

## CASE STUDY ON THE INTENTIONS AND THE POSSIBILITIES OF ACCESS ON THE LABOUR MARKET OF HIGHER EDUCATION GRADUATES IN THE FIELD OF ECONOMICS

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### Abstract

*In a period when the labour market in any field is more and more vulnerable, inconstant and permanently changing, the field of economics follows the same trend, with much turbulence and multiple changes of directions and tendencies, both as regards the labour demand and the supply. Graduates in the fields of economics are affected to a large extent by the lack of secure job offers, and many times they choose retraining or migration, thus becoming a workforce qualified in a country and carrying out its activity in a different country. This article presents the results of a research performed in 2015, among graduates with specialisations in economics at the "1 Decembrie 1918" University of Alba Iulia, which will illustrate their perception of employment opportunities in a field that is related to the one they have studied at the university.*

**Key words:** *economic field, employability, graduates, labour market*

**JEL Classification:** *A23, J40*

### I. INTRODUCTION

Labor market is one of the main components of the market economy together with the goods and capital market. The labor market refers to the workforce. In everyday perception, workforce is concerned with the ability of a person to work.

From an economic perspective, the labour market is one of the components of the production forces and workforce and it is based on the meeting and matching of supply and demand. The need for work is present in any society, where the employment of workers, the salary and the working conditions are negotiated.

The labor market is the framework for the confrontation between workforce supply and demand within a certain period of time and in a particular place, which results in the sale and purchase of workforce in exchange for a price called salary, functioning in each country, in different groups of countries and at a global level. As a subsystem of the general system of national economy, labour market is the framework within which is exploited the most important factor of production - labour - by the use of workforce. In turn, „labor market is a system that is defined by all the economic relations related to the employment and use of workforce, as well as to ensuring protection and social security for workers“. (N.G. Niculescu)

### II. LITERATURE REVIEW

In the opinion of G. Cretoiu, workforce market or labor market can be defined as „the economic space where the workforce demand (capital holders as buyers) and supply (workers) meet and confront, being subject to free negotiation.“

Labor market at the level of each country can refer to a town, a smaller or larger area more or to the entire economy and has different phases: in the case of workforce that is unqualified or of lower qualification, the area is smaller and the needs of workforce can be covered at the level of a town; as the level of qualification of the workforce increases, the workforce of higher qualification is more rare, thus appearing the necessity to extend the area of the labor market to wider zones or even to the entire territory of the country.

Different approaches to economics such as neoclassical and institutional economics present other definitions of the market. Thus, the market is seen as „a process with a dynamic character, and it is related to the phenomenon of the division of labor and to the private property (Ludwig von Mises).“ Young persons who have already entered the workforce, have unrealistic expectations and projections, but graduates who do not have any experience on the labour market yet project their future workplace as being in line with their expectations. The needs of young people in relation to the labor market follow a general trend and they are related to the perception regarding the development of the economy, the training of young people, job offers and professional and personal development.

In Sh. Jenner's opinion, employers are faced with the development of new technologies at an unprecedented pace. Markets are extending and competition is more fierce than in the past, as the process of globalization exerts its influence. Organizations are forced to respond to customers' needs with increased speed and responsiveness, and therefore they need to be more adapted and more efficient than ever before.

The companies' level of complexity varies greatly, but most employers make a connection between the jobs for graduates, the organisational objectives and their business strategy. They perform an analysis of the posts that they need in order to have an idea with regard to the specific skills, abilities and attitudes which are necessary to the firm. In Romania a study has been carried out, 'Questionnaire for the analysis of the degree of satisfaction as regards the professional training of graduates from the point of view of employers'<sup>8</sup>, which is an examination of the degree of correlation between graduates' professional training and employers' requirements in order to improve business performance and increase integration of graduates into the labour market or the job satisfaction. The employer's image automatically confers stability and job security, appreciation for the employees' efforts, the possibility of developing a career and better social status (C. Muller).

