

## ELIMINATION OF GAP BETWEEN EDUCATION AND EMPLOYMENT

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### **Abstract**

*The skills gap is evident and the perceptions gap between employers, educators and students is equally obvious. The debate on who should solve the skills gap is not new and is never-ending. But in my opinion the onus is not on universities alone. The role of schools and universities is to prepare us for the rest of our lives, not just for the world of work.*

*It's time to give new actors a bigger role and embrace innovative models of learning that can provide learners, young and old, the skills that are relevant today and will be in demand in the future. In addition to boosting traditional public-private partnerships, we have to make room for unconventional models.*

*I am referring to approaches that are designed to instil, what Dr. Tony Wagner refers to as the 'Seven Survival Skills': critical thinking and problem solving, collaboration, agility and adaptability, initiative and entrepreneurship, communication, curiosity and analysis.*

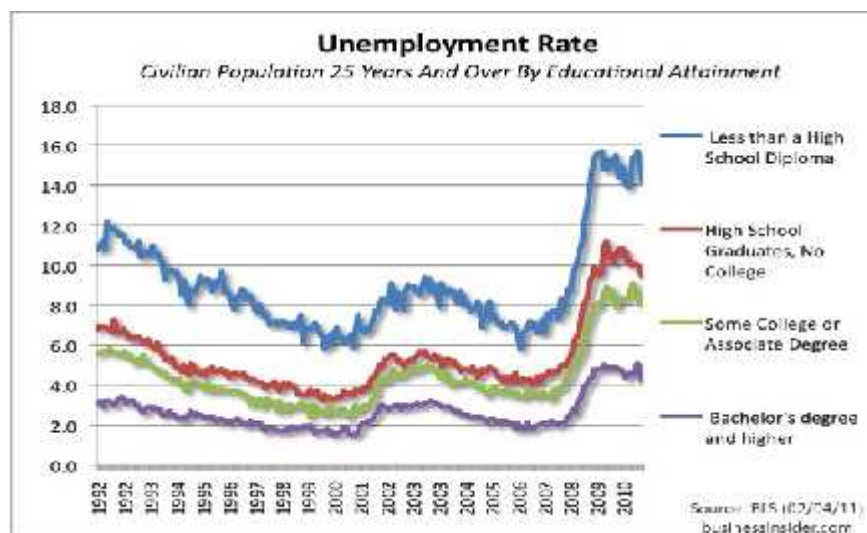


### **Introduction**

A remarkable stat from the BLS report:

- The unemployment rate for those with less than a high-school diploma is 14.2%.
- The unemployment rate for those with a college degree is 4.2%.

We're not going to waste our times rehashing old questions about whether this means college self-selects for employable people, or whether it means that more people should go to college. We couldn't care less. It is a remarkable divergence, however.



### Real Numbers: Connecting Jobs to Education

Contrary to popular opinion, attaining at least a bachelor's degree is not the only, nor in all cases the best, route to success. Nor is it the norm. Most jobs do not require a bachelor's degree for entry, and most Americans-including most young adults-do not have a bachelor's degree.

What makes a bachelor's (or higher) degree so appealing is not that demand for this level of education is high, but that jobs requiring higher levels of education tend to pay more. In addition, within a job, those with higher education (at any level) tend to earn more; for example, a dental assistant with an associate degree earns about 20% more than a dental assistant who has only a high school education. However, in some jobs, particularly computer-related jobs, other forms of training and experience can substitute for a college degree. For example, although a bachelor's degree is the entry requirement for computer systems analysts, 35% of younger analysts do not have a bachelor's degree.

A significant number of sub-baccalaureate jobs offer better than average salary, and many of these are expected to grow. Many of these higher-paying jobs are technical or supervisory, so that although they may not require a bachelor's degree, they do require job-specific technical training or supervisory skills. How can people get these skills? Numerous education and training opportunities (other than baccalaureate education) exist to help people train for the vast number of jobs that require only moderate amounts of training or higher education. For the sake of students and workers, it is important to acknowledge and encourage these routes to learning and labor market success. They fall into five broad categories:

- Occupational (vocational) education in high school;
- Sub-baccalaureate postsecondary credentials (occupational certificates and associate degrees);
- Post-high-school coursetaking, from a postsecondary institution, employer, professional association, or other organization (sometimes leading to occupational certification or licensure);
- Formal apprenticeship programs (federally sponsored programs that combine on-the-job training with classroom instruction);
- Informal learning activities, such as seminars, web-based tutorials, and mentoring programs.

