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## Graduates' Mindset in Designing their Initial Career

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### Abstract

This paper aims in understanding the graduates' mindset on how they design their initial career, either as job seekers (work in public or private sector) or job creators. It is due to the fact that the graduate unemployability is rising, owing to the COVID-19 pandemic. By using a qualitative research design, semi structured interviews were conducted to ten interviewees who were the fresh graduates from one of the tertiary institutions in Melaka, Malaysia. The results found that 80 percent of the interviewees prefer to be job seekers, while only 20 percent choose to be entrepreneurs. Despite of the rise in the gig economy, none of the interviewees have mentioned about working as a freelancer by engaging with gig works. These findings clearly indicate that the graduate unemployability will be worsened in the near future if the graduates' mindsets remain the same. Hence, the tertiary educational providers should look at this matter by instilling new mindsets consistent with the new norm, and offering more courses related to the entrepreneurship and skills-oriented courses in the near future.

**Keywords:** COVID-19, Graduates, Mindset, Graduates' Mindset, Semi-Structured Interview

### Introduction

COVID-19 gives adverse impact to the job market in Malaysia. The statistics show that the unemployment rate in Malaysia had sharply increased from the usual rate of 3 percent to 5.3 percent in May 2020 (The Star, 2020a). Besides, the forecast by the Malaysian Employers Federation claimed that two million people in Malaysia could lose their jobs due to COVID-19. The numbers are equivalent to 13 percent of the unemployment rate (Menon, 2020). Indeed, it is a worrying trend, especially on the fate of the fresh graduates in Malaysia. Every year, it is expected that 300,000 graduates are joining the labor market (The Star, 2020b). But, in mid-2020, the graduate unemployment had risen to 29.3 percent. Even if some of the graduates were able to secure jobs before COVID-19, the tendency for them to lose their jobs are very high. It is due to the 'last in, first out' principle that is often being used by many companies in Malaysia.

In every crisis, there will still exist various opportunities. Due to COVID-19, the 'new norm' is rising in the job market. Gig economy, which previously was unknown to many, is becoming a new trend of job market in the world. It is an economy that allows people to connect and work with millions of

people worldwide via the online platforms. Even though many people regard the jobs in the gig economy as unskilled jobs such as rider, they are many opportunities as professional freelancers, especially for those who have specific skills that are highly demanded in the gig economy.

Gig economy might be new to many of the graduates. Instead, their mindset after graduating from the tertiary institution might be focusing on traditional works in public or private sector. They might also opt to become an entrepreneur if the two are not the choice. Nevertheless, it is expected that the COVID-19 might create disruption in the job market. Reliance on the traditional works are not sufficient. The graduates should have new mindset to accumulate as many skills that they can in the tertiary institutions, and utilize them by creating their own jobs, either as entrepreneurs or freelancers. Thus, this paper aims in investigating the graduates' mindset on the job market, amidst of COVID-19. This issue is vital as it indirectly highlights the possible fragmentation in the ways on how the graduates were shaped. Few years in the tertiary institution might not shape the mindset of the graduates to create their own jobs. Instead, they depend too much on the jobs offer by both public and private sector. If this situation prolonged, the unemployment issue will keep increasing in the near future even when we are already in the new norm.

The remaining part of this article is structured as follows. In the following section, the relevant literature is reviewed, followed by the methodology section. The results of the study are discussed in the findings and discussion section. The final section highlights the main conclusion, drawbacks and recommendations for future works.

### **Literature Review**

Two sectors exist in the job market; namely public sector and private sector. Jobs in the public sector refer to jobs offer by the government or government representatives. Meanwhile, jobs in the private sector are offered by individuals, group of individuals or firms. These two sectors are formed for different reasons. Public sector is formed to maximize the welfare of the citizens. Hence, the jobs offer within this sector is focusing on the services rendered by the government to ensure social welfare is taking place. In opposite, private sector is established to maximize profit. Thus, the jobs offer within this sector is focusing on producing and selling goods and services, with the aim to earn profit.

