



## CHANGES IN THE EMPLOYERS' PERCEPTION ABOUT UNIVERSITY DIPLOMAS AND THE WAY THIS CAN INFLUENCE THE ROMANIAN LABOUR MARKET

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**Abstract** In the current paper I analyze the way the modern higher educational system have been transformed into the last decades and how it can possibly change the future employers' perceptions about higher education degrees. Modern higher education can be determined as a multi-purpose social subsystem, however, one of its main duty is seen as being responsible for offering suitable supply of various professionals for the permanently changing labor force market. I will try to point out, which are the most relevant preconditions which can help this social system to fulfill this requirement, and which are the conditions that can significantly reduce the chances of well functioning. Relying on former international and own researches I will bring in examples which I see as highly relevant for our narrower region, Central-Europe and Romania in terms of alternations in perceptions of potential employers about higher educational degrees of future employees.

**Key words:**

Higher education,  
economic growth,  
regional development

**JEL Codes:**

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Whenever it comes to mid- or long-term forecast in terms of regional economic development, mainstream economists tend to create a mixture of the potential possibilities and risks which might affect the given region. In case of regions (the main subjects of research in the current paper) which are not sovereign political and economic units there are three main dimensions in which these analyses can be carried out. First and foremost, there are inner conditions, which up to a certain degree can determine the potential economic growth of the region (Rockefeller, 1992).

Without entering too deeply into the details, we could list up human resources, infrastructural potential, trade connections, industrial perspectives, financing structures (Maclin, 1997). However, in European context it is clear that not sovereign regions have various level of self-governing features, and generally spoken it is plausible to conclude, that another relevant dimension is

determined by the country's general shape which they are included in.

The quality of the policies, the general market position of the country, the international trade and political agreements all influence any given region's possibilities, determining the edge of the possibilities in terms of growth and economic performance (Audretsch, 2007). In addition, Transylvania, which can be considered a proper example to study the effect mechanisms ((Gyorbiro, Borzasi, Hamos, Gyorbiro, 2014)) due to its significant share of ethnic Hungarian inhabitants is also linked to Hungary and especially to Eastern Hungary in terms of cultural, economic and trade connections (Inotai, Boros-Kazai, 1994).

There have been several researches conducted on the effects of the higher education on the economic development and on the role of the academic sphere's training and labour-force reproducing role from the

perspective of economic growth. This wasn't by chance, as following the large-scale expansion the higher education this sphere has not only become an important contributing factor to the national economic performances, but it became a huge social and economical subsystem itself from infrastructural and real-estate perspective, all the buildings of the universities and colleges, as well as labs, sport-facilities started to require more and more sophisticated management skills.

From the aspect of the human-resources, the number of employees involved in the higher-education or connected to it in some way has grown significantly. As a result, the researches which analyze the sphere of the higher education from economical and management perspective are widespread nowadays, and vice-versa, the effects of the higher education on the economic performance also became a leading research field.

In this current paper the main research topic is the potential economic impact of the higher educational institutions in Central-Eastern Europe on the region's economic development. I also try to foresee some possible scientifically supportable scenarios for the future, drawing attention to the possible break-out points and major risks too.

When it comes to the analysis of a country's economic growth potential, there are numerous factors which should be taken into account, with more or less emphasis. However, the higher education, as an individual social and economic resource gained plausibility following massive empirical evidences from the second half of the 20th century, showing strong links between economic performance, especially in terms of the tertiary sectors and the countries' domestic

higher education system's development and competitiveness (Demeulemeester, Diebolt, 2011).

In Romania, the expansion of the sphere of the higher education (a world-wide phenomenon) has approximately coincided from a historical perspective with the transition from communist dictatorship to pluralist democracy with capitalist economical establishment which happened similarly in several countries in the region. Thus the main characteristics of the Romanian higher education which used to be valid for the whole period from the end of the World War II until the late 1980's have altered significantly.

Not only the increase of the students who got admitted meant a large difference, but also the intense expansion of the higher education in terms of institutions in the whole wider region (Brine, 2002). The number of the higher-educational institutions in post-communist Romania got multiplied in the last two and half decades, which means, that the mere fact that someone is a university student or has a certain degree from any institution does not reflect any privileged position, let alone any sort of elite-status.

As the obstacles, be political, social or administrative have been dismantled, the social recruitment basis for the newly expanding higher education institutions was open and the perspective of obtaining a university diploma became a real target for a big ratio of students from the new generations (Rockefeller, 1992). The main concept which needs to be re-defined, I believe is the range of jobs which require university degree, as in the former decades the offer from such employees was narrow but has broadened significantly during the last two and half decades. The process is of course a never ending story, as current students who are the

future human resources managers possibly can have no idea about the most demanded professions in ten years.