Obviously, adults can engage in more than one of these learning opportunities over a lifetime, a year, or even during a week or a day; it is not possible to say how many do so. But one hint at the size of this learning enterprise can be gleaned from a national survey of adult education, conducted by the U.S. Department of Education. For 2004-05 this survey found that 31% of all adults age 16 or older had, over 12 months, taken courses for a sub-baccalaureate degree, been in an apprenticeship program, or taken other work-related courses. Most adults also participate in informal learning activities, with estimates ranging from 75% of all employed adults to 96% of workers in establishments with at least 50 employees. Participation trends in these activities are hard to gauge, but participation in the most common of these activities-work-related course-taking-has hovered around 30% (40% for employed adults) since 2001.

Although attaining a bachelor's degree is often (but not always) a route to higher pay-else why spend the requisite time and money?-other forms of education and training serve a broad swath of the population, including many who go on to earn relatively high salaries. These alternative learning sources should not be overlooked as important contributors to the economic success of individuals and society. Education policymakers, teachers, and guidance counselors should provide due consideration of these options for students. Rather than encouraging all students to pursue one type of education, we should encourage in all students a lifelong interest in multiple routes to learning.

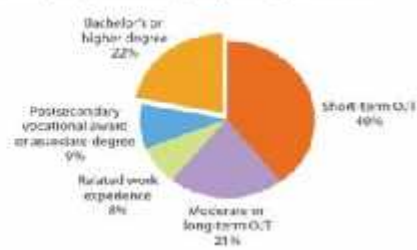
### Not Everyone Needs or Will Need a Bachelor's Degree

About 70% of jobs require no college education for entry, and an additional 9% require only postsecondary education below the baccalaureate level. Labor market demand is changing over time, but not very quickly; the distribution of job openings in 2016 will roughly mirror the current labor market, with 69% of openings requiring no college education, and 9% requiring a sub-baccalaureate credential. In other words, twice as many new jobs will not require a bachelor's degree as will require one.

Job entry requirements, all 2006 jobs



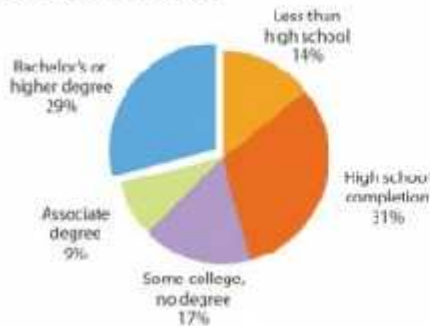
Job entry requirements, job openings 2006-16



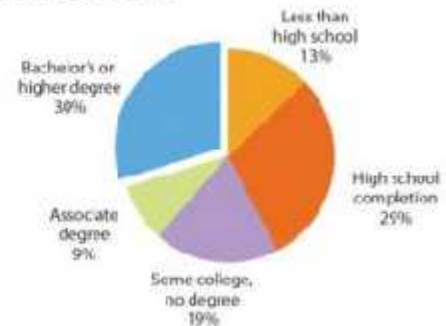
### Workers Young and Old Eschew Excess Education

In line with labor market demand, about 70% of adult's ages 25 to 29 do not have a bachelor's degree. Further, only 38% of 18 to-24-year-olds are enrolled in a 4-year college.