In the study were pointed out employers' requirements with regard to the future employee's profile, aspects relating to both the theoretical training and the specialisation of graduates, as well as the hours of practical training or practical specialisation, the participation to internship programmes, approached in intensive and extensive terms.

*Employees' professional training is of major interest for employers, its quality being reflected directly by the company's performance, the good employee-employer relationship, the increase of the employee's labour productivity, which constitutes a positive influence on the company's costs and at the level of salaries. According to the results of the study referred to above, 69% of employers are satisfied with the general training of graduates, 23% declare that they are partially satisfied, and 8% of employers are dissatisfied, which clearly shows that the situation should be improved to harmonize the interests of the two categories: supply and demand.*

### III. METHODOLOGY RESEARCH

#### **Object of the investigation**

The need for this study is indicated by the observation and the presentation of labour market realities in Romania: the large number of graduates with specialisations in the field of economics for whom it has become increasingly difficult to find a job, many of them ending up by practising a profession that does not correspond to their professional training, working sometimes illegally or even leaving their country of origin, in search of a job. This research aims to analyze the opinions of students/graduates with specialisations in the field of economics, with regard to their existing opportunities of access to the labour market.

#### **Investigated persons**

In order to study the possibilities that currently exist for graduates/students with specialisations in the field of economics on the labour market, a research instrument, namely a questionnaire, has been prepared and applied for testing graduates' opinion about their opportunities of access to the labour market after the completion of higher studies in this field. From the total of 178 graduates of the '1 Decembrie 1918' University of Alba Iulia with specialisations in the field of economics (Specializations: Business Administration, Economy of Trade, Tourism and Services, Marketing, Finance and Banking, Accounting and Management Information Systems), there are a number of 91 respondents. The items and the results of the study are described below.

#### **Presentation of the research instrument (the questionnaire)**

The questionnaire consists of a number of 10 questions and at the end of the survey period 91 of the 104 answers were validated.

<sup>8</sup> Research regarding the correlation between graduates' competences and knowledge and market requirements, *Questionnaire for the analysis of the degree of satisfaction as regards the professional training of graduates from the point of view of employers.*

**IV. RESEARCH RESULTS**

In the following, the items and the obtained results will be presented.

**Question 1:** `Do you intend you to find a job?`

Most of the 91 students/graduates who compose the sample gave a positive response (92 % ), which shows that young people want to have a better future and they are prepared for employment.

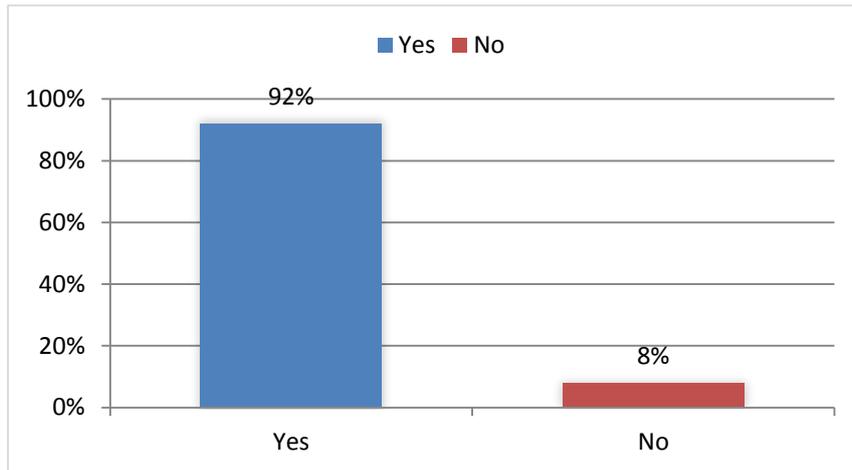


Figure no. 1- The ratio of young people who want/do not want to find a job  
Source: Own processing

**Question 2:** `How many times have you submitted your CV to a company in order to be employed?`

The answers given by students/graduates to the following question indicate how many of them have prepared a CV and use it to find a job.

