WORK STRESSORS AMONG RECENT BUSINESS SCHOOL GRADUATES

RONALD J. BURKE*
Faculty of Administrative Studies, York University, North York, Canada

SUMMARY

This research examined the relationship of contemporary work stressors to work outcomes and measures of psychological well-being among recent business school graduates. Most stress research has considered longer tenured organizational employees. Two hundred and seventeen respondents completed anonymous questionnaires. Three categories of work stressors were studied: job insecurity, underemployment and unmet expectations. Unmet job challenge and job demands expectations and underemployment were consistently related to more negative work outcomes. Work stressors were less strongly related to psychological well-being, however. © 1998 John Wiley & Sons, Ltd.

The last two decades have witnessed considerable interest in the experience of workplace stress.1,2 This has resulted in increased understanding of antecedents as well as consequences of stress at work. During this period of time, specific work stressors that have been considered have also undergone some change to reflect changing realities of the workplace. Thus the 1980s showed increasing interest in the experiences of job loss, job insecurity and stressors associated with organizational restructuring, merging and downsizing.2,3

There has also been an interest in work stress research to capture some of the experiences of different groups of employees. As the workforce has become increasingly diverse, more research attention has been devoted to understanding the experiences of women4 and members of other non-traditional employee groups (e.g. members of racial and ethnic groups).

Typically, stress research has focused on the experiences of established and long tenured employees. Relatively little attention was paid to particular work stressors associated with early stages of career development. As a result, studies of job insecurity and job loss have traditionally focused on men and women fairly established in their jobs and careers.5 This was realistic, since it was these employees who were impacted first by organizational responses to the economic realities of the 1980s and 1990s that resulted in downsizing, retrenchment and decline.

A decision was made to examine three work stressors believed to have increasing relevance for recent business school graduates’ work and career experiences. These were job insecurity, underemployment and unmet expectations. Roskies and her colleagues6,7 have shown evidence of increasing prevalence of job insecurity as well as its consequences for professionals and managers. Feldman and Turnley8 studied consequences of underemployment among recent business school graduates. They noted that only about 60 percent of their sample were fully employed in their jobs. Others9-13 estimate the number of underemployment to be between 20 and 25 percent. Finally, pressures for greater productivity and employee commitment coupled with changes in work values reflecting greater attention to work–family concerns14 suggest increasing unmet expectations among new workforce entrants.

The present investigation considers the effects of a number of work stressors in a sample of recent business school graduates. Until recently they were...
almost assured of some degree of job and career security. Organizations were eager to recruit such individuals into their professional and managerial ranks. Are these individuals immune from work stressors such as insecurity and underutilization which have affected their longer tenured colleagues? Or do they experience both these work stressors and the negative consequences associated with them?

METHOD

Respondents

Data were obtained from 217 women and men who obtained an undergraduate degree in business from a single Canadian university. The following comments are offered in summary. The sample included slightly more males than females. Respondents were fairly evenly spread over the seven graduating classes. The majority were between 26 and 30 years of age (60 percent), were single (66 percent) and without children (91 percent). About one-quarter had worked part-time and 15 percent had a break in their career histories. About half were earning between $30,000 and $50,000. Finally, about one-third had MBA degrees and about one-quarter had the CA professional designation.

Procedure

Names and addresses of all graduates from 1989 through 1995 (7 graduating class) were obtained from a central alumni directory. Each (N = 673) was then mailed a questionnaire. Data collection continued over a 6-week period following the initial mailing. The sample (N = 217) represented a 40 percent response rate when late returns and questionnaires returned because respondents were no longer at the provided address were taken into account.

Measures

Work Stressors. Six work stressors, falling into three categories (insecurity, underemployment, unmet expectations), were included, each measured by multiple items.

Threats to security was measured by four items (z = 0.60). Respondents indicated how likely they were to experience four events in the next year or so: termination, demotion, pay cut and deterioration in working conditions. These items were developed by Roskies and Louis-Guerin.6

Danger signs were measured by a six-item scale (z = 0.65). Respondents indicated which signs they had observed indicating that their job could be in danger. Items included: informal rumours, technological changes, business conditions and general policy statements. These items were also developed by Roskies and Louis-Guerin.6

Insecurity was measured by two items (z = 0.78). Respondents indicated how frequently they thought about their security in their present job and their ability to find another job should they lose their present one. These items were used previously by Roskies and Louis-Guerin.6

Underemployment was measured by a two-item scale (z = 0.70). Respondents indicated the extent to which they felt they needed a university business degree to do their job well and the extent to which their current job was related to their field of interest and university education. These items were used previously by Feldman and Turnley.8

Unmet expectations were measured by two scales. One, job challenge expectations, had five items (z = 0.74), the second, job demands expectations, had two items (z = 0.78). Respondents indicated, looking back over their career so far, the extent to which their expectations had been met, not met or exceeded. Job challenge expectations items included salary, career advancement and opportunities to develop new skills. Job demands expectation were stress and required hours.

