The importance of effective transition from higher education to employment

Recent higher education graduates have not been immune to the economic downturn. They have, however, been much better insulated from risks of unemployment than those entering the labour market with lower-level qualifications. With increasing numbers of graduates entering the labour market each year, and as Europe moves towards an increasingly high-skilled economy, there is recognition that the future success of the EU economy depends on having effective transition from education and training to employment:

- The share of the EU-28 population aged 30-34 who have successfully completed university education has risen from 23.5% in 2002 to 36.8% in 2013 (against an EU benchmark of 40% by 2020).
- The share of jobs requiring high-level qualifications has also risen, from 24.5% in 2002 to an estimated 30.7% in 2013 (and is forecast to rise to 35.9% by 2025).

While it is difficult to measure the employability of graduates, it is in the years immediately after graduation that ‘a young person’s employability will depend most directly on the quality and relevance of what they have learned in their formal education’. In the context of the strategic framework for European cooperation (Education and Training 2020), the European Commission in 2012 set a benchmark that the employment rate of young graduates (20-34 year olds) who left education and training in the previous three years should be at least 82%. This benchmark encompasses both higher education graduates (ISCED levels 5 and 6) and those leaving education and training with at least upper secondary or post-secondary, non-tertiary qualifications (ISCED levels 3 and 4).

Figure 1 shows that, the employment rate for ‘all graduates’ rose in the years to 2008, but has declined over the subsequent 5 years to 75.4% in 2013. The only countries at or above the ET2020 benchmark in 2013 were Malta, Austria, Germany, The Netherlands, Sweden, United Kingdom and Denmark.

Figure 1 also shows that while young people generally have faced increasing challenges in the transition to employment in recent years, higher education graduates remain better-off than their peers who are educated at lower or intermediate levels. The employment rate for recent non-higher education graduates, specifically, has fallen from 77.1% in 2008 to 69.5% in 2013. Nearly a third of recent graduates in this category are not in employment. For recent higher education graduates the trend is similar, although employment rates are still considerably above those graduating at intermediate level (from 86.8% in 2008 to 80.7% in 2013). This remains a relatively substantial decline given that the overall employment rate (20 to 64 years) across the EU-28 has only fallen from 70.3% to 68.3% over the same period, indicating challenges faced in transition to the labour market by young people more generally, irrespective of education level.
Most higher education graduates quickly find a job – but ‘what’ and ‘where’ they study matters

Higher education graduates tend to find a relevant job twice as fast as those qualified up to lower secondary education and those jobs are higher-paid. In Bulgaria, Poland and Slovakia, for example, people with the lowest secondary education attainment need on average a year more than their tertiary graduate counterparts to find a relevant job.

It takes an average of 5.1 months for higher education graduates to find a job, compared to 7.3 months for leavers at intermediate level and 9.9 months for leavers with low-level qualification. Figure 2 shows that higher education graduates in most countries typically find a job in less than 5 months, but that the EU-27 average is influenced by the considerable time it takes graduates to find a job in Greece (over a year on average), Italy, Romania and Spain. This does not take account of whether the jobs people find match their skills and education level. Higher-education graduates may find themselves in ‘non-graduate’ jobs. Employers may hire people who are over-qualified for the job. It has been estimated that more than one in five tertiary graduates in the EU are over-qualified.

There is therefore significant variation in the prospects for recent higher education graduates across countries (see Figure 3). In Germany, Estonia and United Kingdom, employment rates for recent higher education graduates have actually increased from 2008 to 2013. Over 90% of recent higher education graduates were in employment in 2013 in Germany, Malta, the Netherlands and Austria.

In only nine Member States was the employment rate for recent higher education graduates less than 80%; although this included some countries facing steep decline since 2008, primarily as a consequence of the recession. In Greece, Italy and Cyprus, the employment rate for recent graduates in 2013 was actually lower than for the overall adult population (aged 20 to 64), suggesting that new graduates in these countries face challenges linked to age and lack of experience that puts them at a particular disadvantage.

It is difficult to generalise about the employment prospects of graduates based on the broad subject of study, even though there are apparent patterns at national level. In Slovenia, for example, 60% of technology graduates find a job within 3 months, compared to 45% of social science graduates. Broad subject categories can, though, ‘mask major differences in the likelihood of unemployment’. In relation to STEM subjects in the UK, for example, higher education ‘graduates in software engineering are nearly twice as likely to be unemployed six months after graduation as graduates in chemistry’.

This indicates a complex relationship between subject of study and employability during transition to employment. Differing employment prospects according to the subject studied at university may also persist in the longer-term. In 2013, in the UK, for example, among all (not just recent) higher education graduates, those who studied humanities, arts, languages or education had lower employment rates (84-88%) than those who studied medicine, subjects related to medicine, technology and media/information studies (92-95%).