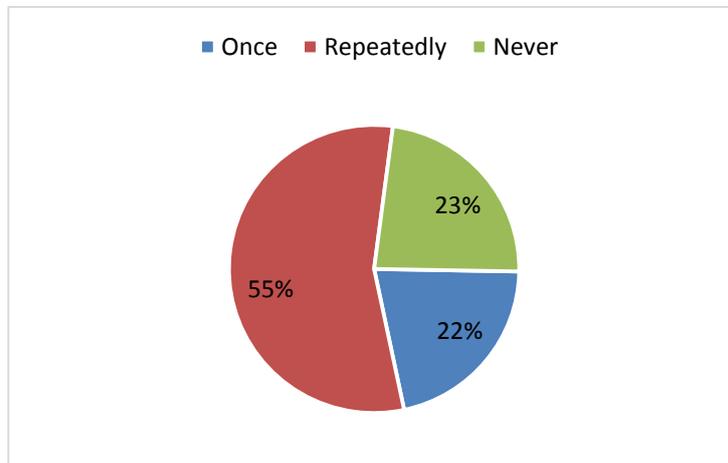


Figure no. 2- The situation of young people who have submitted a CV  
Source: Own processing

**Question 3:** `How many times have you had a job interview in front of a employer?`

*As regards the frequency of job interviews among young graduates, it is quite high. Only 23.2 % have never been to an interview, most of the young people (51.8 %) participated to an interview 1-3 times, 16.1% went to more than 3 interviews, and 8.9% went to about 6-10 job interviews.*

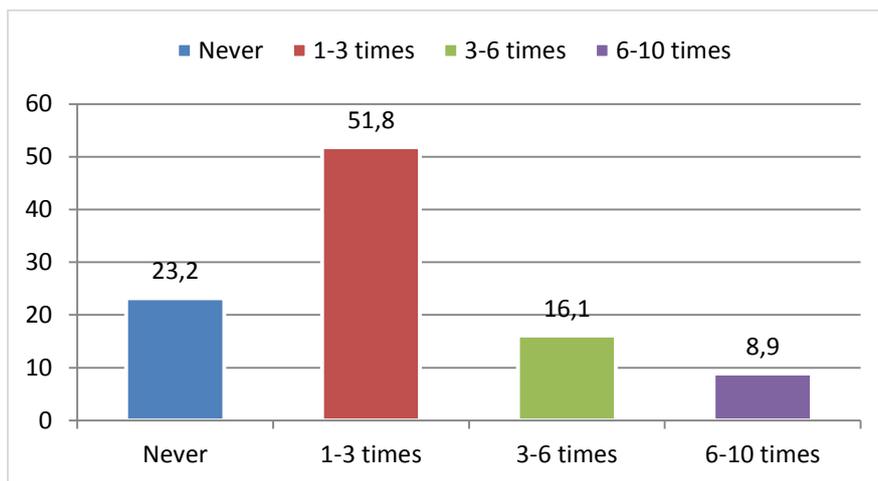


Figure no. 3 - The ratio of graduates who have been to a job interview

Source: Own processing

**Question 4:** `Have you tried you to find employment in a field other than economics?`

Based on the answers to this question within the questionnaire, it can be stated that young graduates find employment in a field other than economics faster (69.1 %). Only 30.9% of them prefer to wait longer in order to be able to work only in this field, in which they are trained.

