectations could be attributed to the acknowledgement of costs associated with leaving the workforce temporarily for childrearing (2002). Varying expectations among gender has led to the development of the fourth hypothesis:

H4: Female students will have overall lower salary expectations than male students.

Self-concept variables include a student's grade point average (GPA) and their home environment. In a study completed by Carvajal and colleagues on *Inter gender differentials between college student's earnings expectations and the experience of recent graduates*, it was found that student's GPA possesses high levels of significance explaining student's variations in earnings when entering the workforce. Students with higher grades tend to expect to earn more (2000). However, studies have found that this expectation is grossly inflated (Carvajal et al., 2000). This leads to the third hypothesis:

H3: The higher a student's GPA, the higher their career expectations will be.

Student's and recent graduate's home environment can also impact expectations entering the workforce. Research indicates that parents and or guardians directly contribute in shaping children's educational ambitions (Cheng & Starks, 2002). Schoffner and Klemmer state that parents serve as both role models and effectors of children's self-concept, which will affect their vocational decisions (1973). Low aspirations among young people's parents are often seen as explaining their educational and work outcomes.

In a study completed by St. Clair and colleagues, results indicate that it is the student's lack of knowledge on how to fulfill aspirations that disconnects students in lower income families from higher academic and work ambitions (2011). In another study looking at student's expectations and labour market performance, it was found that family background strongly influences the expected and actual labour market outcomes of students. In particular, student's expected earnings are strongly influenced by the occupation of their fathers (Psacharopoulos & Sanyal, 1981). For example, students whose fathers have professional or administrative occupational careers aspire to the highest earnings (Psacharopoulos & Sanyal, 1981). These studies indicate that both a student's GPA and home environment have potential to shape expectations entering the workforce. This leads to the fourth hypotheses:

H4a: The higher a student's parent's education is, the higher their overall career expectations will be.

H4b: The higher the annual income of the student's parents, the higher the student's overall career expectations will be.

The formation of student's career expectations is directly related to the knowledge they possess (Saks & Ashforth, 2000). The accuracy of career-related information, which is related to the source that student's receive, is likely to affect their expectations when entering the workforce. Literature has noted that parental involvement is a critical factor in predicting student's career-task related confidence. Career counseling, which generally aims to assist students make career related decisions, has shown to positively affect student's career related outcome expectations (Restubog et al., 2010). These findings have led to the fifth hypothesis:

H5: Students who use career services at their university will have higher overall career expectations than those who do not.

Further research indicates that, when given a choice, individuals prefer information from people of the same gender. Women tend to rely on other women and men tend to rely on other men for information when forming salary expectations (Summer & Brown, 1996). Information from women in the workforce may therefore inadvertently contribute to differences in salary expectations of a new cohort of women. Additionally, Summer and Brown found that females rely on female professors more than male counterparts. However, males tend to rely on other male family and friends, as well as men working in desired job (1996). These findings has allowed for the creation of the following hypotheses:

H6a: Female students who consult with female parents/relatives will have lower career expectations than male students who consult with male parents/relatives.

H6b: Female students who consult with male parents/relatives will have higher career expectations than female students who consult with female parents/relatives.

H6c: Male students who consult with male parents/relatives will have higher career expectations than male students who consult with female parents/relatives.

H6d: Female students who consult with female professors will have lower career expectations than male students who consult with male professors.

H6e: Female students who consult with male professors will have higher career expectations than female students who consult with female professors.

H6f: Male students who consult with male professors will have higher career expectations than male students who consult with female professors.

H6g: Female students who consult with female academic advisors will have lower career expectations than male students who consult with male academic advisors.

H6h: Female students who consult with male academic advisors will have higher career expectations than female students who consult with female academic advisors.

H6i: Male students who consult with male academic advisors will have higher career expectations than male students who consult with female academic advisors.

H6j: Female students who consult with female peers will have lower career expectations than male students who consult with male peers.

H6k: Female students who consult with male peers will have higher career expectations than female students who consult with female peers.

H6l: Male students who consult with male peers will have higher career expectations than male students who consult with female peers.

H6m: Students who consult with previous employers will have higher career expectations than students who do not.

H6n: Students who refer to online government and professional websites will have higher career expectations than students who do not.

Methodology

Sample:

The sample used in this study consisted of undergraduate students currently enrolled in post secondary business programs and recent graduates of this same area of study. This sampling frame was specifically selected because the focus of the research was on Generation Y participants soon to be, or currently in, their first time career job. Business students were exclusively targeted for the study because they were most readily available as a convenience sample.

The participants were primarily recruited through various means of social media such as Facebook and LinkedIn. Participants were also contacted through email and word of mouth about the survey being performed. The survey itself was accessed online through LimeSurvey and was designed as a confidential and anonymous self-report

questionnaire that respondents filled out. The estimated length of time to complete the survey was between 10 to 15 minutes.

