



Toward Clearer Connections Understanding Employers' Perceptions of College Graduates

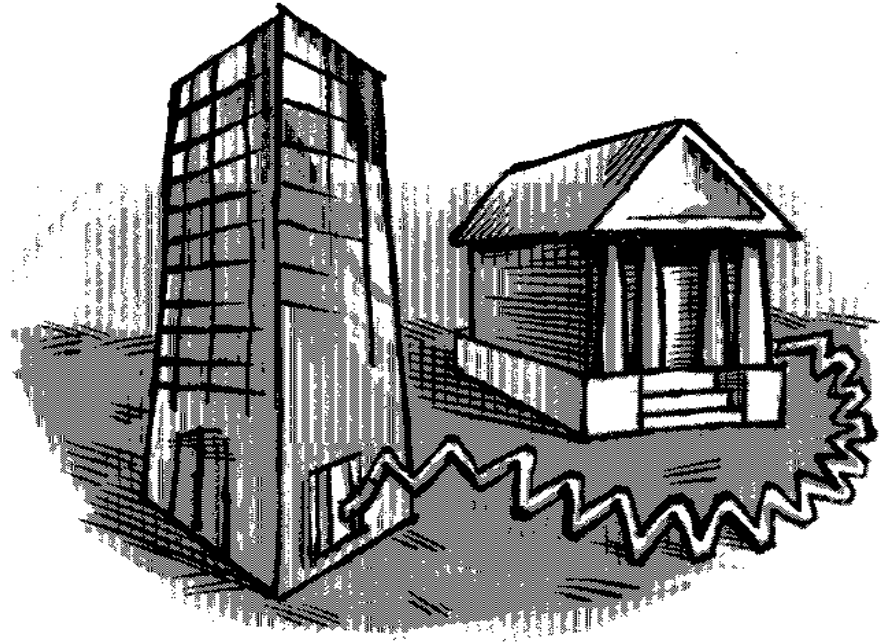
What ought to be the connection between the worlds of work and education? Answers have come in many forms—from demands by parents, students, and employers that a college education have an application in the labor market; to campus tailoring of program offerings to fit student preferences for “practical” degrees; to the federal government’s sanction of the link between education and work through the 1994 School-to-Work Opportunities Act. Perhaps the most interesting (and to higher education the most threatening) answer lies in the emergence of the University of Phoenix as a full-blown, for-profit competitor for postsecondary enrollments.

These new competitors are raising questions—and eyebrows. Caught between the need to adapt to market pressures on the one hand and to maintain traditional educational values on the other, colleges and universities are often puzzled about what is expected of them, as well as where they should turn for support. Few faculty and administrators—and even fewer employers—understand the role that work might play in transforming education.

Amidst their complaints, employers complicate the matter by sending contradictory signals to schools and students about what they expect. “You need a college degree to work in my office,” many will say, “but we think that colleges need to do a better job of preparing students for employment.” This issue of *The Landscape* helps to clear up some of the static by presenting a more thorough account of what factors influence employer perceptions of the work-readiness of college graduates.

Asking the Right Questions

Employer perceptions were captured in the 1997 National Employer Survey (NES), sponsored by the National Center for Postsecondary Improvement (NCPI) and the Consortium for Policy Research in Education (CPRE) and conducted by the U.S. Bureau of the Census. The survey was administered last



summer to a nationally representative sample of more than 5,400 private establishments with 20 or more employees.

Originally conceived and designed by the National Center on the Educational Quality of the Workforce (EQW), the NES was the first national, representative survey to capture the interaction of education and employment from an establishment’s perspective. When it was first administered in 1994, the NES documented a fundamental disconnection between employers and schools, including colleges and universities: although establishments discounted schools and measures of student performance when making hiring decisions, in the long run, those that hired more educated workers had more productive workplaces (*The Landscape*, March/April 1996).

The 1997 NES explored this disconnection further. In addition to capturing longitudinal information on many of the employers first surveyed, the 1997 NES posed new questions to calibrate the link between work and school and

The work reported herein was supported under the Educational Research and Development Center program, through the National Center for Postsecondary Improvement, agreement number R309A60001, CFDA 84.309A, and the Consortium for Policy Research in Education (CPRE), agreement number R308A60003, CFDA 84.308A, as administered by the Office of Educational Research and Improvement (OERI), U.S. Department of Education. The data analysis for this paper was conducted at the U.S. Bureau of the Census' Center for Economic Studies. The findings and opinions expressed by NCPI and CPRE do not reflect the position or policies of the Census Bureau, OERI, or the U.S. Department of Education.

