DETERMINANTS EMPLOYMENT MISMATCH GRADUATES IN AUTO BAVARIA AND MILLENNIUM AUTOHAUS

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Abstract. To begin with, employment mismatch has turned out to be one of a growing concern in Malaysia, particularly among graduates who just finished their studies and are entering the labor market as new employees, especially after following the COVID-19 pandemic. This study aims to examine and to gain insights about the determinants of employment mismatch among graduates working in Auto Bavaria (AB) and Millennium Autohaus (MAH) in the automotive sector. Steered by the following theories, such as Human Capital Theory, Career Mobility Theory, and Signaling Theory, this quantitative study investigates the influence of career vision and academic qualification effects on employment mismatch. All data were collected using structured questionnaires, distributed via an online Google form, and analyzed by means of SPSS Version 29, which covered descriptive statistics, correlation analysis, and multiple regression analysis. At the end of this study, the findings aim to provide insights for organizations and industries, policymakers, and graduates in addressing employment mismatch and improving workforce alignment in terms of better alignment between career vision and how academic qualification contributes merit as whole.
Keywords: *employment, mismatch, career vision, academic qualification*

Introduction

Graduates who faced employment mismatch have emerged as a critical labour market issue in Malaysia, where a significant percentage of degree-holding graduates not only having degree holders are employed in organization and having job that do not align with their educational qualifications or skill set requirements. Reports from the Department of Statistics Malaysia indicate these rising underemployment rates among graduates, highlighting inefficiencies in the education-to-employment transition, respectively, which caused a mismatch and led to inefficiency in terms of productivity in the workforce. This study focuses on graduates employed in AB and MAH to examine key determinants contributing to employment mismatch in the automotive sector.

Literature review and conceptual framework

An employment mismatch occurs when there is misalignment between an employee's academic qualifications, work-related skills and competencies, and career vision and work/role requirements. Previous studies suggest that unclear career vision and academic-occupation mismatch with job roles may significantly contribute to mismatch outcomes. Hence, Human Capital Theory emphasizes the role of education and skills investment, while Career Mobility Theory views mismatch as a temporary career stage, and Signaling Theory enlightens the role of qualifications as labor market signals.

Employment mismatch

Employment mismatch refers to a situation in which graduates work in jobs that are unrelated to their field of study or below their qualification level (Ofor-Douglas, 2025; Ntemngweh, 2016). In Malaysia, employment mismatch that occurred throughout the year has become increasingly significant and a source of worry, particularly among fresh graduates that is entering the labor market. Data from the Department of Statistics Malaysia (DOSM, 2022) indicates a worrying percentage whereby a considerable proportion of graduates are underemployed, highlighting a growing misalignment between their educational qualifications and the working requirements set by industries or organizations. The gap between skills acquired in educational institutions and those required by organizations or industries has contributed to youth underemployment as fresh graduates do not have the necessary characteristic set of skills that match employers' needs. Therefore, this mismatch not only affects at the individual career development and job satisfaction but also led toward reduces of organizational performance, productivity, and overall economic efficiency. Therefore, employment mismatch serves as the dependent variable in this study.

Career vision

Career vision can be defined as an individual's vision regarding their long-term career goals and professional path in a certain organization. Graduates who lack a well-defined career plan are more likely to enter jobs that do not align with their academic qualifications, thereby increasing the likelihood of employment mismatch (Jeffri and Abdul Rahim, 2023; Savickas, 2005). In research conducted by Heng et al. (2023), they recommended that having proactive career planning, good networking, and skill acquisition are essential as individual in aligning career aspirations with labor market demands and gaining advantages. This is supported by Vivek and Nanthagopan (2021), who emphasized that those graduates with a frail career vision and recruitment processes that prioritize vacancy filling over alignment may lead to mismatched employment. IN terms of a theoretical perspective, Career Mobility Theory explains that graduates may temporarily accept lower-level or mismatched roles in order to gain temporary experience and seeking suitable role that may improve long-term career prospects. Similarly, Human Capital Theory also explained that education and training are considered part of investments that is intended to enhance graduates' productivity and earning potential. Therefore, it is understandable that when graduates' career direction is unclear, these investment transitions would not translate into appropriate job placement or lead to career development. (H1): There is a positive relationship between career vision and employment mismatch among graduates at AB and MAH.

