

SKILLS MISMATCH 1

Youth Attitudes to the Job Market:
Overcoming the Skills Mismatch



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YOUTH ATTITUDES TO THE JOB MARKET

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ThinkYoung, in collaboration with Our Future Mobility Now, has been developing this research report for the past 12 months, exploring the effects of skills mismatch on economic stagnation, youth unemployment and social uncertainty at a European level.

0. Executive Summary

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Skills mismatch is currently a topic of real interest because of economic stagnation and soaring unemployment rates. It is defined as the gap between an individual's job skills and the demands of the job market. Skills mismatch has become a central challenge for Europe, affecting all layers of society, from the productivity and efficiency of businesses to the current and prospective welfare of youth. This study looks at the causes of the mismatch and how these issues can be tackled.

This pan-European study was commissioned to examine the extent of the mismatch phenomenon across the continent, identify the contributing factors and provide a series of recommendations directed at various stakeholder groups.

The report comprises several sections, each exploring different aspects of the skills mismatch issue. The first section consists of literature surrounding the topic; it elaborates on a variety of definitions,

presents examples of the mismatch problem in society, highlights the involvement of EU institutions in combating the issue and maps the discrepancies on a broader level through the use of statistics.

The second segment of the report encapsulates the quantitative analysis which we have engaged in over the past months. Here, the structure of the survey and research methods are mentioned, metadata indicated and significant findings explored. This segment combines the opinions of 868 respondents from 48 countries, encompassing 16 different languages.

Section three then presents the views and suggestions of a number of experts (both corporate and governmental) who we interviewed throughout the research process – which enables comparisons to be made between both internal and external perspectives of the issue.

Immediately following this section is the conclusion, which recaps the key points and proposes a number of recommendations.

Attention is drawn throughout to the perceptions of young Europeans, who state that they do not currently feel particularly mismatched in the professional environment, are not primarily motivated by monetary incentives and are inclined to relocate and adapt in search of an attractive job. This is very much a paradox to the jilted and lacklustre labelling that is often applied to 'Generation Y'. Furthermore, this report draws interesting contrasts with the opposing perceptions of HR departments, which believe youth are often misinformed about employment, require development of 'core' skills and frequently demonstrate unrealistic expectations of their personal capabilities.

This research has discovered that youth regularly overlook the demands of the labour market when making educational choices, often pursuing career goals based upon personal interests and cultural influences.

This indicates a failure within the education systems and of enterprises to effectively signal the required skills and educate students to fill these voids in the market.

Interestingly, it would also appear that many of the programmes offered by the EU that aim to increase participants' career prospects are largely unknown or are not used by a vast majority of young individuals and business professionals.

Ultimately though, this study has established that while young people are highly qualified in a wide range of fields, economic changes, such as increased globalisation, have altered what is required of them both socially and professionally.

Furthermore, while many young people in Europe today are in fact mismatched to some extent, this problem can realistically be solved or at least mitigated, providing all stakeholders are equally willing to communicate, learn, acquire relevant skills and become more professional in order to secure a prosperous and meaningful future. However, such a resolution must involve certain compromises and be tempered with realistic expectations.

1.

Introduction

Skills mismatch is defined as the gap between an individual's job skills and the demands of the job market. Skills mismatch is not per se a negative phenomenon: employees develop skills during their working life, with some acquiring new skills through multiple diverse inputs. These varied methods help to satisfy both the creativity required by the economy and the development of employees on a personal and cultural level.

Nevertheless, the job market is impeded by both formal and informal barriers, which can prove detrimental, contributing to an increase in unemployment or NEETs (Not in Education, Employment or Training). It can also result in shortages of suitably skilled workers. For instance, according to the European Commission, Europe will need 700,000 ICT experts by 2015, who today appear to be missing. Moreover, the development of Europe has often been shaped by cultural as well as economic interests, so it is imperative to address the issue of skills mismatch and shortage while considering these two factors. With these cultural and economic realities in mind, it would be a great mistake for government and partner institutions to follow economic criteria alone when developing educational policy.

Educational policy needs to account for the changed and globalised world that Europe forms part of. Increasingly, simple qualifications are no longer enough to find employment. Adaptation is required in order to ensure that young people reach adulthood prepared, educated with both the 'hard' – or 'core' – skills necessary to work and the 'soft' skills that will enable them to be productive, social and active members of society.

While a great volume of existing research on 'skills mismatch' focuses directly on the impact of aging and migration, there is a real dearth of data on young people.

This is unfortunate given that a lack of skills, information and experience means that – particularly since the economic crisis of the late 2000s – young people have been disproportionately affected by un- and underemployment. This waste of a young generation is made all the more staggering given that it is met by companies who simultaneously struggle to recruit candidates with appropriate profiles.

Accordingly, this report aims to identify the underlying forces responsible for the skills mismatch, and to determine how these forces are perceived by both young Europeans and experts in the labour market. It achieves this through a variety of quantitative and qualitative techniques, compiling a large sample survey as well as interviews with stakeholders. In conducting research, which has focused primarily on youth in Europe, particular attention has been paid to comparing and contrasting existing literature on the subject with the findings of both the youth survey and the interview contributions of employers in various sectors.

This report finds a number of key results that are worthy of investigation. This includes the discovery of significant differences between how young people perceive their own level of skill and the perceptions of employers. However, young people report that they are especially willing to acquire new skills to reach a level to enter a particular sector.

Furthermore, while it has been discovered that young people often choose career paths based on personal interests irrespective of labour market requirements, it also emerges that money and responsibility are a secondary motivating factor for many, with group membership and contribution to society of greatest concern.

Finally, there is evidence that while national and EU bodies are reacting to the skills mismatch, more can be done to effectively communicate the options available to today's young people.

2.

Current

Scenario

In many European countries, youth unemployment has skyrocketed to historical heights and is forecasted to stay high until 2016 (Financial Times, 2012b). Even countries such as Germany, which have some of the lowest rates of overall unemployment across Europe, are currently suffering from a high level of job insecurity and lack of opportunities for the young (Schentzer, 2011). This situation has arisen despite a chronic shortage of specialised workers in these countries (e.g. Germany (Schentzer, 2011) and Switzerland (Saner & Velebit, 2009)) and is even the case for some mid-skilled workers in niche sectors (see bread bakers in Italy Corriere della Sera, 2012). This phenomenon significantly affects firms, lowering competitiveness and increasing costs, due to a high turnover of staff and the difficulty of investing in the development of new recruits.

2.1

DEFINING SKILLS MISMATCH

Currently, there is no definitive or unified economic theory to explain the skills mismatch (Sala, 2011). According to Wolbers (2003): "Skills mismatch in the labour market describes the fact that levels or types of skills of individuals are inadequate in view of particular job requirements." Alternatively, skills mismatch is defined in classical economics as the gap between job vacancies demanding specific skills and the availability of workers matching these requirements (Thurow 1975).

As a perfect match is impossible, in reality the job market finds its equilibrium through salary adjustments. According to Becker

(1964), the latter are based on the level of training of the employees (i.e. academic qualifications and work instruction), and furthermore, the extent of training required to develop specific skills (i.e. the use of software and machinery).

It follows that a better match lowers training costs and leads to higher salaries. Companies regularly fight for the best candidates, and those firms who are unable to procure their ideal choices use either internal training programmes or are eventually outcompeted in the market.

At present, the scenario is far from perfect, and research focuses closely on the vertical mismatch (workers not skilled enough in the given field) instead of the horizontal (workers highly skilled but in the 'wrong' oversubscribed field). For example, while degree courses in psychology and economics are highly popular, a scarcity of jobs is found within these fields, often leading to a mismatch of skills.

Classic models omit national level statistics or at least, the regulated labour market (Sala, 2011); today those most affected by the skills mismatch are school leavers (Wolbers, 2003).

Currently, people are encouraged to study to higher levels to remain competitive, defend their job and guarantee security. This opinion is supported by Sala (2011): "The larger the numbers of educated persons in the economy, the more imperative it becomes for an individual to invest in education."

Some strong assumptions, however, undermine the classical interpretation. For instance, Sala later states that "instead, income maximisation motivates workers to choose particular jobs over others", a premise which does not account for exogenous variables, such as personal preferences.

However it may be defined, the academic analysis of young people entering the job market is not new. Studies exploring

youth unemployment began well before the economic crisis: in 2005, 1337 Spanish graduates were surveyed: 39.7% of them stated that there was little or no connection between their university degree and the content of their job at the time (García-Espejo & Ibáñez, 2006).

“The existence of skills mismatch or skills shortage is by no means as obvious as asserted,” according to Handel (2003: 136). OECD countries (with the exception of the UK) have seen higher levels of skills mismatch, but this explains only a minor constituent of the increase in unemployment. Whether it is caused by differences of opinion, rapidly increasing automation and productivity, or by cultural biases remains unclear (Manacorda & Petrongolo, 1999).

2.2

WHAT IS THE CULTURAL CONTEXT? HOW IS IT PERCEIVED?

The European labour market has been subject to strong cultural changes since the late '90s. Liberalisation and globalisation, accompanied by inequalities between public and private sector wages have contributed to an extensive and unfavourable use of short-term contracts, creating a gap between older generations and youth searching for a foothold in the job market.

Furthermore, globalisation has changed the

structure of the European economy, shifting it from an industrial environment to a largely service-based economy: the former demands relatively low skills which employees potentially use without variation for long periods, while the latter requires a high level of skills, often dynamic, requiring continuous development and scrutiny in order to remain competitive.

Firms could once hire undergraduates and train them internally, or take on school leavers that demonstrated the ability to engage in straightforward tasks. Today, they need a highly specialised worker, often requiring extensive and costly training. Accordingly, they search the job market for those rare individuals that are both highly trained yet unemployed. However, these firms face fierce competition in recruiting these candidates.

To some extent, the evolution of the education system in Europe has also contributed to the skills mismatch. Every summer, thousands of students graduate, often in fields which are not required in the job market. Media and sociologists have been providing coverage of the cultural change in this under-30 demographic, which has been named 'Generation Y'.

These experts have indicated this generation's growing tendency to think in the short term – decisions are taken in shorter periods, and the demise of the job-for-life has reduced company loyalty. Consequently, firms are no longer willing to invest large amounts of capital in human resources knowing that employees will leave on average within three years. SMEs, which have a limited amount of resources, leverage and tools to retain trained employees, are most affected. Short-termism applies even at the top, within senior management, not just mid hierarchy personnel (CFA, 2006).

Young individuals aren't as money minded as previous generations, and they increasingly demonstrate concern for the social and

Overqualification	<ul style="list-style-type: none"> • Highly qualified graduates with jobs requiring very few skills (often referred to as Mc Job) • Workers with several years of experience conducting basic tasks
Light mismatch	<ul style="list-style-type: none"> • Graduates in finance working as accountants • Graduates in literature teaching foreign languages • Graduates of civil engineering employed as automotive mechanics
Underqualification	<ul style="list-style-type: none"> • Unskilled candidates hired for high-calibre jobs, requiring a great degree of internal training • Niche or highly-specialised jobs for which insufficient education programmes are provided before employment

Table 1 - Simplified summary of the skills mismatch. Personal elaboration

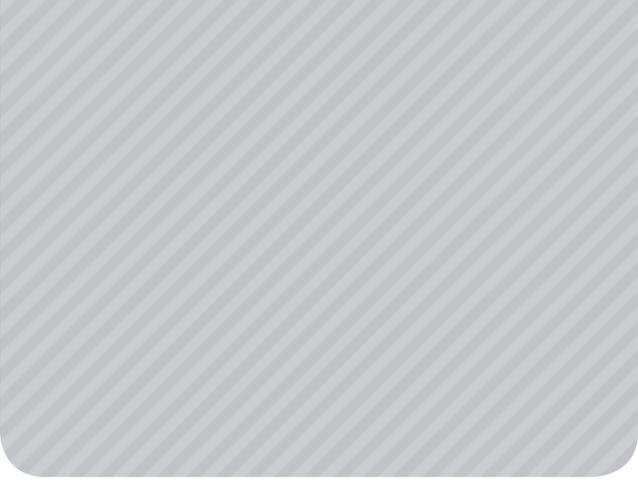
environmental impact of enterprises (the highly educated in particular). The economic crisis has also increased anti-capitalist sentiment and resentment for profit-oriented companies. (see question 2.1 of the ThinkYoung survey).