Work outcomes. Five work outcomes were considered, each measured by multiple items. Job satisfaction was measured by a five-item scale (z = 0.85) developed by Quinn and Shepard.15 A sample item included, ‘All in all, how satisfied, would you say you are with your job?’ Intention to quit (z = 0.73) consisted of two items.8

Career satisfaction, developed by Greenhaus, et al., had five items (z = 0.90). These included, ‘I am satisfied with the success I have achieved in my career.’ Job involvement had three items (z = 0.75) taken from earlier work by Lodahl and Kejner.17 A sample item was, ‘The most important things that happen to me involve my work’. Future career prospects developed by Greenhaus, et al.16 had four items (z = 0.82) which included, ‘I have very good prospects for promotion in this company’.
**Psychological well-being.** Two measures of psychological well-being were used, both having multiple items.

Life satisfaction was measured by three items (α = 0.90) taken from Caplan et al.18 One item was, ‘I find a great deal of happiness in life’.

Psychological mood was measured by a seven-item scale used previously by Feldman and Turnley.8 Respondents indicated how often they felt bored, lonely, helpless and angry with themselves. This scale had an internal consistency reliability, Cronbach’s α, of 73.

**RESULTS**

**Work stressors**

Before considering the relationship between work stressors, work outcomes and measures of psychological well-being, some discussion of the work stressors used in the study is necessary. This results from their infrequent use with recent university graduates and the need to understand their prevalence in order to put substantive findings in an appropriate context.

Let us first consider the measure of unmet expectations. Respondents had their expectations met on two of the five job challenges (status/prestige, influence), not met on two (salary, career advancement) and exceeded on one (new skills). Respondents also indicated that both job demands (stress, hours worked) exceeded their expectations.

Considering the measure of danger signs, almost 40 percent indicated one or more danger signs. The most common danger signs were business conditions (23 percent), informal rumours (14 percent) and changes in management (13 percent).

Finally, considering insecurity, the most common events were a deterioration in working conditions followed in turn by termination, a pay cut and demotion. Relatively few respondents believed they would experience terminations, pay cuts or demotions in the next year, however.

**Correlations among measures**

The five measures of work outcomes were significantly intercorrelated, ranging from a low of −0.19 (job involvement and intention to quit, p < 0.01) to a high of 0.80 (career satisfaction and future career prospects, p < 0.001). The average correlation was 0.51. The measures of life satisfaction and emotional health were significantly correlated (r = 0.57, p < 0.001).

Considering the six measures of work stressors, only five of the 15 resulting correlations reached statistical significances (p = 0.05). Three of these five involved intercorrelations among the measures of insecurity; a fourth involved the measure of underemployment and unmet job challenge; and the fifth involved the measure of danger signs and unmet job challenge. These fifteen correlations ranged from a low of 0.06 to a high of 0.57, the average correlation being 0.16.

**Work stressors and work outcomes**

Correlations between the six work stressors and the five work outcomes were then considered. Twenty-five of the 30 correlations were significantly different from zero (p < 0.05). In all cases, recent business school graduates reporting greater work stressors also reported more negative responses on the work outcomes (less satisfaction, greater intention to quit). It should be noted that the significant relationships among the work outcome measures undoubtedly contributed to the large number of statistically significant correlations.

**Work stressors and psychological well-being**

Correlations between the six work stressors and the two measures of psychological well-being were also examined. Seven of the twelve correlations (58 percent) were significantly different from zero (p < 0.05). In all cases, business school graduates reporting greater work demands also reported less life satisfaction and poorer psychological mood. Interestingly, the work stressors tended to have a different pattern of relationships with the measures of psychological well-being. The three measures tapping insecurity were significantly related to the measure of psychological mood, while only one of these measures was related to the measure of life satisfaction.

Underemployment was unrelated to either measure of psychological health. The absence of relationships here was likely due to the fact that few business school graduates in the sample were fully underemployed, resulting in restricted variance on this measure and psychological health being influenced by a number of variables, the work setting being only one of them.

**Multiple regression analyses**

Multiple regression analyses were then undertaken in which predictor variables were entered in
blocks in a particular order. Personal demographic characteristics \((N = 4)\) were entered first. Work stressors \((N = 6)\) were entered next. The important research question was whether the addition of the work stressors would result in an increase in explained variance on the measures of work outcomes and psychological well-being.

Table 1 presents the results of these analyses. It shows, for each block of predictors, the amount of explained variance and its statistical significance, the increment in explained variance and its statistical significance, and within each block of predictors those variables having independent and significant relationships with the dependent variable \((p < 0.05)\). Values in parentheses are \(βs\).

The following comments are offered in summary. Considering career satisfaction, personal demographics accounted for a significant amount of explained variance; individuals graduating less recently were more satisfied with their careers. The addition of the second block of predictors, work stressors, resulted in a significant increment in explained variance. Four work stressors had significant and independent relationships with career satisfaction: job challenge expectations, underemployment, number of danger signs and level of insecurity. Individuals reporting smaller challenge expectations gaps, less underemployment, fewer danger signs and less insecurity were more satisfied with their careers.