Academic qualifications

Academic qualifications refer to the formal educational achievements attained by graduates after finishing studies at a certain level in academic institutions. While higher education is expected to improve employability, the rapid increase of tertiary education has led to credential inflation and overeducation, which may contribute to job mismatch when graduates are employed in positions below their qualification levels (Shahidan et al., 2019). University education aims to develop both disciplinary knowledge and transferable skills; however, employer unfairness toward academic credentials often

creates a mismatch. DOSM (2022) reported that the increasing number of degree holders has not been matched by corresponding growth in high-skilled job opportunities in the labor market, and thus, leading to employment mismatch due to limited selections. According to Human Capital Theory, it emphasized about the education increases productivity and earning potential. Nevertheless, when labor market demand does not align with educational output, graduates may accept jobs below their qualification level. From the perspective of Signaling Theory, education serves as a signal of ability in conditions of information asymmetry; however, when most job seekers possess similar qualifications, the signaling value diminishes, leading to a mismatch. (H2): There is a positive relationship between academic qualifications and employment mismatch among graduates at AB and MAH.

Underpinning theories

As mentioned in previous topics, this study is grounded in three main theories. Human Capital Theory which posits that education and training enhance productivity and earnings; however, when educational supply exceeds market demand, a mismatch may occur. Next, Career Mobility Theory explains that employment mismatch can be a temporary stage in early career development, where graduates accept lower-level roles to accumulate experience. And lastly, Signaling Theory explains that education functions as a signal of ability in the labor market, but as the higher an individual's qualifications, the signaling value declines, potentially contributing to overeducation and mismatch.

Materials and Methods

This study employed a quantitative, cross-sectional research design by using a correlational approach. The Google Forms platform was used to deliver a structured questionnaire that was used to gather primary data. Meanwhile, secondary data were drawn from academic journals, books, e-books, and reliable online sources, which provided theoretical support and helped contextualize the findings. The combination of primary and secondary data developed the analysis and enhanced the validity of the outcomes. In both companies, a convenience sampling method was employed due to time and resource constraints, with respondents mainly drawn from SDAB and MAH who joined between 2020 and 2025. The sample size frame of 133 respondents' usable responses and data were collected through an online questionnaire using a five-point Likert scale. Lastly, SPSS Version 29 was used to conduct reliability analysis, descriptive statistics, Pearson correlation, and multiple regression analysis. Cronbach's alpha was used to assess the internal consistency of the measurement items, as it provides an indication of the reliability of items within a construct (Wu, 2023; Vaske et al., 2017) (*Figure 1*).

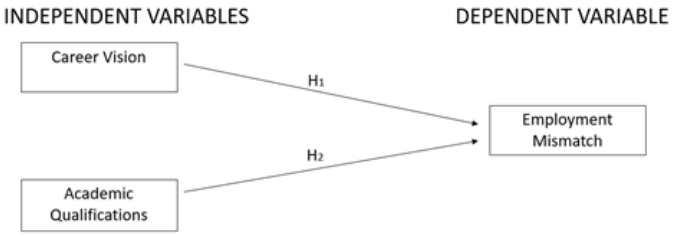


Figure 1. *Conceptual framework.*

Results and Discussion

The findings indicate that there are several independent variables that demonstrate a significant relationship with employment mismatch. Results from multiple regression analysis also identified which variable has the most influential determinants contributing to the mismatch among graduates in both companies. Hence, this model explains a meaningful proportion of variance in employment mismatch, supporting the proposed hypotheses and theoretical framework for this study. A total of 139 questionnaires were distributed, of which 133 valid responses were retained after data cleaning and screening. Reliability analysis confirmed acceptable internal consistency for most constructs. Multiple regression analysis was conducted to examine the determinants of employment mismatch among graduates.

Model summary

The Model Summary *Table 1* indicates that the regression model is strong in explaining employment mismatch based on career vision and academic qualifications findings. Having said that, the correlation coefficient (R = .810) displays a strong positive relationship between employment mismatch and the combined independent variables. In addition, the R Square value of .656 indicates that 65.6% of the variance in employment mismatch is explained by these predictors, demonstrating strong explanatory power with the framework studied. The Adjusted R-Square value of .643 further confirms that the model remains stable even after accounting for the number of predictors included. Meanwhile, the Standard Error of the Estimate (.50210) suggests that the model provides reasonably accurate predictions. Overall, the findings show that the regression model is robust and appropriate for explaining employment mismatch.

Table 1. *Model summary.*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.810[a]	.656	.643	.50210

Note: a. Predictors: (Constant), DJF, SOE, WS, CV, AQ.

ANOVA

The ANOVA *Table 2* outcomes show that the regression model is statistically significant ($F = 48.528$, $p < 0.001$). This recommends that career vision and academic qualification collectively explain a significant proportion of variance in employment mismatch.

