

CARRER OUTCOMES OF UNIVERSITY GRADUATES

A case in Sri Lanka

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Comments are appreciated

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Chapter 1

1.1 Introduction

Graduate unemployment is considered as an important social and economic problem in Sri Lanka. Attempts made by many governments come in to power in the past to implement a sound solution to the problem have failed. Today our higher education system is being questioned and criticized on the ground that the system does not provides graduates with the required knowledge and skills to meet the requirement of the world of work. The government allocates approximately LKR 0.5 million to produce one university student. With the failure of getting employment opportunities in the labour market, government has to recruit them in to the government sector in favour of their voice. It is not the case that private sector the engine of economic growth, does not generate employment opportunities. The vacancy analysis conducted by the labour Market Information Unit of the Ministry of Labour Relations and Manpower states that the private sector generates new employment opportunities significantly. But the voice from the private sector is such that, graduate do not process required soft skills such as English language proficiency, team work, outgoing personality, computer and IT literacy, communication skills etc.

Graduates are not just labour. Labour is the basic factors of production because minimum labour is considered as the foundation of economic growth. But with the consideration of education structure of the labour force, it is a complex one, because it captures the advance knowledge and response very quickly to the environment. Its contribution to the productivity is very high when the proportion of educated labour share to the total labour force is larger. This means that the changing education composition of the labour force has significant impact on the labour productivity. However the reality in the labour market is painful. The High level of unemployment among the educated youth is prevailing for a longer period of time.

What does indicate this situation is that there is a mismatch between labour demand and supply in relation to the university graduates. Certainly, we do not know the magnitude of this problem. There may be a gap between prevailing voice and the actual situation of the graduate employment. Hence, it is a time and also a opportunity to search what our graduates are doing after completion of their university education. Therefore research on career outcomes of university graduates, a case in Sri Lanka was undertaken. The

findings of the study will definitely help to understand the outcomes of the university education and the specific relationship that may exist between graduates employment and the world of work. In turn these results will help to make appropriate policies and strategies to be implemented in relation to the university education in such a way that those policies and strategies may lead to provide graduates with the skills and the practical knowledge required for the knowledge based society.

1.2 Trends in Labour Market

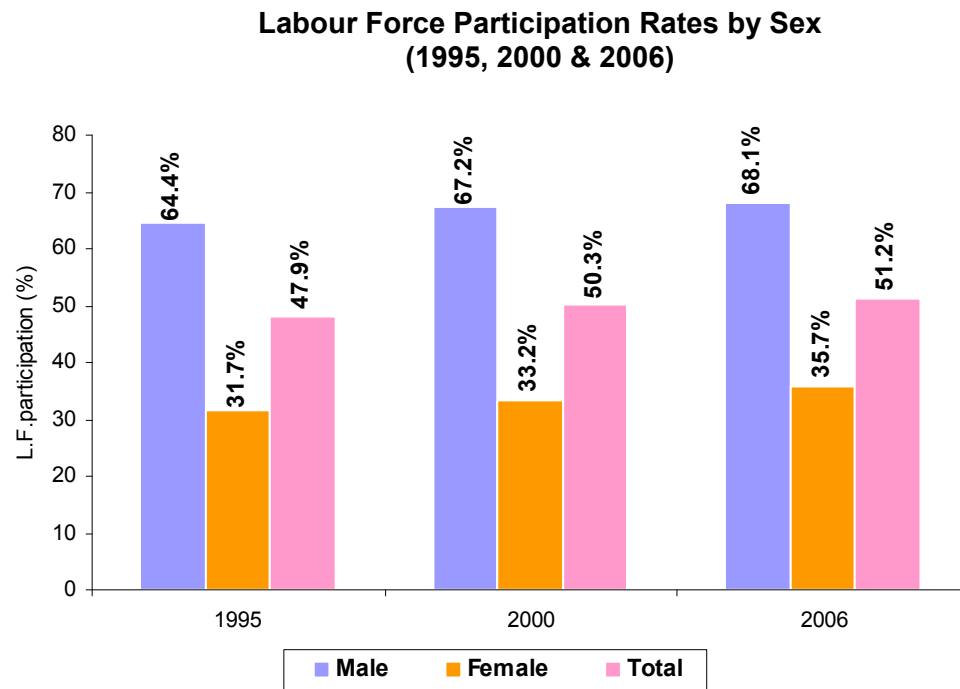
1.2.1 Labour Force Participation Rate

The labour force participation rate that measures the percentage of eligible population that is working or seeking work is an important dimension of labour supply to the economy.

Shown in the figure 1.2.1 for the years of 1995, 2000 and 2006 is the labour force participation rate for male, female and all demographic groups together. During 1995 - 2006, the total labour force participation rate rose from 48 % to 51 %, by 3%.

Male participation rate has increased from 64.4% to 68.1% while female participation rate increased from 31.7% to 35.7% during the period.

Figure: 1.2.1

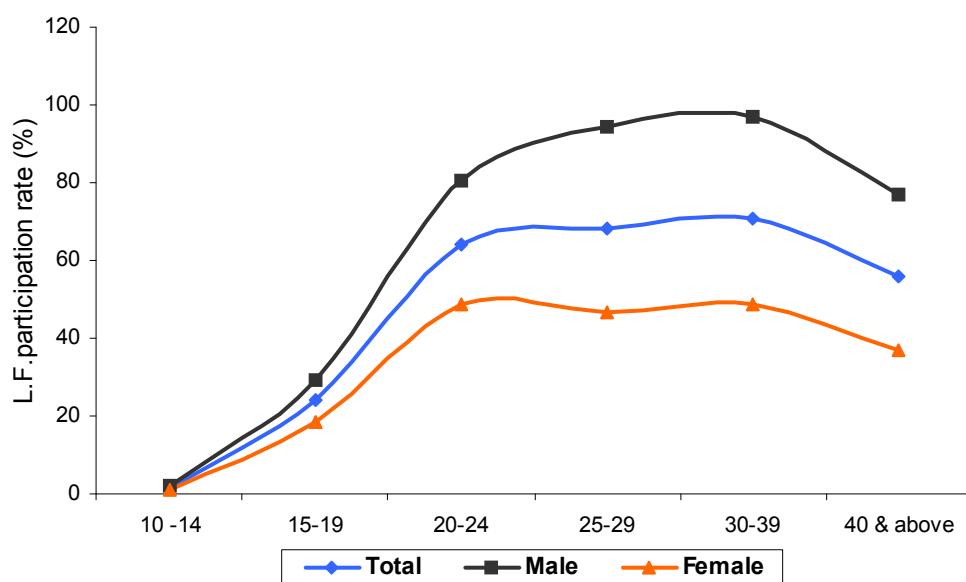


Source: Department of Census & Statistics

The important feature of the participation rates shown in the figure 1.2.2 is their pattern over the life cycle of each age group. The pattern for both men and women is nearly identical with participation rising from the teenage years to a peak in the mid-life years. The structure of labour force participation is the way that total LFP has been made. This can be presented in various characteristics. For an example, structure of the LFP by level of education shows the importance or percentage share of each level of education in the total LFP.

Figure: 1.2.2

Labour Force Participation Rates by Age and by Sex - 2006



Source: Department of Census & Statistics

Table: 1.2.1 – The Composition of the Labour Force Participation by Age and Gender

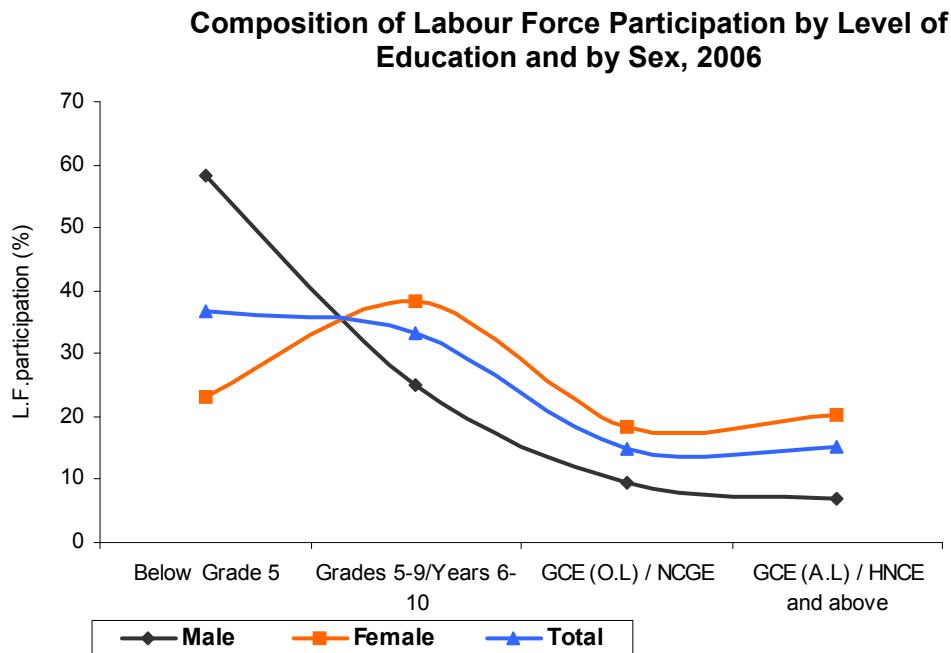
Age Group	Labour force participation (1997)		Labour force participation (2006)	
	Male - (%)	Female - (%)	Male - (%)	Female - (%)
15-19	6	8	4	5
20-24	13	18	10	13
25-29	13	15	22	13
30-39	26	25	21	24
40 & above	41	33	43	45
Total	100	100	100	100

Source - Own calculation with the data from Central Bank Reports

Shown in the table 1.2.1 for the years of 1997 and 2006 is the age structure or composition of the Sri Lankan labour force for male and female. The percentage share of age group 40 & above to the female labour force participation has increased from 33% in 1997 to 45% in 2006, while it has decreased for all other age groups. Within the male participation, percentage shares of age groups 40 & above and years 25-29 have increased from 41% to 43% and from 13% to 22% respectively, while the share decreased for all other age groups in year 2006 when compared to year 1997. This situation clearly indicates that, the population available for work is ageing rapidly.

The figure 1.2.3 depicts the composition of total labour force participation by level of education and by sex. The percentage share of labour force participation by level of education has been calculated for male, female and total labour force participation separately.

Figure: 1.2.3



Source - Own calculation with the data from Central Bank Reports

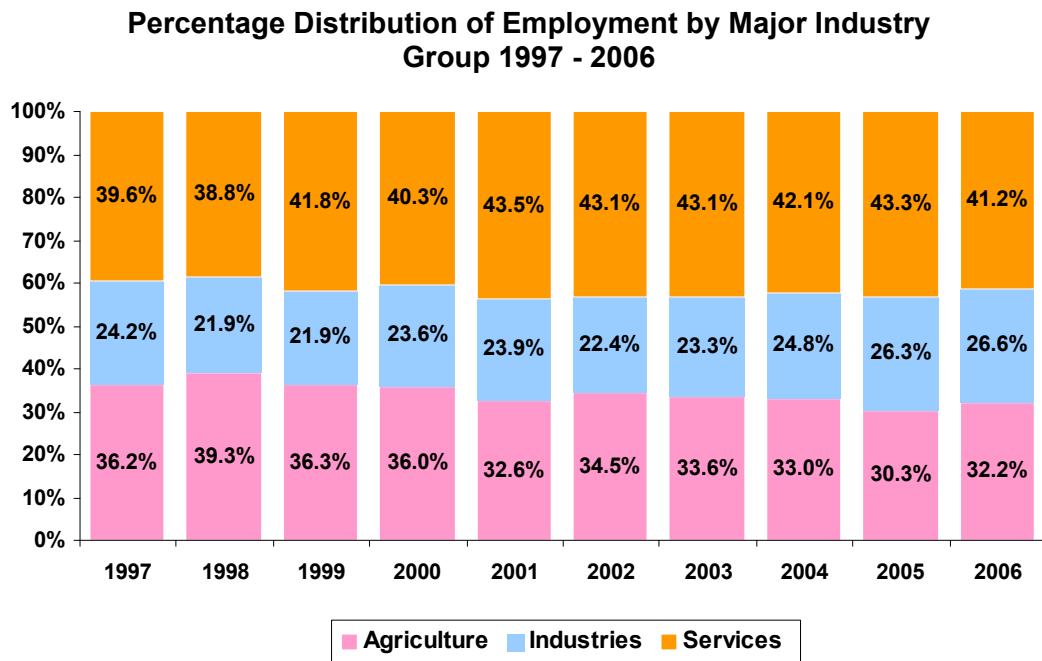
There are number of features that data shows. First within the total female labour force participation, the percentage share of grade 5-9 education level is higher than all other levels of education. Second, within the male labour force participation, share of below grade 5 level of education is higher than all other education levels. What this situation

indicates is that the average years of schooling in the Sri Lankan labour force is at some what low level. Third, it shows that higher the level of education lower the share of participation within the male labour force participation. Fourth, unlike the share of male labour force participation, the share of more educators is very significant in the female labour force participation. Share of GCE (O/L) and above level and all other levels of education in the female labour force participation amounts 38 percent but in the male labour force participation, this level represents just only 17 percent.