Highest level of educational attainment, adults ages 25 and older: 2007



Highest level of educational attainment, adults ages 25-29: 2007



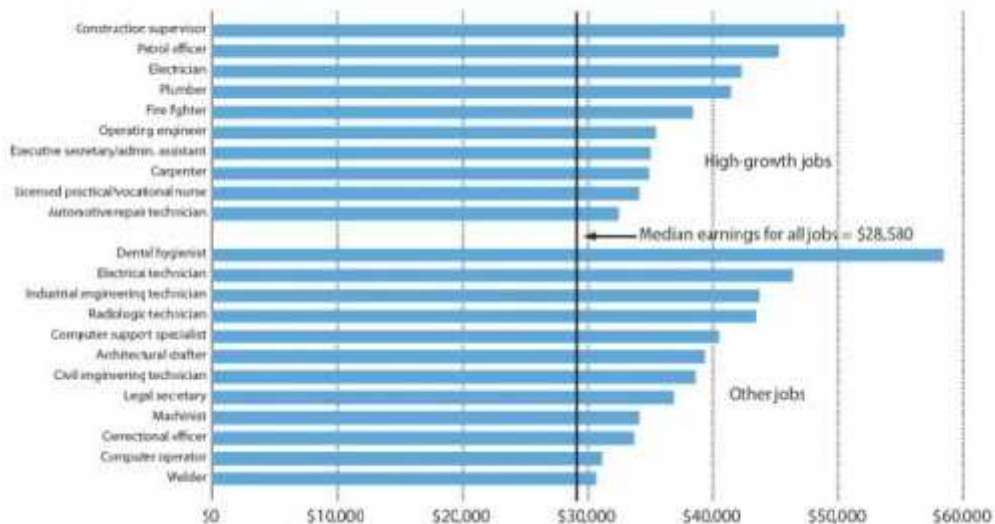
### No Degree does not Mean Low Pay

Some sub-baccalaureate jobs do offer better-than-average pay. The Bureau of Labor Statistics estimates that 360 occupations fall into this category, including high-demand jobs such as truck driver, repair and maintenance worker, carpenter, and executive secretary/administrative assistant as well as jobs in the fast-growing health and IT sectors, such radiologic technician, dental hygienist, licensed practical nurse, and computer support specialist.

### Apprenticeships Play Small but Important Role

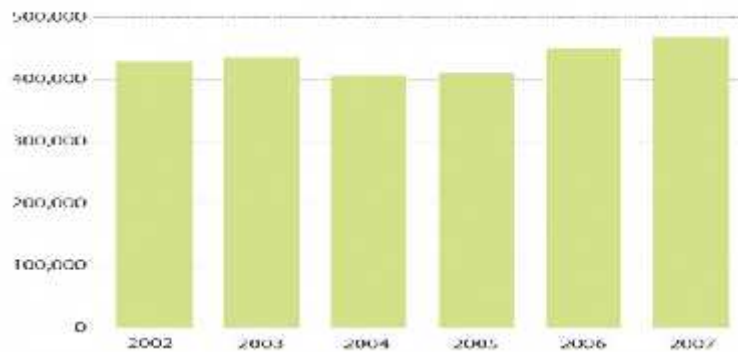
Apprenticeships make up a relatively small but important part of the training system for new workers. Only about 470,000 adults are enrolled in apprenticeship programs, but this num

Median annual earnings in 2004 for selected jobs in which most workers age 25-44 do not have a bachelor's degree



ber masks the importance of this training for job entry. In 2007, new apprentices comprised 4% of new jobs. Because most apprenticeship programs are in the construction trades, the number of apprentices tends to follow labor market demand in this area. Thus, the number of apprentices has grown in recent years, but may decline in the near future if the building industry contracts.

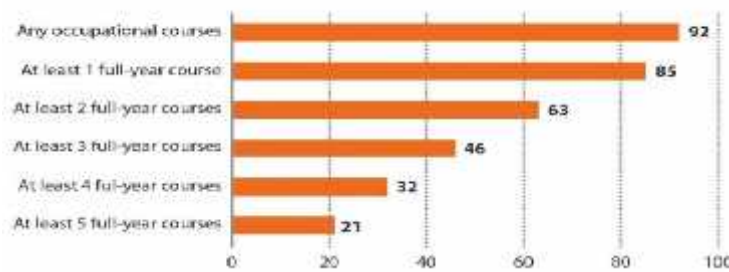
**Number of registered apprentices, 2002–2007**



### High Schoolers Value Occupational Courses

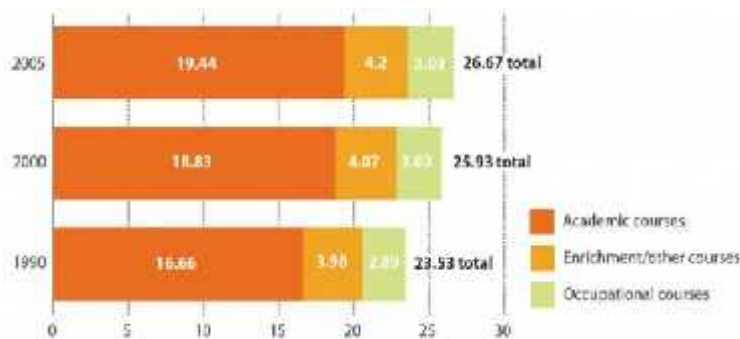
The formal education system serves as a training route for both job entry and lateral or upward job mobility. High school typically provides the first opportunity for job-specific training, through career/technical education offerings in occupational fields (e.g., business support, agriculture, or health science courses). The vast majority (92%) of public high school students take at least one occupational course, with 46% taking at least three such courses.