There were a total of 138 respondents who ranged in age from 18 to 25 years old. Of these respondents, 58% were female and 42% were male. Almost all the respondents (99%) were single, and none of them had dependent children. The highest level of education the respondent had achieved was also assessed with 56% in undergraduate programs, 32% in masters programs, 4% in college programs and the remaining 8% were grouped together as Ph.D., professional designations and high school diplomas.

Measures:

The dependent variable being assessed was the expectations of undergraduates and recent graduates regarding their first time career job. This was examined through independent variables of self-concept, occupational factors and information sources. Self-concept consisted of the respondent's GPA and their home environment. Occupational factors involved choice of major within the business program and the desired work location after graduation. Finally, information sources comprised where and how respondents gathered information, which included parents, professors, academic advisors and other professional connections.

All the methods used in the survey were developed by the research team and were reviewed and given approval by the instructional leader, Dr. Sean Lyons, Ph.D and by the University of Guelph Research Ethics Board. Survey components consisted of 5-point Likert scales, multiple selection questions, multiple choice questions and demographic questions. All questions were given the option "no answer" and participants were allowed to skip questions they did not feel comfortable answering. All data collected was

anonymous.

Analysis Procedures:

Data was collected and analyzed by Dr. Lyons, using statistical methods such as standard deviation from the mean, frequency tables and Chi Square Tests. Statistical corrections in the data were discovered and are examined in the following section.

Results

Self-Concept and Career Expectations

The first hypothesis dealt with self-concept (education, GPA, parent(s) income and parent education) and career expectations (salary, vacation, hours per week, promotion timeline and benefits). Specifically, the higher self-concept variables, the higher the career expectations the student will have. As previously mentioned, "high career expectations" can be defined as expecting higher salary, more vacation time, less hours per week, less time before a promotion and more benefits.

Figure 1

Correlations

		Education	GPA	Parent(s) Income	Parent Education
Salary	Pearson Correlation	-.068	-.105	.515**	.060
	Sig. (2-tailed)	.471	.251	.000	.518
Vacation	Pearson Correlation	.111	.314*	-.223*	-.096
	Sig. (2-tailed)	.238	.000	.015	.300
Hours per week	Pearson Correlation	.071	.116	-.121	.166
	Sig. (2-tailed)	.447	.199	.185	.070
Promotion	Pearson Correlation	-.073	.003	.045	.111
	Sig. (2-tailed)	.446	.970	.636	.240

*. Correlation is significant at the 0.05 level (2-tailed).

**.. Correlation is significant at the 0.01 level (2-tailed).

Note: You can consider correlations lower than 1.0 to be "marginally significant."

Figure 2

Pearson Chi-Square Tests

		Education	GPA	Parent(s) Income	Parent(s) Education
Benefits- Prescriptions	Chi- square	5.200	1.110	18.404	5.913
	df	3	2	9	6
	Sig.	.158 ^a	.574	.031 ^{a,*}	.433 ^{a,b}
Benefits- NONE	Chi- square	1.719	3.159	6.935	14.672
	df	3	2	9	6
	Sig.	.633 ^{a,b}	.206 ^a	.644 ^{a,b}	.023 ^{a,b,*}

Results are based on nonempty rows and columns in each innermost sub-table.

*. The Chi-square statistic is significant at the .05 level.

a. More than 20% of cells in this sub-table have expected cell counts less than 5. Chi-square results may be invalid.

b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

The higher the level of education the student expects to receive, the higher career expectations they will have. The first column in **Figure 1** and **Figure 2** contain the relevant findings for this. The correlational analysis revealed no significant correlations between education and salary, vacation, hours per week or promotion. Further, the chi-square test revealed no significant statistics between education and benefits.

The relevant findings regarding the hypothesis that the higher the GPA a student has, the more career expectations they will have can be found in the second column of both **Figure 1** and **Figure 2**. No significant correlation or statistics were found in relation to salary, hours per week, promotion or benefits. There was however a correlation significant at the 0.01 level found between GPA and vacation. The positive correlation of 0.314 demonstrates that the higher the student's GPA is, the more vacation time they expect in their first full-time career job.

The third column in **Figure 1** and **Figure 2** contains relevant results regarding the relationship between parent(s) income and career expectations. A significant positive correlation at the 0.01 level was found between parent(s) income and salary. Meaning, the higher the student's parents combined income is, the higher students expect their salary to be. Secondly, when comparing parental income with expected vacation time resulted in a significance level of 0.05 . This was inconsistent with the hypothesis as it means that the higher the parent(s) income, the less vacation-time the student expected. In relation to benefits, it was found that there was a significant difference in expectations for the prescription benefit among levels of parent(s) income. No other significant results were found in relation to parent(s) income.