1.2.2 Employment

The demand for labour is reflected in the level of employment among all public, private institutions, self employment and unpaid family workers. Several key features of the pattern of employment in Sri Lanka are illustrated in figure 1.2.4

Figure: 1.2.4



Source - Own calculation with the data from Central Bank Reports

Shown there are the annual level of employment in the entire economy for the 1997 through 2006 and the level of employment in the three major sectors: Agriculture, Industry and Services. The features of the pattern of employment reflected in figure 1.2.4 can be pointed out as follows.

- 1) The trend over time in the total level of employment in the economy: through out the last decade, Sri Lankan economy has created 1499454 new jobs with approximately 150000 jobs per year.
- 2) Service sector dominates agriculture and industrial sectors contributing 41.2% to the total employment.
- 3) Percentage share of employment in agricultural sector is still mass (32.2%) which indicates the low level of productivity.

Table: 1.2.2 – Employed Persons by Employment Status

Year	Employment (%)					Total
	Public	Private	Employer	Own account worker	Unpaid family worker	
1997	15.1	44.4	2.3	28.8	9.4	100
1998	14.5	41.2	1.9	28.9	13.6	100
1999	14.4	43.1	2.0	28.3	12.2	100
2000	13.4	42.9	2.3	28.4	13.0	100
2001	13.9	44.7	2.3	28.5	10.6	100
2002	13.4	44.5	2.8	28.6	10.7	100
2003	13.5	44.4	2.6	29.6	9.9	100
2004	13.0	46.4	2.9	28.3	9.4	100
2005	13.3	46.1	3.1	29.7	7.9	100
2006	13.5	42.1	3.1	30.8	10.5	100

Source – Department of Census & Statistics

Table: 1.2.3 – Employment by Major Industry Groups (1997-2006)

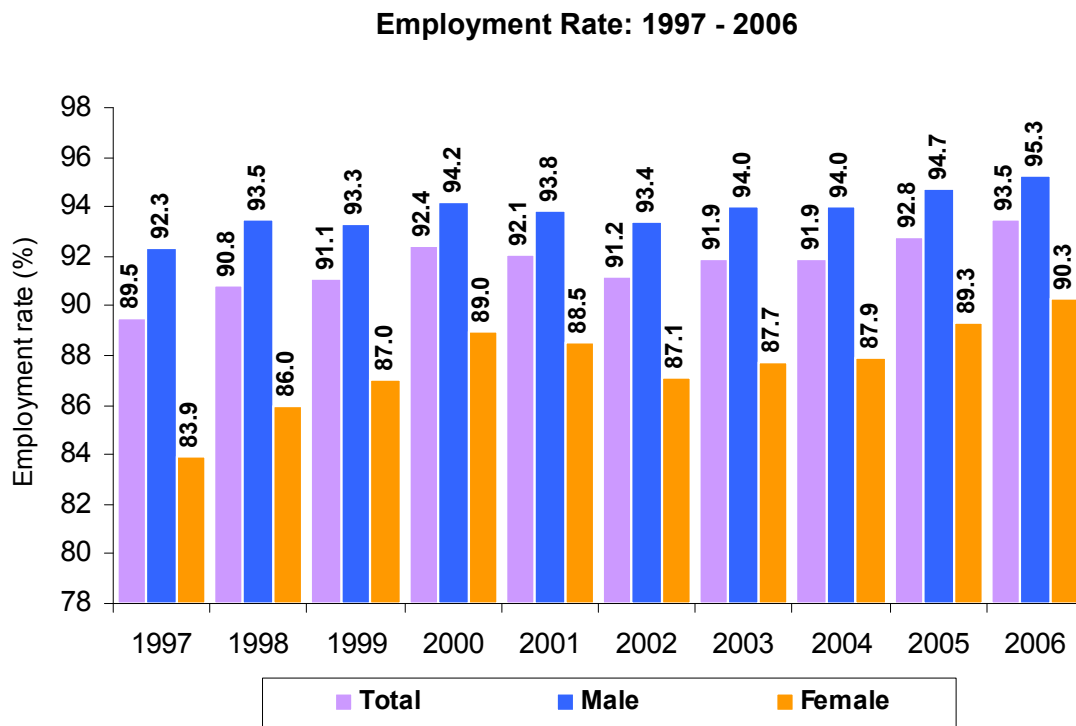
Year	Total employed		Major industry group					
			Agriculture		Industries		Services	
	No.	%	No.	%	No.	%	No.	%
1997	5607868	100	2031902	36.2	1354952	24.2	2221014	39.6
1998	6049388	100	2378572	39.3	1325735	21.9	2345081	38.8
1999	6082449	100	2208066	36.3	1330134	21.9	2544249	41.8
2000	6310247	100	2274153	36.0	1490795	23.6	2545299	40.3
2001	6235588	100	2033343	32.6	1491408	23.9	2710837	43.5
2002	6519415	100	2247602	34.5	1459194	22.4	2812619	43.1
2003	6609466	100	2223691	33.6	1539035	23.3	2846740	43.1
2004	6704006	100	2215282	33.0	1663383	24.8	2825341	42.1
2005	6788119	100	2059293	30.3	1787274	26.3	2941552	43.3
2006	7105322	100	2287268	32.2	1889953	26.6	2928101	41.2

Source – Department of Census & Statistics

1.2.3 Employment Rate

The figure 1.2.5 shows the level of employment and its trend by sex over the years. Total employment rate has increased from 89.5% in year 1997 to 93.5% in 2006. The employment rate for male rose from 92.3% to 95.3% and for female from 83.9% to 90.3% during this period. Due to favourable working conditions made by the reforms of labour laws and other factors, the female employment has increased faster than male employment.

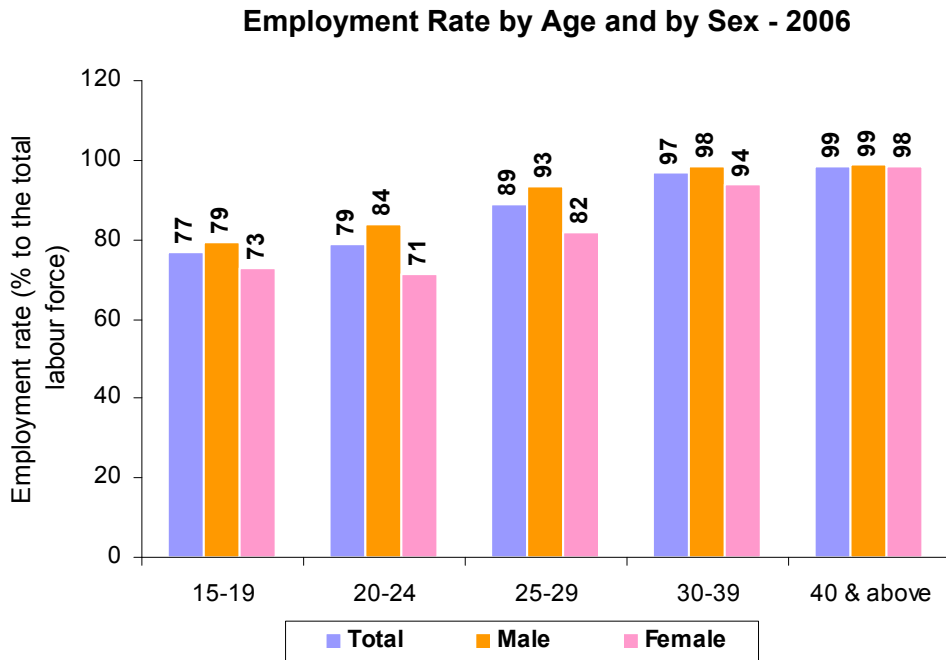
Figure: 1.2.5



Source - Own calculation with the data from Central Bank Reports

The male employment rate at younger age brackets is some what higher than the female rate, but among old aged there is no such difference.

Figure: 1.2.6

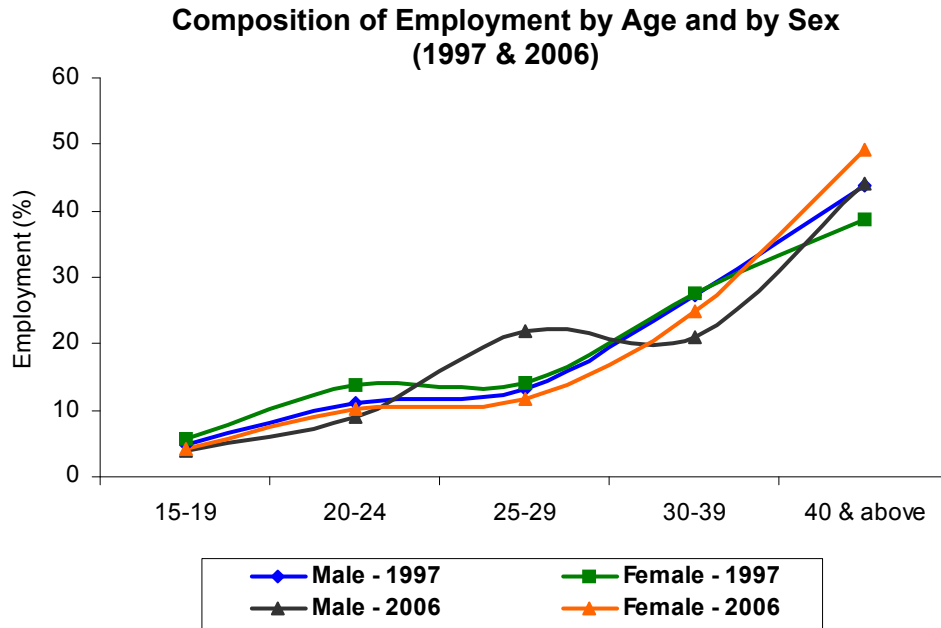


Source - Own calculation with the data from Central Bank Reports

The figure 1.2.7 depicts the composition of the employment by age groups and by sex. The information in this figure shows that, the high contribution to the working population is made by the middle and old age workers. From this situation important features can be pointed out.

- 1) Since, the higher proportion of aged workers is in the working population, the cost of social security will increase in the future.
- 2) Majority of people begins to work at their middle age and therefore their working life is limited. This in turn may affect their living standard resulting from an extra burden on their child education, building their own houses etc.
- 3) The labour productivity may decline since depreciation rate of human capital is very high with the structural changes implemented in the economy.

Figure: 1.2.7



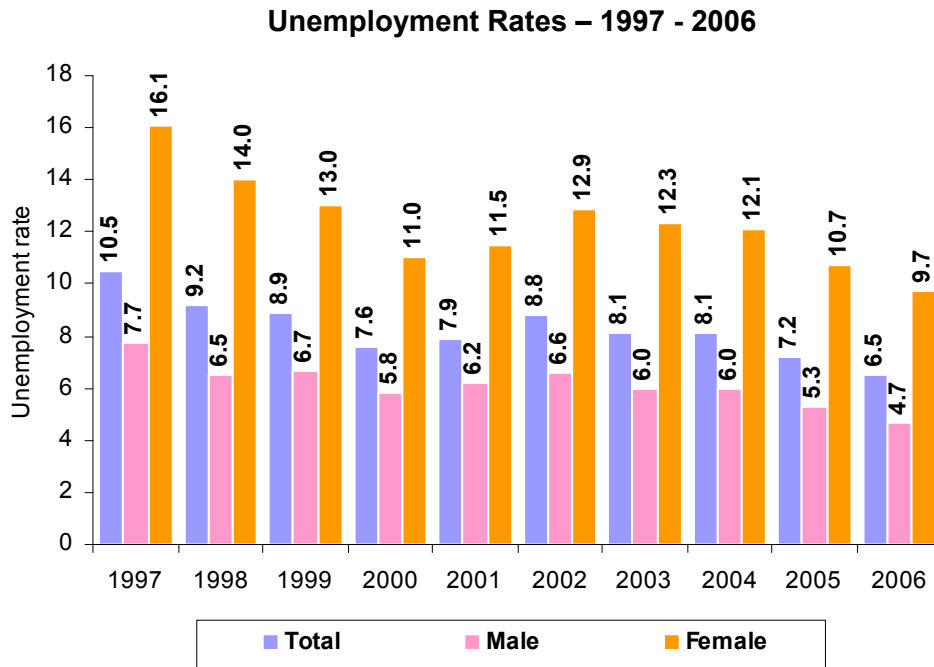
Source - Own calculation with the data from Central Bank Reports

1.2.4 Unemployment Rate

The unemployment rate measures the percentage of the labour force that does not have a job but is seeking one. A decrease in the unemployment rate is a good indicator that business firms and government organizations are adding jobs in response to rising levels of production.