Moving next to job involvement, the block of personal characteristics failed to account for a significant amount of explained variance. The second block of predictors did account for a significant increment in explained variance; individuals reporting smaller job challenge and job insecurity, were also more job involved.

Let us now consider future career prospects. Personal characteristics accounted for a significant increment in explained variance; individuals with less organizational tenure reported more optimistic career prospects. Work stressors accounted for a significant increment in explained variance; individuals reporting smaller job challenge expectations gaps and less underemployment also had more optimistic future career prospects.

Moving next to job satisfaction, personal demographic characteristics failed to account for a significant amount of explained variance. Work stressors did account for a significant increment in explained variance; individuals reporting smaller job challenge expectations gaps and less underemployment were also more satisfied in their jobs.

Considering intentions to quit, personal characteristics accounted for a significant amount of explained variance; individuals working in smaller organizations reported greater intentions...
to quit. Work stressors accounted for a significant increment in explained variance; individuals reporting greater job challenge expectations gaps and greater insecurity were more likely to quit.

Additional regression analyses were then undertaken in which the two measures of psychological well-being (life satisfaction, psychological moods) were regressed on three blocks of predictors: personal characteristics (N = 4), work stressors (N = 6) and work outcomes (N = 5). These results are shown in Table 2.

The following comments are offered in summary. Let us first consider life satisfaction. Personal characteristics failed to explain a significant amount of variance. Work stressors accounted for a significant increment in explained variance; individuals with smaller job demands expectations gaps were more satisfied with their lives. Work outcomes also accounted for a significant increment in explained variance; individuals who were more job involved were more satisfied with their lives.

Finally, considering psychological mood, personal characteristics explained a significant amount of variance; individuals having longer organizational tenure had more positive psychological moods. Work stressors, as a block, accounted for a significant increment in explained variance, though none of the work stressors had a significant and independent relationship with this dependent variable. Work outcomes also showed a significant increment in explained variance; individuals who were more job involved and less job satisfied reported more negative psychological moods.

At a more general level, personal characteristics tended to have weak and inconsistent relationships with all dependent variables. Work stressors had stronger and more consistent relationships. In this regard, three work stressors — job challenge expectations gaps, feelings of underemployment and felt insecurity — stood out.

**DISCUSSION**

The findings of this study will be organized around two questions. First, do recent business school graduates report job insecurity, underemployment or unmet expectations? Second, does the experience of these work stressors translate into negative work and health consequences?

The three areas of work stressors considered in this research appeared to be relevant to business school graduates in the early career stage. Only 60 percent were fully employed in their jobs; respondents were working harder with fewer rewards than they had expected and though not likely to lose their jobs within the next year, many thought about their security. It should not be surprising that work stressors associated with restructuring, retrenchment and downsizing would be reported by recent business school graduates in their early career stages as well as by their longer tenured colleagues.

In addition, consistent with the larger body of work stress findings, recent business school graduates reporting higher levels of work stress also reported less positive work outcomes and poorer emotional well-being. Feldman and Turnley reported that underemployment was associated with poor psychological mood and less job satisfaction in their study of recent business college graduates.

These findings have several practical implications. Organizations are increasingly searching for ways to become more productive. Since only 60 percent of the respondents reported being fully employed and utilized in their current jobs, organizations have considerable leverage in increasing productivity by demanding more from their employees. One way to accomplish this is to enlarge their jobs, increase their responsibility and heighten pressure for results. Bardwick offers a variety of suggestions on how these efforts might be undertaken.

The unmet expectations gap might be addressed in several ways. First, recent business school graduates, in the recruiting process, might be given a more realistic job (work, organization) preview. In addition, efforts could be made to help
professionals and managers work smarter, not harder. Finally, a range of non-monetary rewards and recognition initiatives could be promoted.

Feelings of insecurity must also be addressed. It has been suggested by some\textsuperscript{19,22,23} that organizations are in the middle of a shift in the nature of the employment contract.\textsuperscript{24} Some have suggested that job security is dead; the ‘old’ career rules have been replaced by ‘new’ career rules. Organizations can help employees in this period of stressful transition. They can do this by highlighting the need for change; minimizing losses to employees as a result of change, articulating the new employment contract and supporting acceptance of this new contract (see references 19, 23 and 24 for specific initiatives). In the not-too-distant future, security will not be given by an organization but rather experienced by employees as a result of value-added contributions to their organization and possessing marketable skills.

It is also important that individual professionals and managers realize their responsibility and roles. Individuals feeling underemployed must understand that this condition will likely hinder peak performance and, as a result, they had better proactively seek out greater challenge. Similarly, individuals have a responsibility — and a stake — in maintaining their employability. There are no more guarantees! Schools of business have a potentially important socialization role to play here as well. It is critical that business students come to grips with the new organizational order, understand the ‘new’ career rules, and the implications these have for their own professional development.

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REFERENCES


