

The Adjustment of Supply to Educational Institutions of Higher Education in Romania to Labor Market Requirements

by

Elena-Irina Petrică

“Transilvania” University from Brasov, Romania

irina.petrica@uamsibiu.ro

Abstract. In any economy, the labour market performance would depend largely on the linking of education and initial vocational training with labour market needs. Proactive connection to higher education to the labor market is a sine qua non for the development of human capital in terms of economic performance and competitiveness of a country. Studies highlight a double determination relationship of the level of economic and social development, and hence the structure of the labour market, the structure of the educational system. The changes occurring in modern advertising companies redefining the roles of education and diversifying its functions in the context of the impact of information technology and its effects upon knowledge. The role of education in the contemporary stage is definitive for the prosperity of society, but also to ensure the conditions so that every individual would have the opportunity to succeed and to affirm itself in a world in constant change.

Key words: higher education, university, educational offer, request, demand, labor market.

JEL Classification: M31

1 Introduction

The reforms triggered in our country are, in essence, the creation of a competitive market economy, compact, and durable, in which the labor market is of primary importance. Some researchers have concluded that this market is so important and relevant, that must be considered the barometer of the competitive achievement.

Given the fact that most of the knowledge, skills, and qualifications are developed during school time, through the educational process, education, and higher education, has been recognized the determinant role that it has in the accumulation of human capital development and consequently in the economic development of a country.

It is known that the provision of social activities has always been preceded by a special training, forms in which they were active participants in the training of future labor market and their employment potential, evolved and diversified the basis. Formation and strengthening of national-state communities have interfered to the establishment and support of national education systems. In turn, those systems have undergone continuous improvements and

refinements. Society play - knowledge and innovation society and the new economy that make up the raised demands increasingly higher in the process of preparing students in higher education institutions, for work and for life.

The structural changes crossed by the Romanian society, the constant social changes, economic fluctuations in the different areas of activity, relative performance, could provide some concrete data for routing to specific University studies according to the requirements of the work force. At the same time, higher education must not always generate the skills and professional qualifications, as requesting a labor market disrupted by various temporary factors. However, the development of university studies in certain fields of expertise can provide no more than an increase in the one way quality and, at the same time, can bring an increase in applications for work in a specific area, but also an increase concerning the number of people qualified to work in other fields than their activity working field. One of the most effective educational strategies can be considered that they are put into the educational offer and the relationship requirements of the labor market. In this respect, an approach to population employment rate by the education level will

offer concrete some data on the extent which most of the undergraduates are directly related to the labor market.

Table 1: The evolution of students/forms populations in higher education (National Institute of Statistics, Statistical Yearbook 2011)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Total number of students	716464	785506	907353	891098	775319	673001
Public	513678	520263	516650	480239	452982	433063
Private	202786	265243	379608	410859	322337	239938

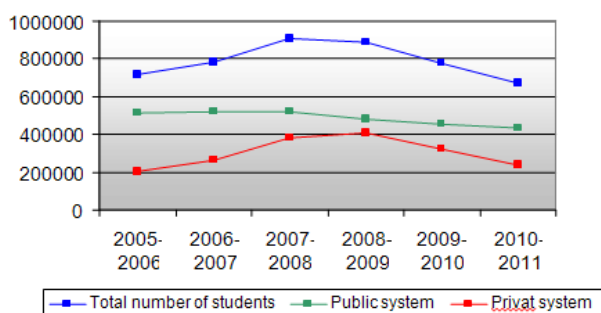


Figure 1: Evolution herds of students/forms of teaching in higher education

At the system level it is observed the continuation and even emphasizing the trend of decreasing number of students. For the adjustment of supply to market requirements, educational services, the education system was introduced based on three levels: Bachelor, master and doctorate. The essence of each is as follows:

The first cycle - three years – license ends with the new title of Licentiate in fundamental field graduated and aims to provide theoretical and applicative knowledge, specific to each area of specialization;

Second-cycle two-year master's program-leads to the master's diploma and provide training on narrow specialization, learners gaining advanced knowledge and skills of analysis and synthesis, specific leading functions in each area;

Third-cycle of three years doctoral training, focusing on the top of elite within the doctoral school and it is for the best graduates of the master's cycle. The doctoral program has

fundamentally changed the form and content of the postgraduate education in the University. Proactive connection to higher education to the labor market is a sine qua non for the development of human capital in terms of economic performance and competitiveness of a country. The studies highlight a bi determinate relationship of the level of economic and social development, and hence the structure of the labor market, the structure of the educational system. In this sense, the anticipation of labor market demand and forecasts on the structure adjustment of educational indicators of labor market forecasts. The realization of such interrelated forecasts allows obtaining credible information regarding the strategies on the development of the necessary human capital. Connecting higher education estimates from the labor market, mainly two objectives. The first relates the obtaining of information concerning the demand of the educational offer, necessary to the state structures empowered to deal with the education system, the state is the main investor in education and, as a result, the state is the one who has to adjust supply and demand in the education plan.