**Percent of public high school students taking occupational courses: class of 2005**



### Popularity of Occupational Courses not Fading

In spite of pressures from increasing high school graduation requirements and a resulting increase in academic coursetaking, participation in occupational education has remained constant in recent years, in terms of the percent of students taking occupational courses and the average number of credits earned in these courses.



### Sub-Baccalaureate Programs Very Popular

There are almost as many students enrolled in sub-baccalaureate postsecondary programs as there are in baccalaureate programs. Looking at college entry directly after high school, about 30% of recent graduates enter less-than-4-year postsecondary institutions, whereas 40% enter 4-year institutions. But the sub-baccalaureate sector is particularly likely to serve older adults, so that overall, the ratio of sub-baccalaureate to baccalaureate students is about 9 to 10; about 43% of undergraduates are in sub-baccalaureate programs, compared to 47% in baccalaureate programs. (The remaining 10% are non-degree students.) Similarly, 1,422,000 sub-baccalaureate credentials were awarded in 2005-06, about 90% the number of baccalaureate credentials awarded (1,562,000).

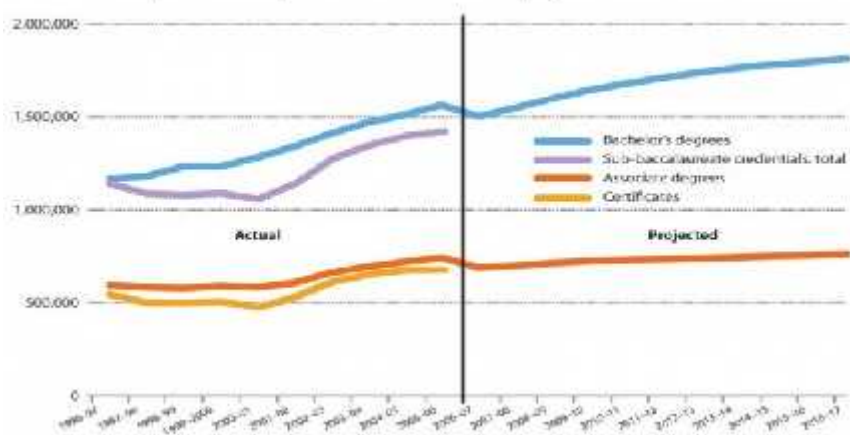
**Percent of undergraduates enrolled in the sub-baccalaureate sector: 2003–2004**



### Number of Degrees has and Will Continue to Grow

The number of sub-baccalaureate (as well as baccalaureate) credentials awarded by postsecondary institutions has increased in recent years, and is projected to increase through 2016-17, as rates of participation continue to increase.

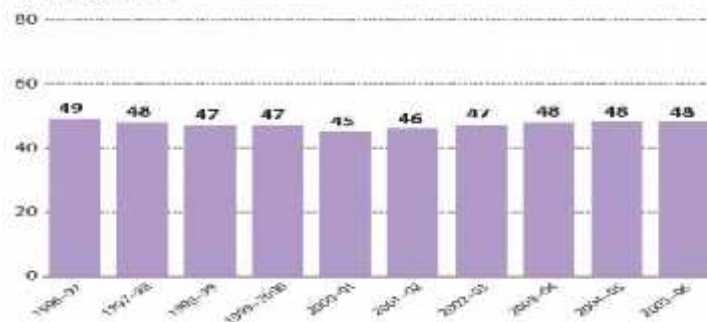
**The number of postsecondary credentials awarded and projected to be awarded: 1996–2017**



### Prominence of Sub-Baccalaureate Degrees Holds Steady

At least in more recent years, sub-baccalaureate education has held its own as postsecondary participation has increased; the share of undergraduate credentials awarded at the sub-baccalaureate level has fluctuated between 45 and 49 percent since 1996-97, remaining relatively steady at about 48 percent since 2003-04. Projections for credential awards in future years are restricted to associate and bachelor's degrees, and suggest that both degrees will increase in number, although associate degrees will decline slightly relative to bachelor's degrees, dropping from 32% to 30% of undergraduate degrees. It is less clear what will happen to the market for postsecondary certificates, but these are likely to grow in the health and IT sectors.

