

CHAPTER I

INTRODUCTION

1.1 Background of the Problem

Changes in labour market conditions in the era of globalisation and digitalisation have intensified career uncertainty, particularly for fresh graduates entering the labour market for the first time. These developments require individuals to consider several employment-related factors, including career development opportunities, compensation, job stability, and long-term career sustainability (ILO, 2022; Jackson & Tomlinson, 2020).

This uncertainty has become increasingly evident in the changing nature of employment relations, marked by the growth of flexible work arrangements such as short-term contracts, project-based work, freelance employment, and the gig economy. These forms of employment tend to provide less stability than permanent employment, requiring individuals to become more adaptive in managing their careers and responding to rapid changes in the world of work (De Vos et al., 2020).

Fresh graduates represent a particularly vulnerable group in this context because they are undergoing the transition from higher education to employment. During this stage, they must not only secure employment but also begin to establish their long-term career direction and expectations. According to the International Labour Organization (ILO, 2022), young workers face a higher level of vulnerability than other age groups, especially in relation to job stability and career continuity. This concern is also supported by data from Statistics Indonesia (BPS, 2022), which show that the open unemployment rate among university graduates remains relatively high.

The challenges faced by fresh graduates are not limited to the availability of employment opportunities, but also concern the quality of available jobs. Job

mismatch, which occurs when individuals work in fields that do not correspond to their educational background, may further increase uncertainty in long-term career development. Fresh graduates therefore need to assess whether a job can provide development opportunities, stability, and sustainable career prospects.

In this context, the formation of long-term career expectations becomes particularly important. Long-Term Career Expectations refer to individuals' expectations regarding their future career development, including promotion opportunities, professional growth, job stability, and career continuity. Individuals with clear career expectations tend to be more proactive in developing competencies, making career decisions, and adapting to labour market demands. By contrast, individuals whose career expectations lack direction may experience greater uncertainty in planning their future careers.

Conceptually, career expectations are shaped by both environmental and psychological factors. De Vos, Van der Heijden, and Akkermans (2020), through the concept of sustainable careers, argue that career development is influenced by the interaction between the individual, context, and time. This suggests that the work environment plays an important role in shaping individuals' perceptions and expectations of their future careers.

Several influential environmental factors are salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility. For fresh graduates, such factors represent important considerations when evaluating job quality and future career prospects (Akkermans et al., 2021). Jobs that offer career development, work-life balance, fair compensation, and a strong organisational reputation are more likely to be perceived as attractive and supportive of career sustainability.

However, the effect of salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility on long-term career expectations does not necessarily occur directly. According to Social

Cognitive Career Theory (SCCT), environmental factors first pass through individuals' beliefs, perceptions, and evaluations before influencing career outcomes (Lent et al., 1994). Fresh graduates therefore assess employment opportunities not only on the basis of objective conditions, but also according to how they interpret those conditions in relation to job security and career continuity.

Within this framework, Belief in Job Stability becomes an important psychological factor. This construct refers to individuals' belief in the security, continuity, and stability of employment over the long term. Individuals who hold strong beliefs in job stability tend to develop clearer career orientations and more positive expectations regarding their future careers. Conversely, weak belief in job stability may lead to doubt and uncertainty in career planning.

Liao et al. (2023) found that perceptions of job stability significantly influence career commitment and long-term career orientation. Similarly, Jackson and Tomlinson (2020) argue that fresh graduates are particularly sensitive to employment uncertainty, making job stability a major consideration in the formation of career expectations. These findings indicate that job stability is not merely a structural feature of employment, but also a psychological factor that shapes how individuals perceive their career futures.

Although previous studies have examined the relationship between salary and benefits, career development opportunities, work-life balance, corporate image, job accessibility, and career expectations, much of the existing research has focused on direct relationships between variables. Moreover, many prior studies have examined employees with work experience, and therefore do not fully capture the situation of fresh graduates who are still in the early stage of career transition. Further research is therefore needed not only to examine the direct effects of salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility on Long-Term Career

Expectations, but also to explain the psychological mechanism linking these variables through Belief in Job Stability.

Based on these phenomena and the identified research gap, this study aims to analyse the effects of salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility on Long-Term Career Expectations among fresh graduates, with Belief in Job Stability as a mediating variable. The study seeks to provide a deeper understanding of how salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility shape long-term career expectations, both directly and through individuals' belief in job stability.

1.2 Problem Formulation

Reflecting on the context established in the background section, salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility play a significant role in determining future career expectations, both as direct antecedents and through the mediation of belief in job stability. Consequently, the fundamental problems investigated in this research are defined as follows:

1. Do salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility influence belief in job stability among fresh graduates?
2. Do salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility influence long-term career expectations among fresh graduates?
3. Does belief in job stability influence long-term career expectations among fresh graduates?
4. Does belief in job stability mediate the influence of salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility on long-term career expectations among fresh graduates?

1.3 Research Objectives

Driven by the research questions formulated above, the specific objectives of this study are outlined as follows:

1. To examine how salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility determine the belief in job stability among recent university graduates.
2. To evaluate the direct impact of salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility on the long-term career expectations of fresh graduates.
3. To analyse the influence of belief in job stability on long-term career expectations among fresh graduates.
4. To analyse the role of belief in job stability as a mediating variable in the influence of salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility on long-term career expectations among fresh graduates.

1.4 Significance of the Study

1.4.1 Theoretical Significance

The findings of this research are projected to advance academic discourse, particularly within human resource management literatures focused on long-term career outlooks. Furthermore, this inquiry serves to enrich existing empirical insights regarding how salary and benefits, career development opportunities, work-life balance, corporate image, and job accessibility operate alongside the mediating mechanism of belief in job stability to determine career expectations, specifically within the new graduate demographic.

1.4.2 Practical Significance

a. For Companies

This investigation offers strategic insights for enterprises and organizations in formulating human resource policies, especially those tailored to enhance organizational attractiveness and talent acquisition strategies directed toward recent university graduates. Companies may gain an understanding that external factors such as salary and workplace facilities are not the only important considerations; they also need to recognise the importance of creating perceptions of job stability that can strengthen employees' long-term career expectations.

b. For Fresh Graduates

This study is expected to provide fresh graduates with an understanding of the factors that influence long-term career expectations. In this way, individuals may become more careful and informed in considering employment choices, not only on the basis of external factors, but also by taking into account aspects of job stability.

c. For Future Researchers

This study is expected to serve as a reference for future research concerning career expectations, salary and benefits, career development opportunities, work-life balance, corporate image, job accessibility, and job stability. Furthermore, future research may develop this study further by adding other variables or by using different research methods.