

Students in the labour market

ZSÓFIA KÜRTÖSI

One important goal of all universities is to provide practice-oriented training and usable knowledge to students which can make sure that the graduates, as educated and well informed intellectuals, can enter the labour market with a degree that can be well used. Our empirical researches try to find an answer to how much higher education institutions prepare students for the world of work and how the graduates evaluate the usability of the acquired knowledge. This present study is useful, first of all, for those employers who would like to get a picture of how well the students of the University of Szeged are prepared for the labour market and what their expectations are, and for those who also want to have some information about the work situation of the graduates of our university one to three years after their graduation.

Keywords: labour market, higher education

1. Introduction and theoretical background

Financed from the tax payments of citizens, education in part represents the state's task worldwide. Therefore, it is not irrelevant whether this money is used in a profitable way, that is, whether students leaving the education can utilize their knowledge and meet the demands of the labour market. Hungarian researchers have been interested in higher education output and response to labour market demands for decades, but the question of incongruence still represents an unsolved task (Veress 1999). The government strives to establish harmony with the help of various regulations and employment forecasts, however, these efforts seem to reach only partial success. To estimate the efficiency of education (or the estimate of perceived risk of efficiency) it is vital to take into account the deviation of competencies such as the expected institutional and educational competencies by students and presumed and experienced institutional and educational competencies. This "deviation" has a key importance in the evaluation of individual institutions as well as the system of institutions (Vilmányi et al 2008).

In the changing and competing higher education environment, there are a lot of questions: "how can we apprehend and write down the quality of the institutions of higher education, how can we express their impact on the students, namely what does the student receive from the institution, how and in what extent will the students be better by studying at the given institution. It is also a big question, whether the main goals of the Bologna process are achievable, and is it a realistic aim to create a student and employee mobility? What is the expected quality and result from the students and from the employees of the institutions of higher education?" (Hetesi–Braxmair 2011, p. 2.).

1.1. Specialities of higher education

Education is a service where the fundamental features of services occur with different emphases and the special strategic tasks deriving from these also set special demands for the service provider. Out of the four basic features (intangibility, inseparability, heterogeneity and perishability) intangibility, inseparability and heterogeneity heavily influence the judgement of educational services:

- Services do not have parameters and features that could be inspected by our senses; we can only get to know them empirically. In the sphere of education, the forecasting role

of physical parameters is small, while future students can collect information about the service much more via communication, like the institution's promise and other people's experiences (words-of-mouth); consequently, tangible factors play hardly any role in their decision of choice and therefore, the sense of risk is especially high in the preceding process and in the course of services as well.

- Services are usually consumed the moment they are created; the provision and use of services usually happens in the same place and time and the user actively participates in the service process (*Zeithaml et al 1985*). Based on the intensity of the relationship between service provider and user, Chase distinguishes services based upon low and high direct consumer relations, where the interaction time is considered and believes that the longer the two parties deal with each other, the more the service process needs regulation (*Chase 1978*). Education is a service where the time that the two parties spend in the "system" is very high; therefore, the process assumes special significance in how consumers evaluate service quality.
- The performance of service providers and the consumer evaluation of performance varies and is uncertain and, due to the human factor, quality is heterogeneous. In the case of educational services, fluctuating quality occurs more intensely, since here, on the one hand, standardizing is not logical, on the other hand, subjectivity of the parties has a stronger influence on the evaluation of quality due to the complexity of service dimensions.

Besides the specialities of the service process itself, providers have some special characteristics too. Institutions providing education services have a strong hierarchical structure and their organizational culture is mainly based on tradition. These organizations have numerous, deep-rooted traditions reaching back for centuries (e.g. the departmental structure based on academic fields, adherence to the faculties and rules), due to which they resist changes, and the market expectations that appear towards the students bear secondary significance to them (*Harmon 1993, Sirvanci 2004*).

The third problem in the case of educational services is defining the consumer group, since the identification of the consumer in higher education is much more complicated than in business life. Neither researchers dealing with higher education, nor institutions providing the service have reached any agreement on who can be regarded as consumers. While some only consider students as consumers, in other approaches consumers appears in a much more differentiated way and, beyond students, include institutional colleagues, parents, former students, employers, the local community, and society in the broader sense. Nevertheless it can be seen that some of the aforementioned groups can rather be regarded as stakeholders than direct consumers. If we apply the production model where incoming students can be regarded as raw material while outgoing graduates are the finished product, the opinion of the employers and fresh graduates is the most important factor for the institution.

