Job matching as a new challenge for work performance

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ABSTRACT

In actual challenging environment, progress and growth is more than an economic issue and it involve human capital, development of human resources in terms of knowledge, skills, and competences. The workforce offer and demand is not sufficient to make progress but we need a concept that bring together skills, competency, jobs and productivity that drive economic growth.

From the perspective of this paper, we deal with job mismatch as a qualitative imbalance that occurs when the characteristics of workers (level of education, qualification, skills) are not in direct relation with the work requirements, with accent on education requirements. I present some analytical highlights on education-job mismatch at European level and in Romania. Education requirements of jobs vary across countries. In Romania, almost 60% of adult employees, consider medium level of qualification is sufficient to do the job. Remarkable is that the procent is the highest among all responders from European countries.

The subject have great importance to improve the matching as equilibrium between educational offer for developing skills, competences, knowledge with occupational requirements coming from changing business environment.

Keywords: Job-education mismatch, education requirements, skills, qualifications

THEORETICAL BACKGROUND

Job mismatch is a new, complex and dynamic concept, manifested at different levels of labor market and related to the overall economic situation of the national economy. The high competitive arise the need to better use of work resources and to create a better match between worker (mean competences, knowledges, abilities and attitudes) and workplace (mean requirements, results, performance). In 2014, job mismatch affected, on average, 29% of the European adult working population (Cedefop, 2014). European policy promotes the job matching as a way for raising productivity and improving worker well-being. The EU Skills Panorama, launched in 2012, supports the effort to provide better data and information on skills needs in the labour market.

Turvey R. (1977) provided a first definition used in the scientific field. Job mismatching is a lack of matching between job vacancies and job seekers or the unemployed, so if those people looked for another job or if he had other skills, then unemployment would have been lower. Initially, the concept of job mismatch was defined as a lack of equilibrium in employment, being in relation with unemployment. Was seen as an imbalance between the workforce supply and demand. Since the 1970s, the phenomenon has been known in the literature as "structural imbalance" to explain the high unemployment rates, in spite of many available jobs.
Mismatching is not similar with the existence of a major imbalance between labor demand and supply, only represents the effect of lack of correlation. Better understanding, and more efficient use, of labour market information are among potential preventive measures to reduce the risks of skills mismatch. Anticipation of skills can be perceived as a preventive measure, providing an early warning of potential mismatch in the labour market and giving the actors (policy-makers but also companies, education providers and individuals) information to prepare for it (Cedefop, 2016).

Education and job mismatches are reported to have many effects on work performance, job satisfaction and other outcomes of labour market. Educational mismatches affect wages strongly, more than skill mismatches. The Romanian researchers results (Zamfir, 2013) show a negative effect of the education-job mismatch on wages in most of the cases. Thus, higher education determines higher productivity, but productivity is shaped by job adequacy. But, measurement alone is not sufficient, as long as the information obtained is not used in other decision-making processes like: strategic planning, quality management, budgeting, increased productivity (Ghenţa, 2015).

**Theories of job mismatch**

The mismatch is seen as the incompatibility or the existence of a weak "match" between the characteristics of workplaces (skills required, competences etc.) and the characteristics of job seekers (skills, level of education and localization preferences).

There are several scientific theories that can be useful in understanding the possible causes of job mismatching, the effects and implications such as: Human Capital Theory (Becker, 1985), Theory of Technological Development (Romer, 1990), Theory of Career Mobility (Sicherman, Galor, 1990), Labor Market Segmentation Theory (Cain, 1976), Theory of Allocation (Sattinger, 1980). Here are some important aspects to describe.

From the perspective of human capital theory, education and training have a major influence on labor productivity and employee income. In theory, there is a single, efficient and fair labor market where jobs and wage levels are directly related to the worker's skills, knowledge and skills. Variables such as job availability or job-related tasks are not a decisive factor in the function of adequate employment or income formation. In this theory, individuals are employed in the right, optimal workplace, and inadequate problems are minor, solving themselves in a long term.

The theory of labor market segmentation emphasizes the characteristics of the workplace and the labor market, coming in direct relationship with the productivity and wages, more than the individual's characteristics. The labor market is seen as being composed of two or more segments, subject to different regulations, supply and demand conditions, leading to wage differentials and other results such as: job security, access to training and human capital development. On the other hand, mobility between segments is limited for various reasons including level, type of qualification, work experience.

According to the allocation theory, allocation is optimal when workers are employed to top-down jobs in direct relation to their competencies, i.e. the most skilled worker perform a job with complex requirements, and the less competent worker occupies the most simple job. The importance of human capital accumulation for economic growth is certain, but the focus of specialists is now focused on providing evidence of the importance of efficient and appropriate allocation of human resources to jobs (Quintini, 2011).


**Education mismatch and qualification mismatch**

In general, a distinction is made between the types of mismatch. From the perspective of level of education, the mismatch is manifested when the level of education of the workers differs from that level required for carrying out the work tasks and responsibilities. From the perspective of qualifications, the inadequacy arises if the level and type of qualification of the workers differs from the qualification required to perform the work tasks. Also, the skill mismatch is the situation when the skills of the workers are different from those necessary to carry out the work tasks. The concepts of education mismatch and skill mismatch are closely related but not identical. Their assessment is subordinated to the availability of statistical data.