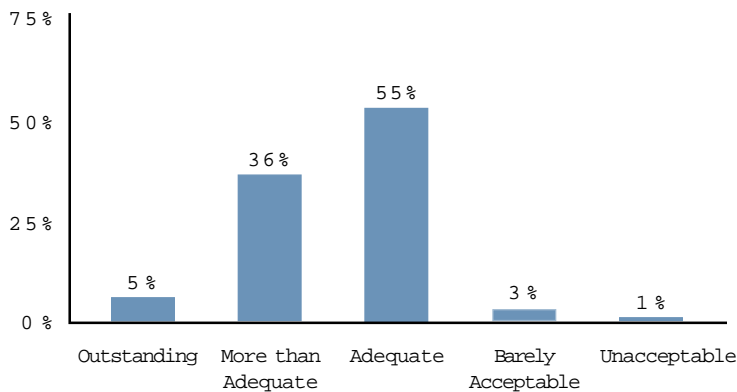
Chart 1
Relative Ranking* of Factors in Making Hiring Decisions

Characteristics	1994 Ranking	1997 Ranking
Applicant's Attitude	4.6	4.6
Applicant's Communication Skills	4.2	4.1
Previous Employer References	3.4	3.9
Previous Work Experience	4.0	3.8
Industry-Based Credentials	3.2	3.2
Years of Completed Schooling	2.9	2.9
Academic Performance	2.5	2.5
Score on Tests Administered as Part of the Interview	2.5	2.3
Teacher Recommendations	2.1	2.0
Reputation of Applicant's School	2.4	2.0

*1= Not at all important; 5=Essential

Chart 2
Employers' Rating of the Work-Readiness of Community College Graduates

Question: Based on your experience with hiring their graduates, how would you rate the local community colleges' overall performance in preparing students for work in your establishment?



to relate employers' impressions of schools to the quality of their graduates.

Running to Stand Still

In the wake of the School-to-Work Opportunities Act, assessing the magnitude of employer involvement in school partnerships has become a national challenge. As part of this effort, the 1997 NES asked establishments about their involvement in school activities and formal school-to-work partnerships, defined by the National School-to-Work Office as

joint activity between schools (including colleges and universities) and employers to build connections between school-based and work-based learning.

Although the results are not staggering, they are promising: one in four establishments reported participating in formal school-to-work partnerships; one in three reported engaging in some form of work-based learning, including activities such as job shadowing, mentoring, internships, and cooperative education. What these programs represent is breadth as well as depth of engagement; more than serving on boards or participating nominally in local school activities, employers are opening their doors to students and working with them in meaningful ways.

Despite this high level of cooperation, the disconnection between schools and employers persists. When asked once again to rank the factors they used in making hiring decisions, the employers gave virtually the same responses in 1997 as they had given in 1994 (Chart 1). Employers continue to ignore schooling factors when hiring youth; in fact, one factor—the reputation of a job applicant's school—actually fell in importance.

Making the Grade

Given the extent of employer engagement, why do so many establishments discount schooling factors when making hiring decisions? To arrive at an answer, it is helpful to look at how employers grade the performance of schools in producing work-ready graduates. The 1997 NES asked employers to rate, based on their actual experiences with hiring graduates, how well local two-year and four-year postsecondary institutions prepared their students for work.

As shown in Chart 2, the majority of the responses regarding community colleges were overwhelmingly neutral; 55 percent of establishments rated the performance of students as "adequate." The encouraging news is that 41 percent of establishments believed grad-