In connection with education, quality can be apprehended from different perspectives. According to one, the quality of the education is nothing more than the ability to educate highly-educated labour force continuously, which is committed to permanent studying and self-instruction. In this approach, quality means the congruity for the previously set requirements, and the permanent updated information flow towards the stakeholders (students, associated-professions, labour market, etc). From another approach, the quality of the education ensures the training that is adequate according to student expectations, including the high-quality classrooms and physical environment, where the appropriate timing and the encouraging cooperative classes associate with the possibility to improve knowledge and abilities (*Brocato–Potocki 1996, in Hetesi–Braxmair 2011, p. 3.*).

2. The empirical studies

The students' labour market preparedness can be indicated by the professional experiences they have besides their studies, and also by how many of them join professional training programs. Another important factor is foreign language skills, which are a basic requirement for many jobs in Hungary, too. The graduates' ideas about their first workplace and expected salary well reflect their expectations towards their employers.

Introducing how our graduates find employment provides information about the ways of looking for a job, the length of time spent looking for a job, whether graduates stay in or leave the region, the salaries available, as well as the graduates' satisfaction with their work or with the labour market itself. All this information might be useful for those employers who would like to strengthen their team with well-prepared graduates entering the labour market who are committed to their professions.

2.1. The surveys

The present study is based on the results of five surveys. All of the five surveys were carried out in 2010-2011. As the survey questionnaires were continuously developed during the surveys, some topics were not included in all studies, so, certain aspects were viewed through the data of only one or another survey.

Our current students' preparedness for the labour market is presented through two surveys. One of them is the survey carried out in spring 2010, when all students available via e-mail were contacted. This meant approximately 24,000 students. This electronic survey was filled out by 5589, which makes a response rate of 23%. The other data collection took place in spring 2011, when again all students received the questionnaires. At this time, 4510 people responded, which is 18% of the total number of students we contacted. The sample of respondents was weighted in both cases so that it reflects the faculty, type of training, and gender rates typical of the University of Szeged. As this study aims at revealing the language skills and preparedness of graduates for the labour market, we present the views of full-time students only. This means 4153 people in the 2010 survey, and 3178 people in the 2011 survey¹.

The labour market situation of students who have already graduated is presented through the results of three surveys. One was a survey carried out in spring 2010, focusing on the students who graduated in 2007 and 2009, when we contacted all of the graduated students (more than 10,000 people). In that year, the response rate was 18%, that is, 1861 people completed our electronic questionnaire. The other study was carried out in spring 2011. In this case, we contacted a group of people who graduated in 2007, 2008 and 2009 by phone. Practically all of the ex-students who we could contact (1203 people) answered our questions. The third survey took place in spring 2011, at which time students who graduated in 2008 and 2010, approximately 11,000 people, were surveyed via online questionnaires. The number of respondents was 1884 in this case. While focusing on the first few years of graduates entering the labour market, only former full-time students' responses are presented from each of the three studies: 845 people from 2010, 666 from the 2011 telephone survey, and 1129 people from the 2011 survey.

2.2. Students' preparedness for the labour market, foreign language skills, expectations

We describe students' professional preparedness mainly based on their professional experience and their participation in professional training programs, but we also asked if they

¹ As the students completed the survey questionnaire independently, and obviously not all students answered all of the questions, the number of respondents might be lower in certain cases.

wanted to work according to their qualifications, or rather do a different job. Foreign language skills were not measured based on language exams which have been passed as this does not necessarily mean real living language skills. Instead, we asked if they speak a given language, and if yes, then what the level of their skills is. Regarding their expectations, on the one hand we introduced salary expectations, and on the other hand we examined what kind of workplaces students want to find employment at after their graduation.

2.2.1. Foreign language skills, studying and working abroad

Language skills, especially English, but also German and French, are indispensable not only for working abroad, but also for some Hungarian jobs. In the 2011 survey, we asked the respondents themselves to rate the level of their own foreign language skills. In Table 1, we listed the four most frequent languages. It is clear that students mainly use the English language, one-fifth of them speaking English definitely well, even being able to use it as a working language, and hardly any of them having zero knowledge of English. Knowledge of the German language is much less widespread: one-third of the students do not speak it at all, but the good and very good speakers make up 20% of students in the case of German, too. The two other languages, French and Italian, are less popular among students.