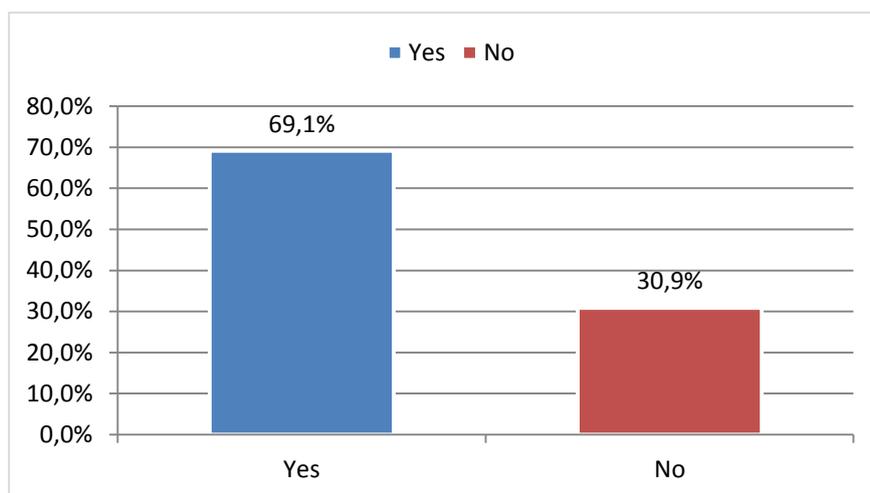


Figure no. 4 - The ratio of employment in a field other than economics

Source: Own processing

**Question 5:** `Do you consider that the companies want to hire young graduates?`

Companies in Romania offer students with specialisations in the field of economics the possibility to accumulate professional experience by providing more employment opportunities. To the following question, 24.5% of graduates gave an affirmative answer, 22.4% of them do not consider that companies are interested to hire young graduates, 14.3% do not know such companies. Most of them (51 %) consider that companies are receptive to the idea of hiring graduates.

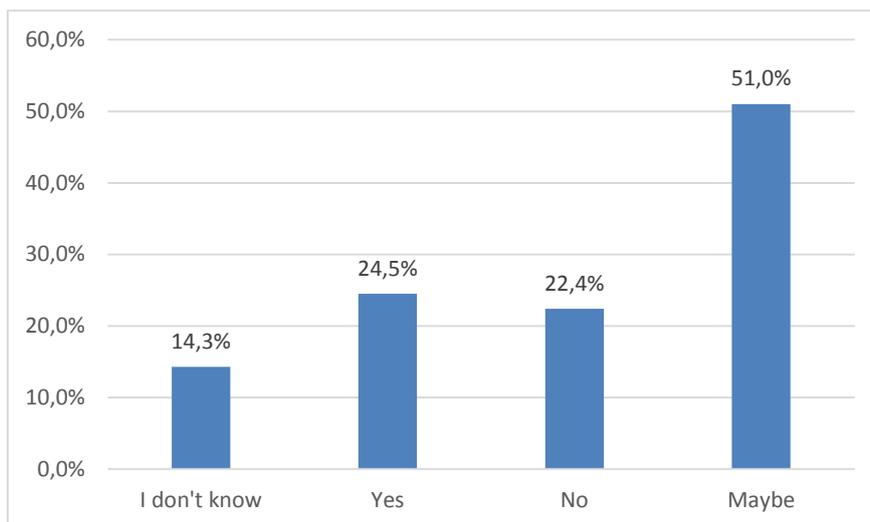


Figure no.5 - Graduates` opinions regarding the interest of companies in hiring graduates  
Source: Own processing

**Question 6:** `Which of the following means have you used for finding a job?`

In order to find a job, people use media channels, attend job fairs, etc. Based on the analysis of the sample, the first place among the means of finding a job is occupied by the internet (73,5%), which is seen as the most convenient, efficient and affordable way for all students/graduates. Another way to find a job is through acquaintances (57.1 % ), many of the young people in search of jobs are using newspapers and specialised magazines (44.9 % ), 32.7 % go to job fairs and only 16.3% are using exchanges.

