Graduate glut spells underused skills and dissatisfaction for many

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Graduates are taking up jobs that don't fully use their skills and as a result are causing high turnover for employers, claims new research published today in the journal Human Relations, published by SAGE. The findings raise questions about today's high throughput in university education.

Policy makers in many developed and developing countries envisioned high-value economies supported in part by a highly-skilled and well-paid workforce. As a result, many nations have increased higher education (HE) access, assuming that employers will be able to use this larger bank of skills effectively. However, the number of skilled jobs has not matched the rising number of skilled workers, so that today's higher qualifications no longer guarantee graduates higher earnings, or further opportunities to use and develop knowledge and skills. Many graduates are now employed in 'intermediate' level jobs previously not regarded as graduate jobs.

Belgin Okay-Somerville from the University of Aberdeen and Dora Scholarios from the University of Strathclyde, Glasgow, have identified five areas where emerging (intermediately skilled) graduate occupations diverge from traditional graduate occupations:

1. "Graduateness" – the extent to which skills associated with graduate jobs are used in emerging occupations;
2. How closely a graduate's skills match those required of the job;
3. Job content, in particular job control and opportunity for skill development;
4. Job security; and
5. Pay.

Together these indicators give a benchmark of job quality, which Okay-Somerville and Scholarios examined in a sample drawn from the 2006 UK Skills Survey. Of a sample of 7787 employees, 379 met the criteria for the study. These employees worked in managerial, professional or associate professional occupations, and had 5-15 years' post-degree work experience.

The new, emerging graduate occupations offered inferior skills utilization, job content, job security and pay. Not surprisingly these lower quality jobs, marked out by less opportunity for skill use and job control, led to graduates with lower job satisfaction and organizational commitment. No matter what the occupation, job content was the most important factor for satisfaction, commitment and well-being.

There is now an abundance of evidence that a substantial minority of graduates start their careers in non-graduate low-skill, low-pay occupations. Employment in emerging occupations may imply a step up, but does not compare with traditional graduate roles.

"Generally, the findings challenge the equating of job quality with wages at the economic policy-making level, and the high-skills, high-wages agenda, which has been prominent in the UK," says Okay-Somerville. "Acceptance of intermediately skilled jobs as 'graduate occupations' without interventions designed to make better use of graduates' skills may result in 'good jobs going bad' in the graduate labor market."

The authors say their research supports an emphasis on demand-side employer-based policies aimed at job design and work organization, and offers a picture of how graduates themselves perceive various elements of job quality. Active dialogue between employer practice and skills policies should help to create 'good' graduate jobs, and to make 'bad' graduate jobs better.

This research forms part of a Human Relations special issue on job quality which features articles on what is meant by job quality and why it matters.
to individuals, firms and to national wellbeing, drawing on contributions from international scholars and research.

More information: Shades of grey: Understanding job quality in emerging graduate occupations by Belgin Okay-Somerville and Dora Scholarios, published April 2013 in Human Relations

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