Table 1. Foreign language skills of full-time students as a percentage

<i>What is the level of your language skills? (in parentheses: the number of respondents)</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>Total</i>
English language (N = 3157 people)	2%	11%	30%	36%	21%	100%
German language (N = 2957 people)	33%	27%	20%	13%	7%	100%
French language (N = 2721 people)	83%	10%	5%	2%	1%	100%
Italian language (N = 2717 people)	83%	10%	4%	1%	1%	100%

Note: 1 = no language skills at all; 5 = very good language skills

Source: the survey carried out in 2011.

2.2.2. Professional experience

Based on our 2010 survey, when almost one-third of respondents were graduating students, 40% of the students had already done work related to the profession they studied. On the other hand, the majority of them (30%) had occasional jobs only, while 10% of them confirmed that they continuously worked in a field closely related to their studies.

In the 2011 survey, we used a different method to assess how students were related to the labour market. We asked not only about professional work, but about working in general. At the same time, we did not ask if they had ever worked during their studies, but whether they had been working at the time when they filled out the questionnaire. A little more than one quarter (27%) of them confirmed they had worked during their studies. In general, this work means student or trainee work, while some students take jobs for shorter periods of time on a contract basis. One-fifth of the students working, however, take non fixed-term permanent jobs. For most of the students, practically 50% of them, the work they do is related, in some way to their studied profession, while the others take jobs unrelated to their studies.

2.3. Anticipation and expectations related to labour market

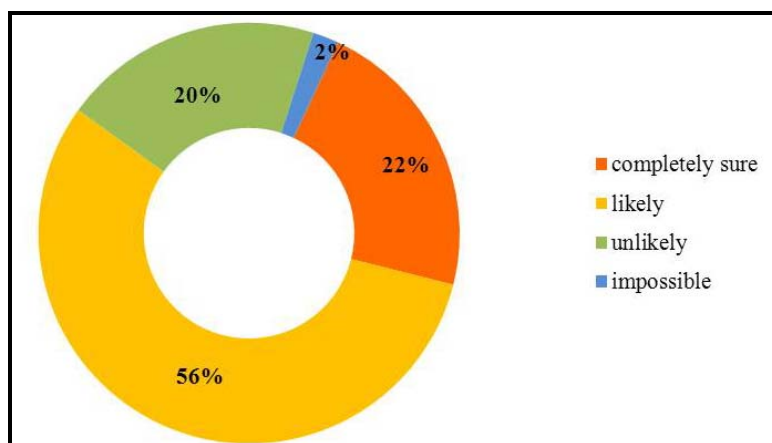
In the 2010 survey, we asked about numerous topics in relation to students' future work, such as changing their professions, planned jobs, and expected salaries.

Seventy-eight percent of the students would definitely like to have a job in the field they currently study. Those who are preparing for professions in health care (like doctors, dentists

and pharmacists), as well as artists, are the most committed to their professions. At the same time, the majority of students of sciences, law, nursing, and economics, also think of having jobs in their own professional field. Nearly a further one-fifth of the respondents confirmed they would take jobs close to their studied professions, and only 5% thought of changing their careers.

Nearly 80% of the respondents trust they can find a job in the field corresponding to their professions, but only one-fifth (22%) of them were completely sure about it (Figure 1).

Figure 1. Probability of finding a job corresponding to qualification



Note: Answers to the question ‘How likely it is to find a job that corresponds to your qualification?’ (N=4028). Data source: the survey carried out in 2010.
Source: Own construction

After graduation, most of them (56%) would like to have full-time jobs, and a further 28% think they will do extra work besides their full-time jobs. Very few of them are planning to live on occasional or contract-based work, but more than one-tenth of them would like to start their own businesses. The idea of being an entrepreneur is especially popular among future dentists, agriculture specialists, pharmacists, and economists.

More than one-third of the respondents, in harmony with the training portfolio of the university, would like to find a job in the public sector. The non-profit sector seems to be less attractive (5%) The rest would like to get along in the private sector: 13% of them, for example, would take a job at a multinational company, and 15% at big companies. Fourteen percent of them would choose small- and medium-sized enterprises. The public sector appears attractive mainly for doctors, but nearly 70% of graduates of the Faculty of Music are preparing to find employment here, too. From the rest of the faculties, less than half of the graduates are planning to find a job in the public sector.