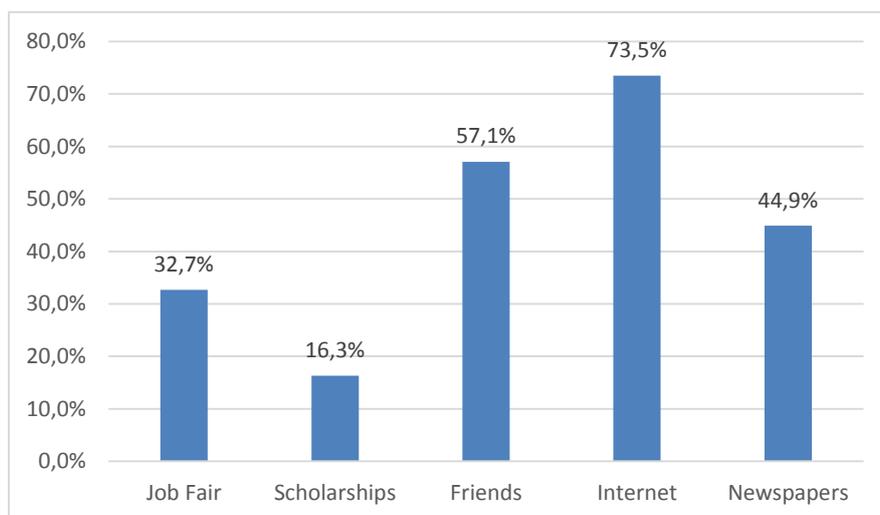
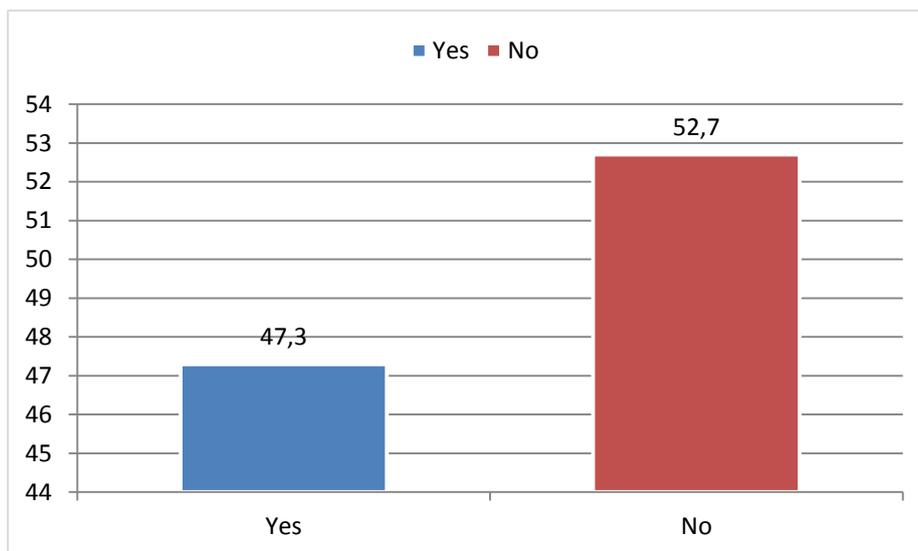


Figure no. 6 - Means of finding a job  
Source: Own processing

**Question 7:** `Have you tried to find a job and in a city or country other than that where your domicile is located?`

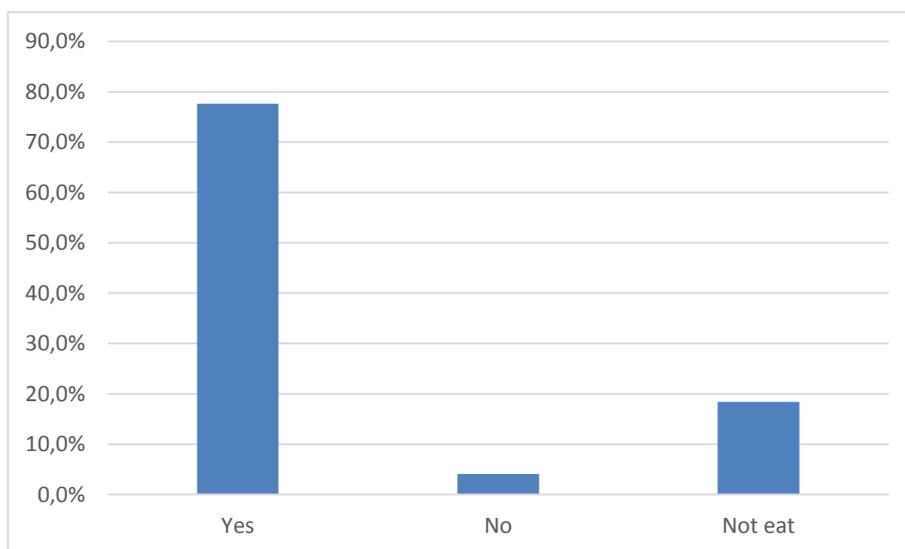
Most of the total respondents which compose the sample (52.7 %) have not tried and do not intend to find a job in a different city or country, and the rest of 47.3 % have tried/intend to work in other cities/areas/countries.