Table 2. The number of institutions of higher education evolution (National Institute of Statistics, Statistical Yearbook 2011)

Higher education	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
University	122	117	107	104	106	106
Colleges	754	742	770	755	810	770

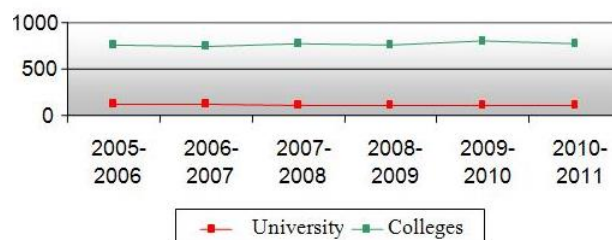


Figure 2: Evolution of the number of higher education

The graduator problems in finding a convenient job are coming partly from the successive reforms of higher education systems, and as a result of changes in the labor market. In order to achieve effective investment in the education,

there is necessary the scientific advice and information targeted at a specific time horizon. Such analyses are beneficial for both institutions of higher education, who can adjust the educational supply depending on the requirements of the labor market, as well as for the prospective students, who may decide to follow certain faculties, with more information on labor market trends. In recent decades, higher education has seen a quick expansion and structural changes in most European countries. The consequences of this expansion are reflected by:

- A possible qualification of skills, abilities and skills with labor market demand;
- A decrease in the number of graduates in science and technology;
- A related of the studied subjects by students with the requirements of current practice.

From here arises the need to develop an operational system of qualifications in higher education, ensuring a real correspondence between the preparation of graduates and the position held and to create a proper image in the socio-economic environment. In the contemporary society significant changes occur in many areas, with speeds that capture and command of the field and determine the true crises and adapt to future changes. In modern society the essential changes occur in many areas, with speeds that capture the most knowledgeable of those areas and determine the real crises of adapting to changes and the future. Therefore, human capital development and the increasing quality of education is both a matter of vision, as well as one of continuous improvement. There appeared so many trades, professions which are valid for a particular stage of social and technical progress, but its rate increase causes changes in the professional structure and continuous. Thus, we assist in situations where traditional crafts and professions disappear imply a radical change in the knowledge necessary for their purposes. Thinking and prospective actions, based on preliminary knowledge, are necessary today in all walks of life, but especially in the educational processes. Preparation and culture

of a person shall be assessed according to criteria other than the past. A rich volume of knowledge, covering a significant proportion of the information in several areas, it is impossible to achieve today when all fields have a continuous deepening and diversification. The scholar today is characterized in particular by the spirit of guidance, thinking forward, based on training, experience, and above all the opportunity to exploit them effectively. This sort of erudition is characterized more by knowing how to act (know-how) and knowing where to find (know-where) what you needed to underpin effective strategies, tactics and social utility projects and personal.

Opinions expressed to the phase in which universities are in relation to the business environment and requirements of the society say: OECD considers that: "traditional faculties are too conservative and blocks the path to progress; the II Forum University-Business field, The Commissioner for education Jan Figel, shows that "employers says that many graduates don't have the mix needed knowledge and skills that they need." The report, made public in March 2008, entitled "Entrepreneurship in higher education (especially in economic studies)" says that "currently the entrepreneurship courses are not sufficiently integrated into university curricula". At the same time, are rated as inadequate measures taken to stimulate approach of "interdisciplinary".

Therefore, the universities must have a key role to play in relation to promotion of the entrepreneurial talents of graduates and researchers. The appearance that distinguishes universities from other educational institutions and training lies in knowledge creation and generation of graduates and researchers with innovative and creative potential. Entrepreneurial education can help in terms of promoting the entrepreneurial and innovative culture, by changing the way of thinking and the skills and abilities required by the job market. Globalization, the rapid development of technology and low cost of mobility have changed profoundly the nature of the work. It is

no longer enough students to be prepared for a career, but they must create their own jobs.

Entrepreneurial education is extremely important for understanding and co-operation in the global economy continues its dynamic present.

The Romanian market has shown that there is a rift between the educational system and the labor market. It is stated in the draft conclusion the Bureau for the observation of the labor market and the quality of jobs carried out by BNS. In this regard, it is recommended that a rethinking of policy in the field of education, taking into account changes in the economic and social environment so that there is a correlation between the requirements of labor market trends and types of qualifications provided by the education system.

A study on the structure of graduates from Romania, conducted by the National Council for Financing Higher Education in 2012 shows that studies in social sciences, law and business is 53.4% in universities in Romania, compared to 35.6% as the average value European countries. Studies in engineering, construction and industry represent 17.3% versus 12.9% - as the European average. The same document reveals, however, that universities in Romania are below the European average in terms of percentage of graduates in other areas that are important in the European Union. Thus, education and training is 1.8% compared to 9.5% as Europe's average, humanities and arts - 7.7% versus 11.6% European average and mathematical sciences, computer science - 4.4%, compared to the average of 9.2%, and -10% health and social work, to the European average of 15.4%. Last year, the Romanian school graduates took 44.233 specializing in legal studies, in 6030 and 2000 Political and Administrative Studies in Journalism and Mass Communication. Almost none will find an honest job competing in the labor market, human resources specialists say. However, data from the Romanian Agency for Quality Assurance in Higher Education shows that 80% of graduates of faculties of Romania practicing

in areas other than those for which they were prepared.