Furthermore, young people perceive the organisational hierarchy as of less importance. They respect authority more on the basis of competence than hierarchical status. Technological disparities, greater equality in society, accompanied by a high number of interconnections and a lower immediate desire for money, have significantly shifted the bargaining power of companies. In this respect, young people yearn for a job they enjoy, one that offers them the opportunities and resources to develop desired skills, as opposed to the skills the companies need (Le Monde, 2012/a,b; Le Temps, 2012/a,b; Bauman, 2012).

Frequently, young people opt to study a topic or field they aspire to work within, caring

little for the state and demands of the actual labour market. A wide range of experts have conducted analyses and delved deeper into this topic. From Garelli (2006), we can observe an interesting parallel between companies and countries: workers in the early years of their corporate lives are similar to emerging countries, such as the BRIC nations; they are committed to hard work and willing to adapt the educational and values system to the production's necessities. By contrast, workers who have already achieved a good position in companies are similar to the more affluent, Western countries. Here, priorities are given not to productivity or corporate goals, but to personal and cultural objectives.

In this light, a broader cultural approach suggests that, to overcome the skills mismatch, the fundamental structure of jobs must change. Weststar calls for a "shift [of] the focus, from a preoccupation with educational reform and the choices that individuals make regarding their educational participation, to the impact of workplace and



job design...Educational systems should not be called upon to produce specific workers for specific industries, but to encourage the development of core competences, producing workers with the ability to learn and adapt, thus enabling them to satisfy the changing demands of their future roles. It is the workplaces and jobs themselves that should be reformed to better match the workforce.” (2009: 735). The EU approach is similar: the education system should “create citizens, not workers”.

2.3

WHAT IS THE EU DOING?

The European Union has looked closely at the topic of skills mismatch, proposing several plans of action to be implemented in the near future. Some directly address the issue, either trying to identify it definitively and overcome it, while others are indirect and draw upon broad policies that aim to provide young people with a simpler route to the labour market.

The underlying goals of these plans are seemingly similar regardless of the specific course of action: they look to develop a European identity in young people, foster their mobility and reduce the barriers (both formal and informal) between jobseekers and headhunters.

Mapping the mismatch

The unemployment rate for graduates is 5.4%, which is considerably lower than the 15% for non-graduates (European Parliament, 2012). Nevertheless, the European Parliament estimates that by 2015, there will be a shortfall of between 384,000 and 700,000 applicants in the ICT sector, more than two million in healthcare and one million in research (European Parliament, 2011). These figures clearly demonstrate the restrictive consequences of skills mismatch. There is a real need for a higher level of mobility among young people, and perhaps this can be achieved through better communication of the respective stakeholders wants, desires, aspirations and needs.

The following table highlights the main types of skills mismatch (the first three definitions exist as well the opposite forms under CEDEFOP, 2010).

As underlined by this classification, skills mismatch is a complex phenomenon that can have stronger or softer implications. For example, companies may exclude qualified workers a priori, because they set minimum formal ‘paper’ requirements that the prospective employee cannot attain (‘credentialism’), even if they have the required skills¹; in this perspective, there is often confusion among the public over education and skills, which are not the same thing.

In compiling this report, ThinkYoung has engaged in a ‘subjective’ measurement of the skills mismatch, through interviews with different Human Resources experts and a survey directed specifically at European youth.

¹ A most classic example is the requirement to be a graduate, which excludes whoever may have acquired the desired skills through work experience or other activities, such as travelling and hobbies.

Overeducation	A situation in which an individual has more education than the current job requires (measured in years).
Overqualification	A situation in which an individual has a higher qualification than the current job requires.
Overskilling	A situation in which an individual is not able to fully utilise his or her skills and abilities in the current job.
Credentialism	A situation in which the level of education required to obtain the job exceeds the level of education required to perform the job adequately. It relies upon a belief of the employer that the possession of certificates and diplomas implies higher productivity on the part of the individual.
Real overeducation	A situation in which an individual possesses more education than the current job requires and also in which current skills and abilities are underutilised.
Formal overeducation	A situation in which an individual possesses more education than the current job requires, but in which current skills and abilities are fully utilised.
Genuine overeducation	A situation in which an individual has more education than the current job requires and this state has a negative effect on the level of job satisfaction.
Apparent overeducation	A situation in which an individual has more education than the current job requires, but this does not adversely affect the level of job satisfaction.
Skill shortage	A situation in which the demand for a particular type of skill exceeds the supply of available people with that skill.
Skill surplus	A situation in which the supply of available people with a particular skill exceeds the demand for it.
Vertical mismatch	A situation in which the level of education or skills is less or more than the required level of education or skills.
Horizontal mismatch	A situation in which the level of education or skills matches job requirements, but the type of education or skills is inappropriate for the current job.
Subjective measures of mismatch	The mismatch estimate is obtained by self assessment in employee responses to a questionnaire.
Objective measures of mismatch	The mismatch estimate is obtained by evaluating job requirements.
Crowding out/ bumping down	When better qualified workers are hired to do jobs that less qualified workers could also do, they are crowding out the less qualified workers from what would be their traditional employment possibilities for that level of skill. Bumping down refers to the fact that this process works from the top to the bottom and pushes the less qualified workers to even lower level jobs. At the extreme some lower level workers may lose employment.

Table 2 - Dimensions of skills mismatch. Adapted from CEDEFOP, 2010

The table above helps to comprehend the complexity of the skills mismatch in these tough economic times: on one hand, under-qualified employees may be used to fill positions ‘belonging’ to graduates, while conversely graduates may be employed to conduct routine tasks – e.g. internship contracts used by many graduates to gain further experience (which are generally cheaper for the company, but with a very short time-horizon). One of the causes can be identified in a critical economic context, in which companies prefer to pay overtime to current employees and train internally, rather than hire new young staff members.

Standardisation

European institutions are working to identify the perceptions that employers have regarding employee development and skills acquisition.

The problem is that current practice is not standardised, and therefore skills mismatch

may be biased or skewed by the information owned by both entities. As a result, it can be difficult to differentiate between real and formal over-qualification.

The European Qualifications Framework, the European Framework for Key Competences and formal, non-formal and informal competences are the three main policies that will be applied to solve this problem in the coming years (European Commission, 2012a,b,c).

Roadmap/solutions

In all EU Member States, implementation and monitoring of present and future skills is required on a regional level, with a time horizon of ten years. In addition to this, the European Parliament (2011), stressed the importance of the inclusion of people with disabilities.

‘Youth on the Move’, a comprehensive package of policy initiatives concerning

Name	Year	Description
The European Framework for Key Competences	2006	Lists the most sought after skills in education and standardises their assessment
Validation of non-formal and informal learning	2009	Helps to identify skills acquired outside of the education system (those less recognisable)
The European Qualifications Framework (EQF)	2008	Standard 1-8 scale for all competences. Makes international comparison easier

Table 3 - Main skills' standardisation programmes enforced by the EU

education and employment was introduced in 2010. It consisted of a proposal to draft a European Council recommendation aiming to reduce the number of early school leavers; the launch of a high-level expert group concerning literacy; the proposal of a quality framework for traineeships and the implementation of the European Job Mobility Portal 'EURES/Your first EURES job' (European Commission, 2010). EURES is continuously evolving to include private actors². The aim is to enable companies to recruit highly skilled and fitting workers, even if they are not present in the national market (European Commission, 2009).

In April 2012, the European Centre for the Development of Vocational Training (CEDEFOP) gathered several case studies on the most successful methods to connect youngsters to the job market (CEDEFOP, 2012). A programme frequently referred to was the German 'Dual initial vocational education and training programme', in which young individuals in their final years of school attend lessons (vocational part) for two days a week, and additionally work in carefully selected company environments (training) for three days a week.

In Italy, a programme called 'The schoolwork alternating system' has been developed to strengthen local connections between

² Source: conference organised by *Confrontations Europe* in Brussels on the 13 June, hosting Alice Santos, Unit Employment services and EURES, DG Employment, Social affairs and Inclusion, European Commission

schools and SMEs, providing the former with various preparatory tools for use in the job market, and the latter with a steady stream of 2/4-week interns. The programme is enforced by schools through regional offices.

The issue of early school leavers is strongly affecting youth (since this category is particularly vulnerable to a mismatch of skills). In Sweden, the city of Malmö has developed a project to map early leavers, and remain in contact with them directly (via phone or personal letter) in order to build a suitable career or study plan.

An initiative titled 'Rethinking skills in Europe' was also introduced by the European Commission (2011). Its goals were primarily to improve the level of basic skills across the continent and, in particular, to help Member States achieve the benchmark of basic skills, reducing the proportion of low achievers at the age of 15 from 20% to 15%.

In terms of skills anticipation and management, the programme aims to help citizens to record their skills through the introduction of widely recognised EU Skills passports, and additionally proposes further development of forecasting techniques through the establishment of the EU Skills Panorama – which will encourage collaboration and exchange of information on skills anticipation and matching, ultimately improving the transparency and mobility of European workers.

3.

**European
Youth**

Survey:

quantitative

analysis:³

3.1 OVERVIEW

A four-month long survey was launched in April 2011 in order to statistically test youth attitudes towards the job market. Those participating in the study were under the age of 30 and currently living in an EU Member State. The study collected 868 valid responses with respondents from a total of 48 countries (place of birth). This allowed for a variety of statistical comparisons to be made. However, while correlations can be found across given results, this analysis rests primarily upon descriptive statistics and does not establish causation or build an econometric model with predictive power.

3 For the comprehensive database of the results obtained, with all the details, please consult the annexes or contact directly the author at alessandro@thinkyoung.eu

3.2 METHODOLOGY AND POPULATION OVERVIEW

Different methods were used to gather information, including a social media campaign, as well as the use of a network of youth organisations which promoted the survey externally. Data gathering took place on a centralised website. Finally, key individuals were picked out within the European circle to promote the survey. According to EUROSTAT, online data collection is fairly representative, as 73% of EU-27 citizens have Internet access, and young people are generally better connected than older generations. This statement is reflected in our results, as we attracted correspondents from 48 different countries.

Below are details of the sample population.

021

Respondents (valid answers)	868
Languages (Proportion that chose to complete the Q in English)	16 (52,8%)
Country of respondents	48
Female/Male answers' ratio	3:2
Average age	25

Table 4 - Overview of the respondents

Country (Number of people)	Country of citizenship	Country of actual residence	Difference
Italy	180	132	48
France	82	88	-6
United Kingdom	68	78	-10
Portugal	59	58	1
Greece	55	50	5
Germany	53	55	-2
Spain	36	40	-4
Poland	30	27	3
Belgium	25	83	-58
Romania	23	14	9
Czech Republic	19	15	4
Slovakia	16	12	4
Bulgaria	16	11	5
Netherlands	15	21	-6
Ukraine	15	11	4
Kosovo	14	12	2
Other - North America	13	0	13
Russia	12	5	7
Albania	11	29	-18
Hungary	10	5	5
Sweden	8	11	-3
Finland	8	10	-2
Austria	8	9	-1
Ireland	8	9	-1
Turkey	8	9	-1
Slovenia	7	5	2
Lithuania	7	3	4
Switzerland	6	19	-13
Macedonia, FYR	6	5	1
Cyprus	6	1	5
Denmark	4	6	-2
Norway	4	6	-2
Serbia	4	4	0
Estonia	4	3	1
Latvia	4	2	2
Malta	3	3	0
Other – Asia	3	0	3
Croatia	2	5	-3
Azerbaijan	2	2	0
Bosnia & Herzegovina	2	2	0
Armenia	2	1	1
Belarus	2	1	1
Georgia	2	1	1
Moldova	2	1	1
Iceland	1	2	-1
Luxembourg	1	2	-1
Montenegro	1	0	1
Other - Sub-Saharan Africa	1	0	1

Table 5 - Summary of countries

3.3

STRUCTURE OF THE SURVEY

The survey aimed to capture the opinions of European youth about the skills mismatch. As was shown in the literature review, we can argue that skills mismatch is a multilayer phenomenon. Youth may be pursuing their ideal job regardless of its feasibility, while studying or working part-time to finance their activities. In this scenario, companies face employees that consider these part-time jobs as a stepping-stone and are not committed in the long term (in fact, we found young people are not primarily motivated by financial reward).

The survey covers fourteen core questions (divided into three parts), and eight control questions, forming a total of twenty-two questions. Of these, 11 are quantitative (ten scaled “0-10” and one ordinal) and the remainder are nominal.

