Does the value of skills go beyond that of diplomas? The findings from three international surveys on graduate employment

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Youth and the value of diplomas

Downgrading, Over-education, Graduates' perceptions?

This presentation aims to discuss the value of the diplomas
and the situation of downgrading or over-education
on the labour market. Its novelty is to compare skills
both acquired and required in employment,
using a self-assessment
carried out by young higher education graduates
across 9 countries of Europe, Japan and Canada.

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3 Surveys for Higher Education Graduates

- **Cheers** (*Careers After Higher Education: An European Research Survey*): 11 European countries and Japan
  35,000 graduates from 1995 interviewed in 1999
- **Reflex** (*Research into Employment and Professional Flexibility*): 15 European countries and Japan
  40,000 graduates from 2000 interviewed in 2005

- **NGS** (*National Graduate Survey*): Canada 43,000 graduates from 1995 interviewed in 1997

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3 surveys for Bachelor and Master Graduates

- **10 common countries** in Cheers and Reflex to compare with Canada: Italy, Spain, France, Austria, Germany, Finland, Netherlands, United Kingdom, Norway and Japan

- **5 common skills:**
  Analytical thinking, *Coordinating activities*,
  Computing skills, *Ability to write correctly*,
  Ability to work in a team
  and 1 common skill in Cheers and Canadian surveys:
  Ability to solve problems

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From a Theorical Point of View

	Over-education	**No over-education**
Skill surpluses	Case 1 Degree Inflation	Case 4 Assignment & Job Competition
Required skill level	Case 2 Assignment	Case 5 Filter
Skill deficits	Case 3 Credentialism	Case 6 Job Competition & Filter

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From a Methodological Point of View

- First Step: a normative or objective approach
- International standard classification of occupations ISCO 1988
- A graduate is in a downgrading situation if his job is below the level of a higher education diploma: below *manager* & *professional* occupations
- Almost 31% of higher graduates have a job in which their higher education diploma is not necessary
- 34% of women and 28% of men

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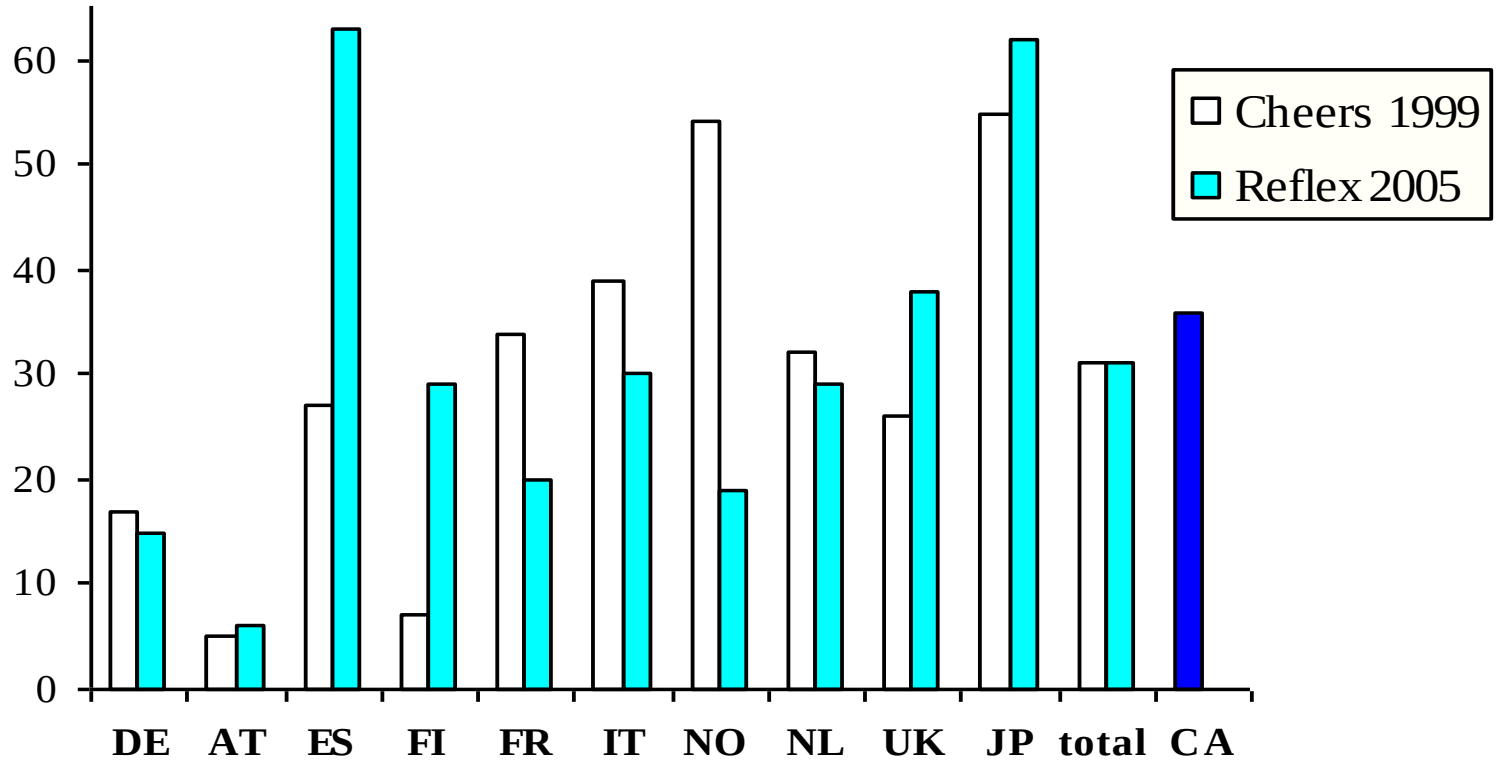
Normative Occupational Over-education



