



# Impact Of Rising Competition and Limited Job Opportunities On Students' "Career Anxiety."

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## Abstract

The rising competition in the contemporary job market, combined with increasingly limited employment opportunities, has emerged as a major source of career-related anxiety among students. As higher education expands and more young individuals pursue professional degrees, the gap between academic qualifications and the availability of suitable jobs continues to widen. This study examines how these conditions shape students' emotional well-being, career confidence, and future aspirations. Many students feel pressured to excel academically, participate in multiple skill-building activities, and continually upgrade their profiles to stand out in a crowded job market. Despite these efforts, uncertainties regarding job security, employability, and financial independence create persistent stress, fear of failure, and self-doubt. The research examines key factors contributing to career anxiety, including the mismatch between educational requirements and industry demands, unequal access to internships, a lack of career guidance, and the growing preference for work experience over fresh talent. Interviews and surveys highlight how social expectations, peer comparison, and competitive entrance or placement processes intensify psychological burden. Additionally, students from marginalised or economically weaker backgrounds experience higher levels of anxiety due to limited resources and fewer networking opportunities. By analysing students' voices and lived experiences, this study emphasises the urgent need for educational institutions, policymakers, and employers to collaborate in creating supportive environments that reduce pressure and enhance employability. Strengthening career counselling, improving industry-academia interaction, and promoting mental health awareness can significantly help students navigate career uncertainties. The findings underscore that addressing career anxiety is not only essential for individual well-being but also for building a more confident and productive future workforce.

**Keywords:** Rising competition, Limited job opportunities, Students, Career anxiety.

## Introduction

Career anxiety has emerged as a serious psychological and social issue among students in the contemporary education system. In an era marked by rapid globalisation, technological advancement, and population growth, students face unprecedented levels of competition in academia and the job market. The number of students completing higher education has increased significantly, while the growth of stable and meaningful job opportunities has remained relatively limited. This imbalance has created an environment of uncertainty, fear, and constant pressure among students regarding their future careers.

Today, students are expected not only to perform well academically but also to possess a range of skills, including communication, digital literacy, adaptability, and work experience. Competitive entrance examinations, campus placements, and recruitment processes further intensify stress levels. Many students believe that even minor academic setbacks may negatively affect their entire career trajectory. As a result, fear of failure, self-doubt, and emotional distress have become common experiences.

Career anxiety also stems from social and familial expectations. Parents often invest heavily in their children's education and expect secure and high-paying jobs in return. Society frequently measures success in terms of professional achievement, salary, and job status. These expectations place an additional emotional burden on students, making them anxious about meeting external standards rather than focusing on personal interests and strengths.

Moreover, rapid changes in the job market due to automation and artificial intelligence have made traditional career paths uncertain. Students often feel unprepared for emerging careers and fear that their qualifications may become obsolete. Career anxiety, therefore, is not merely an individual issue but a broader social concern that affects students' mental health, academic performance, and overall quality of life. Understanding the depth and causes of career anxiety is essential for developing effective strategies to support students in navigating their future careers.

## Objectives of the Study

1. To analyze the impact of rising competition on students' career anxiety.
2. To examine how limited job opportunities contribute to stress and uncertainty among students.
3. To study the psychological and academic effects of career anxiety on students.
4. To suggest strategies for reducing career anxiety through education and counseling.

## Review of Literature

A growing body of literature highlights the strong relationship between employment uncertainty and students' mental health. Several studies have reported that rising unemployment rates and job insecurity significantly contribute to anxiety, stress, and depression among young adults. Researchers have found that competitive

academic environments, particularly entrance examinations and merit-based selection systems, increase psychological pressure and fear of failure among students.

Studies on career development suggest that lack of adequate career guidance is a major factor intensifying career anxiety. When students are unaware of diverse career options or realistic job requirements, they tend to develop unrealistic expectations and heightened fear about their future. Research also indicates a mismatch between educational curricula and industry demands, leaving graduates feeling underprepared for employment.

Furthermore, empirical studies reveal that students exposed to continuous comparison with peers, especially through social media, experience higher levels of self-doubt and dissatisfaction. Literature also emphasizes that institutions offering structured career counseling, internships, and skill development programs report lower levels of career anxiety among students. These findings underline the importance of institutional support in addressing career-related stress.

## Research Methodology

The present study adopts a descriptive and analytical research design based on secondary data. Information has been collected from academic journals, books, government employment reports, international organisation publications, and credible online resources. The focus of the study is to analyse existing research related to rising competition, limited job opportunities, and their impact on students' career anxiety.

Secondary data were carefully reviewed to identify recurring themes such as academic pressure, unemployment fear, skill mismatch, and psychological distress. The data were analysed qualitatively to understand patterns, causes, and consequences of career anxiety. This methodological approach allows for a comprehensive understanding of the issue without primary data collection, making it suitable for theoretical and conceptual analysis.

## Impact of Rising Competition on Students

Rising competition has become a defining feature of modern education systems. Limited seats in reputed institutions, highly competitive entrance examinations, and merit-based evaluation systems place immense pressure on students. From an early age, students are encouraged to outperform peers, leading to constant comparison and performance anxiety.

This competitive environment often results in excessive academic workload, reduced leisure time, and emotional exhaustion. Many students equate self-worth with academic success, making them vulnerable to stress and low self-esteem when expectations are not met. Continuous competition discourages creativity and intrinsic motivation, as students focus primarily on grades and rankings rather than learning and personal growth.

## Impact of Limited Job Opportunities

Limited job opportunities significantly contribute to students' career anxiety, particularly in the Indian context. Despite the rapid expansion of higher education, the growth of quality employment opportunities has remained relatively slow. According to the **Periodic Labour Force Survey (PLFS) 2024–25**, India's overall unemployment rate remained around 5–6%, while unemployment among youth aged 15–29 years was substantially higher. Urban youth unemployment was reported to be close to 17–18%, reflecting intense competition for limited jobs.

The India Employment Report 2024, published by the International Labour Organization (ILO) and the Institute for Human Development (IHD), revealed that nearly 83% of the total unemployed population in India consists of youth. This indicates that young people, including graduates and postgraduates, face disproportionate employment challenges. The report also highlights a growing trend of educated unemployment, suggesting a serious mismatch between academic qualifications and labour market requirements.

In addition to unemployment, employability challenges further increase students' anxiety. The India Skills Report 2025 states that only about 50–55% of Indian graduates are considered employable according to industry standards. This skills gap creates fear of rejection, underemployment, and job insecurity among students. Many students feel uncertain about their future despite years of academic effort, leading to frustration, loss of confidence, and delayed career decisions. These employment realities intensify career anxiety and negatively affect students' mental well-being.

## Psychological Effects of Career Anxiety

Career anxiety has serious psychological consequences for students. Common effects include chronic stress, anxiety disorders, depression, sleep disturbances, and difficulty concentrating. Prolonged anxiety can impair cognitive functioning and decision-making abilities, affecting both academic and personal life.

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