**Figure no. 7 - The ratio of graduates who want to find a job in a different city**  
 Source: Own processing

**Question 8:** `Are you prepared for retraining in a different field if you will not be able to find a job in the field of economics?`

Based on the analysis of young people's point of view as regards retraining in a field other than economics, 77,6% are prepared to have a job in a different field, only 4.1% of the respondents intend to retrain for a job in a different field, and 18.4% are undecided for the moment.

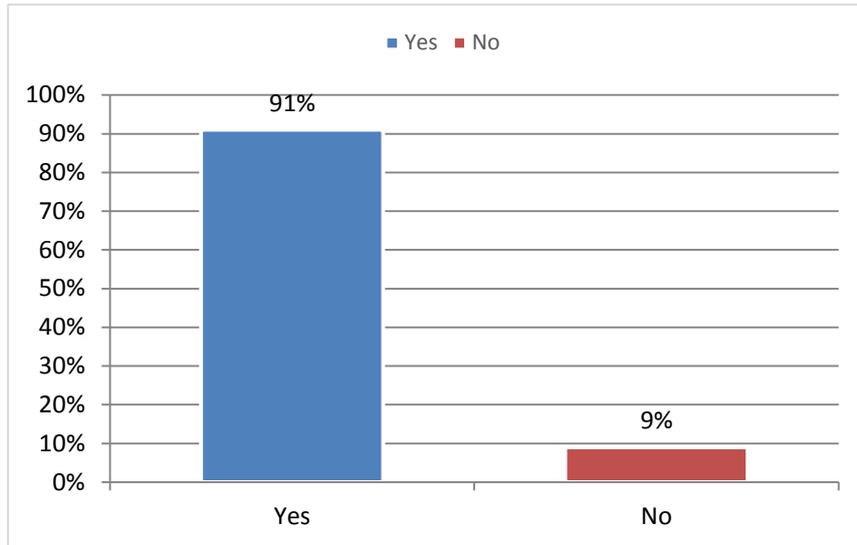


**Figure 8 - The ratio of retraining in a field other than economics**  
 Source: Own processing

**Question 9:** `Has your University offered you support to find or gain access to a job?`

The answers received at the ninth question in the questionnaire show that young people consider that the University is a real support for gaining access to a job (92 %) and 8% do not feel supported.