As shown by the figure 1.2.8, unemployment rate for both male and female has decreased over the years. However unemployment among the female is higher than that of male. But, high labour migration due to improved opportunities for foreign employment has contributed to a slowdown in both the overall growth of the labour force and unemployment.

Figure: 1.2.8



Source – Department of Census & Statistics

1.2.5 Employment Elasticity

One of the indicators that uses for analyzing the operation of the labour market is employment elasticity. It measures the percentage change in employment with respect to percentage change in GDP. Therefore the employment elasticity seeks to capture the responsiveness of the labour market to change in GDP.

This can be used for policy making. For an example, one percent growth in GDP leads to the creation of 44000 jobs in the Sri Lankan economy.

On the basis of this information, the conclusion can be made as such that the Sri Lankan economy would have to grow at 3.1% to absorb new entrants to the labour force. However, this growth rate will not be able to cope with the existing number of unemployed and underemployed.

Table: 1.2.4 – **Employment Elasticity (1998-2006)**

Year	Employment Elasticity			
	Agriculture	Industrial	Service	Total Annual (Avg)
1998	6.78	-0.37	1.10	1.64
1999	-1.59	0.06	2.11	0.13
2000	1.67	1.60	0.01	0.63
2001	3.13	0	-12.11	0.76
2002	0.15	-1.59	0.62	1.14
2003	-0.32	1.00	0.15	1.25
2004	-0.05	1.54	-0.10	1.00
2005	-0.53	0.90	0.66	0.28
2006	0.87	0.80	-0.06	-0.80

Source - Own calculation of LMIU with the data from Department of Census & Statistics

The table 1.2.4 shows the annual average and sectoral employment elasticity estimated using arc elasticity. Up to year 2001 all sectors show significant fluctuations from year to year. Hence it is difficult to analyze the sectoral composition of the employment elasticity. However after 2001, some what less fluctuation can be observed.

1.2.6 Average Labour Productivity

The average labour productivity measures the efficiency of labour used for production. This has been calculated as such that real GDP is divided by the total working population. Hence this reflects the physical labour productivity. It does not explain the situation of economic labour productivity. However this indicator is widely used to oversee the trends of the labour productivity in a country.

The average labour productivity in the Sri Lankan economy has further increased in year 2006 with compared to the previous year both in local currency as well as in US\$. However the level of productivity is not enough to enhance the quality of life of the people in the country.

Table: 1.2.5 – **Average Labour Productivity (1997-2006)**

Year	Average Physical Labour Productivity (LKR)	Average Physical Labour Productivity (US\$)
1997	131912.09	
1998	128086.63	
1999	132906.94	
2000	135821.71	1792.32
2001	135310.30	1514.22
2002	134547.24	1406.52
2003	132618.99	1374.01
2004	133195.71	1316.29
2005	138303.14	1376.15
2006	156948.12	1509.70

Source - Own calculation with the data from Central Bank Reports

There is a functional relationship between labour productivity growth ratio, employment rate growth ratio and GDP per capita growth ratio. That is,

$$\text{GDP per capita growth Ratio} - \text{Employment rate growth ratio} = \text{Productivity growth ratio}$$

Hence, to increase the wealth of a country, labour productivity as well as employment rate has to be increased. However strategies and policies should be aimed at enhancing productivity while providing the meaningful employment opportunities for the entire labour force in the country.

Chapter 2

2.1 Research Objectives and Design

2.1.1 Research Objective

The Main objective of this study is to examine the career outcomes of the university graduates (Person who graduated from the University of Colombo, Sri Lanka in 2006). In details, the study aims to;

1. Assess the career outcomes of graduates, one year after completing their university education.
2. Examine the specific relationship that may exist between graduates' career outcomes by general, sex, degree classification and faculties.
3. Analyze the graduates job related attitudes.

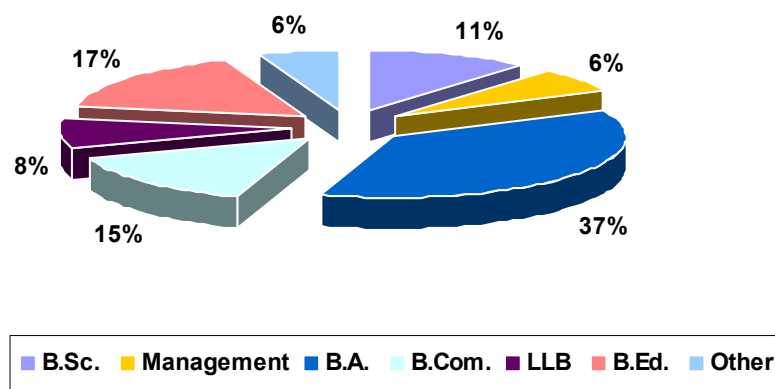
2.1.2 Participants (sample)

This study was conducted amongst all graduates except medicine, dental and fine arts of the University of Colombo who were conferred with their academic awards during the graduation ceremony held in July 2007. Survey questionnaire was distributed to all about 2000 graduates at the time they came to university to collect their cloaks and other documents before the ceremony. A total of 400 graduates (25%) responded to the survey. While 24 % respondents were males and 76 % was female.

Graduates from Science, Arts, Management, Education and Law faculties participated in the study. As expected most respondents were from the faculties of arts and management.

Figure: 2.1.1

Faculties in Descending Order of Respondents

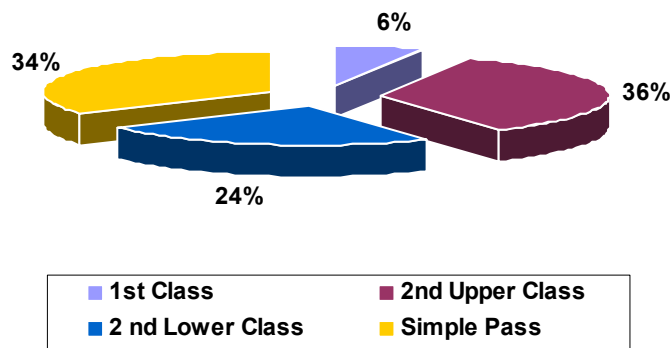


Source: Own Calculation based on the Research Data

Only the first degree holders were taken in to consideration for this study. Out of first degree holders, a majority of graduates 35% have obtained 2nd class upper. While 24% was awarded their degree with a second class lower. The 1st class degrees account for 6% and 34% as simple pass. It can be pointed out that higher classified graduates might have a greater tendency to respond to the survey than lower classified ones.

Figure: 2.1.2

Classification of Degree Holders



Source: Own Calculation based on the Research Data

As far as graduate by types of degree is concerned, majority was responded from the Bachelor of Arts and Bachelor of Education .The percentages were 37.3 % and 16.6 % respectively.

2.1.3 Research Instrument

The self-report instrument used in this study was a questionnaire consisting of 26 items of 6 sections. The first section requested personnel information including demographic characteristics. The 2nd section dealt with the educational information, while 3rd section asked information on professional qualifications and other qualifications. The 4th and the largest section sought to gather data on employment status of the graduate including self employment. The fifth section considered obtaining data on unemployment and related matters and the last section requested data on job related, knowledge, skills and attitudes of the graduates.

2.1.4 Survey Methodology

A survey package consisting of a covering letter, a nine page questionnaire, and a self-addressed stamped envelope was prepared. The questionnaire was piloted on a small sample of university graduate who were asked to comment on their clarity of the instructions, the wording of the items, and the layout of the questionnaire. The questionnaire then revised; subsequently it was circulated among graduates, of the University of Colombo.

The covering letter included details about the rational of the survey. The letter emphasized that strict confidentiality will be respected. The graduates were instructed to post the questionnaire or hand over to the officers of the labor market information unit at the graduate ceremony.

2.1.5 Data Analysis

Data was analyzed through the statistical package for the social sciences (SPSS).The statistical analysis was conducted in two stages. First, frequencies were divided for all variables and then variables of interest were analyzed with the help of cross-tabulations, Chi-square and ANOVA.

Chapter 3

3.1 Analysis of Responses

The analysis of responses will be divided into four sections. Section one will discuss the general results while section two to four will deliver results from the perspective of gender, type of degree and the class classification.

The four sections are structured in a similar way. The results are presented by tables and graphs.

3.2 General Results

Most of the graduates are currently unemployed. As a percentage it is 65%. Employment ratio is 35% only. This means that, after one year of completion of university education, 2/3 of graduates are seeking jobs. This figure is very large when compared to the national average of educated unemployment that ranges between 16% - 18% .The majority of employed graduates (91% of total employment) hold full time employment, while 9% are being employed on a part time basis.

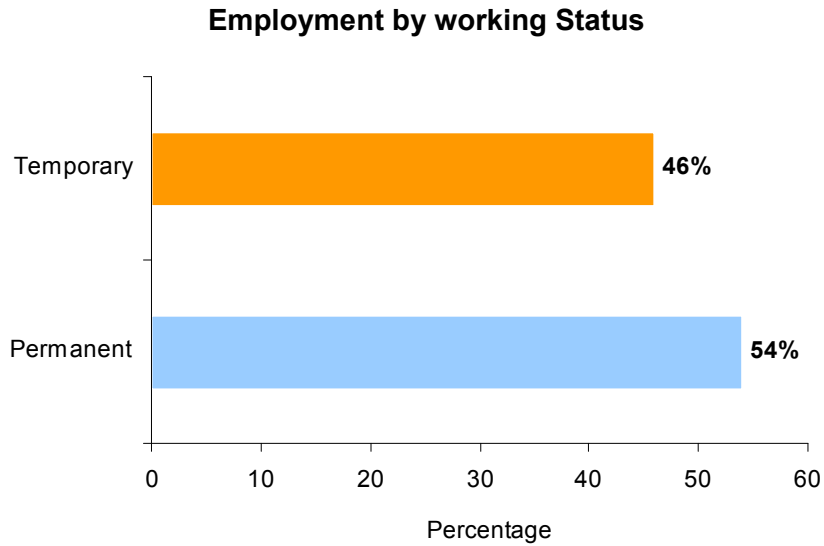
Table: 3.2.1 - **Employment by Fulltime & Part-time**

Part Time/ Full Time	%
Employed	35
Part Time	3
Full Time	32
Unemployed	65
<i>Total</i>	<i>100</i>

Source: Own Calculation based on the Research Data

As shown in the figure 3.2.1, 54 % of employed graduates are in permanent positions, while 46 % of them are working on temporary basis. This data implies that the difficulties in the graduate labor market to find the permanent jobs during the first year after completion of university education. The reasons may be the non availability of experience, recruitment policies in private sector and further education etc.

Figure: 3.2.1



Source: Own Calculation based on the Research Data

The results of the responses show that private sector dominates government sector in providing employment opportunities for graduates. Out of Total employed graduates 74% are employed in private sector, while government sector accounts for the rest 26%. However, this definitely not says that, the private is always ready to employ graduates. The unemployment rate is very high. The unemployed might have been waiting for a government jobs. If government will decide to recruit all graduates in to the government sector, the private sector share will significantly reduce.

