CHAPTER 1

INTRODUCTION

The youth unemployment rate (2012-2013) at 26.5 per cent in urban and 36.6 per cent in rural areas for individuals holding a degree in graduation and above and in the age group of 15-29 years,¹ against the overall unemployment rate of 5.5 per cent and 4.7 per cent in the urban and rural areas respectively (Ministry of Labor & Employment Labor Bureau, 2014), depict a relatively higher rate of unemployed educated youth in India. Similar findings were reported more than a decade ago in the 55th round of employment-unemployment survey conducted by National Sample Survey of India in the year 1999-2000, where the youth unemployment rate for the individuals with a degree in graduation and above and in the age group of 15-29 years for rural male and female were 10.1 % and 22% respectively and 16.5% and 35.4% for urban male and female respectively. One of the commonly cited reasons for the continued high unemployment rate amongst educated youth is the mismatch between the available jobs and skills of the job seekers (Agarwal, 2007; Sanghi & Srija, 2014; Ministry of Labor & Employment Labor Bureau, 2015; International Labor Organization, 2016). Given the labor market conditions and prevalent skill mismatch, career planning is noted to be of crucial importance in India (Altback, 2009; Khare, 2014; Mamgain & Tiwari, 2016). Hall (1986) defined career planning as “a conscious process of becoming responsive of self, opportunities, constraints, choice and consequences; identifying career-related goals; and programming work, education and related developmental experiences to provide the direction, timing and sequence of steps to attain a specific career goal” (p. 47). However, career planning is the initial step in the process of career development which fosters vocational decision making (Gunkel, Schlaegel,

¹Report on Youth Employment-Unemployment Scenario (2012-13) Volume III.
Langella, & Peluchette, 2010). More specific to finding employment is the manifestation of job search behavior, which refers to identifying the presence of job opportunities and gathering more detailed information on selected job alternatives (Barber, 1994).

In 1967, Soelberg defined job search behavior as a sequential process of planning job search (for e.g. allocating resources to search a job and identifying the sources to produce initial job alternatives) followed by executing job search and choice phase (for e.g. collecting information on job alternatives, and evaluating those alternatives). Job search behavior consists of sources used to acquire information about job vacancies as well as the intensity with which such information is pursued (Schwab, Rynes, & Aldag, 1987). Additionally, Kanfer, Wanberg, and Kantrowitz (2001) defined job search behavior as the self-regulated process that starts with the identification of and dedication to an employment goal. Boswell et al. (2006) added that job search is a behavior through which time and effort is dedicated for acquisition of job related information and to generate occupational alternatives. As job search has been largely conceptualized as self-regulated behavior (Kanfer et al., 2001), “it is likely to vary across individuals along three major dimensions, namely: effort-intensity (effort and frequency of job search), content-direction (strategy followed, sources used, and activities engaged in), and temporal-persistence (persistence in dynamic nature of job search process)” (Van Hoye, Klehe, & Van Hooft, 2013, p. 5).

The most widely studied dimension of job search behavior is job search intensity (Blau, 1994; Wanberg, Kanfer, & Banas, 2000; Zikic & Saks, 2009; Palanski, Avey, & Jiraporn, 2014; Saks, Zikic, & Koen, 2015; Lim, Lent, & Penn, 2016; Wanberg, Kanfer, Hamann, & Zhang, 2016; Yizhong et al., 2017) which suggests that higher the job seekers’ job search intensity, greater is the chance of meeting an employment goal (Wanberg, Watt, & Rumsey, 1996). Job
search intensity is conceptualized as the frequency of performing job search activities such as, gathering job related information, contacting potential employers, writing and updating resume, submitting a job application etc. (Zacher, 2013). However, employment does not only depend on job seekers’ job search intensity but also on the specific strategies followed to search for a job (Crossley & Highhouse, 2005; McArdle, Waters, Briscoe, & Hall, 2007; Koen, Van Vianen, Van Hooft, & Klehe, 2016; Taggar & Kuron, 2016). Furthermore, finding a job does not always mean finding a good and fulfilling job. Obtaining a job that does not matches with the skills, knowledge, and interest of the individual leads to job related anxiety, depression, and turnover intentions and it may also cost the employers in terms of decreased productivity, absenteeism, and high employee turnover rate (Wolbers, 2003; Wheeler, Coleman Gallagher, Brouer, & Sablynski, 2007; Ford, 2012; Badillo-Amador & Vila, 2013; Felstead, Gallie, Green, & Inanc, 2015; Tanner, Bamberg, Kersten, Kozak, & Nienhaus, 2017). On the other hand, if the job obtained is a good fit for the individual, it leads to job satisfaction and positive career related outcomes (Furnham & Schaeffer, 1984; Judge, 1994; Hardin & Donaldson, 2014; Oh et al., 2014; Chen, Sparrow, & Cooper, 2016). In this regard, the job search strategies used by the job seekers, play a critical role in determining the person job fit and the quality of employment obtained (Crossley & Highhouse, 2005; Koen, Klehe, Van Vianen, Zikic, & Nauta, 2010; Bonaccio, Gauvin, & Reeve, 2014). Given the high youth unemployment rate in India and in view of the significance of job search strategies in determining the quantity and quality of jobs, it is relevant to explore the predictors and outcomes of job search strategies amongst the job seeking youth in India. The next section describes the motivation of this study.
1.1 Motivation for the Study