3. Graduates’ situation in the labour market

So far, we have presented the opinion of full-time students currently studying at the University of Szeged. Now we will focus on students who have already graduated. We will present the process of looking for a job, and, connected to this, the knowledge that helps them find their jobs. We will also mention some university services supporting students’ future careers, and then we will describe our graduates’ situation in the labour market.

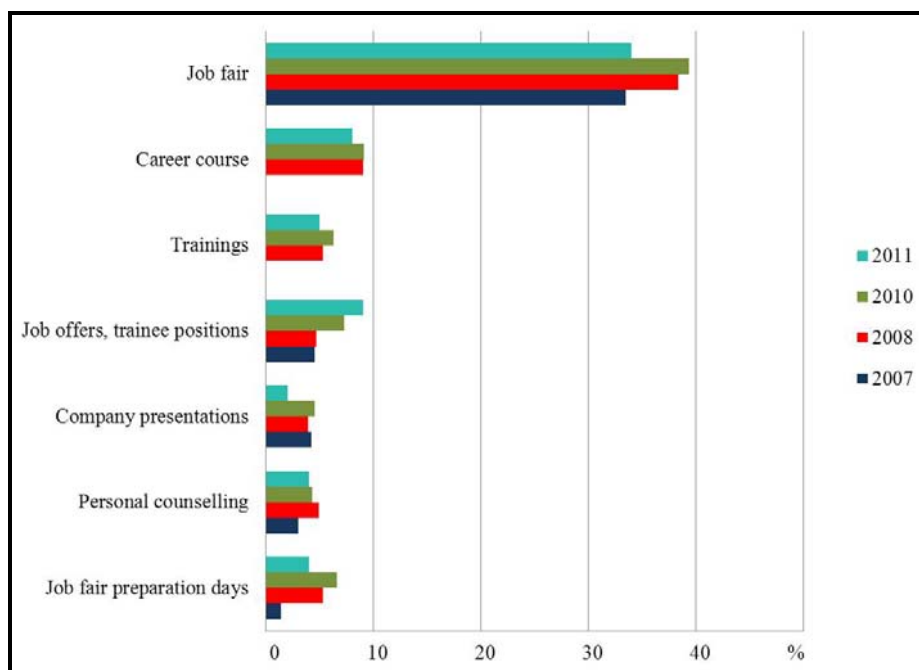
3.1. The use of university services that help in finding jobs

The University of Szeged tries to help students find jobs and improve their situation in the labour market in several ways. To achieve this, the Career Office of the University of Szeged

offers several services to students, such as job fairs organized twice a year, in the spring and in the autumn. Collecting and mediating job offers, however, is not limited to these two occasions, but is continuously happening throughout the year, just like finding and offering trainee positions to students. In addition to this, the Career Office organizes career development courses as well. In every semester, approximately 300 students take these courses in which they can learn about finding jobs, writing CV's, selection procedures, and some issues related to labour law. In addition, they have a chance to take part in different trainings, and to get personal counselling.

In general, 36 to 46% of full-time graduates use one of the services offered by the Career Office; e.g. in the case of graduates of 2008 to 2010, 40% of them confirmed this. Among the individual services, job fairs and career courses seem to be the most popular (Figure 2).

Figure 2. Use of services offered by the Career Office in the past years



Note: Answers to the question ‘Which service provided by the Career Office have you used?’ (N= 1129, 845, 646, 696). The online survey carried out in 2011 and 2010, and the printed questionnaire survey carried out in 2008 and 2007. In 2008, we surveyed students who graduated in 2006 and 2007, while in 2007, we surveyed those who graduated in 2004 and 2005.

Source: own construction

3.2. Finding employment after graduation

Based on surveys of the past years, we can conclude that 20 to 22% of our graduates do not wish to enter the labour market after graduation, but continue their studies or found a family, or do not take paid jobs due to other reasons. A majority of graduated students can find employment when they enter the labour market. Based on our telephone survey, 91% of our full-time student respondents managed to find a permanent job since their graduation. On the other hand, many of those full-time graduated students who had not found a permanent job, were still somehow related to the labour market: they took occasional jobs, worked abroad, or worked as volunteers.