Even if there is a permanent change in economic and thus in occupational structure in any given society, the pace of these changes is rather important, as an organic change can be foreseen, while a sudden political shift can turn over the whole process. Among these circumstances which were brought in by the democracy in Romania it is not a surprise that many key actors of the national and regional labour force were unprepared for the important changes which occurred in the framework of the higher education in Romania and in other countries in the region, especially for the increase of supply of the fresh university graduate students on the labour market. The increase was so sharp that within two generations, I believe, that not only the number of diploma possessors but also the whole value of such a certificate has radically changed.

The radical change of the rules and of the figures, in terms of former higher education emission and the situation after 1990 have altered the positions of the key players in the economy. The employers became much less aware of the potential abilities and knowledge of the applicants with university degrees. As the expansion also meant the entry into the system and the graduation of a large number of students whose level of knowledge was not comparable to the generations which graduated decades before, the skills and abilities of the graduates varied largely.

Contrary to the former decades, when employers could have more or less correct appreciation of the skills of the graduates as their number has been rather limited, so they knew what to expect from a graduate, currently the uncertainty is much larger. This is not only because

of the complexity of the university study structures, but also because the various institutions have a quite significant autonomy in terms of courses held in specializations often with the same name.

The tendency must have led to various forms of optimization of the recruitment-policies and this can result in the increase of the importance of various trainings within the companies. In such a context, the university studies can mean a basic preparation, the effective professional socialization remaining the duty of the future employers.

Meanwhile the values and categories of the various diplomas were pretty much turned over, another logical consequence has been, that while the structure of work-categories haven't changed much at various kinds of companies and employers, the average level of education of the employers increased significantly.

This is the result of the fact that the modernisation and the progress of the labour market could not keep-up with the fast pace of the expansion of the higher education as those graduates, whose degrees got inflated due to the large number of fresh graduates could not get employed at jobs which required the level of knowledge and skills of a graduated employer.

Even more, those got into peripheral situation who did not have any sort of degree, even if for their job a decade earlier no university degree was required. As a result, in the case of many companies and public institutions we can find a large number of graduate secretaries, car drivers, shop assistants and even cleaning staff members.

This phenomena, the growth of average level of the employees can be noticed in numerous developed and developing countries. These can be interpreted,

according to my thoughts as result of the unsynchronization, meaning that the capacity of the education has been increased without proper synchronizing with the labour market demands. As a result, those who didn't opt for higher education degrees, because they originally preferred to apply for „blue collar jobs`` could but found themselves pushed out of the labor market by the supply of employees who couldn't find jobs which requested higher education diplomas . This happened with severe consequences in several emerging markets, China being one relevant example (Wang, Liu, 2011).

An other negative effect of the increased emission of the universities was , that with the perspective of obtaining a university degree, many parents encouraged their children to do so, because among these conditions the high schools with professional training lost much of their prestiges. As a results, the whole professional training started to lose its attractiveness, which has led to an even deeper tortioning in the labour-force structure as there has been an increasing supply of unnecessary university graduates, the professional graduates' number became less and the quality of the professional schools' graduates was likely to be worse as large amounts of the skilful and devoted students, who had been choosing professional schools decades ago chose to apply to university, as it became so much accessible. To my mind this will cause long-term structural programs on the labour market and many believe that the expansion of the higher education contributed heavily to the depreciation of the professional training.

However, this was not the only reason why the professional education and the careers within the industry lost much of their attractiveness. In my oppinion, this long-running phenomenon also has to do with the

image of the industrialization in the communist period. While in other countries this was not only a more organic process but it also brought objectivewell-being for large social groups of the western societies,in Romania the industrialization was not associated with cognitive images like the succes of the western industrial products but as collective memory with the delayed and incredibly aggressive industrialization of the country under the rule of the communist regime despite the dislike of the whole society.

The aim would be to train at the universities graduates who posses all the skills and knowledges which are necessary in the region's economic activity. This is not only important because of the value these young employees could create, but it is obviuos that every single graduate who doesn't find a proper career is on one hand a waste of educational capacities and ont he other hand, he's likely to become a person who needs the support of the state's social web , so he would rather mean cost to the society instead of creating added value. If this phenomenon happens repeatedly from generation to generation, it could lead to a lack of social support in terms of generosity from public budgeted towards higher education, so the idea that the state should finance degrees which hardly assure any career possibilities would be more and more awkward politically.

On he other hand, it can not be ignored that due to the lasting effects of the economic crisis thas has been undergoing since early 2008 the social transfers provided in the regions' countries are less and less sufficient to cover the needs of the people with less fortunate socio-economic status. In these conditions, it is likely that all state spendings in anything else but social security would be seen as suspicious by an increasing share of the populatioin. I believe that sooner

or later the issue of the higher education will also get to the agenda.

In case if the ones receiving university diplomas will have significantly better chances to obtain rewarding jobs than the spendings in these field will be seen as legitimate, but in contrary case, the failure of synchronization between higher educational offer and labour market demands will also undermine the legitimacy of the whole state financed higher education.

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