Table: 3.2.2 - **Employment by Sector**

Sector	%
Public	26
Private	74
<i>Total</i>	<i>100</i>

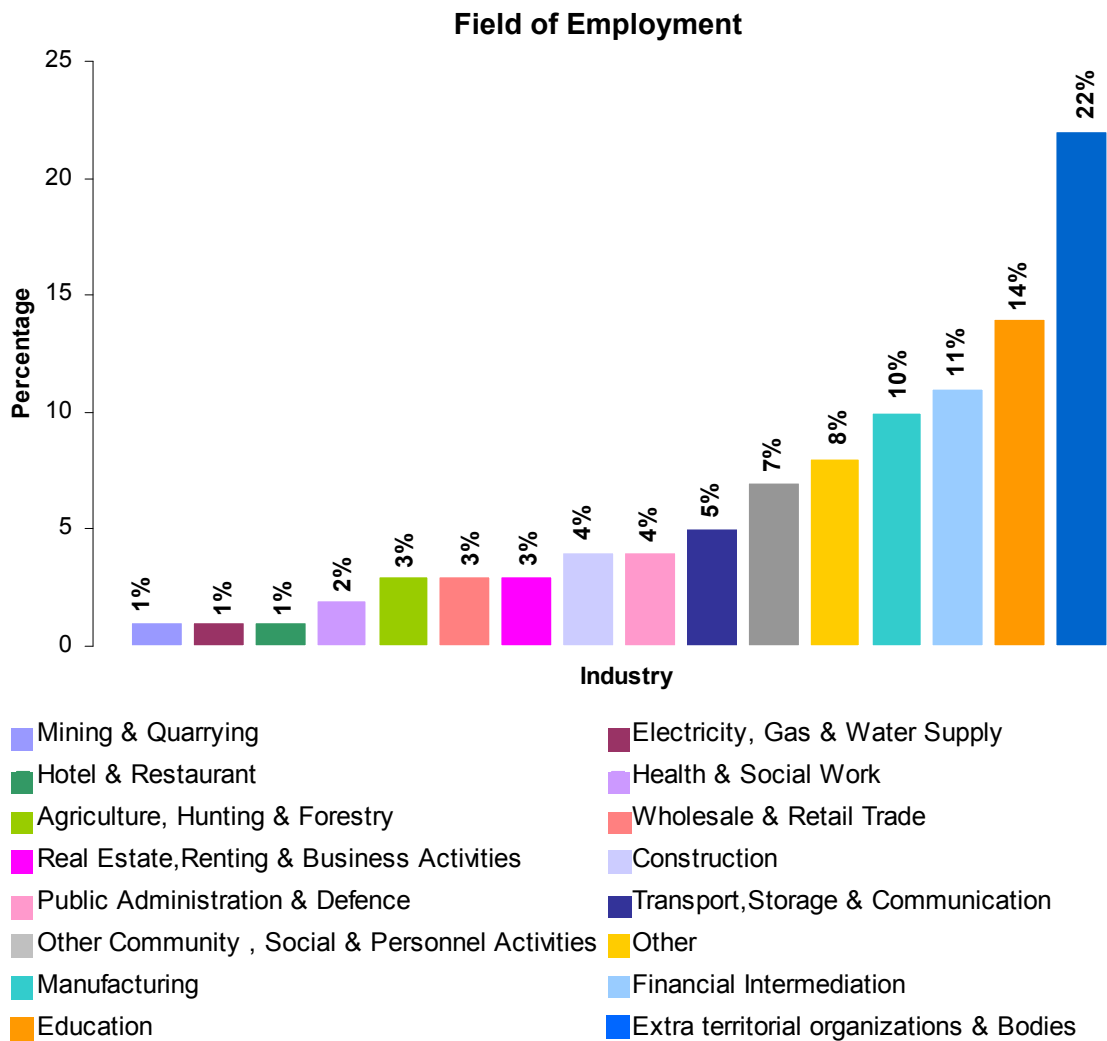
Source: Own Calculation based on the Research Data

3.2.1 The Industries

Understanding the distribution of different type of industries could help to explain what sectors are the important in providing employment opportunities for graduates. The field of employment or industry which tends to absorb significant number of new university graduates is extra territorial organization and bodies, where 22% of employed graduates

are engaged. The industries such as manufacturing, education and financial intermediation are also significant in absorbing university graduates. The industries which provide smallest percentage of new graduates are health, social work, hotel and restaurant, electricity, gas and water supply and mining & quarrying with around 2% or even less than 2% of employed graduates in each sector.

Figure: 3.2.2



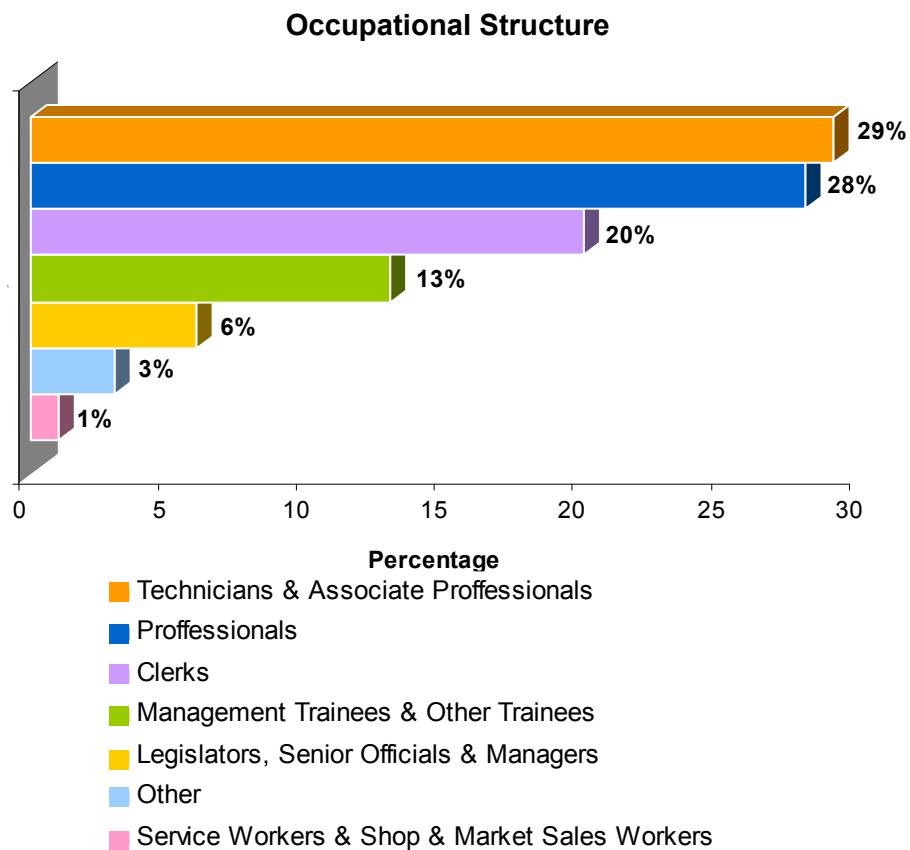
Source: Own Calculation based on the Research Data

3.2.2 The Occupational Structure

Four fifth of the working graduates have been employed in occupations of professional (29%), technicians and associate professional (29%) and clerk (20%). Further 13% works as Management trainees and other trainees. The occupation that is legislators, senior officials & managers accounts for 6% of working graduates.

As obvious, most university courses provide the academic basis of professionals; it stands to reason that most graduates have been employed in professional and technical posts.

Figure: 3.2.3

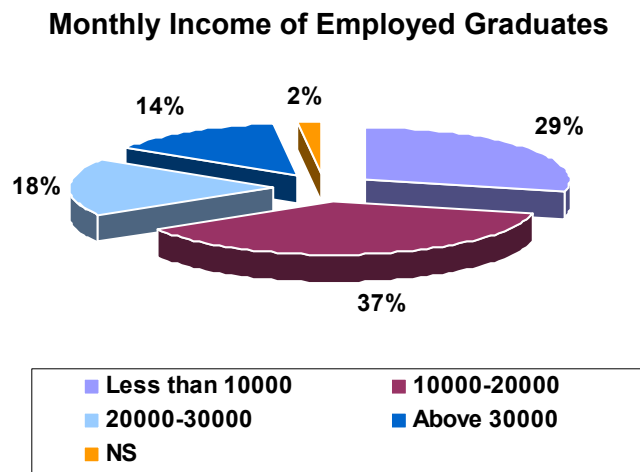


Source: Own Calculation based on the Research Data

3.2.3 Earnings

Earning of the majority (56%) of the employed graduates in the first year after completion of university education ranges between LKR10000-30000 per month. 29% of employed graduates earn less than LKR 10000 while 14% earn more than LKR 30,000 per month.

Figure: 3.2.4



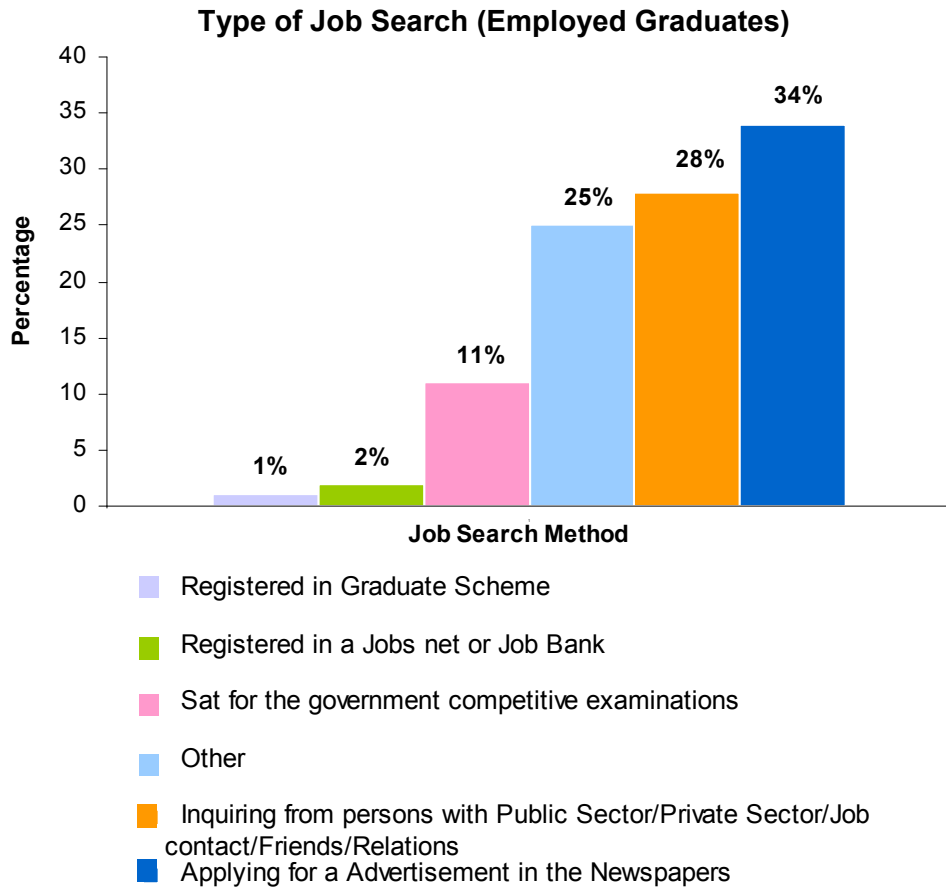
Source: Own Calculation based on the Research Data

3.2.4 Type of Job Search

Most of new graduates (34%) have obtained their current job through advertisements on newspapers. The second most popular method was inquiry from persons with public / private sector / job contacts / friends / relations. Its percentage is 28%. Apart from these two, the other method is also important (25%). The Jobs Net which is the largest employment sourcing and delivering system in Sri Lanka, as a source of getting employment is insignificant for graduates.

Approximately 2.5% of Sri Lankan populations are having access to the internet. However, the majority of university graduates are internet users. But it comes quite surprising that just only 2% of new employed graduates have found their jobs through this (Jobs-Net) medium.

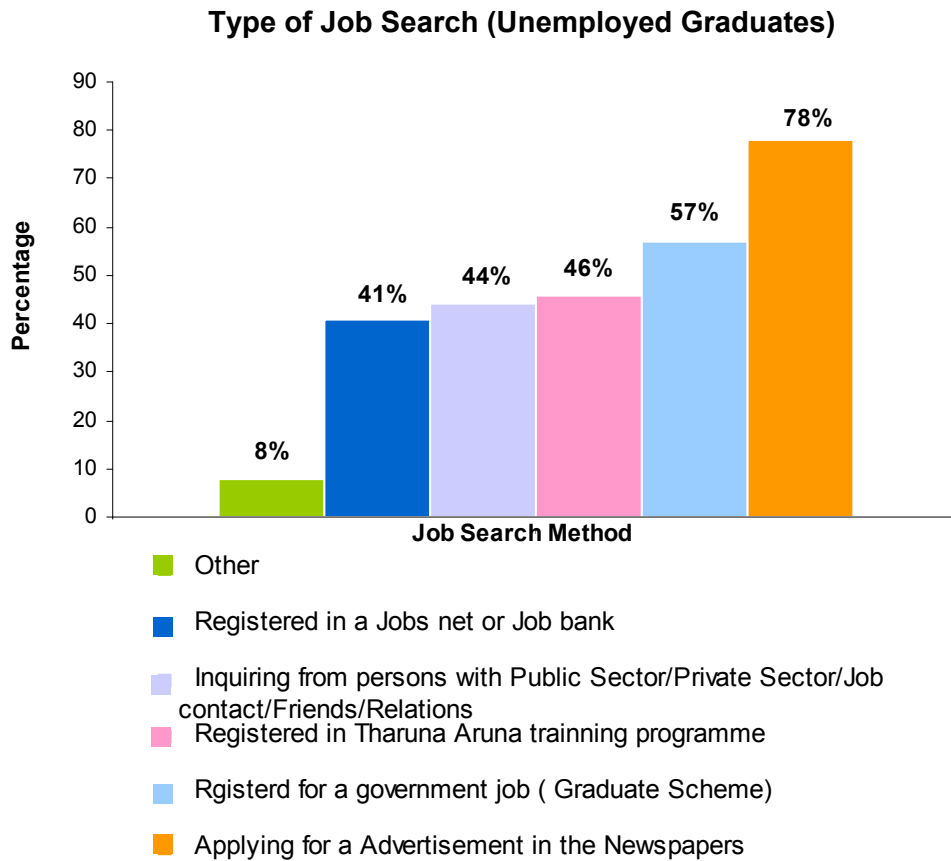
Figure: 3.2.5



Source: Own Calculation based on the Research Data

As far as unemployed graduates are concerned, they have used number of alternative methods to find jobs simultaneously. In this connection, the methods of applying for the advertisement in the news paper is most popular 78%, following registered in the graduate scheme (57%), Tharuna Aruna Programme (46%), personnel relationship (44%) and Jobs Net (41%) respectively.