4. The current situation of graduates in the labour market

Not all of those who successfully find a job after graduation actually keep their jobs. Their jobs might cease or they can be sent off, so there may be periods of not being employed during the years after graduation. It might also happen that young people decide to have children, and in this way finding employment after graduation does not necessarily mean that graduates still have their jobs at the time of the survey. To be able to discuss the actual situation of graduates in the labour market in a reasonable way, and in relation to this, see the threat of unemployment that graduates of the University of Szeged might have to face, we will now introduce the nature and characteristics of the current jobs of the respondents, their possible salaries, and whether graduates entering the labour market are satisfied with their own situation.

Ninety-four percent of former students who successfully found employment had jobs at the time of the survey². Considering all respondents, including those who did not want to or could not find employment after graduation, we can say that 85% of the graduates were employed at the time of the survey. Approximately half of those who did not actually have a job at that time were inactive, i.e. they were away from the labour market due to having children, while the other half were registered unemployed people. This makes up approximately 5% of all the graduated full-time students.

The majority of those who found employment have a non fixed-term contract (60%), but more than one-third of them found jobs on a fixed-term contract³. Some of them do occasional work.

Those who graduated as full-time students are just starting their career, so relatively few of them work in leading positions: according to our research so far, this rate is slightly higher than 10%. Most of them are in lower- and medium-level leading positions, and only 1 to 2% of them work in the upper management.

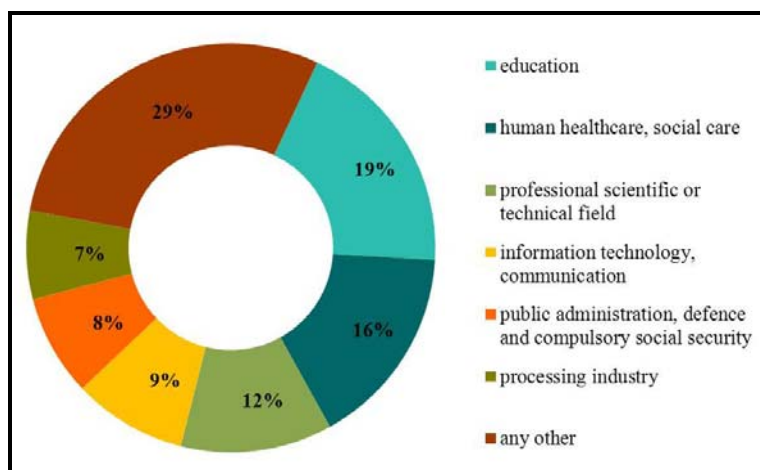
Nearly the same number of respondents worked in the public and government sector as in the for-profit field: 45 to 46% of the respondents. The rest, almost one-tenth of the respondents, became employed in the non-profit sector. We found similar rates in earlier studies as well. The respondents could choose more than one field: e.g. a public employee who has their own enterprise too, could mark both the public and the private sector, but only few people did so.

According to the portfolio of the University of Szeged, most of the graduates of this university find employment in education, human health care and social care (approximately 35 to 41% of the graduates entering the labour market). At the same time, many of them stay at organizations specialized in professional, technical, or scientific activities (including business expert activity, legal and technical consulting, and scientific research), and also at organizations of public administration and compulsory social security (Figure 3).

² the telephone survey carried out in 2011.

³ the online survey carried out in 2011.

Figure 3. Distribution by industry of the graduates' workplaces

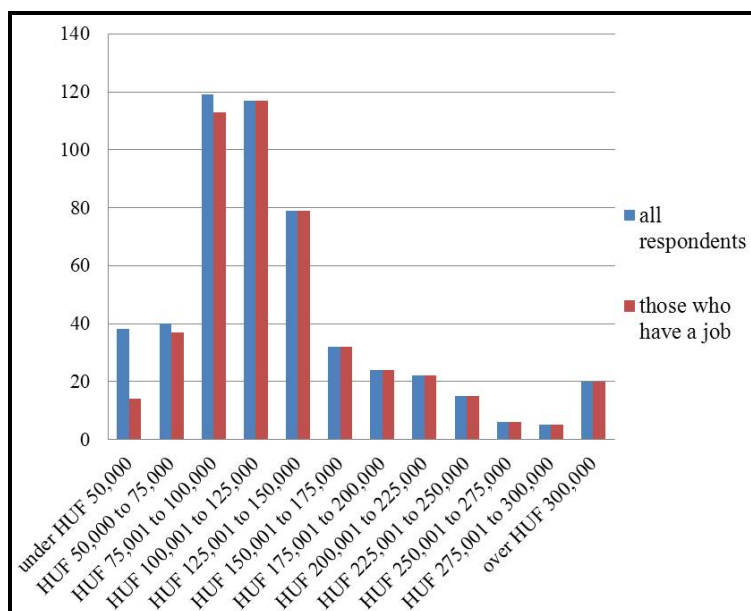


Note: Answers to the question 'The industry your workplace belongs to'. Data source: the online survey carried out in 2011.