In the first part (1.1-1.4), we delve into the different perceptions people hold about the concept of an ‘ideal’ job: are they mismatched in the first place regarding the job itself? Would they be able to do what they dream of doing? Furthermore, are they confined to a specific sector or field?

We then enter further into the mismatch

issue (2.1-2.3), aiming to discover what really motivates young people at work and how far they are today from what they ideally wish to be doing. Is what they wish for far from what they are studying or developing skills for? How much are they willing to invest to get there?

In the third part of the survey (3.1-3.6), we attempt to investigate the main obstacles in employment and recruitment today: whether the respondents feel qualified or not for their current job, and what they are willing to do to improve their position as candidates for future jobs. This question uses as proxies the respondents’ willingness to continue their studies, to travel and to accept jobs unrelated to former preparation/qualifications.

Question 3.7 then evaluates the knowledge of European youth on the main exchange programmes promoted by the EU.

This last question is particularly relevant to the study since Brussels’ institutions are frequently accused of being inactive and lacklustre when providing aid to the young.

Finally, eight control questions are asked, drawing upon gender, age, citizenship, country of residence, languages spoken, current status and academic background. A space for open comments then closes the survey.

The survey uses a “subjective measure of the skills mismatch”, since respondents use self-assessment to gauge their level. This is in line with ThinkYoung’s values, as the organisation endeavours to provide young people with a channel to voice their opinions.

Part	Description	Questions (quantitative)
1	The ideal job and the effort invested to achieve it	4 (3)
2	Goals/motivators associated with an ideal job and their relatedness to the current/prospective job	3 (2)
3	Job market obstacles and the effort to improve one’s skills	7 (5)
4	Control questions	8 (1)

Table 6 - Structure of the survey

3.4

ANALYSIS AND DISCUSSION

Data has been analysed both in a qualitative and in a quantitative form, using Excel 2007, SPSS 19 and OriginPro 8.5 (the latter only for the standardisation of the parabolic answers 1.2 and 3.1, which had a scale of 0-10 within which maximum was 5).

Four forms of analysis have been conducted:

- Qualitative analysis of the respondents' associations with the concept of an 'ideal job' (see 3.4.1);
- Descriptive statistics of results, along with frequency tables (see 3.4.2);
- Two indexes of mismatch (see 3.4.3);
- Correlation analysis and a comparison of the countries involved (see 3.4.4).

3.4.1

QUALITATIVE ANALYSIS: THE "IDEAL JOB"

Qualitative analysis includes the analysis of certain words that respondents frequently associate with the concept of an 'ideal job' (question 1.1). Respondents were asked to write down three words. In the following figure, the most recurrent words have been catalogued and classified in groups according to the percentage of their association. The top ten groups represent 50% of all inputs. The objective of this analysis is to highlight the sensitive topics that attract the most promising candidates, to discover what can be offered to inspire and motivate them to demonstrate commitment and loyalty in the long term.

While the predominance of "challenging" in the responses is, according to the literature review, unsurprising, we can still find references to "remuneration" in high positions: family incomes, usually the first form of financing for young people, are shrinking. These results seem to underline the contemporary quest for more travel along with reduced stability. Fast progression and constantly new challenges are highly valued characteristics, according to the sample.

Young people increasingly look for a continuum between life and work: happiness, fun, passion, an extensive network, comfortable working conditions and freedom are highly desired. Those under 30 appear highly passionate about both self and social development.

It would seem that generally people are aware that a professional atmosphere cannot always incorporate all these elements; the vast majority of responses received indicate that respondents are thinking sensibly and feasibly in their quest for the right social/office balance.



Figure 1 - Main associations with the concept of the 'ideal job' (categories represent 50% of total answers).

3.4.2 DESCRIPTIVE STATICS

This section consists of a summary of the results. The annex contains the descriptive table of the quoted variables, elaborated with SPSS.

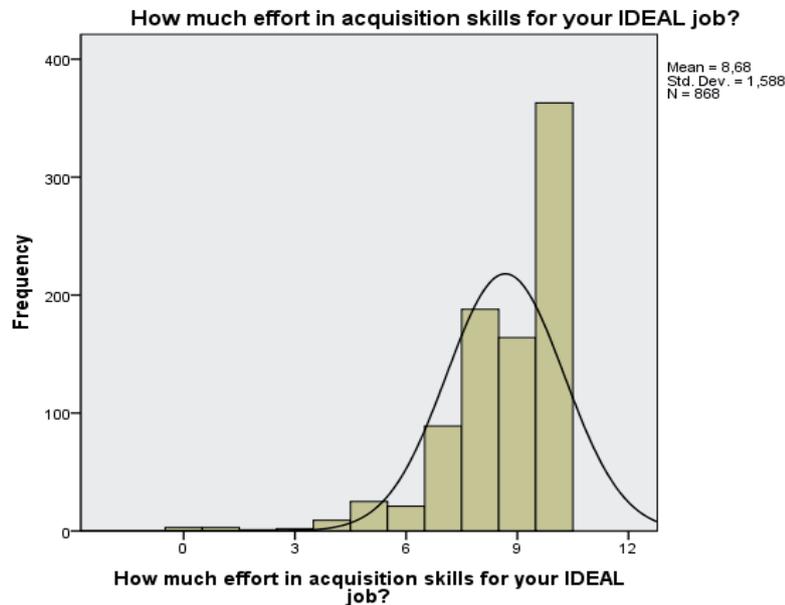
3.4.2.1 THE IDEAL JOB

Although the current generation of young people is frequently referred to as a 'lost or jilted generation', a different picture emerges when considering their perceptions of the ideal job.

Respondents feel adequately qualified for their ideal job and a certain percentage even feels slightly overqualified: In one case out of two, they have the necessary skills to perform in an ideal job, while 37% consider themselves as overqualified (between 7 and 10).

In parallel with this optimism, 82% of respondents are willing to invest a great deal of effort to obtain the required skills for an ideal job (see Graph 2).

Young people appear to see an ideal job as one that involves expertise in a particular field, rather than being employed in a specific role regardless of its industry. This result is demonstrated by the 62% of respondents who stated that the sector or field is a hugely



Graph 1 - How much effort would you make to acquire the skills needed for your ideal job?

important factor in their ideal job role. Ultimately, the central task of the survey is to measure the extent of dissatisfaction young people feel in the current climate regarding mismatch and their prospective employment opportunities. We aim to take an 'internal' – i.e. subjective – viewpoint, examining the dissatisfaction that young people feel when their employment path is far from that desired. If a job does not fulfill their underlying goals, underperformance, higher labour turnover and a reduced willingness to learn company-specific skills are more likely to occur. The sample was asked what attributes it seeks in an optimal job in an attempt to understand the particular motivators of young people. Through identifying and fulfilling these motivators, employees are provided the perfect conditions to maximise their full potential, and this may in turn reduce their

mismatch. Money is considered a motivator, yet it does not appear particularly significant. Respondents often look to reach the threshold of stability yet not much more. More interestingly, young people want to become an expert in a particular field: as stated earlier, they are not strictly connected with a defined role, but often place an emphasis on specific sectors or industries. The feeling of being a part of something is a bigger motivation than the accumulation of money. More than 40% desire to improve the lives of others through their work, and roughly 25% to invent/discover something unique, or, at least, to be part of a large project that is unachievable alone. Only a minority seek leadership opportunities - the rest desire prestige or social recognition for their role.

3.4.2.2 SKILLS MISMATCH: VERTICAL AND HORIZONTAL

While in the previous section we aimed to reflect the views of HR departments and recruiters, in the following sections (2 and 3), we have assessed skills mismatch from the point of view of our respondents (i.e. job candidates, students and employees).

In the previous section we tested the skills mismatch at an abstract level (i.e. the gap between desires and reality), and in the following parts (2 and 3) we assess the obstacles faced frequently by candidates (i.e. how skilled respondents are in relation to their current job).

These obstacles can be classified as either 'vertical' or 'horizontal' skills mismatch. Vertical skills mismatch is defined as the scenario wherein workers are insufficiently

skilled for the work that they perform. Most respondents said that they felt either suitably qualified or overqualified for their actual or prospective job: the modal average answer was 5 ("perfectly qualified"), and the mean slightly more than 6, (where 10 is "overqualified").

However, young people are ready to accept a job for which they are overqualified, mainly on a temporary basis (in order to gain experience or wait for a more favourable economic climate): 65% answered "highly or very highly" likely. Finally, more than 50% of respondents are willing to further improve their education to become more skilled: 34% answered 9 or 10 on the scale.

Meanwhile, horizontal skills mismatch is represented by highly skilled individuals working in the 'wrong' field, given their expertise. Presently, most young people

Beside earning a living, why do you want a job? Which of these specific goals you want to achieve?

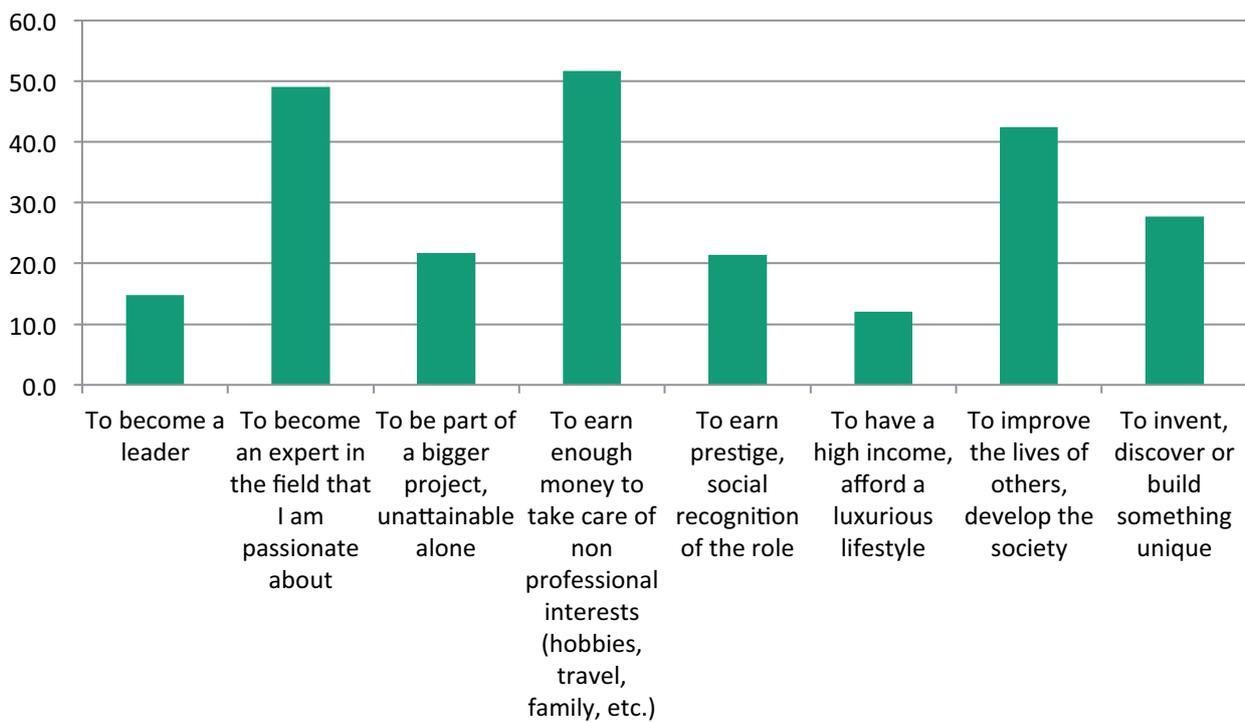


Figure 2 - Desired goals of job

claim to be either employed or studying something in close relation to their ideal sector of employment (more than 50% answered accordingly). Previous results have shown how important sector specificity is for today's young people.

They also appear highly adaptable in all parameters tested: 75% are highly or very highly geared to start a job where the required skills are not aligned with their current knowledge or interests; interestingly, 75% of those also stated that they would happily move abroad to develop skills in the hope of securing a more attractive job.

3.4.2.3 OTHER OBSTACLES

ThinkYoung has additionally tested the main obstacles that young people often encounter when actively looking for vacancies in the labour market.

Relating to the actual economic scenario, the shrinking of job opportunities and higher average qualifications of European candidates have led respondents to highlight the worst problems as "increasing competition with more qualified candidates" and "a general lack of opportunities in specific sectors of interest". Young people now receive increased freedom and are encouraged to choose what they enjoy rather than what the job market demands, leaving some forced into the 'wrong' jobs.