Lastly, the fourth column of **Figure 1** and **Figure 2** shows the results relating to the hypothesis that the higher the parent(s) education received, the higher the career expectations of the student will be. The results showed a marginally significant positive correlation of 0.166 between parent(s) education and hours of work expected per week. This is opposite to the hypothesis as the research team predicted the hours of expected work per week to be lower as the parent(s) level of education increased. There were also statistically significant differences in no expected benefits and parent's education. This being that if a student's parent(s) has no formal education they are not likely to expect benefits. No further significant results were found.

Occupational Variables and Career Expectations

The second hypothesis looked at the relationship between occupational variables (geographic location and major) and career expectations. Specifically, it was expected that career expectations would vary depending on major and that the larger the population

of the geographic location the student want to work, the higher their career expectations would be.

The results showed that there were no significant correlations or statistics between geographic location and career expectations. There were no significant differences between majors when it came to expectations of salary, vacation time or benefits. The chi square tests however, indicated significant differences between students in different majors in terms of hours expected per week and expected promotion timeline. See **Figure 3**.

Other Results

While there were no significant correlations between geographic location and the dependent variables, there were significant correlations between geographic location and education as well as geographic location and parental education. As can be seen in **Figure 4**, a positive significant correlation at the 0.05 level was found between both. This means that the higher the education level the student expected to receive, the higher the population of the geographic area they expected to live in. It also means, the higher the level of education achieved by the student's parent(s), higher the population of the geographic area they expected to live in.

A marginal positive correlation was also found between parent(s) education and the level of education. The higher the level of the parent(s) education, the higher the level of education the student expected to receive.

Figure 4

		Geographic Location
Education	Pearson Correlation	.220*
	Sig. (2-tailed)	.017
Parent(s) Education	Pearson Correlation	.204*
	Sig. (2-tailed)	.026

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).
Note: You can consider correlations lower than 1.0 to be "marginally significant."

As can be seen in **Figure 5**, there was a marginally significant negative correlation found between expected salary and vacation time expected. The higher the salary the student expected to receive, the less vacation time they expected.

Figure 5

		Salary
Vacation	Pearson Correlation	-.177
	Sig. (2-tailed)	.052

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).
Note: You can consider correlations lower than 1.0 to be "marginally significant."

Information Sources

The fifth hypothesis predicted that those students who use career services would have higher career expectations than those who did not. However, the results indicated there to be no significant correlations or statistics between the use of career services and students' career expectations. The final hypotheses dealt with the gender of the information source and its effect on the use of these various sources. The outcome of the

surveys distributed showed there to be no differences in information source use among men and women and the effect of the information coming from someone of the same sex or opposite sex.

Other Results

There are however, significant relationships to note regarding the use of information sources and its effect on career expectations. There is a relationship of -0.204 between students' GPA and their use of same sex relatives as their information source, at the 0.05 level. Further, the use of same sex peers as an information source has a relationship of -0.216 with parent(s) income. This correlation is also significant at the 0.05 level. The final significant correlation regarding information sources is parent's education level. There is a relationship of -0.223 between the use of a same sex academic advisor and the level of education the student's parent(s) have with a 0.05 level of significance.

Discussion

Self-Concept and Career Expectations

The level of education the student expects to receive did not appear to affect their career expectations. Students may perceive all starting position salaries to be the same regardless of the level of education received, which could be why no major difference was found. It should also be noted that the majority of respondents chose an undergraduate degree as their highest level of education expected, which could mean there was insignificant data to determine if education level caused a difference in career expectations.

Students with higher a GPA expected more weeks of vacation weeks per year. This could be related the student's academic work ethic being rewarded. Students may feel if they bring the same quality to the workplace they will be rewarded with more vacation time. No relationship was found between GPA and the remaining career expectations. It is believed that if a larger response rate was generated, significant relationships would have been found. The same logic of rewards should apply to all other career expectations.

Parental income positively affected the student's salary expectations. The student expecting a similar lifestyle to their parent(s) could explain this correlation. Parents are a major influence on their child's life, which could cause students to shape their expectations based on their parent(s). This could also explain the negative relationship between parental income and vacation time. A higher income could be the result of taking less vacation time at work; therefore students would also expect less vacation time.

The marginal negative relationship between parental education and expected hours worked per week could also be explained by parental influence. If the parent(s) higher education means they work longer hours, students will also expect to work longer hours in their career. The findings also showed that students whose parent(s) with no formal education did not expect benefits. Again, this is most likely a result of the parent's influence. The lack of parent(s) education could mean their job does not provide benefits, which would lead students to believe they would also not receive benefits.

