Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.
RECENT GRADUATES AND THE LABOUR MARKET

A Study of Graduate Expectations and Experiences in New Zealand

A thesis presented in partial fulfilment of the requirements for the degree of Master of Business Studies in Human Resource Management

Massey University

Allana Coulon
2002
Acknowledgements

Special thanks to my supervisors, Glyn Jeffrey and, Head of Department, Paul Toulson, for their guidance, support and faith in me throughout this project. Thank you Glyn for providing the impetus and the opportunity to complete my Masters degree.

I also wish to acknowledge the Department of Human Resource Management for its financial support and the Massey University Alumni Office for providing access to reliable graduate contact information.

To my colleagues in the Department of Human Resource Management, thank you for your encouragement and assistance throughout. It is thanks to you I’m still laughing. Sally, your crash course in time management was invaluable and Karl, thank you for tirelessly responding to the knocks at your door in my data analysis phase.

It is impossible to say enough about the support of friends and family, without whom I could not have completed this research. Thanks to Alison and Evan for the early mornings, Anne and Wayne for the weekends, and Ros for the evening meals. I also want to say a special thank you to my brother Raphael – I couldn’t have done it without you.

Finally, it is with all my heart that I want to acknowledge and thank my son Caleb for his patience and endurance in walking through every day of this journey with me.
Table of Contents

Acknowledgements ................................................. i
Table of Contents .................................................. ii
List of Tables ............................................................ v
List of Figures ........................................................... vii
Abstract ................................................................... viii

CHAPTER 1: Introduction .............................................. 1
  Research purpose and questions ................................. 4

CHAPTER 2: A Review of the Literature .......................... 6
  Tertiary participation in context ................................... 6
    Lifelong learning ....................................................... 6
    The New Zealand Context .......................................... 9
    Who is studying? ..................................................... 13
    Mode of study ......................................................... 15
    Combining work and study ........................................ 16
    Choice of study programmes ...................................... 17
  Graduate expectations of employment outcomes ............ 18
  Labour Market Outcomes ........................................... 20
    The ease of transition from study to work .................. 20
    Employment status .................................................. 23
  Employment Experiences .......................................... 26
    Nature of graduate work .......................................... 26
    Underemployment and Credentialism ............................ 31
    Satisfaction with career development ......................... 37

CHAPTER 3: The Present Study ....................................... 40

CHAPTER 4: Methodology ............................................. 43
  Sample population and selection of participants ............. 44
  Collection of data and survey response ....................... 45
  Questionnaire ......................................................... 49
  Type, style and format of relevant questions ................. 50
CHAPTER 5: The Nature of the Sample

Graduate Demographics
- Year of graduation
- Age
- Gender
- Ethnicity
- Residence before and after Massey University
- Work Experience

Student Profile
- Entry qualifications
- Degree study
- Field of study
- Average grade
- Mode of study
- Choice of institution

CHAPTER 6: Results

Factors influencing study choices
- Choice of degree
- Influence of monetary factors

Employment expectations
- Traditional graduates
- Mature graduates

Ease of transition and changeability
- Ease of entry
- Career progression
- Career Turbulence

Labour market experiences
- Temporary employment
- Further study
- Not available for employment
- Unemployment

Employment experiences
- Nature of the current job
- Organisational Size
- Industry Sector
- Occupational level of employment
- Remuneration
- Underemployment

Satisfaction with career development
- Career development
- Future career expectations

CHAPTER 7: Discussion

Research question one
## Table of Contents

Research question two ................................................................. 114  
Research question three ............................................................. 114  
Research question four .............................................................. 117  
Research question five .............................................................. 121  
Research question six ............................................................... 124  
Research question seven ............................................................ 130  
Limitations .................................................................................. 131

**CHAPTER 8: Conclusions** ............................................................ 135  
Question 1: Trends in tertiary participation .................................... 136  
Question 2: Influences on study choice .......................................... 137  
Question 3: Employment expectations .......................................... 137  
Question 4: Transition process ...................................................... 137  
Question 5: Labour market experiences ........................................ 139  
Question 6: Employment experiences .......................................... 139  
Question 7: Career satisfaction ...................................................... 140  
Overall summary and recommendations ...................................... 141

