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The Global Labour Market and Graduate Employability: Challenges for Higher Education

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'Employability: the Employer's Perspective and its Implications'

Ministère de la Culture, de l'Enseignement supérieur et de la Recherche
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Universities are asked to consider ‘employability in relation to each of these cycles as well as in the context of lifelong learning. This will involve the responsibilities of all stakeholders. Governments and HEIs will need to communicate more with employers and other stakeholders on the rationale for their reforms.’ (London Communiqué , May 2007).

‘Building high quality human capital requires attention at all levels of education: from early childhood education and schooling, through vocational education and training and higher education, and into the workplace.’ (venturousaustralia, http://www.innovation.gov.au/innovationreview/Documents/NIS_summary_web3.pdf).

Themes

1. Putting Bologna in Context
2. Student Choice and Graduate Employability
3. Why Bologna Matters?

1. Putting Bologna in Context

Globalisation and Higher Education

- Global competition and significance of scientific discovery
  - Knowledge = foundation of economic growth, social development, and national competitiveness.
    - Academic knowledge production + innovation = economic growth
  - Strong correlation between HE, and personal and collective opportunity and wealth
- HE and learning as a strategic investment (OECD, 2008)
  - Formation of human capital (primarily through teaching)
  - Building of knowledge bases (primarily through research and knowledge development)
  - Dissemination and use of knowledge (primarily through interactions with knowledge users)
  - Maintenance of knowledge (inter-generational storage and transmission of knowledge)

Global Competition for Talent

- Many OECD countries face sharp demographic shifts evidenced by the greying of population and a decline/shortage in PhD graduates.
- Battle for talent now complements more traditional struggles for natural resources.
- Countries with high levels of international students benefit from the contribution they make to domestic research and development' (OECD, *EAG*, 2007, p34).
  - US: <20% of Asian HE-educated migrants are science professionals cf. 7.7% of natives (OECD, *Global Competition*, 2008, p79).
- Countries also benefit from students studying abroad
  - Experience beyond national capacity

Accelerating Competition and Scrutiny

- If higher education is the engine of the economy, then productivity, quality and status of HE and HE research becomes a vital indicator.
  - Greater accountability, efficiency and value-for-money,
  - Reform of curriculum, organisation and governance model,
  - Emphasis on academic output which is measurable and comparable,
  - Quality assurance mechanisms.
- Global competition is reflected in the rising significance and popularity of rankings which attempt to measure knowledge-producing and talent-catching capacity of HEIs.

Trends

College guides: fulfil public service role, helping and informing domestic undergraduate students and their parents.

Evaluation and assessment of research, and teaching & learning or whole institutions for QA and accreditation.

Benchmarking: used to manage more strategically, effectively and efficiently as systematic comparison of practice and performance with peer institutions.

National rankings

- Modernisation of HE management, strategic planning and accountability/public disclosure.
- Because of connectivity with future career and salary, students demanding better information about HEI choices.

Global rankings next logical step. The rising significance and popularity of worldwide comparisons.

2. Student Choice and Graduate Employability

Student Choice and Demand

- Labor market demand for advanced qualifications means HE is now compulsory education
  - 37% in 1995 cf. w/ 57% in 2008 entering university-level programmes
  - 57% of 15 yr olds expect to complete a HE qual.
- Student choice:
  - 37% graduates in social sciences, business and law
  - 25% graduates in humanities
  - 13% in health and welfare studies
  - cf. w/ 25% in STEM disciplines
    - Pattern similar in both Universities and UAS

Employability

- Employment in knowledge industries grown by 24%, 1995-2004
  - Cf. w/ total employment growth =1.1%
  - Cf. w/ S&T employment = 2.8%
- More STEM graduates required but also wider range of skills
  - Switch from physical assets to human capital
  - Combination of technical with soft skills
- Those with higher qual. do substantially better finding a skilled job.
- Advent of multiple careers:
  - 10-14 jobs by the age of 38
  - Top 10 in-demand jobs in 2010 didn't exist in 2004.
- Graduate outcomes associated with type of institution attended (OECD, 2008, v2, p40).
- Because labour market needs are difficult to predict, lifelong learning is critical means for individuals to upgrade their skills throughout their life (OECD 2008).