Occupational Variables and Career Expectations

No significant relationship was found between geographic location and career expectations. The majority of respondents of this survey are still completing their

undergraduate degrees. The absence of a correlation could be explained by students' lack of knowledge of variations in career outcomes based on location. The students may also have not decided where they want work.

The variation in expected hours worked per week among majors could be attributed to the differences in course loads among majors. It is possible that students who expect to work fewer hours believe so because their course load is less in comparison to other majors. Additionally, students may have different perceptions of their industries and what it entails in terms of work hours and promotions.

Other Results

The positive correlation between parental education and the student's expected level of education could also be caused by the influence parents have over their children. The student expects to receive a similar level of education to their parent(s).

Students who expect to live in a more populated area also expect to achieve a higher level of education. Areas that are highly populated tend to be more competitive as there is a larger pool of candidates. Students who wish to live in those geographic areas may feel that a higher level of education will make them a more desirable candidate.

The relationship between parent(s) education and expected geographic location can most likely be explained by the correlation between parental education and student's expected education. The relationship is most likely not direct, but rather moderated by the student's expected level of education. The parent(s) education affects the student's level of education, which in turn affects the expected geographic location.

The negative correlation between salary and vacation can be explained by the student's perception. The student may perceive a higher salary to be associated with less vacation time. The more time they spend away from work, the less salary they expect.

Information Sources and Career Expectations

Several conclusions regarding information sources can be drawn after analyzing the results of the survey. First, the fifth hypothesis was not supported by the findings in this study, as predicted the use of career services would increase student's career expectations. This may be a consequence of the way the universities' career services informs their students of what to expect upon graduation. It was hypothesized that students would expect a higher salary, more vacation time and to be promoted sooner, if they were to use career services, but students did not indicate such expectations. Therefore, it is understood that career services are performing adequately, ensuring student's overall career expectations are in line with what they can realistically expect entering the workforce.

Second, the rest of the hypotheses regarding information sources were not supported by the overall findings as it showed that it didn't seem to matter if one used a same sex or opposite sex person for their information sources, which is opposite what previous research indicates. This shows that no matter the gender of the student's information source, they will receive the same level of information, according to the results in this survey. All rational justifications for the lack of correlation between these variables have been examined and no conclusions can be made.

Third, the inverse relationship between a student's GPA and a same sex relative as an information source is worthy of discussion. This states that the higher one's GPA,

the less they use a same sex relative as a way to obtain career-related information and vice versa. This indicates that students who have a higher GPA do not use relatives as a main source to gain information regarding career expectations. The research team has examined all reasonable explanation for this correlation and found no logical connection between the two variables.

Further, the negative relationship between the use of same sex peers as an information source and parents income states that the higher the parents income, the less the students use same sex peers as a way to obtain career-related information and vice versa. This indicates that parents who have a high income are predicted to be more knowledgeable and valuable to Generation Y when obtaining career-related information. In support, an inverse correlation was found between parents' education and the use of same sex academic advisors. This further enforces that students seek advice related to the workforce from parents who have higher levels of income and education.

Limitations and Directions for Future Research

Limitations

The research conducted was limited in a number of different ways. The biggest limitation the research team faced was that of time. The survey was only available to respondents for nine days. Had there been a longer time frame, there would have been many more respondents and a greater pool of data to analyze. With that being said, there was a restricted number of total respondents. The sampling frame of undergraduate students and recent graduates in business programs is much greater than 138 individuals. The survey was conducted through convenience; those the research team knew or those

who were readily available through social media networks. An ideal sample would be a random sample of the entire population. Also due to time constraints and other obstacles, this was an unavailable option for the research team. The team considered advertising the survey through Facebook to reach a larger pool of participants, but due to a lack of funding for the advertising costs, this option also became unavailable. With such a small number of participants, the generalizability and representativeness of the study is compromised.

Future Research

Ideally, the research team would have liked to make this study longitudinal; so one area of future development could be expanded on here. The current study could be repeated with a longer time period and with a wider breadth of participants for more generalizable data. An important aspect to include in future research would be to ensure the sample surveyed is a random sample rather than a convenience sample, as used here. The current study is estimated to be mostly composed of southern Ontarian respondents, since this is the geographical location of the research team. If the study was expanded to include all of Ontario or even Canada, it would be much more representative of the target population. Another area of future development could be to expand the target to all programs of study, instead of exclusively surveying business students and business graduates.

Conclusion

This research is valuable to understand how the career expectations are formed as Generation Y enters the workforce. Understanding where these expectations come from will assist in their management and the transition into the workforce. Although this study

has its limitations, the data gathered will provide professionals working with recent graduates necessary information to effectively account for their expectations. This study provides a good basis for future research and presents an opportunity for expansion and development of this research question. The research team would like to thank all respondents for their participation and contribution to this study.