Source: Own construction

Now let us see the possible income that graduates entering the labour market can have. The question regarding the net monthly salary was addressed only to those who had, or had ever had, a job since their graduation, that is, to those who had entered the labour market⁴. This is a rather sensitive topic, as some people are not so pleased to answer questions about their financial situation. During the 2011 survey, 13% of the respondents refused to give information about this. If we consider only those respondents who given a substantive answer (517 people), we can say most of them get a salary of HUF 75,000 to 125,000 per month, and 15% of them have a salary lower than HUF 75,000 (Figure 4). The salary of three-quarters of the graduated students does not exceed HUF 150,000.

Figure 4. Net monthly salary of the graduates



Note: Categories of the net month salary of the graduates entering the labour market (in numbers of people), N=517, N=484. Data source: the telephone survey carried out in 2011.

Source: own construction.

⁴ The telephone survey carried out in 2011.

If we consider only those who currently have a job, then, as expected, there are fewer respondents in the lower salary categories. According to the surveys carried out so far, typically one-third of those who have jobs do not take home more than HUF 100,000 per month. A monthly income higher than HUF 300,000 might also result from distorted information, i.e., respondents report an income higher than what they actually have, or, it may also result from the fact that 1 to 2% of them found employment abroad.

4.1. Finding employment in the region⁵

As we described this earlier, more than half of the graduates of the University of Szeged find employment in the Southern Great Plain region of Hungary. Considering the whole of Hungary, even though the labour market situation is not the most favourable here, still there are regions with worse unemployment rates than this one. In fact, the region-level labour market data are not exactly of informative value, as the differences between smaller areas are washed out. Typically, it is easier to find jobs in bigger towns and in their neighbouring areas, while it is more difficult to find employment in certain smaller units of area where the labour market is practically closed.

The process of finding employment is slightly longer for those who want to work in this region compared to other regions which is probably also due to the saturation of the local labour market: only approximately two-thirds of the graduates find employment within up to three months, and the rate of those who find employment after one year reaches 9%. In other regions, especially due to all the possibilities in the capital and its neighbouring areas, only 1% of the graduates look for a job for a longer period of time than 12 months.

The most important way of finding employment, just like anywhere else in the country, is the network of personal relationships: this is how one-third of those who stayed in the region found their jobs. Online advertisements have a less significant role, although a little more than one-fifth of the graduates found their first jobs through online advertisements. Those who are looking for employment are more likely to read traditional printed advertisements, and getting job offers from the place of their professional training is more frequent, too. Ten percent each find their jobs this way.

Graduates had to go through selection procedures to a smaller extent (three-quarters of them) to get into workplaces in this region than in other regions. This procedure, in the great majority of the cases, is the job interview itself, usually in Hungarian: in the region only one out of ten respondents had to answer questions in a foreign language, too, while this rate is significantly higher in other regions (28%). Other selection procedures were not really typical as employers did not use complex procedures, and psychological tests were not very usual either.

Graduates who find employment in this region can take advantage of their foreign language skills to a smaller extent than those who find jobs in other regions: in other areas of Hungary, almost one-third of the graduates use English frequently, and one-fifth of them use German. In the Southern Great Plain region, only one-fifth of those who find jobs use English, and a little more than one-tenth use German frequently.

Regarding how many of the graduates have jobs currently, there is no difference between this region and other parts of Hungary: approximately 94% of them do.