Different people have different mindsets in choosing the right job. Previous literature list five main reasons why certain jobs are selected, namely income, job security, benefits, work-life balance and job characteristics (Carlo et al., 2005; Zareen et al., 2019). These elements are consistent with the Herzberg's two-theory, that outlined two reasons why people are satisfied and dissatisfied with their existing jobs (Herzberg, Mausner, and Snyderman, 2017). The two-theory consists of motivation and hygiene factors that include eleven elements related to job satisfaction and dissatisfaction. Even though the theory focuses on the workers who are already in the workplace, it is still suitable to relate this theory with the mindset of the graduates. It is because the graduates' mindsets are based on their perceptions and observations towards the existing job market. Thus, the following paragraphs discuss five possible reasons why young people choose to work either in public or private sector.

Firstly, income is one of the criteria to choose a job. It is consistent with the Herzberg hygiene factor that stresses the importance of salary in retaining workers in specific jobs. With regards to both sectors, private sector normally offers higher wages as compared to the public sector (Mueller, 2019; Zareen et al., 2019). It is because the wages paid in the private sector is based on the productivity and performance of the workers. If the products or services produced by the firms are highly

demanding, the workers in the private firms are able to earn higher income (Carlo et al., 2005), provided that the supply and productivity are increases. In comparison, the income received by public servants are lower since their incomes are usually based on the static salary progression ladder (Ng et al., 2016). Even though the public servants are highly productive, the increment of their income is not based on their performance.

Even though the income paid to the public servants is relatively lower, the preference to work in the public sector is still high due to the job security and benefits that the workers will receive (Ng et al., 2016). It goes to the second and the third points, in which public sector tends to provide more professional policies and practices, which help the workers to secure their jobs for their livings. The benefits provided by the public sector are also numerous. Working hours are normally fixed, with plenty numbers of annual leaves. Besides, the health and retirement benefits are also there for all permanent workers in the public sector. It safeguards their conditions after their retirements. In opposite, working in the private sector does not assure the workers to work in a fixed number of hours. It might require them to compensate their leisure time for higher productivity. Some of the firms in the private sector offer flexible working time (Burdin & Perotin, 2019). If this is the case, it is an advantage to the workers as they have slight freedom to adjust their work-leisure hours. Moreover, they did not receive the retirement benefits such as pensions. Instead, they have to save on their own for the years after retirement. Despite of these situations, the benefits that they will receive are also numerous, especially in the forms of cash rewards and bonuses.

In addition, work-life balance is another element that make young people to decide whether they want to work in the public or private sector (Ruzevicius & Valiukaite, 2017). By definition, it is a situation in which people are able to balance their time for works and leisure (Bataineh, 2019; Hilbrecht & Lero, 2014). People with freedom in their daily activities are normally able to achieve the work-life balance. In the context of career, those people who are working on their own (entrepreneurs and freelancers) do not have difficulties in allocating their time for work and leisure. However, people who are working with public or private sectors may experience problems in managing their times, especially in the time of higher costs of living. The rise in the living costs necessitate the workers to work extra hours in order to receive higher income.

Finally, job characteristics are also play an essential role in choosing the best job. Consistent with the Herzberg's motivation factor, jobs that are tough in nature are less preferred (Alshmemri et al., 2017). Becoming an entrepreneur is considered as a tough job (Bullough & Renko, 2013), especially if it is developed from scratch. It requires individuals to learn from the basic of developing a business, to building an empire. During the processes, the individuals might fall several times. However, the results are promising if the businesses are successful. The rewards vary from freedom, high income, as well as work-life balance. Apart from that, some jobs offered in the private sector are also tough and challenging, consistent with the rewards that the workers will receive. Those people who aim for experiences and skills, might choose those jobs. Moreover, job characteristics that give higher possibility for growth, is also highly demanding among the young workers (Alshmemri et al., 2017). It refers to the jobs that give chances for the new workers to learn new skills, undergo trainings and re-trainings, get promoted as well as gain new professional knowledge. This type of job is available in both public and private sectors, provided that the young workers themselves are eager to learn and change to the new environment.