The previous statements cast light upon the 34% who see "lack of skills" as a major obstacle. In fact, both the phenomenon of credentialism and the recent delocalisation of low-skilled procedures affect this result. People now face greater competition in the labour market and must engage in continuous development to remain competitive. To solve this, job descriptions could be standardised and mapped through EU or national programmes, so that they state the skills required from candidates in different fields of employment in clear and comparable ways. In conclusion, it appears that young people are not particularly worried by relocation, but feel that both a lack of confidence and underperformance in interviews are

still a major obstacle. One out of seven respondents also stated that discrimination is still an obstacle in obtaining a job.

Since European institutions are involved in combating the skills mismatch, and more generally youth unemployment, ThinkYoung decided to test if it would be better to promote existing EU programmes. Are young people aware of such programmes? If yes, do they take advantage of them? Do they offer the potential to acquire new skills and provide access to necessary financial aid?

Unfortunately, most respondents had never heard of many programmes, while only a significant minority had actually applied for one. Currently, the only well-recognised programme is the Erasmus scheme. In contrast, at the bottom of the scale were the initiative Edulink and Erasmus for Entrepreneurs, which had not been used by any of our 868 respondents.

Given that the Erasmus programme is mediated through universities and education institutions, it therefore enjoys high visibility and popularity in the eyes of students and young Europeans. Nevertheless, as all the listed programmes are education-related, it is crucial that local institutions are well informed about these opportunities in order to effectively promote them among students.

3.4.2.4⁴ TWO INDEXES OF MISMATCH

In order to provide a comprehensive snapshot of the current skills mismatch scenario, two indexes have been created. The first includes the first five quantitative questions of the survey: to what extent do young people feel distanced from its ideal job?

The formula $Sx \cdot Sa + Fx \cdot Fa + G$ collectively sums up questions 1.2, 1.3, 1.4, 2.2 and 2.3: Weighted "how skilled are the people that find their ideal job in this current climate" for "importance of attaining the ideal job"; Weighted "how close is the sector of current/prospective job" for "importance of sector"; "How much the current job fits with the

⁴ The table summarising all the data processed and the detailed formulas is reported in annex

What do you think are the biggest obstacles in getting a job?

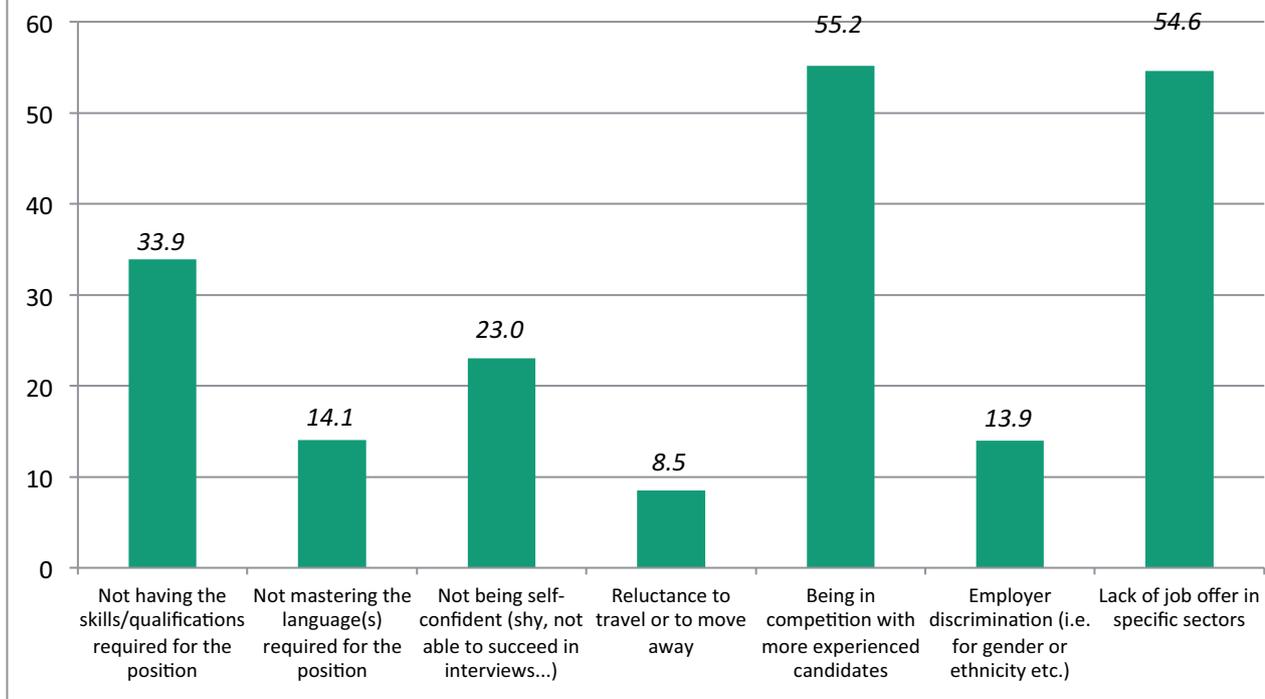
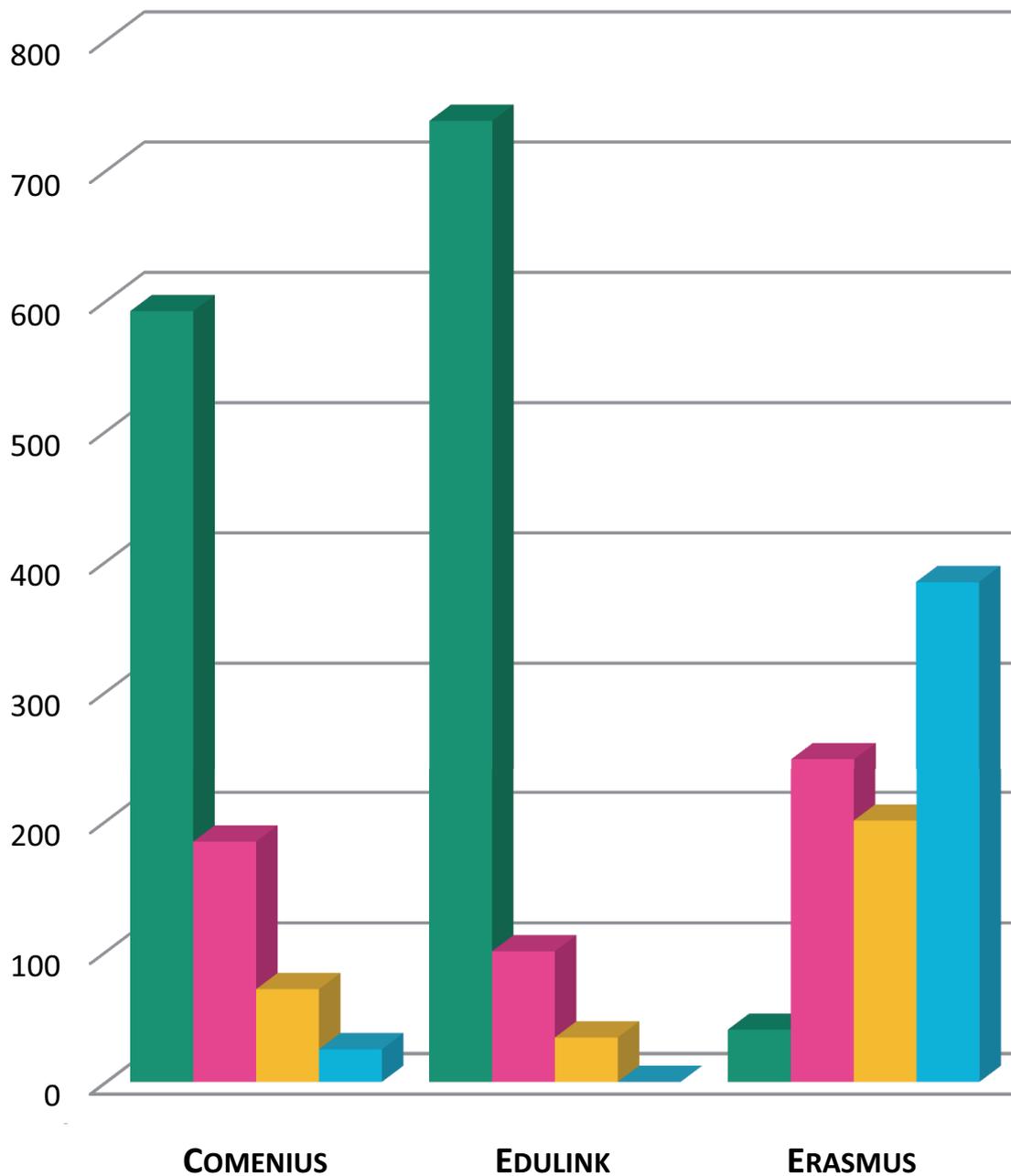


Figure 3- Main obstacles in getting a job (Respondents could choose more than one answer).

To what extent are you aware

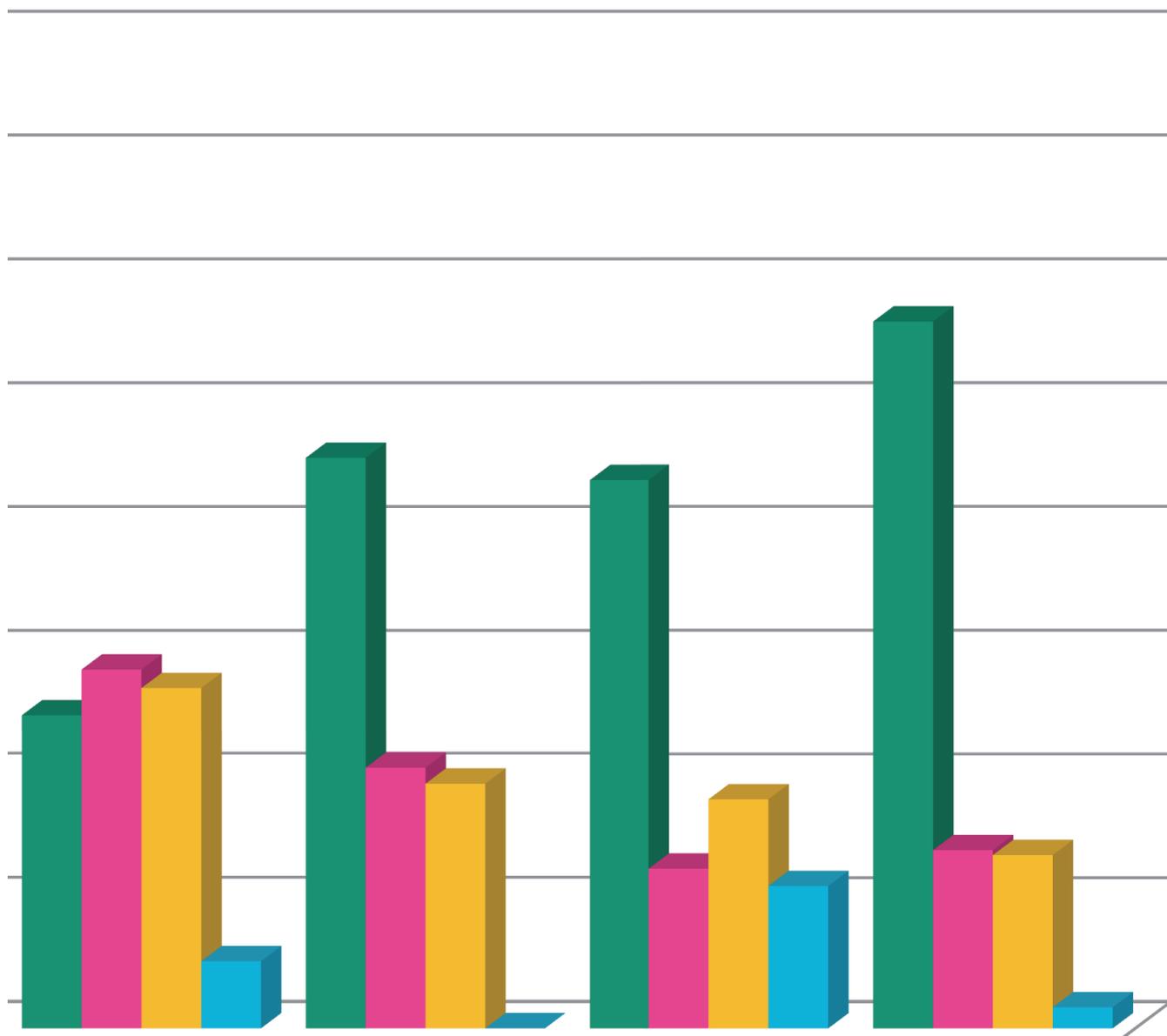


■ 1 - I have never heard of it

■ 2 - I know it, but I am not interested

Figure 8 - Awareness of European Programmes

of the following EU programmes?