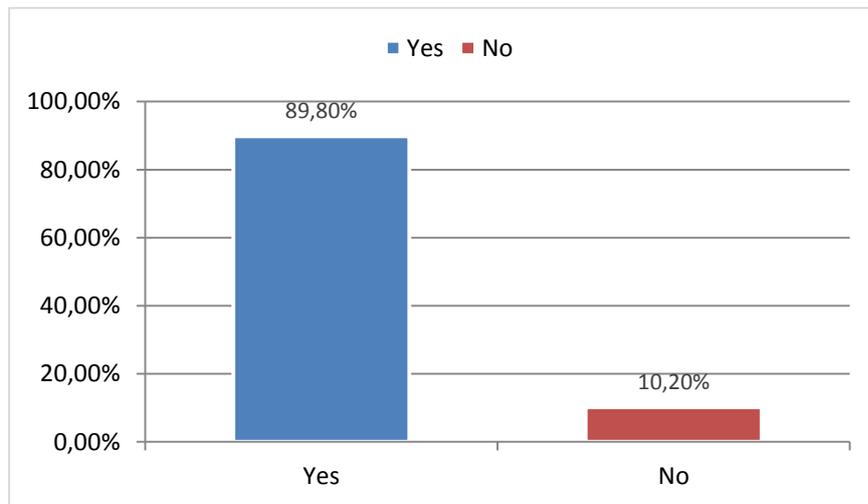
*job*



**Figure no. 9** -The ratio of young people who consider that the University offers them support for finding a job  
 Source: Own processing

**Question 10:** `Do you consider that the state could intervene also by other methods of increasing the number of employees among graduates?`

Until now, the Government has modified the laws regarding the employment of young graduates, but the unemployment among them is increasing. A ratio of 89,8% of the respondents believe that the Government could adopt also other methods to increase the number of employees/to combat unemployment, 10,2% consider that for the moment the state does not have measures to increase and employability among young people.



**Figure no. 10** - The students' opinion regarding the state's possibility to increase employability among graduates  
 Source: Own processing

## V. THE ANALYSIS OF RESULTS

By analysing the answers that were provided, the following conclusions can be drawn: students/graduates intend to find employment in as short a time as possible, and most of them submit their CV several times (55.4 %). Most of the respondents are prepared for job interviews (51.8% of them went to an interview 1-3 times).

A ratio of 69.1 % of the respondents declared that they have tried (and they will continue to try) to find a job and a field other than the one studied at the University.

As regards the receptivity of companies to hiring graduates/students, the opinion of most of the young people (yes-24.5 %, maybe-51 %) tends to be that Romanian companies are interested to hire graduates/students

The answers of young people relating to means used to find a job show that the best-known is the Internet (73,5 %) followed by the network of acquaintances (57.1 %) and job fairs (32.7 %).

According to the answers to question 7, only 47.3% of young people have tried to find a job in a different city or country, and the majority of those who prefer to leave will do so after graduating the university. Graduates with specialisations in economics are prepared to retrain in another field, if they do not find a job corresponding to their studies.

Regarding the perception of students/graduates relating to the support received from the University for finding a job, an overwhelming majority (91%) stated that they felt supported. The opinion of respondents concerning the support received from the state through the adequate levers is that the current measures are rather timid and they should be enhanced.

## VI. CONCLUSIONS

The Universities in Romania are offering graduates opportunities to gain an easier the access to the labour market in the field of economics. There are European projects that provide support for young graduates, as well as programmes and internships for practical training offered by companies in Romania, which are giving graduates the possibility to find a job already during their years of study for a short period of time, and then to become full-time employees after the completion of their studies.

Although the unemployment rate among young people has increased considerably in the last years and unemployment has become a global issue which manifests itself unevenly across countries, areas, time periods, age categories, professional qualifications, in the end expectations and subsequently reality are confirming the fact that a young person who perseveres continuously has multiple opportunities of access to the labour market in the current period. Young people who were involved during their studies in voluntary activities, practical training within companies or internships have a great advantage. In the last years, almost all the universities in Romania have developed partnerships with the companies in the city or in the surrounding area and they can provide useful information on labour market dynamics, the employment situation, specialisations that are required within each company, through the existing information, counselling and career guidance centres.

Experience exchanges and specialisation courses are especially useful and have visible results, and they are available for each young person who is interested. This exchange of working practices is also necessary for gaining a minimum experience, often demanded at job interviews.

Many companies offer practical training positions for young people who are still students, and thus they can interact directly with difficulties involved by a job in the field of economics, with the logistics, the information system and all the systems that are used within a company. The main source of jobs for young graduates is currently the private sector. Last but not least, career guidance is particularly important for choosing the future profession as correctly as possible from the perspective of personal skills.

## VII. ACKNOWLEDGMENT

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