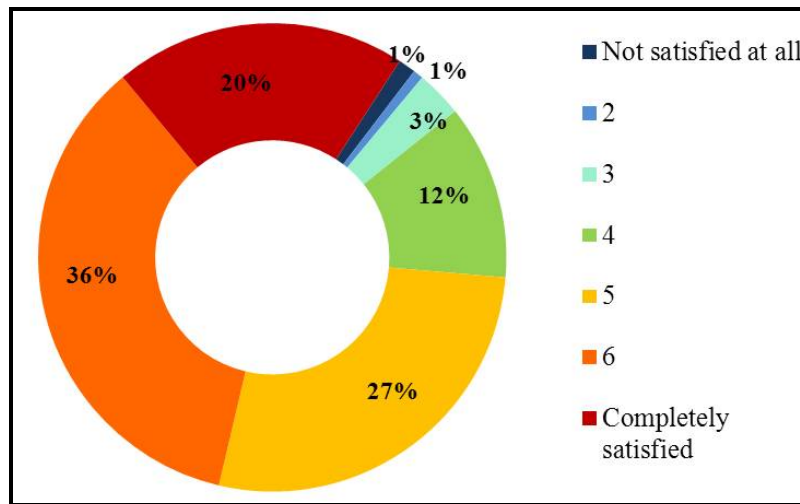
4.2. What do the graduates entering the labour market think of the University of Szeged?

It is also an important part of graduate career tracking, besides finding out about the labour market situation, to ask our ex-students what their opinion is, in the light of their experience

⁵ based on the telephone survey carried out in 2011.

in the labour market, about the University of Szeged, about the knowledge and skills they learned here, how satisfied they were with our institution (Figure 5), and whether they would recommend it to other young people preparing for higher education.

Figure 5. Satisfaction of full-time graduated students at the University of Szeged



Note: Distribution of the answers on a 7-point scale to the question ‘How satisfied are you with the university of Szeged?’, N=666. Data source: the telephone survey carried out in 2011.

Source: own construction.

Generally speaking, graduates are definitely satisfied with the University of Szeged. Eighty-five percent said they were satisfied, 20% of whom were completely satisfied, and only 5% of whom were unsatisfied (that is, marked values of 1 to 3 in the 7–point scale)⁶ (Figure 7). These results are in harmony with the views from the previous years: the rate of satisfied people has been fluctuating between 83 and 85%, with that of the unsatisfied being around 4 to 6%, while the rest of the respondents (approximately one-tenth) have an ambiguous view. If we compare this to our results concerning the labour market, just like in earlier surveys, we can say: 71% of even those who are unsatisfied with their situation in the labour market are satisfied with our university, and only one-tenth of them are unsatisfied. This means that the respondents did not base their opinion about the place of their studies on their actual situation in the labour market.

As a result, it is not an accident that a huge majority (96%) of our graduates entering the labour market would recommend our university to others. Those who would not, make up 3% of the respondents, and a further 1% could not decide in this question. We also asked about the reasons for not recommending our university to others. A part of those who would not recommend our university to others feel the training is too difficult, others felt the acquired qualification was not useful enough, some respondents felt the practice part of their education was too little, and a few of them mentioned reasons that come from their personal situation.

5. Summary

There is a long lasting debate among higher education experts, professionals and researchers about the efficiency of higher education. As there are many stakeholders with different concepts it is not easy to set up a well-defined measuring system. One possible way is to track graduates’ career after leaving the institution and collect data about their employment status. These descriptive researches based on fresh graduates’ opinion describe only one side of the

⁶ The telephone survey carried out in 2011.

coin apparently, but they can be useful to get a clearer picture for further studies and provide possibility to develop more sophisticated measuring systems.

References

- Brocato, R. – Potocki, K. 1996: We care about students...one student at a time. *Journal for Quality & Participation*, 19, Jan/Feb.
- Chase, R. B. 1978: Where Does the Consumer Fit In a Service Operation. *Harvard Business Review*, Nov. – Dec., pp. 41–52.
- Harmon, M. 1993: An interview with Dr. William Glasser. *Quality Digest*, Sept., pp. 44–47.
- Hetesi, E. – Braxmair, Zs. 2011: *University impact and impress on student growth- a conceptual model of the measuring value added in a higher education institution*. IAPNM Conference, 10th International Congress of the International Association for Nonprofit and Public Sector Marketing, Porto, Portugália, CD.
- Sirvanci, M. B. 2004: Critical issues for TQM implementation is higher education. *The TQM Magazine*, 6, pp. 382–386.
- Veres, G 1999: *A Felsőoktatási Intézmények Minőség-menedzsmentje*. Műszaki Könyvkiadó, Budapest.
- Vilmányi, M. –Hetesi, E. – Veres, Z. 2008: Options for risk reduction in higher education, *Marketing&Menedzsment*, XLII, 5-6, pp. 117–124.
- Zeithaml, V. A. – Parasuraman, A. – Berry, Leonard L.1985: Problems and Strategies in Services Marketing. *Journal of Marketing*, 2, pp. 33–46.