***Table 2**. ANOVA.*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.171	5	12.234	48.528	.000[b]
	Residual	32.018	127	.252		
	Total	93.189	132			

Note: a. Dependent Variable: DV. b. Predictors: (Constant), DJF, SOE, WS, CV, AQ.

Coefficients

Based on the coefficients *Table 3*, Academic Qualification has portrait a strongest positive and significant effect toward employment mismatch ($\beta = .661$, $p < .001$) and followed by Career Vision ($\beta = .186$, $p = .009$) whereby it demonstrating that these variables significantly influence the dependent variable. Overall, most predictors significantly influence employment mismatch, with Academic Qualification being the strongest contributor.

***Table 3**. Coefficients.*

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.850	.346		2.454	.015
	CV	.211	.080	.186	2.634	.009
	AQ	.550	.065	.661	8.422	.000

*Note: Dependent Variable: DV. **Degree of Confidence: 95 per cent, Sig. (p<0.05).*

Overall, the findings from the above analysis have demonstrated that employment mismatch among graduates is primarily driven by individual qualification-related and career vision-related factors. By understanding these factors and the impact of it toward employment career progression or development, the strong effect derived from the academic qualification whereby it suggests that graduates are often possess credentials that do not align with the functional requirements of their roles, supporting the Human Capital Theory. Adding to it, career vision also plays a significant role toward future progress, indicating that graduates with unclear or misaligned career goals would encounter the increase the probability of a mismatch during early career stages of employment that will lead to unproductive or emotional distress. In the end, there are many other factors that might contribute toward employment mismatch and future study are recommended to explore other factor such as stability of employment or working skills whereby it could impact the determinant of employment mismatch, implying that academic qualification and career vision might not entirely affect the job security alone if role alignment and skill utilization remain weak.

Recommendations

Organizational level recommendations

Organizations should strengthen job-person fit strategies during recruitment and selection processes. Employers are encouraged to assess not only academic qualifications but also career aspirations and skill alignment before placement. Structured onboarding programs and job rotation initiatives may also help graduates better align their roles with their competencies. Additionally, HR practitioners should conduct periodic job evaluations and career development discussions to reduce mismatches and improve employee engagement.

Recommendations for graduates

Graduates are encouraged to develop a clear career vision before entering the workforce. They should actively enhance both technical and soft skills to remain competitive in the labor market. Engaging in internships, professional certifications, and continuous learning can help reduce the risk of employment mismatch. Graduates should also evaluate job roles carefully before accepting offers to ensure alignment with their long-term career goals.

Policy and educational recommendations

Educational institutions should strengthen collaboration with industry players to ensure curriculum relevance. Greater emphasis should be placed on industry exposure, internship programs, and employability skills training. Government agencies may also consider reviewing workforce planning strategies to reduce the oversupply of graduates in certain fields and improve job matching efficiency in the labor market.

Limitations of this research

This study focused only on graduates in AB and MAH, which limits the generalizability of the findings to other industries and thus, does not representing whole automotive views. Additionally, the use of a quantitative cross-sectional design also restricts the ability to establish a causal relationship between the studied items. Furthermore, the study relied on self-reported data, which may be subject to response bias on the topic.

Suggestions for future research

Future research may expand the sample to include other industries or compare public and private sectors. Researchers may also apply qualitative or mixed-method approaches, such as face to face interview or other approach to gain deeper insights into employment mismatch experiences. Last but not least, it is suggested to perform a longitudinal study to be conducted and further examine how mismatch evolves and affects long-term career development. In summary, this study confirms that academic qualification and career vision significantly influence employment mismatch among graduates in AB and MAH. Among these factors, academic qualification emerged as the most influential determinant for the mismatch factor. Hence, most organizations and industries, including HR practitioners, should focus on addressing employment mismatch with suitable strategic approach, which requires collaborative efforts from government, organizations, graduates, educational institutions, and policymakers to ensure better alignment between education, skills, and labor market demands.

Conclusion

This study provides empirical evidence that employment mismatch among graduates in AB and MAH is influenced mainly by career vision and academic qualification. The findings highlight the need for better alignment between educational outcomes and organizational role design. Strengthening industry academic collaboration, improving career guidance, and enhancing practical skill development are critical to reducing employment mismatch and improving graduate workforce integration. Having said that, and despite all the encountered limitations, this study hope that the outcome presented contributes valuable insights into employment mismatch in the premium automotive

industry and provides a foundation for future research to further explore this phenomenon across different sectors and contexts.

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Conflict of interest

The authors confirm that there is no conflict of interest involve with any parties in this research study.

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