ERASMUS MUNDUS

ERASMUS FOR ENTREPRENEURS

YOUTH IN ACTION

EXTERNAL COOPERATION

3 - I know it and I may apply

4 - I have already applied

goals the candidate looks to fulfill in their ideal job”.

The second includes the final five quantitative questions. It measures how significant young people feel the mismatch is regarding the actual or prospective job and the degree of effort they are willing to invest to overcome the job-market barriers.

The formula $C+(Ax*Ay*Aw*Az)$ adds the questions 3.1, 3.3, 3.4, 3.5, 3.6:

- The mismatch felt by respondents regarding their current job;
- The respondents’ vertical and horizontal ‘adaptability’ to lower this mismatch (divided in four components).

The ideal index appears closer to the normal distribution, while the current index is squeezed towards the highest values (in fact skewness⁵ is -1.37). In other words, young people believe that they can obtain a job and live comfortably on it, and most state that they have followed a path that will provide them with sufficient skills. Nevertheless, on a

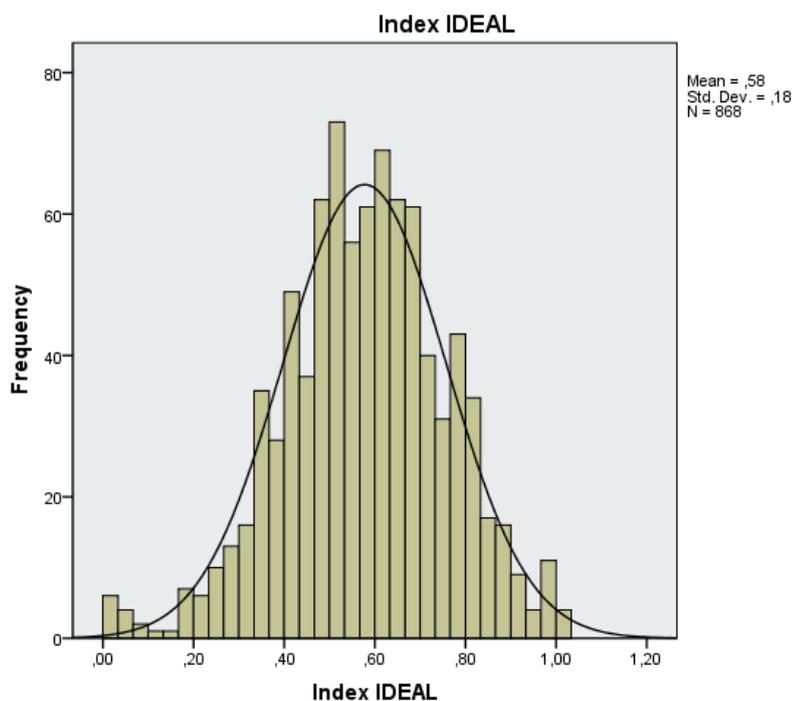
general scale, they are less sure that this will bring them to their ideal job.

Aside from this, in both indexes the mean averages stand at around 60%. This suggests that in many cases young people believe they do not suffer from a mismatch of skills, or at least believe that there will be a better fit between skills acquired and those demanded in the near future.

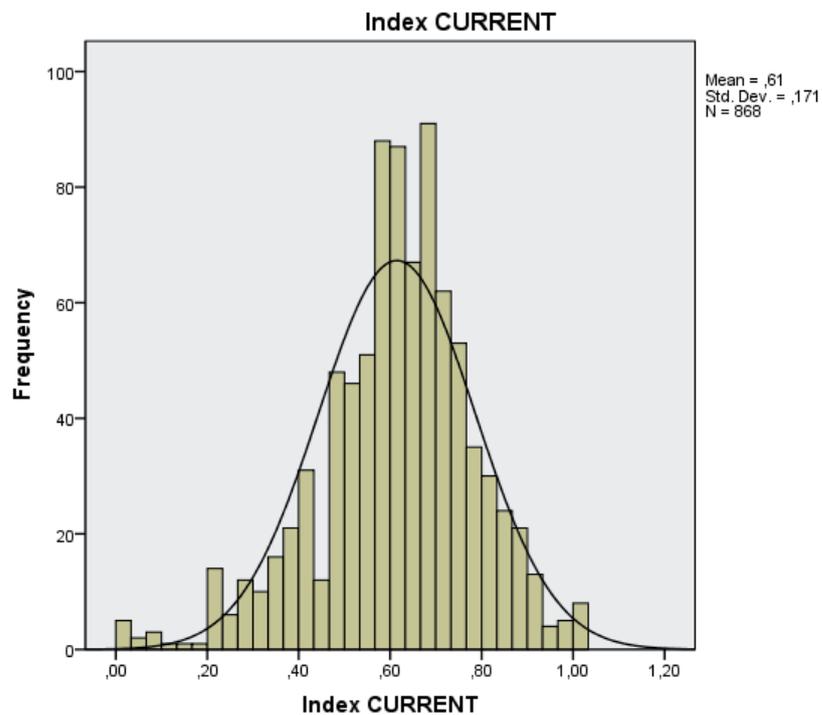
3.4.2.5 - CORRELATION & COMPARISON OF RESULTS

The correlation analysis reveals some interesting results. In the SPSS analysis, questions where ‘5’ was the ‘best’ possible answer (since 0 and 10 corresponded to under and overqualified), the scale has been transformed and ‘0’ is the lowest and ‘10’ the highest; this has made these variables

⁵ Skewness measures how much the distribution is biased horizontally compared to the Normal distribution; a positive value means a bias towards the minimum, while a negative one towards the maximum.



Graph 2 - Distribution of the Ideal Job Index



Graph 3 - Distribution of the Current Job Index

comparable⁶ (the procedure is explained in detail in the annex).

Some results depend very much on the respondents' country of citizenship⁸. For the top 12 countries, less than 30% of respondents live abroad (with the exception of Romania, which has a share of 39%).

French, Romanian and Spanish respondents scored highly in the general ideal job index. Those that appeared most likely to accept jobs requiring non-aligned skills were German and Portuguese young people, while the least 'adaptable' were the Polish and Greeks.

Those most mismatched from reaching the ideal job (using the first of the two indexes) were in fact the Greeks, while at the other end of the spectrum we found British, German, Romanian and Spanish citizens.

The most mismatched for the current job were again the Greeks and, in addition, the Belgians, while the least mismatched were Germans, Romanians and the Spanish.

Since one of the most frequently quoted elements in the skills mismatch is the 'lack of foreign languages spoken', we have tested this variable in our study. It would appear that most countries are improving their multilingual abilities, even in the Mediterranean area. However, the results remain strikingly low in the case of British youth. Many feel it is unnecessary to learn other languages when English is often the language of choice for further study.

⁶ The variables have been rewritten using part of the formula used in the index shown in the paragraph above.

⁸ Here are reported only the countries from which at least 20 respondents came from (in terms of citizenship).

Variable(s) 1	Variable(s) 2	Correlation ⁷
How close is the sector of your current/perspective job to the sector of your ideal job?	To what extent does your current/perspective (c/p) job fit the goals of your ideal job?	Highly positive
How much effort is the respondent willing to put in to obtain the skills necessary for the ideal job?	Willingness to move abroad	Slightly positive
Index Ideal Job (the first one explained in #3.3.3)	Index Current Job (the second one explained in #3.3.3)	Slightly positive
Skills mismatch regarding current job	Consent to accepting a job for which the respondent is overqualified or requires different skills	Slightly negative
Respondent's age	Skills mismatch regarding ideal and current job	Slightly negative

Table 7 - Main correlations

⁷ All the correlations chosen are significant at least at 0.05

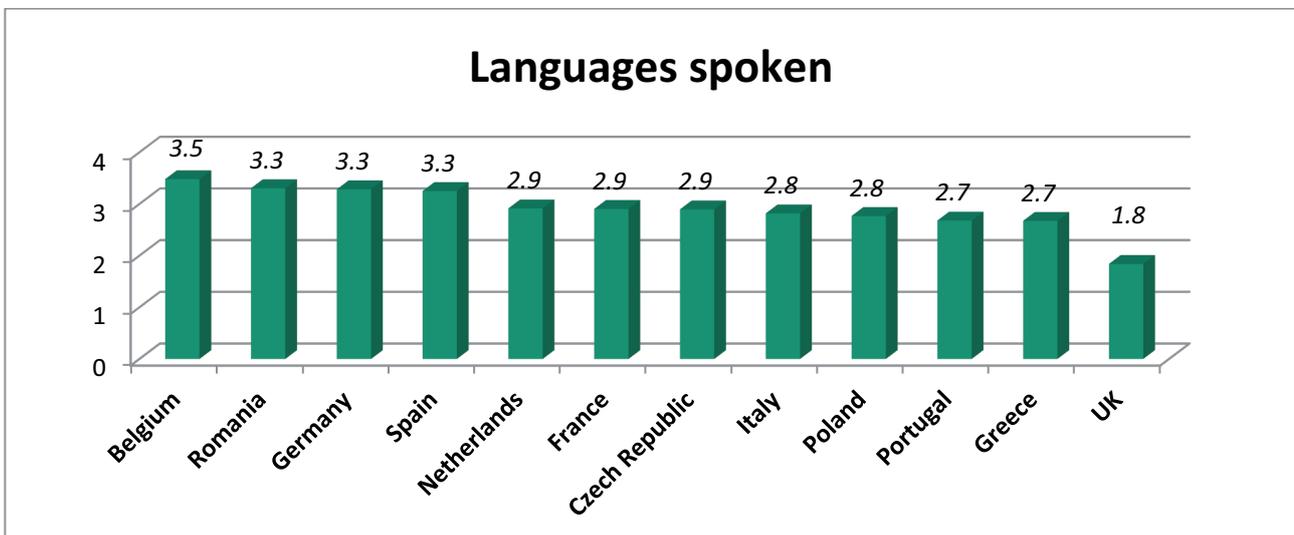


Figure 4 - Average number of languages spoken

3.4 METADATA

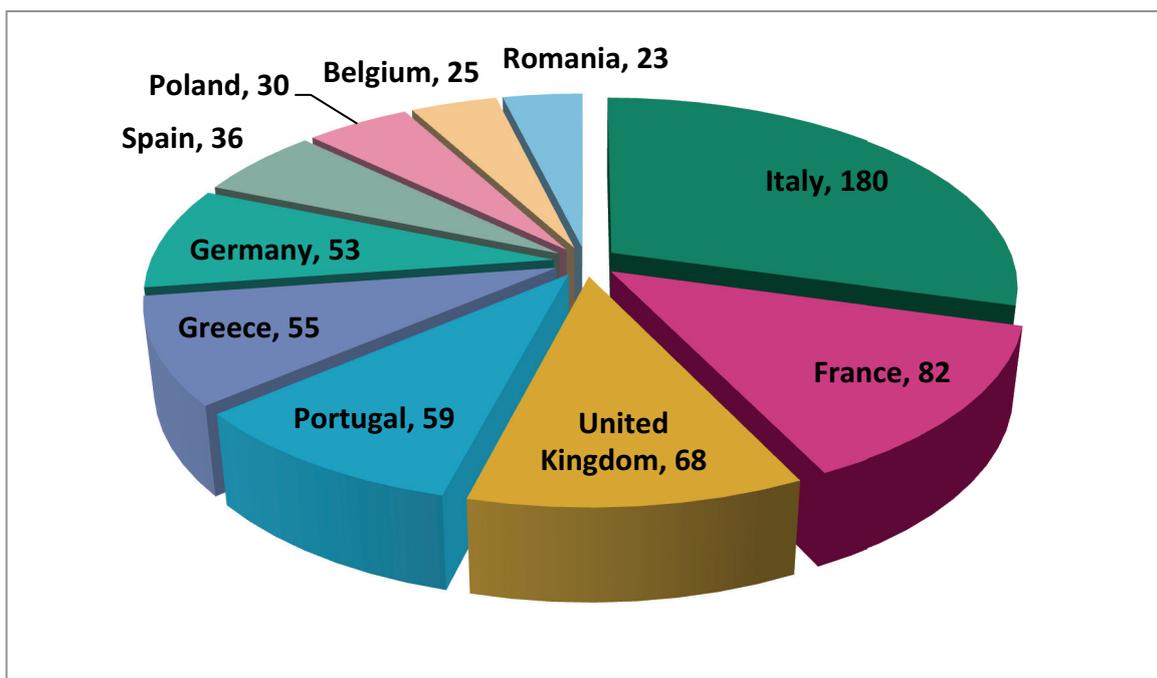
A number of features of the population sample demonstrate that it is fairly representative. The variety of languages provided in the questionnaire was widened so as to include those that might not have answered in their non-native language.