**Percent of undergraduate credentials that are sub-baccalaureate: 1996 to 2006**







### **Many Degree Seekers Fail to Finish**

Left out of analyses of credential awards are adults who started but never completed a college program. Over a six-year period, about 35% of college students leave school without a credential. This percentage is higher for students who initially seek a certificate or associate degree than for those who seek a bachelor's degree. Most of these students do not appear to be leaving because they got what they needed. Among sub-baccalaureate students, only 7% of leavers say they left because they took all the courses they wanted, whereas about half report that they left due to job, family, or financial demands. Similarly, about 45% of baccalaureate leavers report that job, family, or financial demands were the main reason they left. With so many students facing practical constraints on college completion, alternative paths to learning become even more important to ensure that all adults can develop the skills needed to remain competitive in the labor market.

### **Bridging the Gap between Education and Employment**

India is in a unique position in the world - our demographic dividend is much talked about with predictions that we will surpass China as the world's most populous country by 2025 and have a large proportion of those in the working age category. It is estimated that by 2022, India will need 700 million new skilled workers to meet our economic growth needs. This fantastic demographic dividend needs to be harnessed by creating jobs and meeting people aspirations.

For the country to be able to optimise its demographic advantage, the two pivotal points where interventions are needed, are education and skilling. The government of course recognises this which is reflected in initiatives such as the Right to Education and Skill India, designed to bring about large-scale systemic change by deepening education and having a better skilled workforce, respectively.

On the education initiative, we seem to have done reasonably well in terms of access to education. Recent data indicates that about 230 million children have enrolled in the school system between Standard 1 and 10 in 2014. But the drop-out rate before completing Standard 10 is at an alarming 47 per cent. Assuming that the minimum education level required to enter the workforce today is Standard 10, it is indeed worrying to note that more than half our children are not reaching that qualifying milestone. On the other hand, it is estimated that 12 million youth enter the workforce every year, whereas there are only about 7.5-8 million jobs awaiting them. For those who have not attained higher levels of education, the available jobs are at the entry level, and are usually plagued by high attrition and stagnant salaries. Rapid economic and technological progress coupled with education systems that have been unable to keep pace and shifting demographics have led to significant discrepancies between the supply of skills and the needs of the market.

While the government's efforts -- supplemented by corporate CSR and NGOs on both access to education and focus on skill development -- are laudable and should continue to grow and evolve, we need to also recognise that by itself education alone is not adequate to generate a productive work force. Similarly, providing skill training as an afterthought will create only a limited talent pipeline for India. Education and skilling need to be integrated to maximise and sustain the advantage of labour on India's economy.

### **Conclusion**

There is no simple solution to make our children future-ready and active participants in the country's economic growth. However, the three things that we can immediately look at are, helping children recognize their skills; fostering an environment in which youth who are just entering the workforce can have better career paths; and, improving options for those youth who are already working.

We often hear that young people refuse to take jobs that aren't aspirational. For example, a boy living in a Mumbai slum who has completed Standard 12 would rather sit at home than become an a/c technician. He doesn't know whether he has the skills to work in a call centre or that he could potentially make far more money as a mason, but to him it is aspirational to have a desk job and sit at a computer in an air conditioned office. In fact, a recent study estimates that only 33 per cent of individuals of working age are employable. This gap between aspirations and skills exists not only because of the lack of dignity of labour in our society, but also because children and youth do not know what skills they possess. An interesting initiative to address the latter is being undertaken by an NGO called "Lend a Hand India" that has introduced the basics of multi-skilling to children in secondary school. Using curriculum that is recognized as part of National Skills Qualification Framework by NSDC, this program exposes children to a wide variety of potential occupations, such as sales, retail, carpentry and electrical work and the skills needed for each of these. To further add value, the children who complete the programme are awarded certificates by the respective Sector Skill Councils. This simple, very basic, early exposure gives these children a head start in the world of work. There are also examples of other NGOs who are focused on complementing undergrad education with basic skill training in diverse fields.



"We are what we repeatedly do. Excellence then, is not an act, but a habit."  
-Aristotle

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