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The Subjective Approach

- Second Step: a subjective approach

The used classification divides people into 3 situations, according to their perception of their skills:

- The level of acquired skills is lower than that required in the job = the graduates have **skill deficits** or are under-educated for their jobs.
- The level of **acquired skills** is **equivalent** to that required for their jobs.
- The level of acquired skills is higher than that required in the job = the graduates have **skill surpluses** or are over-educated for their jobs.

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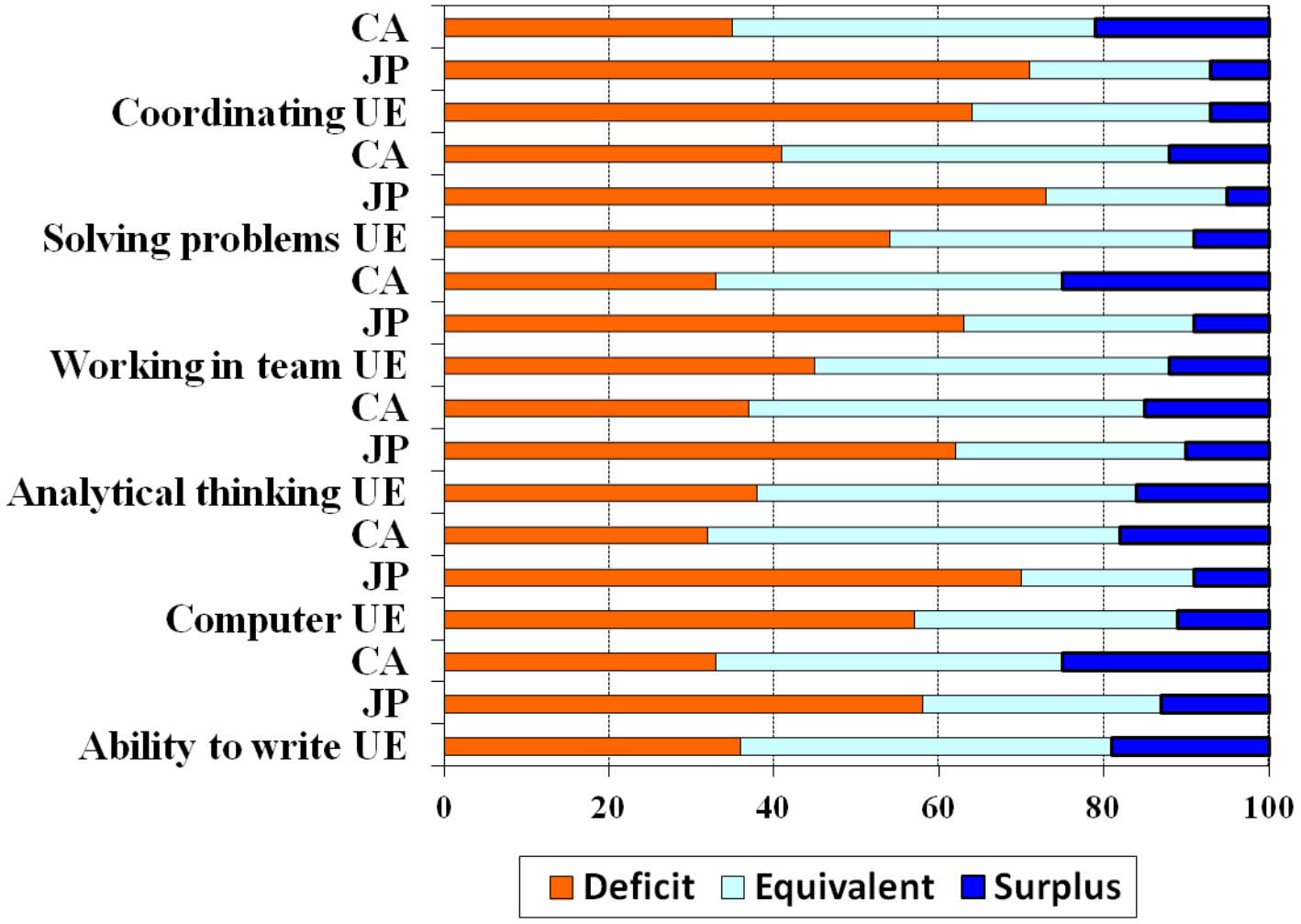
Cheers and Canada Surveys