Mobility of Highly Skilled

- Because close correlation between education and salary, students have become savvy consumers of educational products
- Quality of HE is just as important as its quantity
- Reputation is a key factor influencing student choice
- Sharp increase in students enrolled outside their country:
  - .6m in 1975
  - 1.8 in 2000
  - 2.8m in 2008

European Attitudes to Mobility

- 1/3 Europeans had moved from region of origin at least once in the past,
  - 24% settled in another region, 4% in another member state and 3% in a country outside the EU,
  - 12% said they had participated in a training or education programme in another EU member state.
- Nordic countries had highest mobility
  - ~40% of working-age pop. lived in different region/country, followed by Ireland and UK.
  - Southern and eastern Europe lowest levels of mobility.
- Higher the level of education = greater willingness to migrate.
  - 7% of highly educated had moved within EU cf. 4% less educated.

Eurobarometer survey, 2005

Impact of Rankings on Student Choice

- *Domestic undergraduate*: rely on local intelligence, national rankings and entry scores BUT mobility on the rise;
- *Domestic postgraduate*: becoming internationally mobile and ranking sensitive;
- *International undergraduate*: influenced by institutional partnerships & familial links – some rankings sensitivity;
- *International postgraduate*: Highly receptive to global rankings
  - Rankings = short-listing mechanism

    'Might know about Australia, but not where in Australia to go'
  - Rankings influence on employment opportunities.

Impact of Rankings on Employers

- Employers have implicit rankings based on own experience which is self-perpetuating
  - ‘Systematic’ approach by large/int’l businesses rather than SME
- UK study shows employers favour graduates from more highly ranked HEIs
  - 25% of graduate recruiters interviewed ‘cited league tables as their main source of information about quality and standards’ (University of Sussex, 2006, 87, 80, also 87-92)
- Boeing to Rank Colleges by Measuring Graduates' Success
  - To show which colleges have produced the workers it considers most valuable (Chronicle HE 19/09/08).

3. Why Bologna Matters

HE Responsiveness

- HEIs have often responded too slowly, insufficiently and not at the appropriate level to the technological, economic, social and demographic changes of last 20 years
  - Spelling Commission reacted to perceived sluggishness by universities
  - Popularity of rankings response to perceived lack of transparency about quality and output
- Quantity and Quality of HE matters
  - HEI must respond more quickly and effectively to student and other stakeholder demands
  - Investor confidence, value-for-money, efficiency
- Discerning, diverse, mobile and international students
  - Students seen as ‘citizens’, ‘consumers’ and ‘clients’
  - Changing student experience

Lessons of Bologna (1)

- Bologna becoming new world model?
  - Lisbon Agenda: towards a network *par-excellence*
  - Developments in Australia and US
- Clear educational progression – qualifications framework
  - Transparent and achievable learning outcomes
  - Definable exits
- Flexible learning and enhanced mobility
  - Across programmes and countries
  - New learners and life-long learning

Lessons of Bologna (2)

- Knowledge development and career planning – basic to professional
  - BA: basic underpinning knowledge
  - MA: build on existing subject knowledge or diversify into new, often more professional areas (conversion courses).
  - Structured PhD programme
    - 2/3rds to work in public/private sector
- Attraction to international students

Challenges for HE

- Improving data/analysis and understanding about graduate labour market and employability.
  - ‘HEFCE moots links cash to employability’ (THE, 24/20/08)
- Establishing closer linkages between upper secondary and HE.
  - ‘College’ preparedness
- Strengthening student information and career services.
- Reinforcing capacity of HEIs to respond to socio-economic demands.
  - Taking responsibility for ‘employability’
- Enhancing linkage with region, collaboration with other HEIs.
- Reforming organisational structures for greater flexibility and competitiveness.
- Challenging traditional recruitment criteria & work practices.
- Enhancing strategic leadership.

Challenges for Employers

- Understanding the difference between:
  - Education and training;
  - Quality and reputation.
- Measuring Success: Fit for corporate needs? Being good citizens? 'learning that shapes the future'
- Enhancing involvement as a partner with HE rather than simply a recipient of graduates.
  - Employer involvement in course provision often overlaps with work experience
- Fully understanding the 'added value' of advanced qualifications, especially in new fields (e.g. design, social work/social care) and for PhDs.
- Valuing diverse HE experiences rather than use rankings or similar traditional/self-reinforcing mechanisms.

Policy Challenges

- Are students studying the right types of subjects, or is there a mismatch between subjects and the needs of society/economy?
- Are the knowledge and skills gained in HE appropriate to demands and career changes throughout working life?
- Can soft skills be acquired through formal education?
- What is the appropriate balance between broadening the education curriculum and career readiness?
- How to best ensure diversity of provision and graduate opportunities?
- Impact of financial and global crisis on HE policy, funding and systems?

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http://www.oecd.org/edu/imhe/rankings