Qualification mismatches occur when the formal qualifications that individuals have are different from the qualifications that are required to workplace, to be able to be hired for and to perform the job (Quintini, 2011). Mismatch typology from the perspective of education or training is manifested in either of two situations (in Cedefop, Descy and Tessaring, 2001), namely:

- When the level of education or qualification of the worker is higher than the requirements of the workplace (named over education, over qualification).
- When the level of education or qualification of the worker is below the requirements of the workplace (named under education, under qualification).

**DATA AND RESULTS INTERPRETATION:** European employees are not well-matched

European Centre for the Development of Vocational Training (Cedefop) has recently started new research themes and analysis to provide more insights on skill mismatch issues and problems in Europe. The European skills and jobs (ESJ) survey, was the first survey on skill mismatch carried out in the Member States, in the aim of examination drivers of skill development and the dynamic evolution of skill mismatch in relation to the changing world of work and people’s jobs. In 2014, Cedefop’s ESJ survey was carried out in all Member States, including Romania.

The survey asked a big number of people, about 49 000 adult employees, aged 24 to 65, across all 28 Member States how their skills and qualifications just match the needs of their jobs. The ESJ survey search the skill mismatch over time, taking account of changes to people’s skills and their job tasks at workplace. The survey detects education and skill needs in different occupations and sectors and assesses the extent to which basic, digital and transversal skills of individuals are valued in the job market. It also investigates the capacity of initial (e.g. work-based learning) and continuing vocational education and training to mitigate skill mismatch.

Here are presented some overall results and data interpretations based on self-assessment of participants. The survey has revealed that about 30% of European employees have a formal level of qualifications that is not well-matched to the level required by their jobs, in their opinion. A quarter, 25% of total EU adult workers with a high level of education are overqualified for their job. About 45% of EU adult workers believe that their skills can be better utilized at work, so we said that they are overkilled. In general, 42% of investigated European employees think they have few opportunities to find a job matching their skills and qualifications.

The education and vocational training also learning at workplace is very important, so 40% of employees complete a program for training. On the contrary, there were 20% of Europeans whose skills have not developed since they started actual job.

An important finding of survey is that a good job in a developing area could develop better skills. That means that jobs with complex tasks, in a developing domain, with challenges and need for rapid change, can facilitate the opportunities to acquire skills and develop human capital. Europe
needs more jobs that fully use and develop the skills of its workforce. Financial sector and insurance, professional, scientific, technical services, also engineering are the economic sectors where jobs facilitate developing skills continuously.

**Education or Qualification requirements – Romania’s case**

The estimation of qualification mismatch is done by direct comparison of individuals’ highest qualification level, formal, with the level they consider it is necessary to do their work requirements and responsibilities. There is a growth in statistical data about tertiary education graduates (at EQF levels 6 to 8). So, employers prefer for hiring such graduates in jobs where the level of qualification could be lower i.e. high-level or vocational schools. The graduates with better ICT skills or high levels of skills for communication in foreign languages are preferred and have better opportunities to occupy jobs displacing those with lower qualifications, in spite of their work experience.

The question about the qualifications and skills needed for jobs shows details about difference between job requirements and qualifications that individuals value. About 33% of European adult worker said that a tertiary education diploma (ISCED 5-6) is required to perform work and fulfill job requirements and 40% consider the medium level (ISCED 3-4) as sufficient.

In Romania, the comparative analyze show fewer persons said that a tertiary education graduation is necessary for their job, but comparative many more responders, almost 60%, consider medium level of qualification is sufficient to do the job (figure 1). Remarcable is that the procent is the highest among all responders from European countries. A deep calitative research is needed to be done here to found out the weak valorization of high education diploma. One problem could be the negative effects of work results as low productivity, competitiveness, level of wages, satisfaction in work etc.

**Figure 1: Level of qualification needed for jobs, autoevaluation of European adult employees, 2014**

Source: CEDEFOP, ESJ survey 2014

Anyway the level of education (or qualification) required by employers searching for a employee, can be higher than the one needed to do a job, particularly when concerning graduates with no relevant work experience. They probably prefer to hire graduates with higher education. Obvious, education requirements may be different according to the occupations, economic sector, contract type of employed persons.
CONCLUSION

Job mismatch has become a growing concern for policy-makers at national and European Union levels. The goal of matching education, qualification and skills requires reforms to increase the responsiveness of education and training systems to labor market needs, for not only a well-educated workforce but well matched workforce.

Matching qualification and skill supply to the needs of national economy is a dynamic process. In practice, especially in turbulent times, workers do not have right qualification level and skills required by the job or, opposite, the skills of the workers are not sufficiently exploited in the current workplace. This lack of matching may be temporary, short-term, or long-term. Of course, it takes time for the education providers to prepare the graduates equipped with better qualifications and skills to adapt to the labor market demand for rising performance. So, the research of educational requirements is essential, along with incidence of educational mismatches and evolution of qualification.

Managing the skill mismatch challenge have to be a common concern of employers, education and training providers and the state in their policy-making processes. Employers are responsible in providing training and to adequate their internal skills supply, and educational responsible and training providers are responsible to invest in skills and work related learning. The state has a role in research and ensuring effective skills anticipation systems and matching instruments, along with governance arrangements, so that qualification and skills supply to be better matched to skill demand.

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