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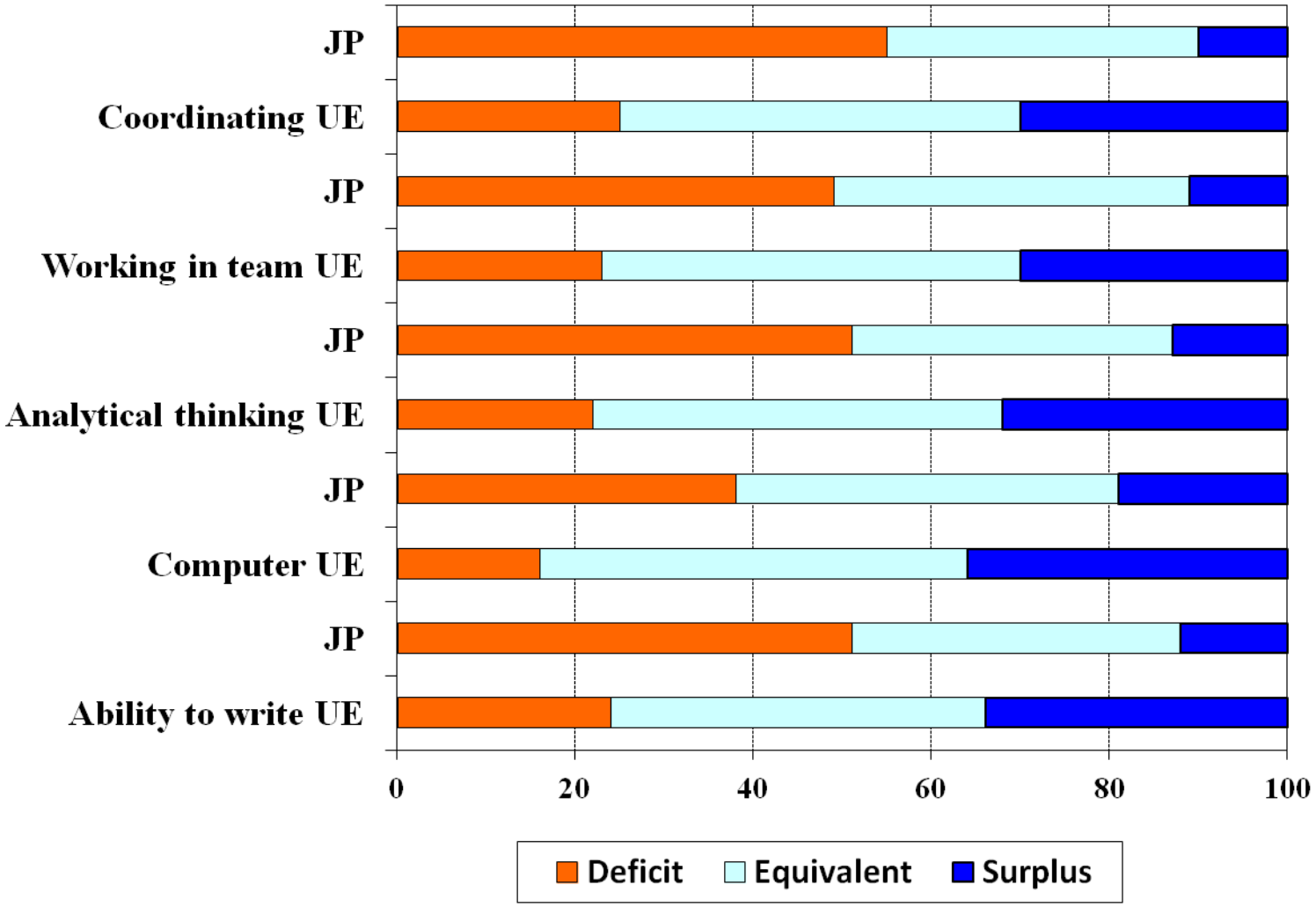
Reflex Survey