India has over 354 million of its population in the age group of 15-29 years and the average age of India’s population will be 29 years by the year 2020 (UN Report, 2015; International Labor Organization, 2016). India, with a huge young population, has the potential to supply ample workforce in the global job market due to its demographic composition. However, in spite of such a young population base, experts have questioned the employability of the Indian workforce which stems from the mismatch between the skills of the individuals and requirements of the job (Syed, 2011; Shrivastava, 2013; Thomas, Rajaraman, Shankar, & Vaz, 2013; Mahajan, Agrawal, Sharma, & Nangia, 2014). In this regard, a national employability test conducted amongst 32000 MBA students across 220 business schools in India by Aspiring minds, one of the leading employability solution companies in India, reported that the employability of MBA students was found to be below 10 per cent for any functional role in the field of finance, HR, and marketing whereas it falls between 10 to 20 per cent for roles involving client servicing and sales (National Employability Report for MBA Graduates, 2012). More recently, the Associated Chambers of Commerce & Industry of India (ASSOCHAM)\(^2\) has noted that out of over three lakh MBA graduates passing out every year, only 7 per cent possess the skills required to succeed and sustain in the job market, excluding graduates from a few top business schools like IIMs. The report further added that a large number of students, on an average, spends INR 3 to 5 lakhs on pursuing a two-year MBA programme, but earn a monthly salary between INR 8,000 to 10,000; reflecting underemployment (ASSOCHAM, 2016). Considering the robust demand for MBA jobs and the number of graduates opting for MBA in the post graduate programs, the

\(^2\)ASSOCHAM is one of the apex trade associations of India which represents the interests of trade and commerce in India, and acts as an interface between industry, government and other relevant stakeholders on policy issues and initiatives (retrieved from www.assocham.org).
decline in campus placement i.e. nearly 45% from 2014 to 2016 (ASSOCHAM, 2016) is alarming. As a result, graduating students are left to search for a job on their own i.e. without effective placement assistance.

Other than the institutional level remedies such as curriculum reforms, industry interface, and emphasis on vocational training, one of the ways to combat skill mismatch amongst higher education students is career planning (Altback, 2009; Chatterjee, 2014). Career planning gives confidence to individuals for taking greater responsibilities for their self-development and further helps in building the critical skills required in the job market (Doyle, 1997; Lent & Brown, 2013; Spurk, Kauffeld, Barthauer, & Heinemann, 2015; Praskova, Creed, & Hood, 2015; Direnzo, Greenhaus, & Weer, 2015; Chakraborty, Gupta, & Saha, 2017). In light of the above reports and findings, it can be inferred that the advantages of demographic dividend (i.e. growth opportunity for India with 64 per cent of its population in the working age group by 2020) can be obtained only if effective career planning is ensured among the higher education students in India; failing which, may elevate the likelihood of increased unemployment and underemployment in the years to come (Sanghi & Srija, 2014).

In this regard, empirical studies conducted in the past have shown that career planning is the preliminary stage of a successful job search process (Saks & Ashforth, 2002; Hirschi, 2014; Corr & Mutinelli, 2017). Thus, it is important to study the career planning attitudes of management students and their impact on the job search strategies which ultimately leads to accomplishment of an employment goal and determines the quality of employment obtained (Bonaccio et al., 2014; Taggar & Kuron, 2016). However, career planning attitudes are the individual factors, while job search strategies are equally influenced by contextual factors such as social support, financial hardship, and labor market conditions (Kanfer et al., 2001; Boswell, Roehling, &
Boudreau, 2006; Wanberg, Zhu, & Van Hooft, 2010; Van Hoye, Saks, Lievens, & Weijters, 2015). Therefore, an extensive research is required to understand the individual and contextual factors that influence the job search strategies. Further, it is also relevant to examine the impact of specific job search strategies on quantity and quality of job search outcomes amongst the graduating students in India so as to help them in successful school-to-work transition. The objectives of this study have been elaborated further after extensive review of literature and identification of relevant research gaps.

1.2 Dissertation Layout

This thesis has eight chapters. A brief background of the study is presented in the next chapter followed by the review of literature on job search strategies and related constructs such as their antecedents and consequences and the identified research gaps in the third chapter. The fourth chapter presents the research objectives and hypotheses development with brief explanation of the proposed relationships. The fifth chapter covers the research methodology followed by sixth chapter that explains the detailed steps of data analysis and results. The seventh chapter describes the hypotheses testing and the findings of this study. Finally, the thesis ends with eighth chapter that discusses the implications of the results obtained along with the study limitations and directions for future research.