REFERENCES .................................................................................. 143

APPENDIX A INFORMATION SHEET .................................................. 155

APPENDIX B GRADUATE QUESTIONNAIRE ...................................... 157

APPENDIX C NZSOC 1999: MAJOR OCCUPATIONS ......................... 173

APPENDIX D COMMENTS FROM UNDEREMPLOYED GRADUATES .... 175
### List of Tables

4.1 Year of graduation by student age group ........................................... 48  
5.1 Mature and traditional aged students by year of graduation .......... 57  
5.2 Gender distribution of sample by student age group ...................... 57  
5.3 Types of work experience prior to attending Massey University of graduates ................................................................. 60  
5.4 Work experience of graduates while studying by student age group and gender ............................................................. 61  
5.5 Highest qualification prior to study at Massey University by student age group ............................................................... 62  
5.6 College of degree by year of graduation for respondents .......... 64  
5.7 Field of study by gender ................................................................. 65  
5.8 Class of average grade by student age group .................................. 65  
5.9 Mode of study by student age group ................................................ 66  
6.1 Graduate response rates to reasons for choice of degree ............... 69  
6.2 Graduateness of the position expected by degree for traditional graduates .............................................................................. 73  
6.3 Occupational level expected by student age group ....................... 76  
6.4 Length of job search by student age group ......................................... 77  
6.5 Main activity at graduation by student age group ......................... 78  
6.6 Main activity at graduation (those not employed fulltime while studying) ............................................................... 79  
6.7 Main activity at graduation by graduating year ................................. 81  
6.8 Main activity 6 months later by graduating year ................................ 82  
6.9 Main activity one year on by college degree ................................... 83  
6.10 Number of career state changes by student age group ................. 86  
6.11 Number of career state changes (those not employed fulltime while studying) ............................................................. 86
6.12 Number of changes in relation to full time work experience prior to study ................................................................. 87
6.13 Number of changes in relation to full time work experience while studying ............................................................... 87
6.14 Number of permanent jobs since graduation by graduation year .......... 88
6.15 Reasons for undertaking further study by college .................................................. 91
6.16 Reasons for taking time out by student age group ................................................. 92
6.17 Percentage employed by size of employing organisation ........................ 95
6.18 Industry sector by college within which degree completed .................. 97
6.19 Occupational level of mature graduates in full time work during study ................................................................. 98
6.20 Occupational level by gender for traditional aged graduates .......... 99
6.21 Remuneration by gender for traditional graduates ............................ 101
6.22 History of secured position ........................................................................ 102
6.23 Graduate employment by occupational level ............................................. 104
6.24 Level of underemployment experienced by college studied in .......... 105
6.25 Expected career state one year from now .................................................. 108
6.26 F-values for satisfaction with career development and future employment expectations .................................................. 109
List of Figures

5.1 Change in graduate residence following study at Massey University ................................................................. 59
5.2 Origin and destination of traditional aged graduates (18-24) ............ 60
5.3 Origin and destination of mature aged graduates (25+) .................... 60
5.4 Reasons for choosing to study at Massey University by student age group ........................................................................... 68
6.1 Responses by degree studied for graduates selecting their degree on the likelihood of job opportunities ................................................................. 70
6.2 Main activity at graduation ............................................................... 85
6.3 Main activity six months later .......................................................... 85
6.4 Main activity one year after graduation .......................................... 85
6.5 Reasons for temporary employment ................................................ 89
6.6 Occupational level of graduates in stable employment .................. 98
6.7 Remuneration level of graduates in full time employment according to student age group ............................................................... 100
Abstract

This research examined graduate transitions from study to work in New Zealand by investigating the expectations, experiences, and satisfaction with early career for three consecutive graduate cohorts. It was timely, in light of increasing participation in tertiary education; a national emphasis on the development of a learning society and lifelong learning; and the unpredictable and highly competitive labour market in New Zealand. Several key findings emerged from this study, notably: graduates encountered significant turbulence in the first eighteen months of their career; and whilst most graduates had entered stable employment, in many instances they were underemployed.

The findings challenge the limited nature of current data collection processes for the annual New Zealand Vice Chancellors Committee graduate destinations report. Given the importance, both politically and socially, of the need for accurate reporting, it is essential for the current data collection techniques to be revisited.