Figure: 3.2.6



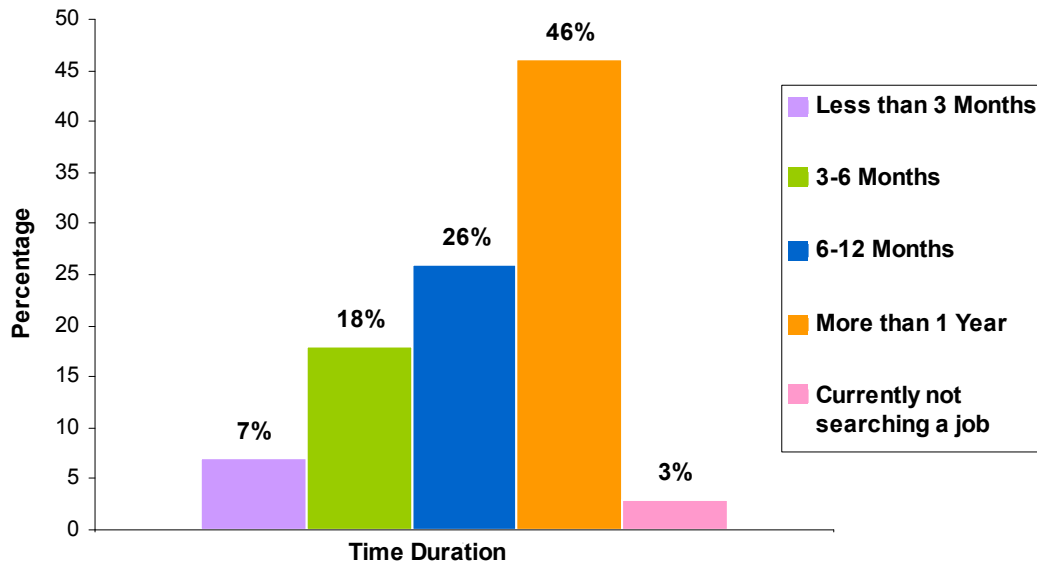
Source: Own Calculation based on the Research Data

3.2.5 Duration of Searching Jobs

Indicating, graduate unemployment is serious problem in the country, 46% of unemployed graduates have been looking for employment opportunities for more than one year. Another 26% is waiting for 6 to 12 months, while 18% have been searching jobs for 3 to 6 months. This scenario focuses the attention of the policy and decision makers to make effective and efficient graduate employment policy in order to use the most valuable human capital to the development of the country.

Figure: 3.2.6

The Time duration of looking for a Job (If Unemployed)



Source: Own Calculation based on the Research Data

3.2.6 Absorption Rate

The absorption rate tells how graduates are being absorbed in to the economic process of the country. The following table shows that, the accumulation absorption rate for graduate after completion of their university education. As data shows, within first 3 months this rate is 12 % and after 6 months 18%. The rate has been calculated only for graduates who have found employment after completion of university education.

Table: 3.2.3 – Absorption Rate

Absorption Time Period (Months)	Accumulation Absorption rate (%)
0 - 3	12
3 - 6	18
6 - 9	24
9 - 12	25
12 - 15	27
15 - 18	28

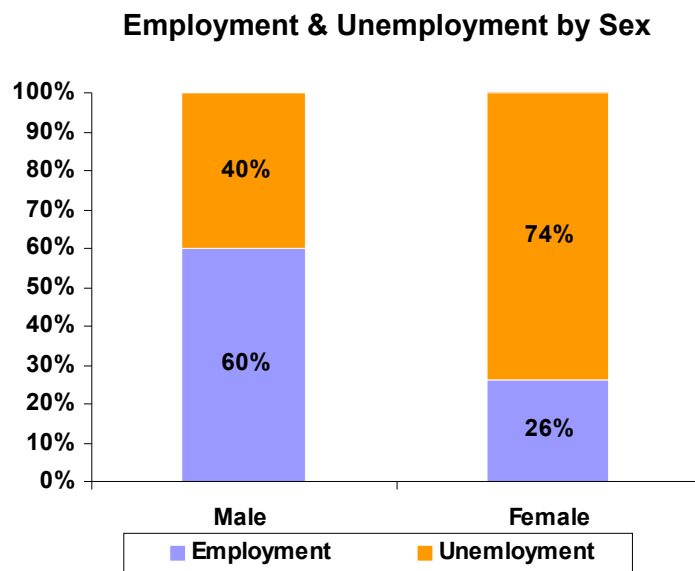
Source: Own Calculation based on the Research Data

3.3 Responses by Gender

3.3.1 Employment Outcome by Gender

There is high significant difference in the overall proportion of employed males and females. The employment rate among male and females were 60% and 26% respectively. The prevalent assumption that male tend to find it easier to enter the labor market is confirmed by the data of this study. The largest percentage share of total respondents was female. But the results indicate that females are most vulnerable in the labour market.

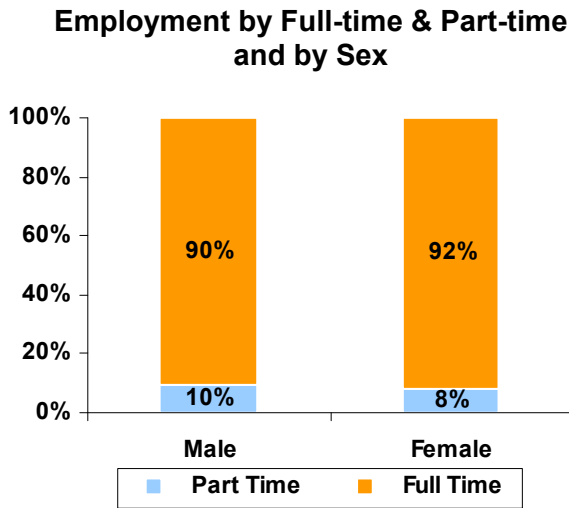
Figure: 3.3.1



Source: Own Calculation based on the Research Data

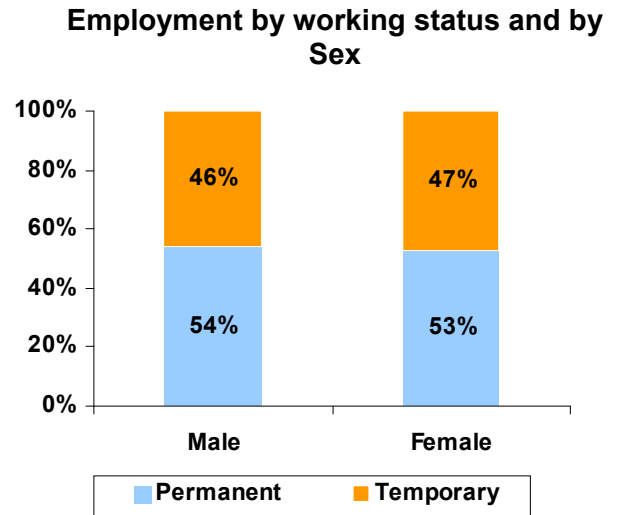
However there is no significance difference between male and female employment by the type of employment. The asymptotic significance value is 0.786 which is greater than 0.05. It also can identify that, the difference between male and female employed graduate by working status is insignificant. Majority of male and female graduates are working as full time workers.

Figure: 3.3.2



Source: Own Calculation based on the Research Data

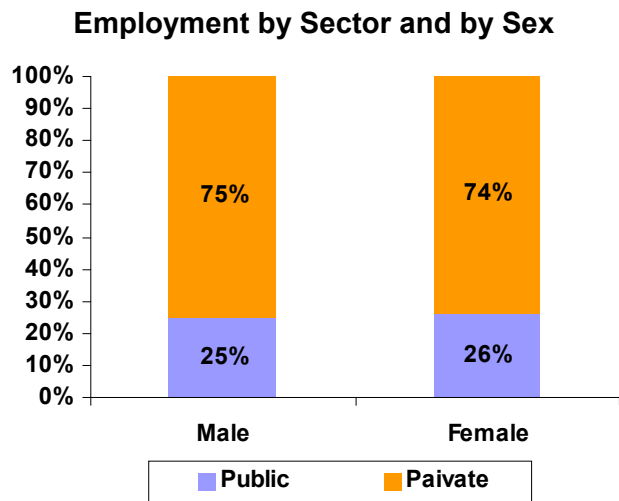
Figure: 3.3.3



Source: Own Calculation based on the Research Data

It is interesting to observe that the private sector is absorbing the majority of the university graduates, including 75% of male employed graduates and 74% of female employed graduates.

Figure: 3.3.4

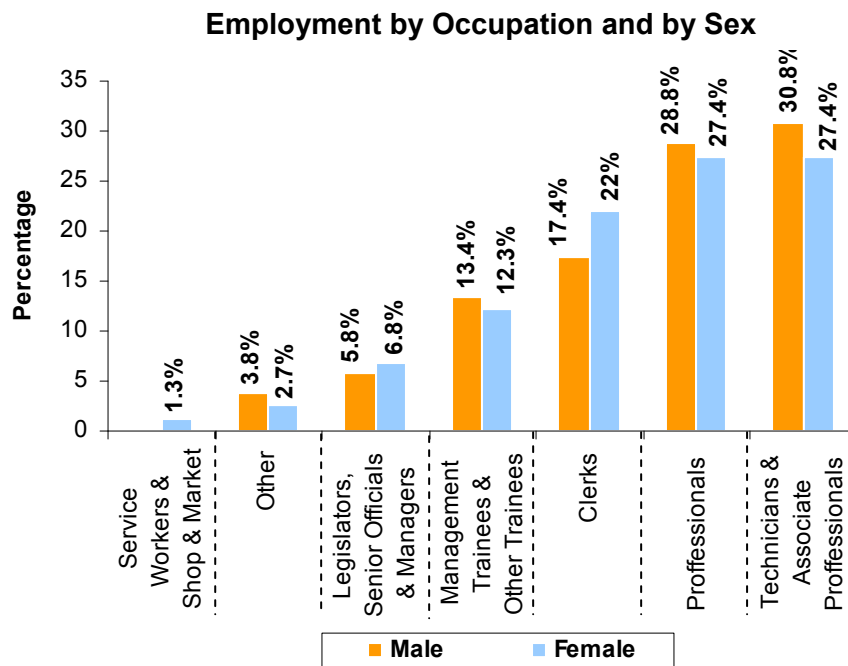


Source: Own Calculation based on the Research Data

3.3.2 Occupation Structure

More than half of the employed graduates work in the occupation of Professional, Technicians & Associate Professional. These represent 60% of male and 55% of female working population, reflecting a marginal gender difference in the taking of professional and technicians and associate professional jobs. It is also apparent that 6.8% of the employed female graduates hold an executive job. This ratio is some what higher than the male ratio (5.8%) in this occupational category. However there is no significant difference between male and female employment by occupations (significant value is 0.990).

Figure: 3.3.2.1

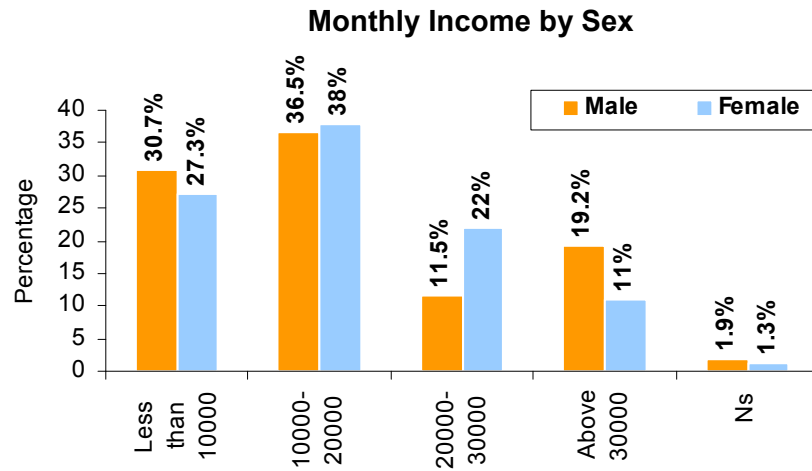


Source: Own Calculation based on the Research Data

3.3.3 Monthly Income by Gender

As depicted in the figure below, there is no overall significant difference of income earned by male and female. However, about 1/3 of female working populations earns lowest income while its share of male working population accounts for 25%. In the income range of 20000-30000 is concerned, female earning is (22%) more than that of male earnings (11.5%). The statistical value 0.255 indicates the insignificant difference in the income range 20000-30000 between male and female.