- Answers were provided in a total of 16 languages. While more than half opted for English, 16% answered in Italian, 8% in French, 4.5% in Portuguese and 4% in Greek.
- We have been monitoring the suitability of respondents throughout this process, specifically controlling for their country of residence. As a benchmark, we identified the share of the European population in each country and the ideal number of

answers per origin has been stated.

- It would appear that Italy, Iberian countries, Greece and Balkan countries are slightly overrepresented, while Germany, Scandinavian countries and Poland are slightly underrepresented. Further, a full 30% of respondents live in a different country to that of their homeland.
- The mean, mode and median of the average languages spoken are particularly significant: it would appear respondents speak on average three languages at an intermediate or higher level. 72% of the respondents are currently students at university (bachelor or master) and or in full time workers.
- Three out of four respondents are highly educated with a bachelor degree or higher qualification, while 10% were not school educated or had no qualifications.
- 22% of those interviewed had a background in politics, 19% were involved in economics, 12% in communications and 10% in law. Engineering, art and architecture/design had a fair representation, with respectively circa 8%, 5% and 4%.

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Graph 4 - Citizenship of 70% of respondents (threshold of at least 20 answers)

Current status of the respondents

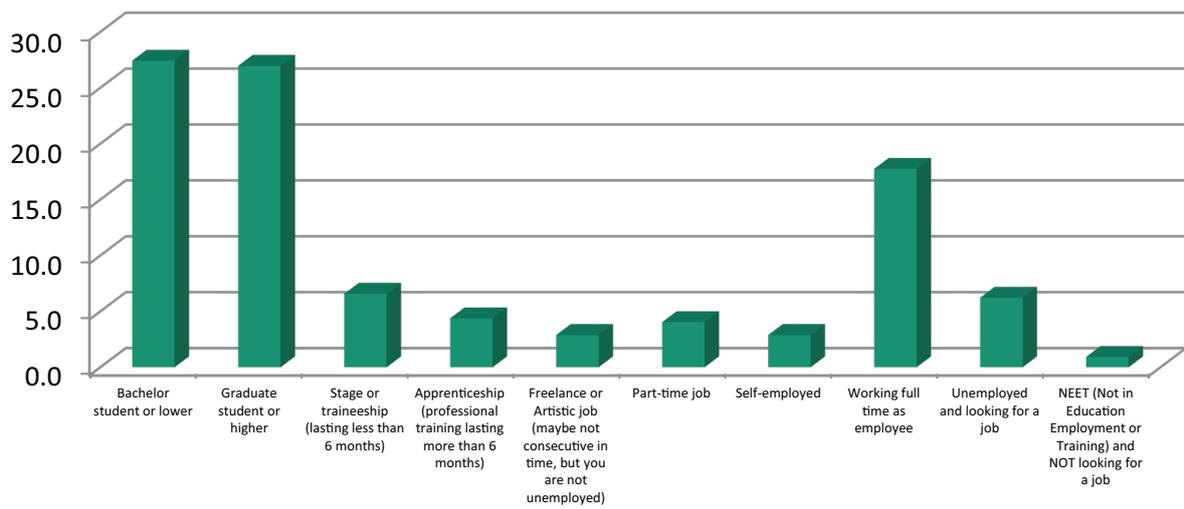


Figure 5 - Current status of the respondents

Highest level of education respondents have achieved

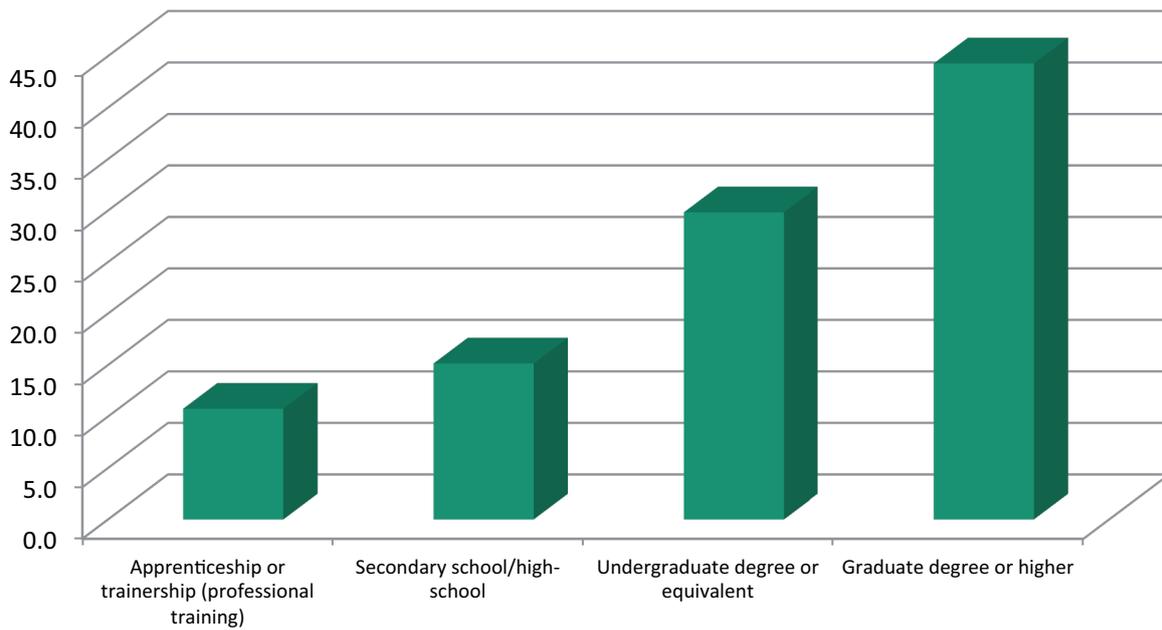


Figure 6 - Highest level of education respondents have achieved

Field of specialisation of respondents

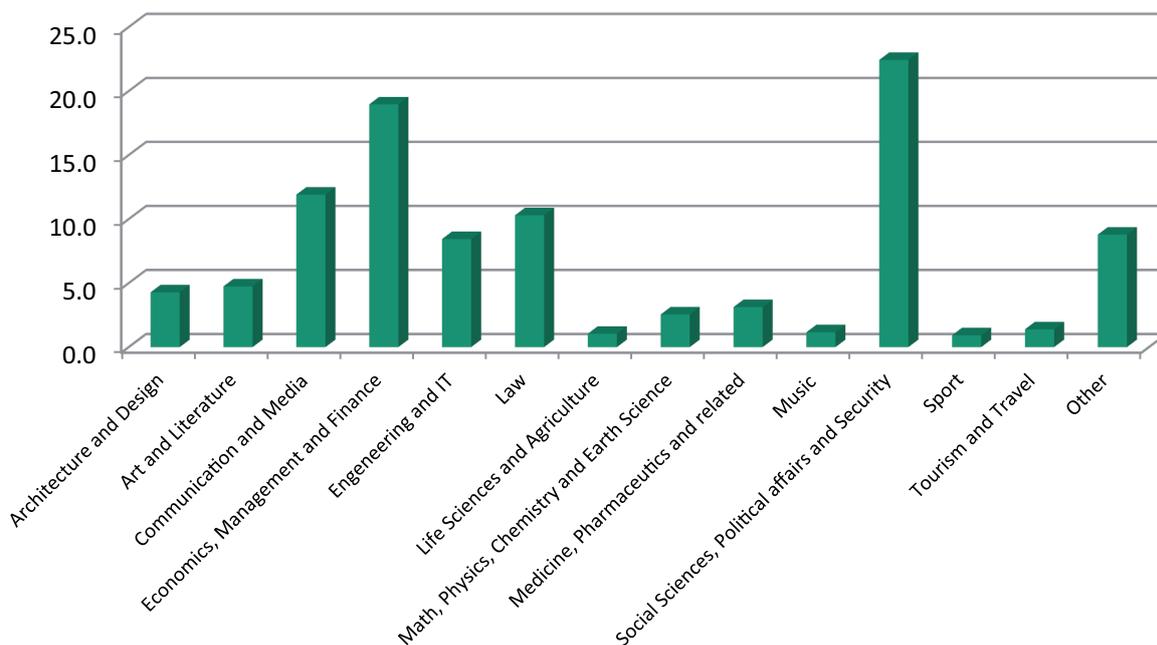


Figure 7 – Respondents' fields of excellence

4.

Qualitative analysis: case studies

In order to provide a more comprehensive view of the skills mismatch, ThinkYoung decided to interview professionals in a broad range of industries. These are experienced members of the workforce who are, in some cases, involved in the recruiting or the training of employees.

The aim is to discover perceptions on the flip side of the job market, adopting the view of HR departments, headhunters and recruitment professionals. Job candidates and recruiters should not be in opposition, as the job market is part of society itself. Generally, however, it would appear that there is a rivalry between the two parties. Opposing viewpoints have been noted in some comments, portraying somewhat of an ‘us against them’ feeling, both in the survey and the interviews with experts.

4.1 METHODOLOGY AND SCOPE

Six interviews were conducted by phone across Europe, each for a duration of around 30 minutes. Four of the interviewees are working for private companies, while two represent public institutions.

The questions were designed to investigate experts’ perceptions of the mismatch, their knowledge of the underlying cultural forces shaping this problem, and of the current EU programmes in place to provide high-quality candidates and simplify HR tasks.

The questions were marginally different for private and public subjects; a summary of these questions is provided in the annexes.

4.2 INTERVIEW ANALYSIS

4.2.1 ENTERPRISE/EMPLOYERS

From a general perspective, a significant homogeneity in the answers provided is noticeable, regardless of the particular background of the expert. This seems to support the argument that skills mismatch has deep cultural roots.

Impressions

All respondents pointed out that candidates too often lack not only hard skills, but also soft skills. For example, Oracle stated that most candidates applying for sales have never experienced a real negotiation, while in the case of one of the other companies, the expert reported that some candidates lacked confidence with office tools (such as Microsoft Word or Excel) or tended to make major mistakes in daily routines, such as sending informal emails to CEOs or replying while in BCC (blind carbon copy).

According to the Jaguar Land Rover expert, hard skills remain the main issue in recruitment: numerous candidates lack mathematical and technical skills, and their knowledge is often very general and lacks the desired specialisation in niche areas. Many new engineers have often only applied hard sciences at a theoretical level and have never experienced applications at an operational level. According to this expert, the cultural bias is strong, and some young people do not realistically understand what working life really means, as it appears they live in a theoretical, sheltered bubble.

Company/institution	Country	Why it was selected
Jaguar Land Rover (passenger car industry)	UK	The automotive industry is one of the major employers across Europe. It suffers from a deficiency in skilled workers, especially engineers (Financial Times, 2012a).
Iveco S.p.A. (commercial vehicle industry)	Italy	Almost identical to the above, we wanted to include a different kind of vehicle manufacturer in the automotive industry.
Oracle (IT company)	Ireland	IT has a contrasting structure and variety of different needs. It asks for different hard/soft skills than those demanded in manufacturing.
European Space Agency	Germany	ESA hires only experienced candidates. Providing another point of view in an industry where highly skilled employees are in great demand.
European Commission, DG Education and Culture	Belgium	What is the European Commission's position on the issue of skills mismatch?
European Centre for the Development of Vocational Training (CEDEFOP)	Greece	CEDEFOP has written several reports, and are acknowledged as leaders in research concerning this topic.

Table 8 - Interviewed experts

The expert representing CEDEFOP initially highlighted the need for caution when using numbers to examine such a qualitative and social phenomenon. He then expressed that companies should be worried more about a shortage of skills, since the skills gap¹ can often be solved through internal training programmes.