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An Empirical Classification

- Third Step: factorial analysis and cluster analysis in order to identify different types of downgrading situations

  with the variables: objective downgrading for jobs and subjective perception for competences (deficit, equivalent, surplus). Creation of 5 classes using this classification.

- Then logistic multinomial regression for the 10 countries with the same case and country references (case n°4, France)

  with the variables: individual characteristics, (gender, diploma, field, internship, job during studies), job characteristics (permanent contrat/no fixed contract, part/full-time).

Cheers Survey

	Over-education	No or low over-education
Skill surpluses	**Case 1 Degree Inflation** 9% *Ability to solve problems, Analytical thinking, Coordinating activities* **Japan (1.7), Italy (1.3), Spain (1.4)**	**Case 4 Assignement & Job competition** 17% *Computing skills, Ability to write*
Required skill level	**Case 2 Assignement**	**Case 5 Filter** 22% **Italy (1.6), Norway (1.6)** **Netherlands (1.3)**
Skill deficits	**Case 3 Credentialism** 18% *Ability to solve problems, Computing skills* **Italy (4.9), Japan (3.2)** **Norway (1.5)** Austria (0.3), United Kingdom (0.3), Finland (0.4), Germany (0.6) Netherlands (0.7)	**Case 6 Job Competition & filter** 34% *Ability to solve problems, Analytical thinking, Coordinating activities* **Japan (2.7), Finland (1.4)** **Austria (1.2)** Norway (0.7)

(Results in odds ratio)

Reflex Survey

	Over-education	No or low over-education
Skill surpluses	**Case 1 Degree Inflation** 26% **Spain (1.8), Netherlands (1.3)** Japan (0.7)	**Case 4 Assignement & Job competition** 13% *Analytical thinking*
Required skill level	**Case 2 Assignement** 18% **Japan (7.9), Spain (7.5)** **United Kingdom (3.0)** **Italy (1.8), Netherlands (1.8)** **Finland (1.6)** Austria (0.4)	**Case 5 Filter** 24% **Norway (1.8), Germany (1.7)** **Netherlands (1.6), Austria (1.6)** **United Kingdom (1.5), Japan (1.4)** **Finland (1.3), Spain (1.3)**
Skill deficits	**Case 3 Credentialism**	**Case 6 Job competition & filter** 31% *Analytical thinking* **Japan (7.4)** United Kingdom (0.6), Germany (0.5) Netherlands (0.4), Austria (0.3) Norway (0.4)

(Results in odds ratio)

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Conclusion

• All the situations are possible in the surveys and within the same country.

• The ideal situation which corresponds to perfect match in terms of diploma and skills covers 24% of graduates (Norway, Netherlands)

• The demand for each field of study (unemployment rates for field, horizontal skill mismatch for sector) and the personal reasons for accepting inappropriate employment (e.g. job security) could explain why individuals in the different countries can be in paradoxical situations such as the case 3.

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- Original analysis of acquired and required skills in jobs through the perceptions youth and according to their work
- By nature skills are related both to the individual and their job.
- Are new technical, specific skills ready to face challenges and innovations of the knowledge society?
- It would be useful to look at the new emerging skills required by the knowledge society

Thanks for Your Attention