Figure: 3.3.3.1



Source: Own Calculation based on the Research Data

3.3.4 Job Related Attitudes by Gender

Males and females tend to have significantly different job related attitudes. Females are expecting to obtain advanced knowledge, jobs security, good working conditions and fair treatments from a job than that of males are expecting. The attributors that males are expecting are high salary, career opportunity and good reputation than females expect from a job.

Table: 3.3.4.1

Attributes expect from a Job (By gender)

Attributes	Male		Female	
	Mean (weighted)	Std.dev.	Mean (weighted)	Std.dev.
Advanced Knowledge	3.54	0.34	3.58	0.20
Good reputation	2.81	0.26	2.66	0.15
Career opportunity	3.58	0.34	3.56	0.20
High Salary	3.43	0.32	3.31	0.17
Leisure	2.70	0.26	2.63	0.15
Job Security	3.32	0.31	3.56	0.20
Good working condition	3.39	0.33	3.41	0.19
Fair treatment	3.32	0.32	3.36	0.19

1 - Not Important 2 - Less Important 3 - Important 4 - Most Important

Source: Own Calculation based on the Research Data

In relation to the competencies required to find a job is concerned, females agree on all the mentioned criteria are important than males.

Table: 3.3.4.2

Importance of the competencies required to find a job

Attributes	Male		Female	
	Mean (weighted)	Std.dev.	Mean (weighted)	Std.dev.
Learning ability	3.41	0.32	3.56	0.20
Working independently	3.32	0.32	3.50	0.19
Oral & Written Communication skills	3.43	0.33	3.62	0.20
Working in a team	3.41	0.33	3.46	0.19
Working under pressure	3.32	0.32	3.13	0.17
Power of concentration	3.53	0.35	3.50	0.20
Problem solving ability	3.50	0.34	3.52	0.20
Initiative	3.35	0.33	3.35	0.18
Leadership	3.28	0.32	3.42	0.19
Analytical	3.33	0.33	3.48	0.20

1 - Not Important 2 - Less Important 3 - Important 4 - Most Important

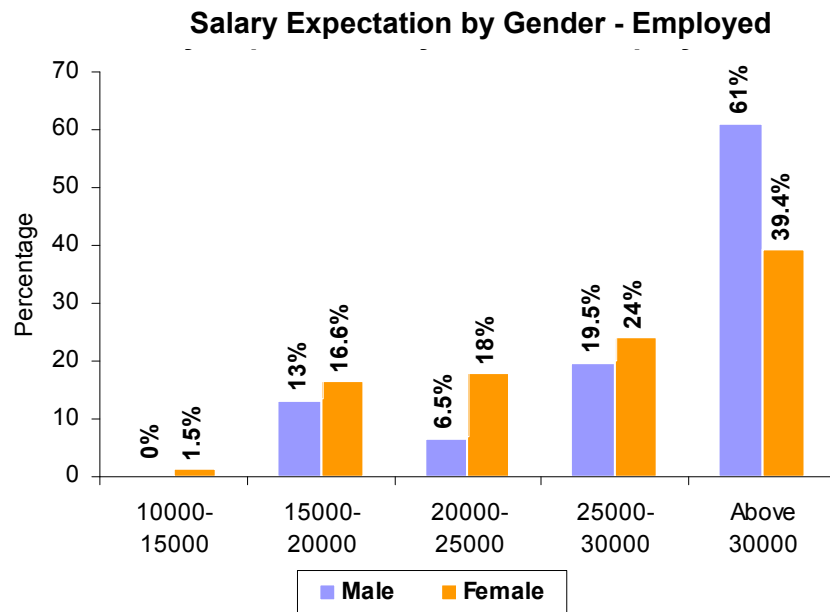
Source: Own Calculation based on the Research Data

3.3.5 Salary Expectations by Gender

There is a significant difference between male and female on the expectations of salary. Out of total male employed, 61% expect above LKR 30000 per month. While another 19.5% expect between LKR 25000-30000. As far as females are concerned, out of total female employed 39.4% expect above LKR 30000 per month and another 24% expect LKR 25000-30000.

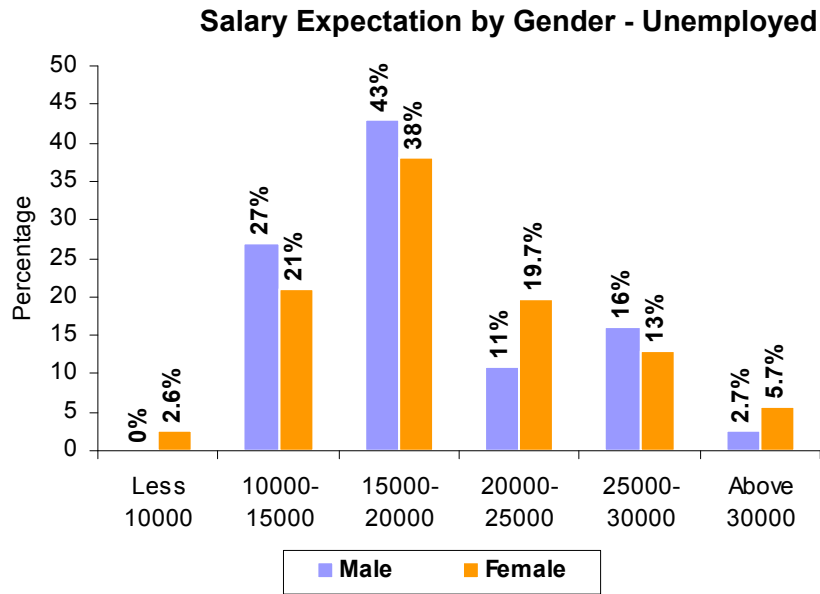
Looking at the salary expectations of the unemployed graduates, the deference between male and female can be observed; that is females have somewhat higher salary expectations than males.

Figure: 3.3.5.1



Source: Own Calculation based on the Research Data

Figure: 3.3.5.2



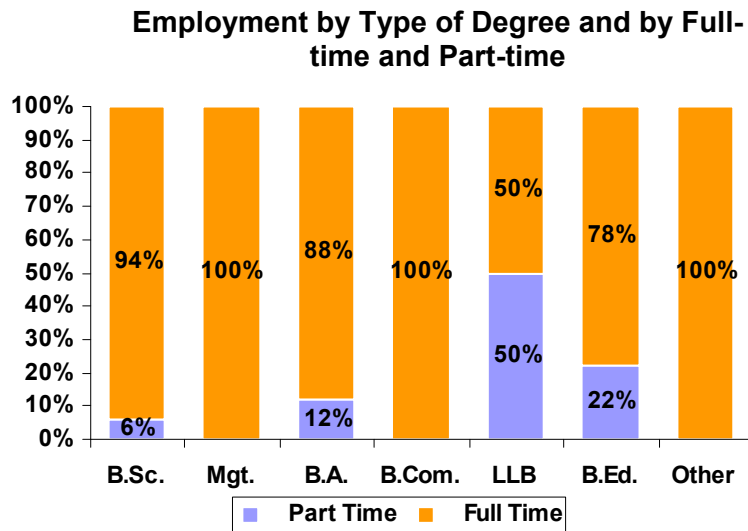
Source: Own Calculation based on the Research Data

3.4 Responses by Type of Degree

3.4.1 Employment Outcome by Type of Degree

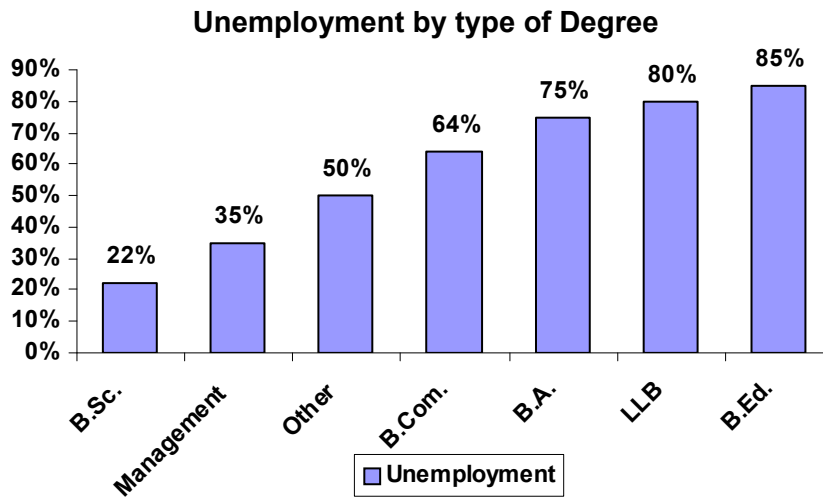
B.Sc. (Biology, Mathematics, Computer Science, Physics etc) and management graduates have highest employment ratio (78% and 65% respectively). Most of the graduates who fall under these two categories have been employed on permanent Basis. The employment ratios are 66% and 53% respectively. Further, B.Sc and Management Graduates working in the private sector are very large. Out of total B.Sc employed graduates 72% is working in the private sector while this ratio for management graduates is 86%. The calculated significant value which is 0.003 proves that there is a significant difference in employment by type of degrees or faculties.

Figure: 3.4.1



Source: Own Calculation based on the Research Data

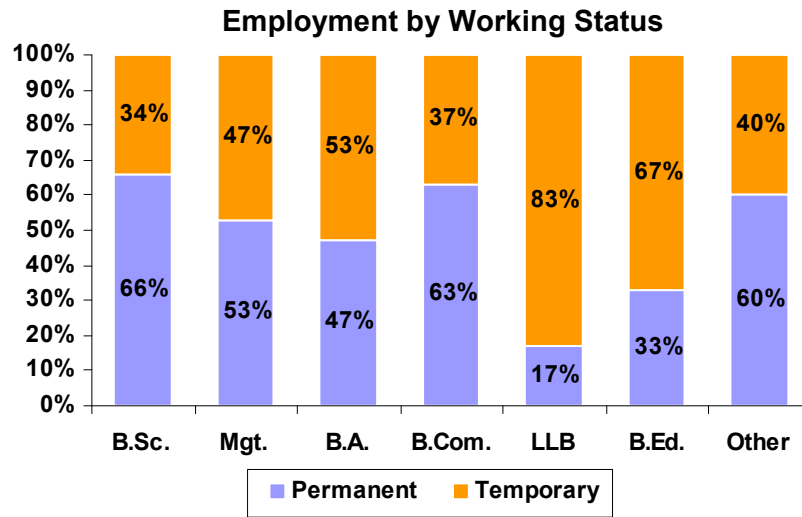
Figure: 3.4.1



Source: Own Calculation based on the Research Data

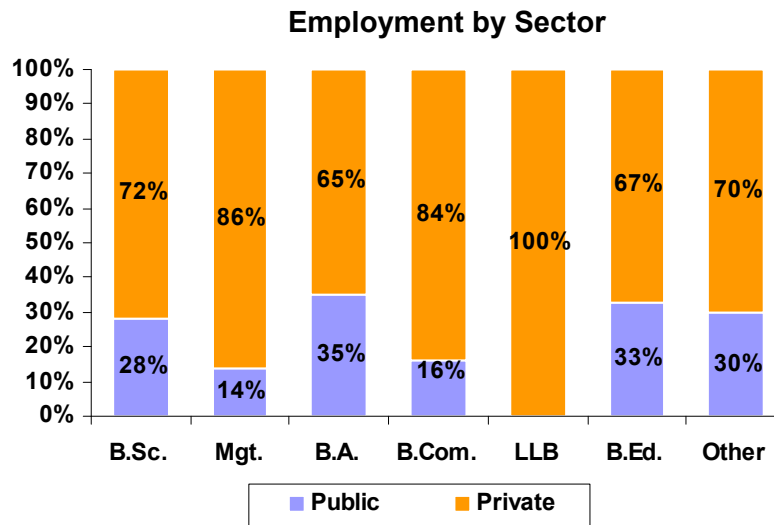
The lowest employment ratios stand for Bachelor of education (B.Ed) graduates (15%), LLB graduates (20%) and B.A graduates (25%). The low level of employment situation with regard to LLB graduates may be normal due to the fact that qualification of notary public and lawyer are attained after completing university course. But BA and B.Ed studies have little value in the labor market. Further BA graduate who are largest outturn from the university system and B.Ed graduate have burden on government, influencing to absorb them into the government sector. On the other hand several Arts courses tend not to be job oriented. The supply chains of these graduates provide large number of graduates, annually in to the labor market. The job opportunities generated specially by the private sector for this type of degree holders are limited. This situation makes it harder on the graduates to find a job. Then, a proportion of arts graduates may not have persuade a university course with the intention of getting a job in the private sector but as a means of personal enrichment through knowledge attainment. However when all the graduates face difficulties in getting employment opportunities, they force government to absorb them into the government sector which is having low level of productivity for decade and decade.