One of the key and influential factors affecting skills mismatch is attitude. Many CVs are not well structured, giving off the perception that while the candidate has many technical skills, he or she is not willing to commit seriously. In one example, the expert described a CV in which the candidate was listening to music in the attached picture.

Young people, who are flexible and willing to relocate today, may face in the short run family issues and minor hardships. However, in the longer run, they will benefit from these experiences and in turn can expect higher salaries and jobs more in line with their wishes.

Hard skills and various misperceptions

With regards to hard skills, one expert indicated that many new recruits have no idea about the working of industrial processes. This often encourages firms to hire less qualified people, who in the long run are unable to reach promotion to senior positions in the company, yet in the short term are far less mismatched in terms of technical ability.

The European Space Agency, though it only hires experienced candidates, faces similar problems. It often receives CVs that are largely generic and unspecialised in terms of the hard skills candidates have acquired. This is a consequence of young people working in a diverse range of short-term positions in a variety of industries. This phenomenon often leads to a wide spectrum of knowledge, yet no significant niche competences.

One positive result however, is that experts state that most young candidates have realistic expectations for future employment match. Despite this, many candidates appear

misinformed about the bland, obligatory tasks associated with almost every job role. For example, the Oracle expert underlined that candidates often believe a job will be dynamic and interesting on a daily basis. However, this is simply not the case, as there are negatives involved in most job roles.

We asked if high turnover and short-termism was negatively affecting their companies, and this was reported as being the case. Even though internal graduate programmes help retain staff, the key is to ensure the job remains attractive and challenging. (This conclusion is in line with the word analysis in section 3.3.1.)

European programmes

Unfortunately, none of the experts were aware of the multiple European programmes (two of the interviewees stated clearly that they had only heard of Erasmus). When asked if they were prepared to connect with European and national bodies to receive these grants, none said that they were. They pointed out that sometimes they use national programmes, but the European funding schemes are seen as unreliable and very difficult to access.

Recruitment

The problem of recruiting throughout the continent is significant. The expert from Iveco S.p.A., an Italian automobile manufacturer, indicated that candidates from alternative countries are desirable. However, as proficiency in Italian is required in order to work for the firm, recruitment is highly unfavourable for foreign candidates. The representative of the ESA underlined that most candidates applying today for the German office come from France, Greece, Italy and Spain, with a minority from North Europe.

Plausible solutions

According to experts, the skills mismatch can be solved provided that action is taken both

by companies and applicants. For example, applicants should better inform themselves about the positions they apply for (reduce random application/enquiries). They should also propose on application a 'project for life', which includes the company. Improving language skills is also beneficial: Basic English is not enough to stand out from others. Applicants need to develop a unique profile and demonstrate knowledge about the particular industry. It is a good idea to gain experience through internships, but these must be carefully selected in order to create a focused profile. Finally, young people should participate in EU schemes (e.g. Erasmus and Leonardo among others).

4.2.2 INSTITUTIONS

The expert at the European Commission affirmed that young Europeans' primary concern should be involvement in society. The problem is that someone unemployed or highly dissatisfied with their job may care less about political life and will therefore contribute less to society. In this respect, skills mismatch and involvement in society are strongly intertwined.

The EU is focused on skills mismatch and the development of citizens; it runs a variety of schemes.

Member States offer the majority of the Commission's programmes, hence it is difficult for European bodies to intervene and provide better channels of communication. According to the expert at the Commission, it is true that many Member States actually label European programmes as domestic ones, so there is a real communication issue. It may be that young people are involved in these programmes but are unaware of their importance.

The Commission is working to develop awareness campaigns and to reduce the technical language and paperwork commonly associated with grants of this kind.

DG Employment is today looking to combat

the skills mismatch through a number of programmes: the EU Skills panorama, to be launched at the end of 2012; the ESCO, European taxonomy for skills communication, which aims to standardise certificates and, in turn, develop a European "labour market broker"; and finally, the European skills passport, a unified document indicating all skills that candidates have acquired, due to be implemented on a pan-European scale by the end of 2012.

4.2.3 OVERALL FINDINGS FROM EXPERT INTERVIEWS

Many of the experts seemed to think that young people needed to be more focused in their choices and more realistic in their expectations about the world of work. All respondents pointed out that there is often a lack of both hard and soft skills, and the best candidates will have buttressed their CVs with a mix of real work experience as well as other peripheral social activities. This gives them a better idea of what working life actually is.

Many of the experts pointed out that it is very important for young people to be precise in their choice of specialisation in order to become attractive to specific recruiters in their desired sectors. As we found in our earlier sections, this is often difficult because of 'Generation Ys' supposed tendency towards short termsism and the overall difficulty in acquiring experience. Several of the experts mentioned that candidates should be able to describe their 'project for life', detailing how they intend to progress professionally.

However, the experts did state that young candidates do have realistic expectations about their employment match, but they did also say that fresh recruits need to understand that work is not always as dynamic and exciting as they may perhaps have envisaged. Particularly in the engineering fields, the experts stated that while candidates should,

at a minimum, be expected to apply seriously, they need to work on their ability to put into practice what they have learned in their academic careers. Indeed, application of skills was identified as a significant factor in the ability of candidates to adapt to the working world.

Given the nexus between hard and soft skills, overall the experts' opinions would seem to support our notional conclusion that what is important in education policy is to form young people who are both capable and socially adaptable, rather than simply turning out hundreds of graduates boasting diverse 'paper' qualifications. Instead education policy should aim to produce citizens, rather than workers, as these will be better able to adapt to a changing world as well as be happy, engaged and economically productive members of society.

5.

Conclusions

Educational policy evolution

Skills mismatch is a central challenge for Europe's future, and affects all layers of our society, from the productivity and efficiency of businesses to the current and prospective welfare of youth. On a political level, those unemployed or highly dissatisfied with their jobs will engage less with social and political life and therefore may contribute less to society. Through its wasting of human capital and the loss of engagement, skills mismatch risks producing an alienated 'lost generation', with economic and social effects that may carry over for decades. Effort is required now to overcome this.

The challenge in combating this fundamental problem is that skills mismatch is a highly complex phenomenon. It is therefore lazy to simply form a direct link between the lack of hard-skilled workers available in the marketplace and the educational choices of young people, as is often the case in the media. The argument that high unemployment rate and lack of skilled niche workers mean that young people must be studying irrelevant subjects is not only wrong, but also misleading, since it does not tackle the core of the mismatch issue.

Young people gain skills based on their desire to do more than simply make money. The once clear division between employees' personal and professional lives is now rather outdated, as is the idea that studying and gaining skills is for the sole purpose of getting a job. Generation Y increasingly blends both the personal and the professional. Designing jobs that do not fulfil young people's underlying goals can lead to underperformance, higher labour turnover and a reduced willingness to learn company-specific skills – all elements that eventually hinder efficiency and, consequently, productivity.

The world has changed, the European economy has become more service based, and education is more important than it has ever been. However, this is not to say that education policy should be overly prescriptive. The purpose of education in general is to produce well-rounded, able citizens, who

are capable of adapting regardless of the economic or cultural situation.

There appears to be a gap between young people's desires as far as ideal jobs and sectors, and the actual requirements of those industries. It further seems that more needs to be done on the part of enterprises to communicate to both educators and young people which specific skills are needed. This will ensure that new graduates come out with the necessary skills both to take up positions in their ideal sectors, but also to become productive members both of the workforce and the general population.

We discovered that young people currently opt to study a subject and field that they enjoy and aspire to work within, apparently caring little for the state and demands of the actual labour market. Generation Y wants to pursue education, culture and personal interests – in addition to work. Partly as a reaction to this, some researchers believe that "workplaces and jobs themselves should be dismantled and re-shaped to better match the workforce". Similarly, EU institutions believe that the education system should be modified to "create citizens, not workers".

Matchmaking the skills mismatch

The asymmetry of information available in the modern recruitment environment often renders candidates unable to communicate their true abilities and skills to employers. For example, companies often exclude qualified workers a priori through setting threshold 'paper' requirements that prospective employees may be unable to attain, despite actually having the required skills in practice. Employers can find that while there are candidates in the market who are suitably academically 'qualified', it can still be difficult to find people with the necessary range of skills. In this respect, there is often confusion between 'education' and 'skills', which are, in fact, rather different concepts.

As components of civil society, businesses in some sense also have a duty of care and responsibility to society and to their employees. This, arguably, means that

they have a responsibility to provide education and training. To overcome this issue, European institutions are currently working on measures of skills mapping and measurement standardisation (i.e. the EU Skills Passport to be released by the end of 2012), which may go some way to balancing the asymmetry of information in recruitment. Ironically, however, young Europeans do not feel a significant mismatch of skills, according to the survey above. A large proportion of respondents feel adequately qualified for their ideal job, while a noticeable portion consider themselves to be overqualified. In fact, Generation Y has been identified by some experts as potentially having somewhat unrealistic expectations and illogical perceptions of their own abilities, though four-fifths of young respondents claim that they are eager to invest time and energy in acquiring the necessary skills for their preferred job.

Reconciling both the expectations of potential employees and employers is an important aspect of overcoming the skills mismatch, and improved signaling of comparable qualifications and abilities would reduce the cost of bringing together suitable skills with suitable work. While this does not alone solve the issue of skills shortage, it does facilitate a more efficient allocation of human resources. It also has the effect, potentially, of improving job market transparency and helping young people choose educational paths that are both culturally and economically in line with their aspirations.

EU and national levels

According to the survey, the most mismatched countries in the EU – those who are relatively far from reaching the ideal job – appear to be the Greeks, while at the other end of the spectrum we discovered British, German, Romanian and Spanish citizens feel that their skills are reasonably well matched to their preferences.

The results of the youth survey showed that the Greeks also reported being the most mismatched in terms of their current

job, along with the Belgians. Meanwhile, Germans, Romanians and the Spanish, reported a lesser extent of mismatch in their current positions.

It is interesting to note that these reported mismatches are not linked in any defined way to the economic situation – particularly the unemployment rate. Furthermore, these mismatches vary across Europe, possibly as a consequence of European countries' differing approaches to educational policy, training and employment.

In an attempt to harmonise recognition of education level and skills-base at a European level, and in an effort to broaden cultural and economic exchange, the EU has launched a number of initiatives designed to reduce the impact of skills mismatch across the continent. Its programmes are designed to help employers and workers compare their abilities with those of the job market and the competition. Many of these programmes are directed at young people.

Interestingly, many of the EU programmes are unknown or have not been used by the vast majority of our young respondents. A significant minority indicated a degree of awareness, but it appears that the only universally recognised programme is the Erasmus scheme. By contrast, schemes such as Edulink and Erasmus for entrepreneurs had not been used by any of our 868 respondents. When inquiring into companies' knowledge of these programmes, even experts tended to know little about them. They did, however, state that sometimes they use national programmes but criticised the channels for European funding, referring to them as unreliable and often challenging to access.

Final word

This study has found that young people are highly qualified in a wide range of fields. However, economic changes, such as greater globalisation, have shifted the goalposts as regards what is required of them both socially and in the job market. The survey demonstrated that while many young people in Europe today are mismatched to some

extent, they are equally willing to learn, gain more skills and become more professional in order to secure a prosperous and meaningful future. However, this enthusiasm must be tempered with realistic expectations of where various skills will take them.

Meanwhile, employers are experiencing a skills shortage, due to a number of educational and social factors – some of which are beyond their control. Education has a role to play in indicating what skills are required, though enterprise also has a responsibility to be clear not only about what it needs, but also about what it can provide to a discerning and increasingly flexible Generation Y that is willing to move and learn, and has a desire to ‘make a difference’.

A lot is being done to aid young people, but with a fifth of European youth out of work, there is still much research and work to be carried out on this culturally, socially and economically crucial subject.

6.

Acknowledgements

ThinkYoung and the author would like to thank everyone involved in the process of compiling this report.

This includes all participants who took the time to respond to the survey and to those who left additional comments, the ThinkYoung team, especially Christopher Moore and Alex Brown, our partners in this project, and to external experts who gave their opinions.

We'd like to offer a special thanks to our partner, 'Our Future Mobility Now', and namely, Charles de Lusignan, who dedicated a great deal of time and effort throughout this process.

On the quantitative element of the report, we'd like to thank Stefano Cini for providing much needed inspiration throughout the initial stages of this project, and additionally, Professor Sandor Czellar of HEC Lausanne for his input.