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higher education graduates
Figure 1 – Employment rate for recent higher education graduates (age 20 to 34 years) compared to the overall employment rate (all qualification levels, age 20-64) by EU-28 country

Source: Eurostat
Supporting graduate job readiness – gaining relevant work experience

The most important skills highlighted by employers when asked about graduate employability are team-working skills, followed by sector-specific skills, communication skills, computer skills, being able to adapt to new situations, reading/writing ability and analytical and problem-solving skills. Foreign language skills are important to employers with international contacts and were reported to be more important in the private than in the public sector. A minority of higher education graduates (17%) across the EU disagree that that their education or training provided them with the necessary skills to find a job in line with their qualifications.

In reality, employers are looking for a combination of skills. While having the requisite professional or sector-specific skills are essential for a graduate to be considered for a job, below-average levels of interpersonal skills (communication skills, teamwork skills) ‘cannot be compensated for – even by the best grades or the most relevant field on study’ because of the potential negative effects on a team. Other skills such as innovative/creative skills and commercial entrepreneurial skills are not necessarily required by employers from all graduates, because it may be sufficient to have one or two people within a team who excel in these areas. Similarly, the strategic/organisational skills that underpin long-term career opportunities are not generally expected by employers from recent graduates.

Overall, 47% of graduate recruiters report that a shortage of applicants with the right skills and capabilities is one of the main challenges they face in filling vacancies, even though they are generally happy with the skills of previously-recruited graduates. Employers generally feel that more could be done to support co-operation with universities in designing curriculum and study programmes. However, very few graduate recruiters frequently cooperate with universities on curricula design and study programmes, and more than half report that they had never done so.

It is clear that universities, employers, careers services, policy and makers and individuals have complementary roles in supporting graduate employability. Higher education graduates will develop different skills in different contexts. There are skills that:

- mainly need to be developed in higher education, such as developing professional expertise and general academic skills, interpersonal skills and having an international orientation;
- need to be developed in working life, such as strategic/organisational skills;
- need to be developed throughout life, such as innovative/creative skills & commercial/entrepreneurial skills.

In a changing labour market, younger people are more likely to experience part-time, temporary or casual jobs, which can reduce opportunities for further education and training. However, with policy support, temporary jobs can be a good bridge or stepping stone, acting as a ‘screening device for young people to test their abilities and their evolving preferences.

Having relevant work experience improves graduates’ chances of getting a job and progressing in employment by helping to ensure that they have skills and attitudes in line with employers’ demands. It is important to graduates’ chances of being invited to a job interview and ‘can compensate for having lower grades or a field of study which does not fit the job closely’.

The European Commission has sought to promote students exchange and high-quality apprenticeships as tools for enabling young people to develop the relevant experience and skills that employers seek. The programme for the modernisation of higher education systems encourages Member States to undertake reforms in order to give higher prominence to the employability of graduates. Erasmus+ aims to support 4 million young people, students and adults to gain experience by training or working abroad. The European Alliance for Apprenticeships has been set up to promote apprenticeships through a network of ambassadors drawn from business and pledges from organisations. Furthermore, the Youth Guarantee seeks to increase apprenticeship availability for young people who are not in education, training or employment, as well as increasing employment and training opportunities after graduation.

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2. The average age at which people leave higher education across the EU is 24.1 years, although this ranges according to national education systems: from 22.5 years in the United Kingdom to 26.7 years in Denmark. Eurostat (2009), LFS ad hoc module. Average age when leaving formal education for persons who left within the last 5 years, data for EU-27
3. Eurostat (2014), Percentage of the population age 25-64 with tertiary level education
5. Garrouste (2011), Towards a benchmark on the contribution of education and training to employability: Methodological note
7. ISCED levels 3-6 (higher education and non-tertiary graduates)
8. Eurostat (2014)
9. i.e. Upper secondary and post-secondary, non-tertiary graduates (ISCED levels 3 and 4)
10. EURYDICE (2012), Key data on education in Europe 2012
11. Eurostat (2009), LFS ad hoc module (EU-27)
13. ibid. 10
15. Universities UK (2010), Changes in student choices and graduate employment
16. ibid.
17. Office for National Statistics (2013), Graduates in the UK labour market 2013
18. Persons who left formal education in the preceding 3 to 5 years
19. Eurobarometer (2014), European area of skills and qualifications
20. Eurostat (2014), European area of skills and qualifications
21. European Commission (2013), The employability of higher education graduates: the employers’ perspective
22. ibid.
23. ibid. 19
24. ibid.
25. Research Centre for Education and the Labour Market (2013)
26. European Commission (2012), New skills and jobs in Europe: Pathways towards full employment
27. ibid.
28. ibid. 21
29. European Commission (2011), Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 20 September 2011 : Supporting growth and jobs – an agenda for the modernisation of Europe’s higher education systems

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