Figure: 3.4.2



Source: Own Calculation based on the Research Data

Figure: 3.4.3



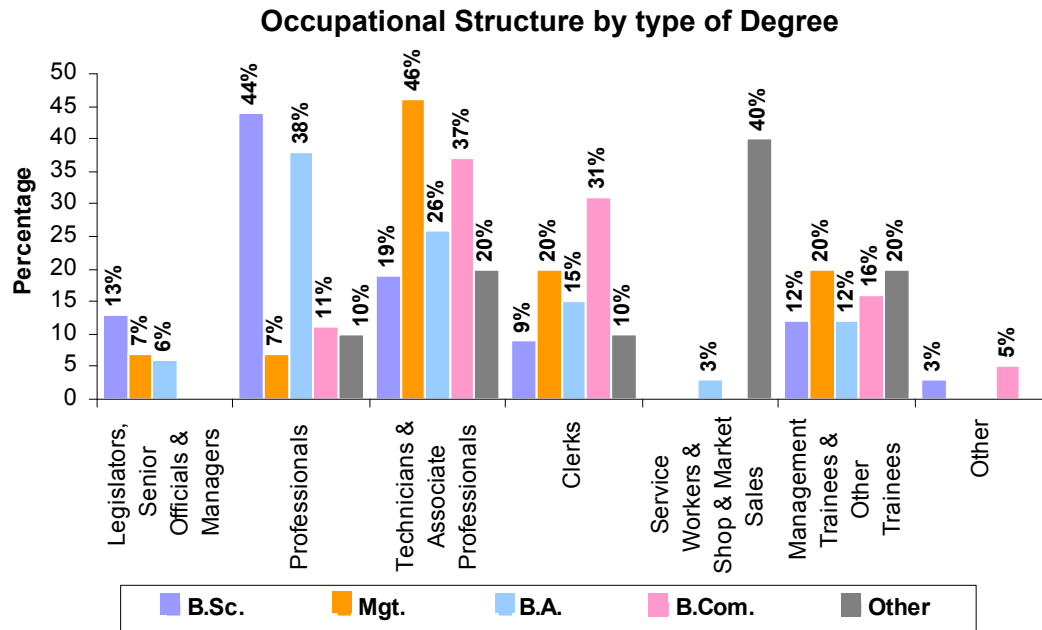
Source: Own Calculation based on the Research Data

3.4.2. Occupational Structure by Type of Degree

B.Sc. and BA graduates are the groups, who tend to work most at the professional / Technicians and Associates professional level (63% and 64% respectively). All the graduates are working in few occupational groups such as professionals, Technicians and

Associate Professional, Legislator Senior Official and Managers, Management Trainings and Other Trainings and Clerical Work. Almost half of (44%) the Management graduate are working in the occupational category of professional, while about 47% of management graduate are working in the occupational category of Technicians and associate professional.

Figure: 3.4.2



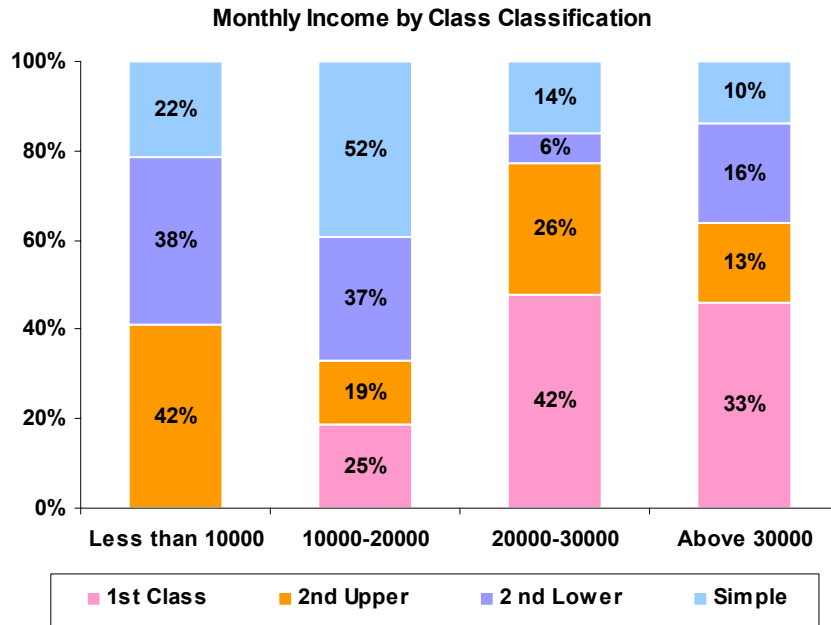
Source: Own Calculation based on the Research Data

3.4.3 Monthly income by Type of Degree

B.Sc. graduates are the highest earners among all other graduate. About 41% of these graduates earn more than LKR 30,000 per month, while another 28% earns between LKR 20,000- 30,000. All together 80% of employed B.Sc graduates earn more than LKR 20,000 per month. 79% of employed BA graduates, 77.5% of employed B.Ed, graduates, 88.3% of LLB graduates and 84.2% of B.Com employed graduates earn less than LKR 20,000 per month.

A difference in income is noticeable in graduates from type of degrees that follows science base courses and those that follow Art base courses (significant value is 0.002 which is greater than 0.05 at 95% confidence interval.)

Figure: 3.4.3

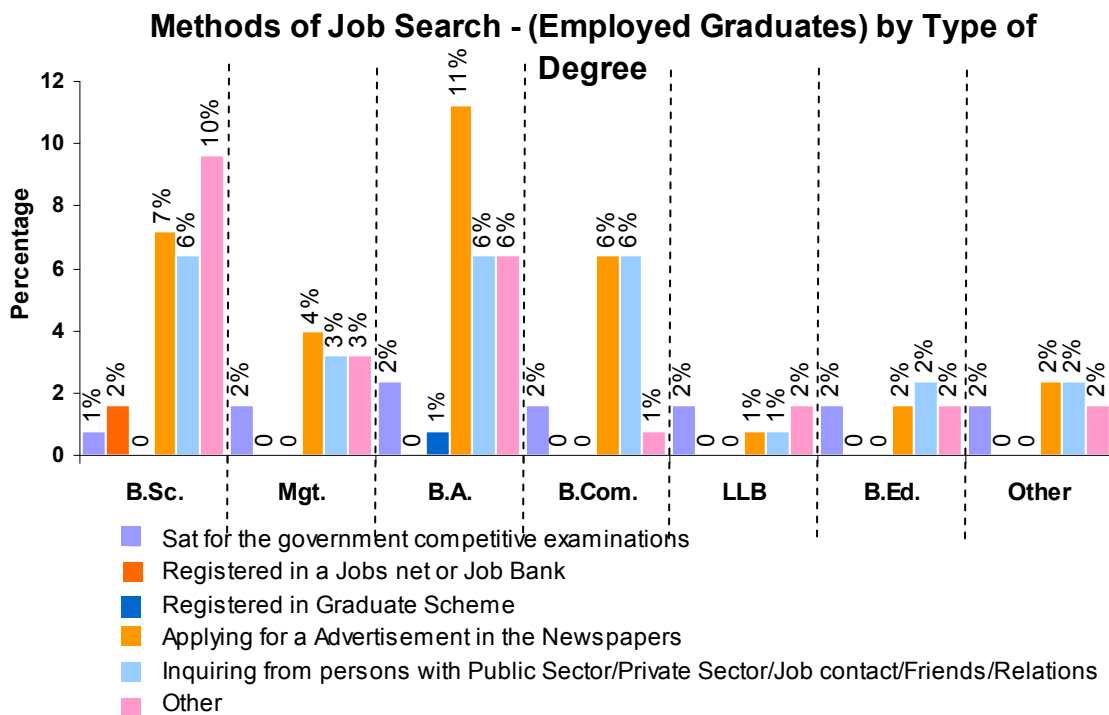


Source: Own Calculation based on the Research Data

3.4.4 Methods of Job Search by Type of Degree

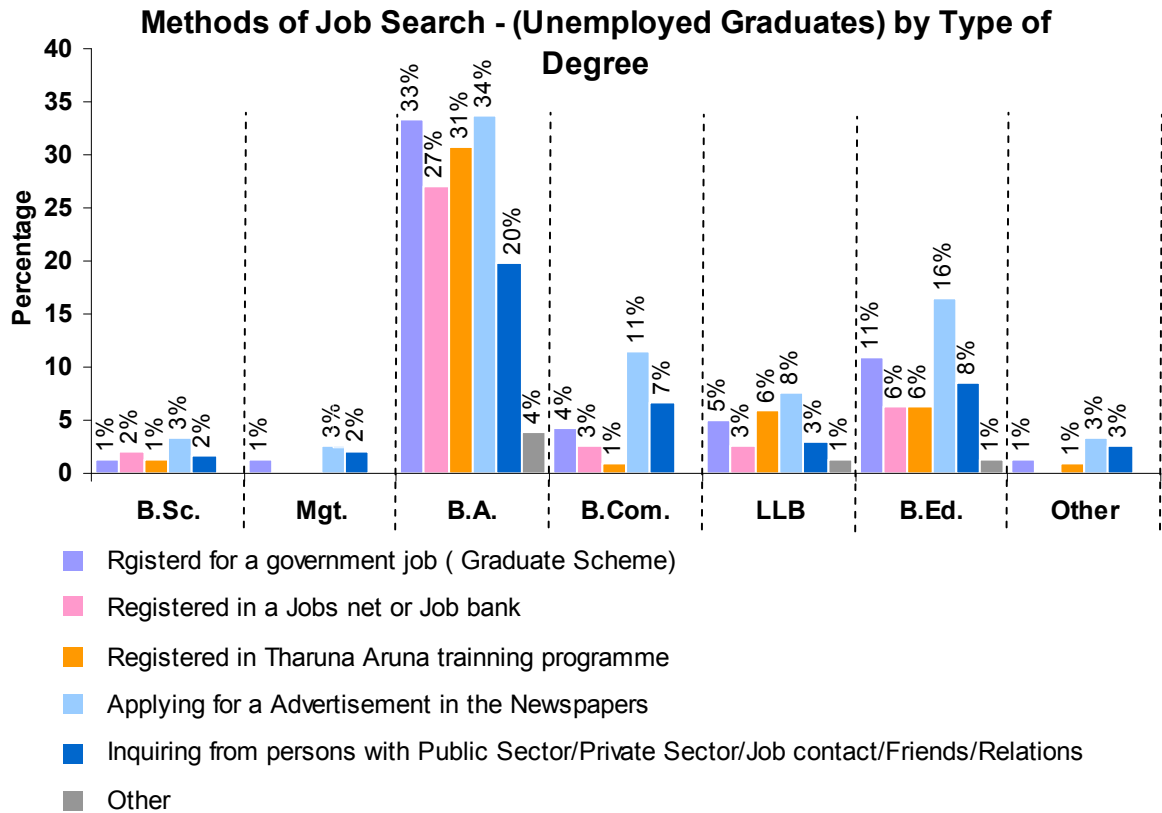
Applying for the news paper advertisements, inquiring from persons, firms and relations, other sources are the most popular methods which graduates got to know about their current job. There is no such big difference among the graduates by faculty on the methods of job search.

Figure: 3.4.4



Source: Own Calculation based on the Research Data

Figure: 3.4.5



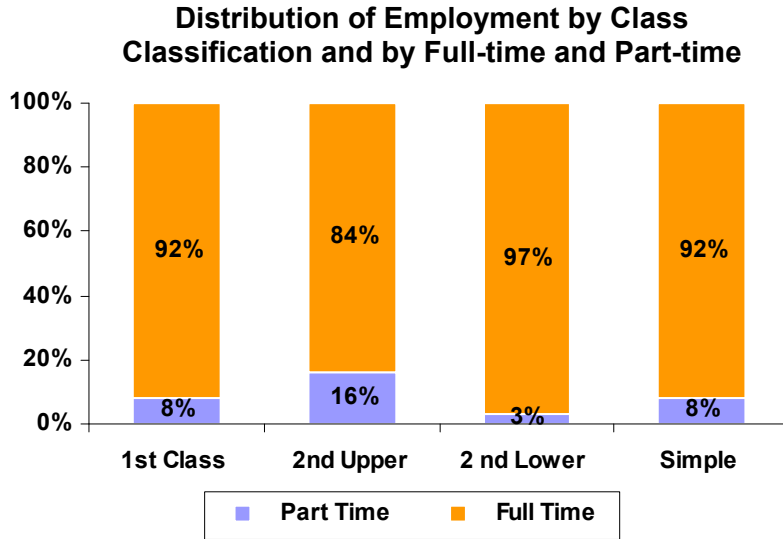
Source: Own Calculation based on the Research Data

3.5 Responses by Type of Class Classifications

3.5.1 Employment Outcome by Class Classification

There are marginal differences between high grades and low grades of graduates in getting employment. Out of 1st class degree holders 52% are employed while it is 24% only for 2nd class upper classifications. Among 2nd class lower degree holders employment is 36% and among the simple pass degree holders it is 40%. These results show that there is no statistical significance by classification.

