

IMPROVING THE EMPLOYMENT PROSPECTS OF GRADUATES: WHAT CAN UNIVERSITIES DO?

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RESEARCH OBJECTIVES

This study focuses on the labour market transitions of European university graduates. The research examines the factors influencing the likelihood of newly-qualified university graduates becoming mismatched on entering the labour market. The forms of mismatch considered here are over-education and over-skilling, whereby individuals are deemed to have education or skills in excess of those required in their current jobs. Both over-skilling and over-education have consistently been found, in a large number of international studies, to be associated with lower wages and job satisfaction.

The research explores the potential role of universities in reducing the extent of graduate mismatch through both the manner in which education is delivered within degree programmes and the part played by third-level institutions in smoothing the transition of graduates to the labour market. The paper addresses two central key research questions in the following order:

1. Is graduate mismatch related to the nature of the route into employment? Are certain modes of entry more heavily correlated with over-education or over-skilling and do universities have a role in alleviating this?
2. To what extent is labour market mismatch related to the variations in the structure of university degree programmes?

¹This Bulletin summarises the findings from: McGuinness, S., Whelan, A., and Bergin, A. (2016), Is there a Role for Higher Education Institutions in Improving the Quality of First Employment?. *The B.E. Journal of Economic Analysis & Policy*. Available online: <https://doi.org/10.1515/bejeap-2016-0174>, December 2016.

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FINDINGS AND POLICY IMPLICATIONS

The results of the study support the view that higher education institutions have an important role to play in combating labour market mismatch among graduates. In terms of routes into the labour market, higher education work placements with the potential to develop into permanent posts and the provision of higher education job placement assistance have very substantial impacts in reducing the incidence of graduate over-education and over-skilling.

The research supports the view that by strengthening links with employers and investing more heavily in career-support functions, universities and other third-level institutions can play an important role in matching graduates with jobs. Higher education institutions can also play an important role in terms of educating students in the job search methods to undertake and avoid. For example, the study shows that the use of private employment agencies significantly heightens the risk of subsequent mismatch.

With respect to course composition, the research provides clear evidence that a higher concentration of work-related components such as research projects, work placements, the acquisition of facts/practical knowledge and project/problem-based learning can reduce the probability of graduate mismatch in first employment.

The authors show that as the number of vocational course components in a degree programme increases, the probability of mismatch in a first job decreases. The pay-off to increasing the practical aspects of programme delivery appear largest in degree courses generally classified as more academic in nature suggesting that practical learning approaches and placements should be a key component of all European degree programmes, irrespective of field of study.

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