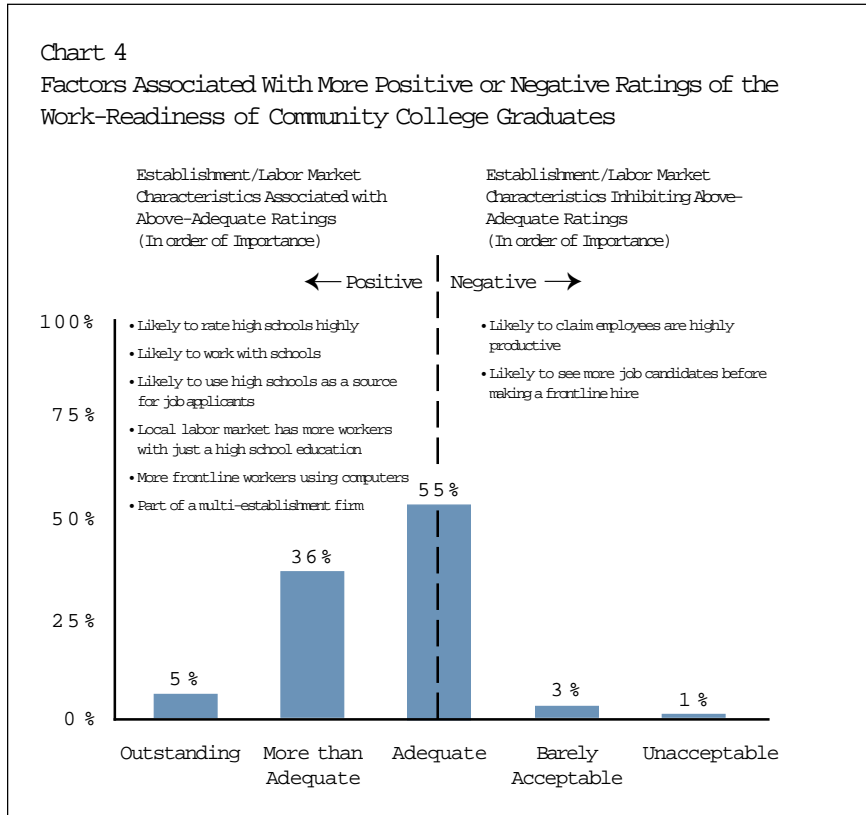
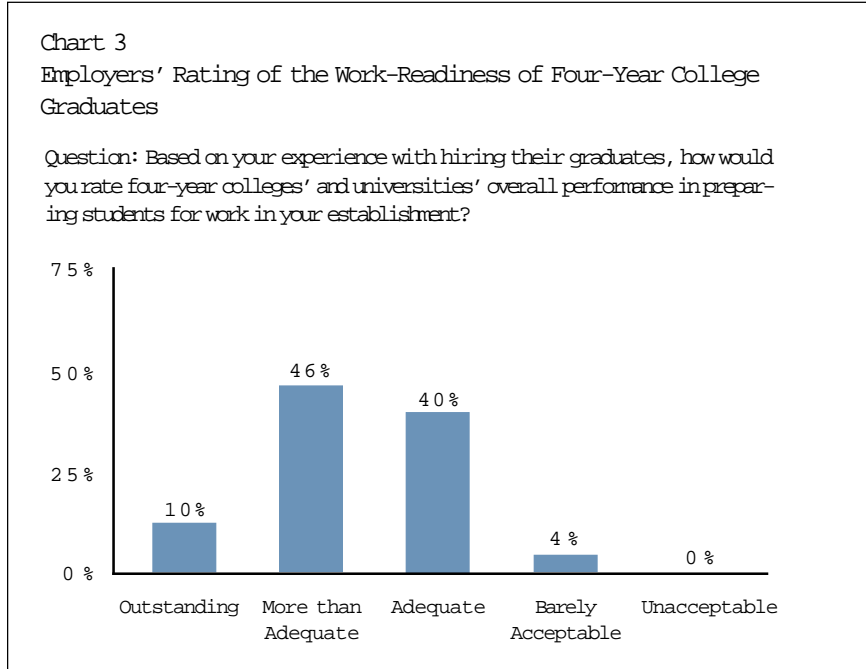
uates to be either “more than adequately prepared” or even “outstanding”; only 3 percent rated preparation as “barely acceptable,” while an even smaller group (1 percent) rated it as “unacceptable.”

The results for four-year colleges and universities reveal an interesting shift in perception (Chart 3). While a large number of employers also give four-year colleges an “adequate” ranking (40 percent), far more place their responses higher on the scale: 46 percent rate the performance of graduates as “more than adequate,” while 10 percent answered “outstanding.”

More useful than the rankings themselves are the factors that may influence how employers perceive the work-readiness of postsecondary education’s graduates. In Charts 4 and 5, the results of a logistic analysis determining the characteristics that are positively or negatively associated with above-adequate ratings are superimposed onto the displays from Charts 2 and 3. The factors that are related to rating an institutions’ performance in preparing students for work as “more than adequate” or “outstanding” are listed on the left half of the graph; those characteristics most likely to inhibit a positive response are listed on the right half.

For community colleges (Chart 4), three characteristics related to employers’ involvement with schools are associated with more favorable perceptions of graduates’ work-readiness: the employer’s likelihood of rating the college’s feeder institutions (high schools) highly, of working with schools, and of using high schools as a source for job applicants. Two employer-specific characteristics also are related to higher ratings: a larger number of frontline workers who use computers, and being part of a large, multi-establishment firm. One local labor market characteristic is related to more positive ratings: a local labor market with fewer college graduates.