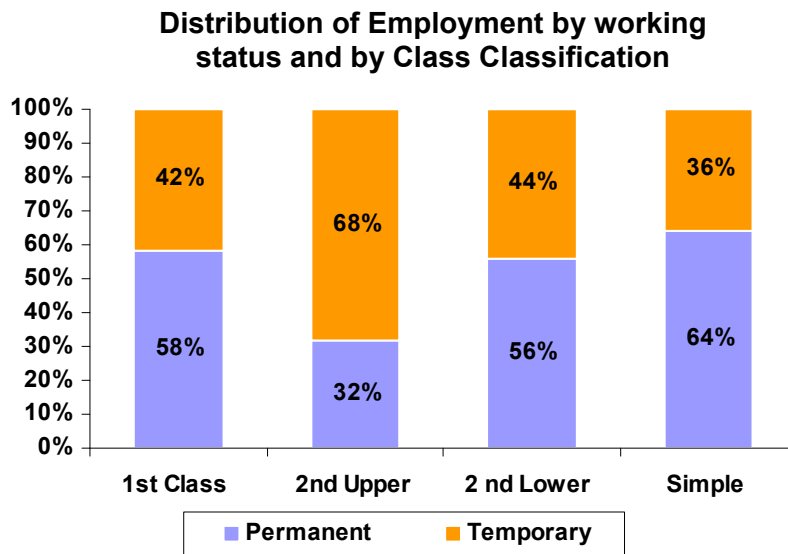
Figure: 3.5.1



Source: Own Calculation based on the Research Data

Among 1st class degree holders 58% is in permanent positions and 42% is temporary positions. Majority of 2nd class degree holders (68%) are in temporary positions. To understand why it is so, the carefully analysis was done. What was found is that, the majority of B.A and B.Ed graduate have obtained 2nd class upper classifications and most of them are in the temporary employment positions. The employment rates in the permanent post for 2nd class lower and simple pass classifications are 56% and 64% respectively.

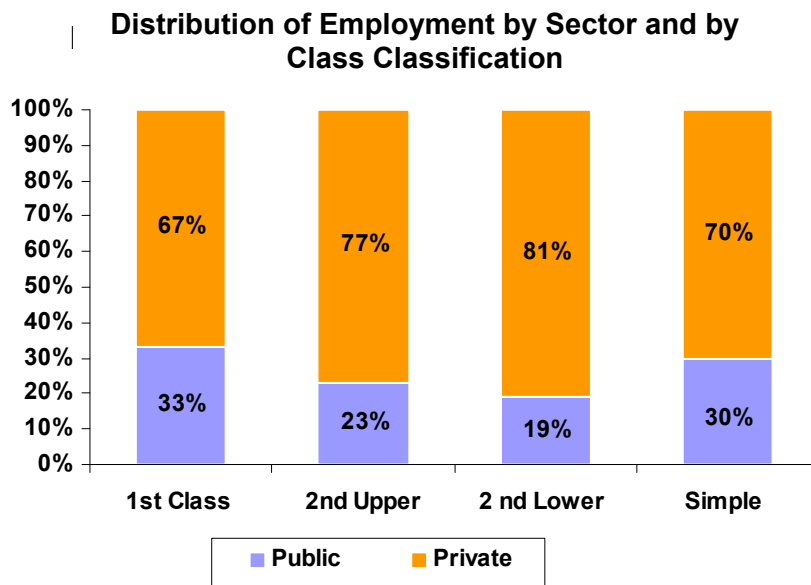
Figure: 3.5.2



Source: Own Calculation based on the Research Data

The share of employment in the private sector by classifications ranges between 67% in the 1st class degree holders to 81% in the 2nd class lower classified degree holders. It is 77% among the 2nd class upper classifications. The results show that the percentage share of 2nd class lower and 2nd class upper degree holders in the private sector is higher than that of other classified degree holders. This is again evidence that majority of B.A and B.Ed graduate with 2nd class upper and lower divisions are in temporary posts in the private sector.

Figure: 3.5.3

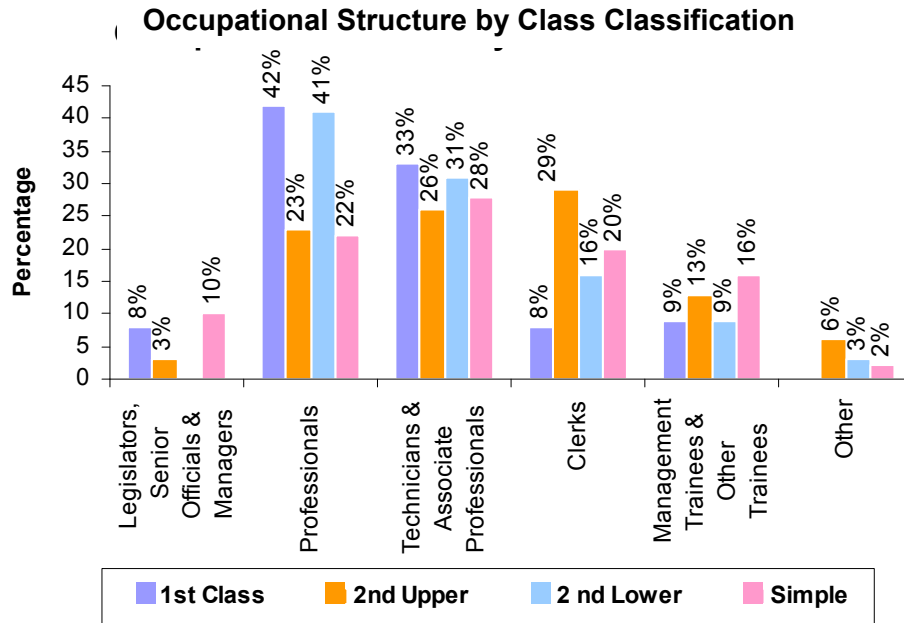


Source: Own Calculation based on the Research Data

3.5.2 Employment by Class Classification and by Occupation

There is an occupational difference by classification of degrees. All of them are working in few selected occupations, such as Managers, Professionals and Associate Professionals, Clerks and Management Trainees. This is the common nature of graduate employment.

Figure: 3.5.4

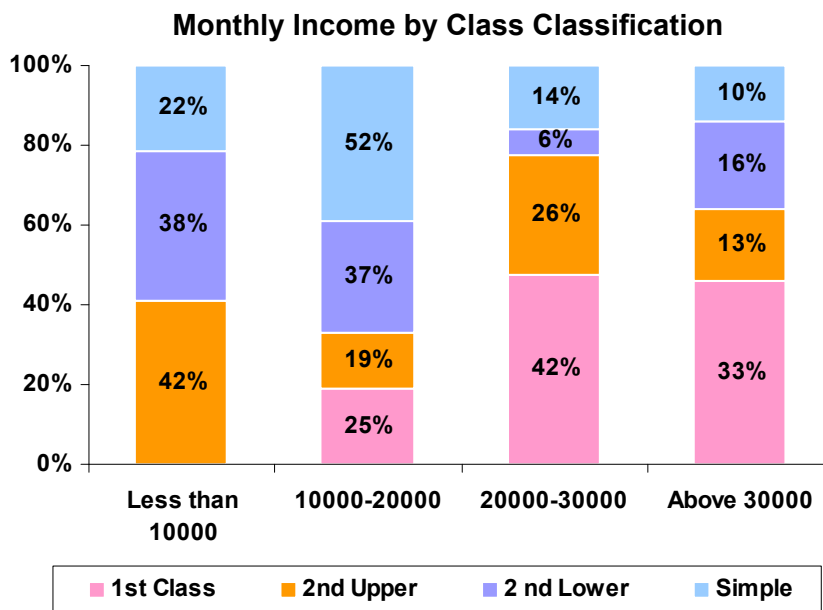


Source: Own Calculation based on the Research Data

3.5.3 Income by Class Classification

The significant difference can be observed by classification in the monthly income of the graduates. The majority of 1st class degree holders earn more than LKR 20000 per month. But most other class (2nd upper, 2nd lower and simple pass) holders earn less than LKR 20000 per month. The asymptotic significance value that is 0.004 emphasizes the significant difference.

Figure: 3.5.5



Source: Own Calculation based on the Research Data

Conclusion

According to the summary results, unemployment rate is (65% of total despondence) very high among the graduates. This might be due to a mismatch between education and the world of work. The higher education system is focusing too much on academic knowledge while giving less importance to practical skills and the application of theories.

Another reason for high level of graduate unemployment may drive from the fact that many graduate might only apply for vacancies for professional and senior officials and managerial posts as they might not want to start their working life at a lower level job.

The study finds that significant labour market difference between males and females is very high. Unemployment rate among females is very high while it is low for males. However among the employed graduates there is no significant difference between male and female in relation to earnings, occupations and type of jobs.

It is interesting to see that most of the B.Sc (Science, Mathematics, and Computer Science) graduates are employees, while majority of Arts graduates are experiencing difficulties in finding a job. As far as earnings are concerned, it seems, to be related to the courses followed at the university. There are market variations between salaries earned by graduates from different faculties. This may be due to the nature of the private sector demand for graduate in the knowledge base economy.

As a whole, the most significant results derived from the study can be summarized as follows.

- Most graduates in the first year after completion of their education are in full-time employment (out of total employment) in managerial, professional and technical post and earn average income between LKR 20000-30000.
- Advertisements on newspapers are the most common type of job search used by the graduate to find the employment opportunities in the private sector.
- Science and mathematics based graduates have more opportunities in the labour market and their earnings are higher than that of other graduates.
- Female graduates tend to experience high work related attitudes than males.
- Graduates employment has been limited to few occupational groups.

- There is statistical significance between employment and type of degree and high significant between earnings and the type of degree
- There is a significance difference between male employment and female employment towards the male dominant labour market.

The summary results show that there is a mismatch between education and the world of work. Though they have spent more than one year after completion of their university education, 65% of them are unemployed. No matter, the education plays a key role in the knowledge base economy. But according to the prevailing situation of the graduate labour market, it has to be re-think about our university education system. The education system has to be reformulated in order to produce human capital to face the challenges in the emerging global environment.

Majority of science graduate are employed and they are enjoying good remunerations in the labour market are the information for us to understand what type of graduates are demanded by the private sector. Certainly there is a strong link between science based university education and the economic sector. Therefore strategies should be taken to strengthen this link and alternative strategies must be implemented to improve the employability skills among the human and social science based graduates.

According to the results of the newspaper survey (demand analysis) conducted by the labour market information unit of the ministry of Labour Relations & Manpower, out of total job vacancies recorded for graduate (excluding government mass requirement), 72.67% was for B.Sc. (Biological, Physical, Computer Science, Engineering and Management) graduates. Among the B.Sc. degree holders, high demand was recorded for Civil engineering (17.2%) and Computer Science (12%) graduates. (LMI Bulletin, volume 02 No: 1-2007, LMI Unit, Ministry of Labour Relations and Manpower). The labour market information published by the Ministry of Labour Relations and Manpower has pointed out that, English language, Computer literacy & IT, Communication skills, Interpersonal skills, Positive & Motivated, Team work and Outgoing Personality are the skills expected from graduates to be employable in the Private Sector.

The results of this study discovered that most of Human and Social Science based graduate are facing difficulty to cope with the labour market. This indicates that those who

are Human and Social Science based graduate have difficulty in pursuing those mentioned skills. Therefore, skills, especially soft skills development strategies must be implemented for university graduates.

The high unemployment among the graduates could be a combination of lack of employment opportunities for certain type of degree holders, lack of skills and practical applications of what they have been taught at the universities, attitudes towards the job security and other non monetary benefits, wait and see policy until preferred job is found, and lack of information on wages and other benefits of the existing jobs.

Therefore, initiatives have to be taken to develop soft skills, such as English language proficiency, Team work, computer and IT literacy and attitude like commitment to work. Further, information on labour market should be made readily available in all forms.

It is obvious that most of job seekers prefer to work in the government sector because of job security, opportunities for further education (Masters) and retirement benefits. This kind of attitude has seriously damaged to the productivity in the government sector. Hence a radical change has to be implemented in the government recruitment procedure and wages should be linked to the productivity.

The need for changes in the existing higher education system in line with the changes in the global environment has been identified for a longer period of time. The changes implemented are insignificant; dramatic changes to be implemented are being restricted by the voice of student and other interest groups. This may partly be attributed by the lack of awareness. Therefore, continuous awareness must be created and platform should be made to continuous discussion on these issues.