Translation was fundamental to the report's success. We'd like to thank the ThinkYoung team who translated from French, German, Italian and Portuguese. A special thanks

also to those who have directly or indirectly assisted in translation of the additional 11 languages: Beke Laura, Dimitrov Dimitar, Harfensteller Stephanie, Komani Lindita, Kotwicka Aleksandra, Kubasová Nela, Manu Doris, Mustafaj Parid, Pogrányi Kata, Salinas Ignacio, Vavrovicova Alica and Zoethout Hildert.

The author is deeply grateful to the ThinkYoung team who have worked hard since March 2011. Without their dedication and commitment, this project would never have got off the ground.

Finally, the author would like to thank his family, friends and housemates who have been patient and supportive throughout. Thank you.

Referer

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Annexes

ANNEXES

	How qualified for your IDEAL job?	How much effort in acquisition skills for your IDEAL job?	How important is the sector of your IDEAL job?	How much your current/prospective (c/p) job fits the goals of your ideal?	How close is the sector of your c/p job to the one of your ideal job?	Index IDEAL
N	868	868	868	N	868	868
Mean	5,55	8,68	6,68	5,89	6,33	,5774
Median	5,00	9,00	7,00	6,00	7,00	,5810
Mode	7	10	8	7	7	,72
Std. Deviation	2,005	1,588	2,634	2,566	2,777	,17988
Skewness ($\sigma = ,083$)	-,131	-1,783	-,869	-,594	-,554	-,252
Kurtosis ($\sigma = ,166$)	-,574	4,897	,150	-,275	-,503	,298
Range	10	10	10	10	10	1,00
Minimum	0	0	0	0	0	,00
Maximum	10	10	10	10	10	1,00

	How qualified do you feel regarding your c/p job?	Are you adaptable for jobs with req.nts not aligned with your skills?	How likely is it that you would accept a job for which you are OVERQUALIFIED?	How likely you will further improve your technical education in order to find a better fitting job?	Would you move from your country to improve your skills to find a better fitting job?	Index CURRENT
N	868	868	868	868	868	868
Mean	6,05	7,39	7,19	8,26	8,38	,6146
Median	6,00	8,00	8,00	9,00	10,00	,6240
Mode	5	8	10	10	10	,67
Std. Deviation	2,087	2,045	2,417	2,061	2,371	,17148
Skewness ($\sigma = ,083$)	-,055	-,936	-,706	-1,370	-1,631	-,599
Kurtosis ($\sigma = ,166$)	-,620	,948	-,142	1,755	1,978	,943
Range	10	10	10	10	10	1,00
Minimum	0	0	0	0	0	,00
Maximum	10	10	10	10	10	1,00

Table - Descriptive statistics of the main variables (generated with SPSS)

#	Variable	Letter	Type (x or a)	Type (lin or par)	Corr, coef or mediator	Description	# Question	MAX	MIN
1	Skills	S	x	Parabolic	+	Level of qual. for ideal job	1.2	5	0
2	Skills	S	a	Linear	c	Effort to be qualified	1.3	10	0
3	Field	F	a	Linear	c	Sector of ideal job	1.4	10	0
4	Goal	G	x	Linear	+	Current fits goals of ideal	2.2	10	0
5	Field	F	x	Linear	+	Current sector relates to ideal	2.3	10	0
6	Current	C	x	Parabolic	+	Qual for current job	3.1	5	10
7	Adaptability	A	x	Linear	m	Adapatbility to have new skills	3.3	10	0
8	Adaptability	A	y	Linear	m	Adap. accept overqualification	3.4	10	0
9	Adaptability	A	w	Linear	m	Adapt. study more	3.5	10	0
10	Adaptability	A	z	Linear	m	Adapt. move	3.6	10	0
Formula IDEAL Mismatch			$Sx*Sa+Fx*Fa+G$	$(((---((2-1)*0,2)*(Sx*Sx)+2*Sx)*1,75)*Sa+(Fx*Fa)*0,875+G*0,875)/183,75$					
Max	1								
Min	0								
Formula CURRENT Mismatch			$C+(Ax*Ay*Aw*Az*0,75)$	$(((---((2-1)*0,2)*(J8*J8)+2*J8)*1,75)+(Ax*Ay*Aw*Az*0,000875*0,75))/15,3125$					
Max	1,00								
Min	0,00								

Table - Description of the variables and formulas of the indexes

Correlations

		Index_IDEAL	Index_CURRENT	Fx	G	Ax	Ay	C_New	Gender	Az	Sa	Age	Sx_New
Index_IDEAL	Pearson Correlation	1	,215**	,654**	,453**	-,012	-,114**	,239**	,006	,080*	,413**	-,091**	,451**
	Sig. (2-tailed)		,000	,000	,000	,729	,001	,000	,869	,018	,000	,007	,000
Index_CURRENT	Pearson Correlation	,215**	1	,048	,056	,257**	,261**	,762**	,071*	,308**	,087**	-,110**	,339**
	Sig. (2-tailed)	,000		,154	,101	,000	,000	,000	,037	,000	,010	,001	,000
Fx	Pearson Correlation	,654**	,048	1	,632**	-,037	-,137**	,077*	-,064	,024	,081*	-,023	-,003
	Sig. (2-tailed)	,000	,154		,000	,279	,000	,023	,060	,488	,017	,506	,940
G	Pearson Correlation	,453**	,056	,632**	1	,004	-,150**	,084*	-,072*	,031	,059	-,005	-,031
	Sig. (2-tailed)	,000	,101	,000		,917	,000	,013	,035	,363	,080	,879	,369
Ax	Pearson Correlation	-,012	,257**	-,037	,004	1	,104**	-,120**	-,010	,172**	,189**	,043	-,049
	Sig. (2-tailed)	,729	,000	,279	,917		,002	,000	,769	,000	,000	,207	,149
Ay	Pearson Correlation	-,114**	,261**	-,137**	-,150**	,104**	1	-,150**	,140**	,076*	,008	,048	-,027
	Sig. (2-tailed)	,001	,000	,000	,000	,002		,000	,000	,025	,815	,159	,426
C_New	Pearson Correlation	,239**	,762**	,077*	,084*	-,120**	-,150**	1	-,021	-,050	-,085*	-,128**	,432**
	Sig. (2-tailed)	,000	,000	,023	,013	,000	,000		,545	,144	,012	,000	,000
Gender	Pearson Correlation	,006	,071*	-,064	-,072*	-,010	,140**	-,021	1	,087*	,075*	-,096**	,028
	Sig. (2-tailed)	,869	,037	,060	,035	,769	,000	,545		,010	,026	,005	,414
Az	Pearson Correlation	,080*	,308**	,024	,031	,172**	,076*	-,050	,087*	1	,243**	-,030	-,025
	Sig. (2-tailed)	,018	,000	,488	,363	,000	,025	,144	,010		,000	,381	,469
Sa	Pearson Correlation	,413**	,087**	,081*	,059	,189**	,008	-,085*	,075*	,243**	1	-,027	-,038
	Sig. (2-tailed)	,000	,010	,017	,080	,000	,815	,012	,026	,000		,426	,266
Age	Pearson Correlation	-,091**	-,110**	-,023	-,005	,043	,048	-,128**	-,096**	-,030	-,027	1	-,139**
	Sig. (2-tailed)	,007	,001	,506	,879	,207	,159	,000	,005	,381	,426		,000
Sx_New	Pearson Correlation	,451**	,339**	-,003	-,031	-,049	-,027	,432**	,028	-,025	-,038	-,139**	1
	Sig. (2-tailed)	,000	,000	,940	,369	,149	,426	,000	,414	,469	,266	,000	

**Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at the 0.05 level (2-tailed). N=868

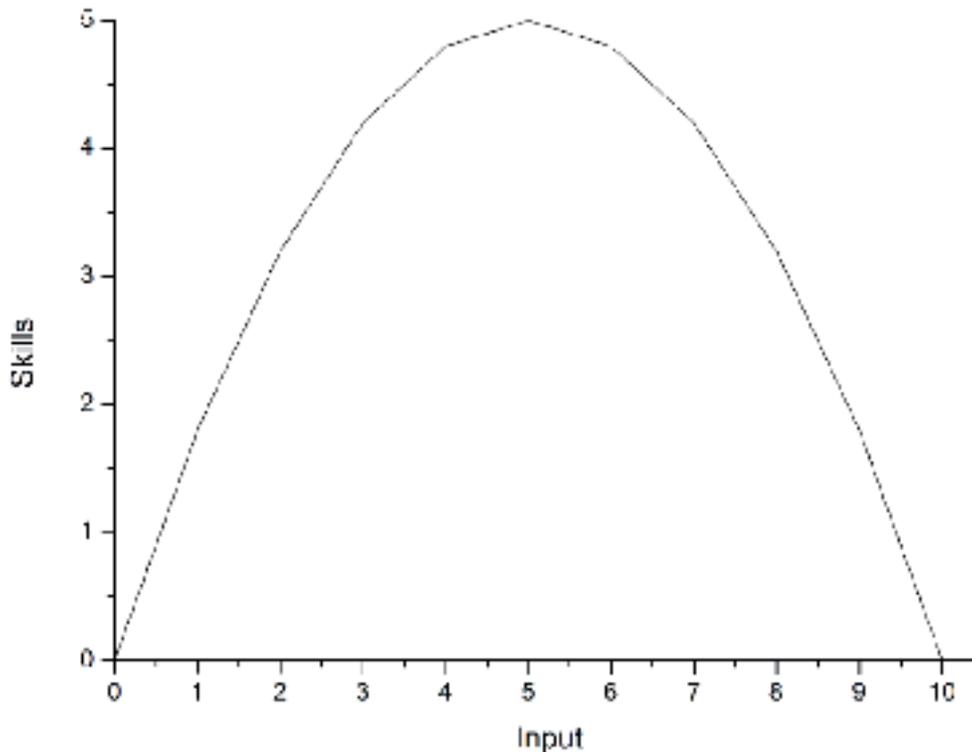
Table - Significant correlations (generated with SPSS)

Formulas for the standardisation of the questions where '5' was the maximum (1.2 and 3.1)

The variable Sx and Cx are peculiar compared to the others because they are not on a scale of 0 to 10; instead, '0' is under qualification, '5' is perfect match, and '10' is over qualification. So, the answer itself of respondents cannot be taken as it is, for it is impossible to be processed (higher value does not necessarily correspond to a better match). Therefore, results are analysed with a parabola as follows (see also the following graph).

$$Y = \left(-\frac{1}{5}x^2 + 2x \right) \frac{7}{4}$$

Where x is the value entered from the respondent (Integer {0,10}), and 7/4 is a constant term to rescale the results on 0 to 10 (the formula generates only results from 0 to 5 by construction, see the following graph). When respondents enter x=5 (so they don't feel mismatched at all regarding skills), the value of Sx (or of Cx) is equal to the maximum.



Graph - Graphic representation of the variables S_x and C_x - Elaborated with OriginPro

Sample of questions asked to experts by phone

1. What does 'skills mismatch' mean to you? Do you think that young Europeans have the skills to find 'good' jobs on the wider market?
2. Skills mismatch is often perceived as a youth problem – do you think this is the case? Do you think young people have realistic expectations of what is expected and required of them?
3. What is your company's experience of 'skills mismatch'? Do you find it is difficult to recruit adequately qualified young people? Does this affect particular fields more than others? (e.g. is it harder to recruit engineers than it is to recruit marketing graduates?)
4. Does your company have specific training regimes in place to cope with a skills shortage? Does your company consider young people are worth investing in as 'fresh' graduates, or do you expect some experience?
5. There are many EU and national level schemes designed to help young people into work, but our survey shows that many people don't know about them. What is your

experience of these schemes? Does your company have any involvement with these national youth work programmes?

6. What three pieces of advice would you give to a young European just entering the job market in order to improve their chances of finding a good job?

List of experts interviewed

1. Jo Lopes, Head of Technical Excellence at Jaguar Land Rover
2. Guido Facchinetti, HR People Development – Recruitment at Iveco
3. Maria Oesterdahl, Talent Consultant at Oracle
4. One HR manager at European Space Agency
5. Ana-Carla Pereira, Head of Unit for Skills and Qualifications, DG Education and Culture at the European Commission
6. Konstantinos Pouliakas, Area Research and Policy Analysis at CEDEFOP

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