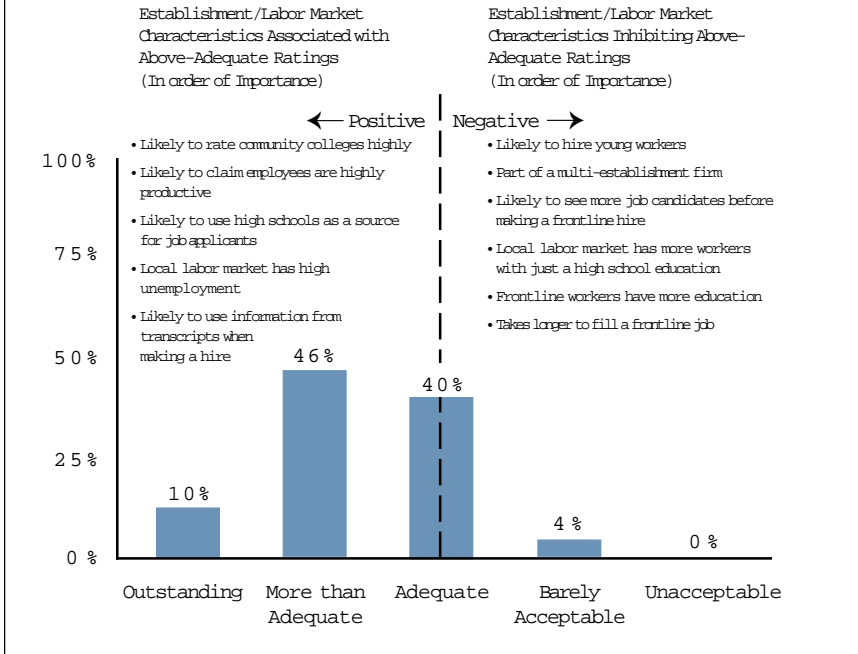
On the other hand, if the employer is more likely to believe its workforce



is highly productive and to see more job candidates before making a hire for a frontline job—two factors that may themselves be closely related—it will be less likely to rate the work-readiness of local community college graduates as higher than adequate.

Chart 5 reports the results for four-year institutions. Employers with

Chart 5
Factors Associated With More Positive or Negative Ratings of the Work-Readiness of Four-Year College Graduates



stronger school connections—those who are more likely to rate the college’s feeder institutions (community colleges) highly, use high schools as a source of job applicants, and use information from transcripts when making hiring decisions—are more likely to rate college graduates’ work-readiness more positively. Not surprisingly, if an employer’s local labor market is “soft,” it is also more likely to have a favorable view of four-year colleges and their graduates. However, unlike their assessment of community colleges, employers with a highly productive workforce are *more likely* to rate graduates of four-year colleges as being better than adequately prepared for work.

The factors that inhibit a more positive view overwhelmingly relate to the nature of the local labor market: being more likely to hire young workers; to draw from a local labor market pool composed mostly of high school graduates; to interview more job candidates before making a hire; to take longer to fill a frontline job; and to require frontline workers with higher

levels of education. With more complex frontline jobs, these employers would logically tend to hire workers with more education. Situated in local labor markets that have higher numbers of high school graduates, however, they are forced to interview a greater number of applicants and take much longer to fill open positions. It is no surprise that these employers tend to be less enthusiastic about college graduates: they hire them when they can find them, perhaps regardless of their qualification for a position.

Gaining Perspective

These findings offer a first step in understanding employer perceptions—and criticisms—of postsecondary education’s ability to produce work-ready graduates. On the one hand, they provide good news: employers are becoming involved with their local schools in meaningful ways, and they generally perceive postsecondary education’s graduates as being prepared for work—however adequately. On the other hand, they reinforce a long-standing inconsistency: employers still complain that postsecondary education needs to be more closely tied to the world of work, yet they continue to discount the role of schooling measures when making hiring decisions.

When involved with institutions, employers tend to have better perceptions of their graduates—but it isn’t clear to what extent this relationship is causal or simply circular. If an employer is situated in a tight local labor market and has increasing skill needs, wouldn’t it be forced to be happy with the existing applicant pool? Wouldn’t it simply make sense to appeal to local schools for assistance? These questions are important ones to ask when determining whether employer perceptions are governed by their local contexts and how these factors relate to relationships with schools. □

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