The above paragraphs discussed the factors that lead to the works' preferences and selection, either in the public or the private sector. These factors are useful as a kick start to understand how graduates

choose their careers. Given that the world is facing with the COVID-19 pandemic, fresh graduates should not rely too much on the jobs offer by both public and private sector. Instead, they should start creating their own jobs by becoming entrepreneurs or freelancers in the gig economy. Hence, the aim of this paper is to investigate whether the graduates' mindset is still on the traditional works or not.

This paper contributes to the body of literature by focusing on the graduates' mindset in the post COVID-19 pandemic. Even though this matter has been discussed thoroughly in previous literature, lack of studies has been done on this issue in the new norm setting, which is highly related to the gig economy.

### Methodology

A qualitative research design was used to obtain in-depth information on the mindset of the graduates pertaining to the job market in Malaysia. In exploring the mindset of the graduates, semi-structured interviews were conducted to ten interviewees who were the fresh graduates from one of the tertiary institutions in Melaka, Malaysia. The following table shows the profiles of the interviewees.

Table 1: Profiles of the Interviewees in the Semi-Structured Interviews

No	Gender	Age	Working Experiences	Field of Study	Duration (minutes)
1	Male	24	Yes	Marketing	30
2	Male	23	No	Finance	25
3	Female	23	Yes	Human Resource	30
4	Female	24	No	Finance	40
5	Female	23	No	International Business	45
6	Female	22	Yes	International Business	40
7	Male	23	Yes	Finance	35
8	Male	24	Yes	Finance	33
9	Female	25	Yes	Finance	40
10	Male	24	No	Marketing	35

These interviewees were chosen for three reasons. Firstly, they were the fresh graduates from one of the selected tertiary institutions in Melaka, Malaysia. Secondly, they received a bachelor's degree in the fields related to business and management. We chose the fresh graduates from these fields due to a rise in the unemployment issues among graduates in those fields. Thirdly, they would like to voluntarily participate in the interview session without any forces from anyone.

The researchers pre-arranged the interview meetings with the interviewees via personal communication. During that time, all interviewees were given brief ideas on the purposes of the interviews. The interviews were conducted in a pleasant environment, in which the interviewees were asked various questions and were given few minutes to answer each question. To smooth the process, an interview guide was developed by the researchers. It includes a list of questions that comprises of five main sections: namely demographic questions, past working experiences, future employment, gig economy as well as their skills proficiency. The interviews lasted from 25 minutes to 45 minutes for each interviewee. All answers were recorded and transcribed by the researchers for further analyses.

## Findings and Discussion

Almost 90 percent of the interviewees have negative thoughts on the job market. They believe that the job market is severely affected due to COVID-19. In the near future, it is difficult for the new and existing graduates to secure a stable job. It is because some of the companies might retrench existing workers or freeze the hiring to reduce operational costs. This is in accordance with few statements of the interviewees:

*"Most of the companies are greatly impacted with the COVID-19 issue. Some of them have to terminate their employees in order to cut budget."*

*"It is not reacting well as most of the fresh graduates are still unemployed due to COVID-19"*

Nevertheless, two respondents were overly optimistic on the job market condition despite the harmful effects brought by the pandemic. This is in accordance with their statements, in which the employment opportunities are still exist, especially for critical areas such as health and medical supplies. Other sectors that are forced to be online, will also demand more staffs as their online businesses expand.

*"Definitely, the tourism sector is badly affected. But there are industries that would demand higher workforce especially the health, medical supplies and the e-economy sector. COVID-19 forces lots of companies and retailers to go online. It will increase the demand for products."*

*"Some sectors that use online platform still offer jobs even though others are badly affected."*

Out of all interviewees, 50 percent of them prefer to work in the public sector. The remaining interviewees choose to work with private sector (30 percent) or self-employed by becoming entrepreneurs (20 percent). Those respondents who prefer to work in the public sector claimed that they opt for that decision due to job security, pension as well as other benefits. This is consistent with the findings from previous literature (Ng et al., 2016). Some of these advantages are not available for the workers in other sectors. For instance, retirees in the public sector are entitled for pensions until the end of their life. Besides, it is easier for the public servants to buy their first house using funds from the government. They have the privilege of not paying any down payment, provided that the loan is taken from the government. This is in-line with their statements as follows:

*"The government sector may provide benefits for the employees such as allowances, financial assistance, housing loan program and few more."*

*"Working with public sector ensures higher job security ..."*

Despite of those privileges, 30 percent of the interviewees have different paradigms. They prefer to work with the private sector because of the salary. Consistent with Zareen, Khan, and Amin (2019) and Mueller (2019), they expect that the salaries offered are relatively higher than the public sector. Apart from that, venturing in the corporate world after graduation is very interesting for some graduates to endure. These challenges, in return, assist them to gain more knowledge and experience for their future endeavors. Even though the jobs in the private sector are riskier, the rewards that they might receive are numerous if they are highly productive. One of the interviewees said that:

*"The private sector is usually more challenging. The risks are a bit higher and the remuneration would completely depends on the performance and output of the works. However, I prefer to work in the private sector."*

Besides, one of the interviewees prefer to work in private sector for short period of time, before joining the public sector for the rest of his life. The reason being is to accumulate higher wealth, consistent with previous statement. In addition, joining private sector first helps him to sharpen his

skills and experiences. Those elements are useful when he enters the public sector in the future. His statement is as follows:

*“As a fresh graduate, I prefer to work in a private sector to gain more experiences and sharpen my skills. But 10 years from now, I plan to work in the government sector to secure my income and my living.”*

Out of all interviewees, it is a saddening truth to find that the preference of the graduates to work on their own is still low. Even though all interviewees were from business and management fields, the interest to create their own jobs is still lacking. Out of ten interviewees, only two of them are interested to become entrepreneurs for the following reasons:

*“It is easier for me to make my own decision, that can shape my future.”*

As mentioned by one of the interviewees, becoming an entrepreneur is a first choice for him since he can easily shape his future career and make his own decisions. This statement is related to the work-life balance (Ruzevicius & Valiukaite, 2017). Looking at his profile, this interviewee had experienced in working with private sector for few months. During his study leave period, he had also experienced in working as a rider to generate incomes. Comparing the two jobs, he is highly satisfied with the latter job as he can easily designed his time to earn as much income that he needs during those time. In this case, past experience and freedom act as the determinants why he chooses to work as an entrepreneur.

The other interviewee chooses to work as an entrepreneur due to the family background. When there exists a family business, it is easier for her to venture into the same business, as the foundation is already established. Instead of looking at remuneration and job security, helping family business is also one of the determining factors to work as an entrepreneur. This is following the interviewee’s statement as follows:

*“I prefer to work on my own, as currently I am helping my father in his business. My father has inspired me so much ...”*

Based on all responses, none of the interviewees have mentioned about participating in the gig economy, by becoming a freelancer. It shows the awareness on the gig works is still lacking. Hence, there is a need to change their mindsets from job seekers to job creators. It is not an easy task. The tertiary educational providers should look at this matter by instilling new mindsets among future graduates and offering more courses related to the entrepreneurship and skills-oriented courses in the near future.

### **Conclusion and Recommendation for Future Works**

Due to the COVID-19 pandemic, the graduate unemployability is expected to increase rapidly. More firms are expected to freeze hiring or retrench workers to minimize operational costs. However, every year, approximately 300,000 graduates are expected to join the labor market. It is indeed an alarming issue as the demand of works are declining while the supply of works is increasing over time. In lieu of this, high reliance on both public and private sector to offer new job opportunities should be stopped. Instead, graduates should look at this health crisis as an opportunity to become job creators, by becoming entrepreneurs or freelancers in the gig economy. It is because the growth of the job market is now focusing on the gig economy. Hence, the tertiary education system should be changed, consistent with the new norm. Instead of focusing too much on theories, there is a need to instill more skills and hands-on approaches to learning, as it will helps the future graduates to create their own jobs.

For future works, it is recommended to look at the graduates' mindsets in choosing their careers, especially graduates in the fields of science and technology. It is because these graduates have the potential to be inventors and innovators in their fields of expertise. If they are also having the same mindsets of looking the jobs rather than inventing new jobs, there should be new approaches that need to be taken to solve the issue as Malaysia needs more inventors and innovators to drive the country into high-income economy.

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