Increasing the relevance of education and vocational training to labor market needs and initial must be a major goal in educational policy-making and in the activities of the education providers. The unemployment rate among young people raises the question of the relevance of education to the labor market. In this context a series of measures should be adopted aimed at adapting the supply of education and initial vocational training to the needs of the labor market: improving the strategic planning of the technical and vocational education, the provision of vocational guidance services and the provision of key competences.

The studies on the characteristics of unemployment in Romania shows that the probability of being unemployed is higher for young people between 15 and 24 years of professional graduates in urban areas. Unemployment was a major problem for Romania, as shown in the figure below; in 2003 there were 1,067,206 registered unemployed, 13.4% orator. Intervened with state policies boosting the number of unemployed boy decreased to 362 425 people in 2011. In 2012 as a result of widening global economic crisis, only in the first quarter rose to 478 796 unemployed persons increased by 116,371 persons (32.1% compared to the same period last year).

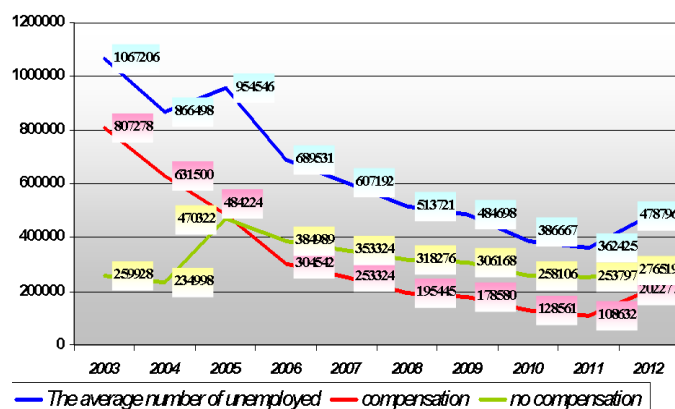


Figure 3: The number of employed registered in the years 2003-2012

One of the factors that limit the degree of correlation of initial vocational education and training with employment concerns and insufficient and outdated studies regarding the long-term needs of the labor market. In respect of employment of young people, it is considered that there is a correlation of labor market requirements with education programs and thus be considered to adapt the standards and school academic training to the needs of employers. Junior Achievement Organization initiated in 2010, with the financial support of IBM, a study on the compatibility of education graduates with the requirements of the labor market in Romania. Preliminary findings of the study conducted for IT has revealed that the coverage of the skills required by the labor market courses in school is between 2% and 43%. The lowest level of cover you have project management skills, e-commerce, internet research, application development (Enterprise), and at a higher level are those related to processing. Young people share the values and ambitions, but also face the same difficulties. Some young people say that don't always include the concerns reflected in public policies, designed for and by their older peers. In spite of a social and economic context of increasingly complex, young people show a great capacity to adapt. Various Community actions that directly concern young people have already been initiated in the educational field, but also in that of employment and vocational training or the access to information technologies. Involvement of employers and social partners is limited to the relevant with regard to the planning of university education.

Links between universities and industry / employers are very weak, unlike the practice of the professional and technical education.

From the perspective of the relevance of higher education to the demands of the labor market may be mentioned the following difficulties:

- the system is not in line with the needs of a dynamic labor market;
- the absence of clear equivalences between the University and training criteria (skills-based and formal) labor market;

- use of narrow educational packages (over 270 degrees) caused numerous analogies, optimal non-financial resources, difficulty in defining adequate teaching standards and proper integration of the graduates of the grime on the labor market;
- inconsistencies in developing a strategy to strengthen the partnership with the economic and social environment. Partnerships with the business community are underdeveloped.
- the biggest problem faced by the graduates of higher education is linked to lack of experience. Companies are starting to give up, however, this condition and provides jobs for as long as young people go through several internships during college.

Considering the skills shaped by the Romanian educational system you are not very related to the requirements of the business environment, it is difficult for a young man who has not had any work experience during studies to find a job after completing them. So, to support young people in their need for training for the current conditions of the labor market it takes effort on the part of the parties involved, namely the universities and companies, to help them to gain practical experience for their career orientation. Universities can do so by extending the period of practice and working with the environment, in the development of joint research programs. On the other hand, companies can help employees through the development of programs for prospective internship or trainee centers of vocational guidance and career, in high schools and universities. Although the current crisis raises the unemployment rate, it is found that graduates of higher education are comparatively less in danger of losing their jobs. At the end of 2011, the average unemployment rate among graduates of higher education in the European Union, it was 5.4%, compared to the overall unemployment rate that rises to 9.3%. Diagnostic analysis on the human capital development highlights several important challenges to which we must respond to the higher education in Romania at the horizon the coming. A first major challenge

concerns the correlation between the tender forward-looking the education system with the structure and dynamic requirements of the labor market. In our country there are still situations where universities produce labor under-qualified or non-qualified finds its right place on the current labor market.

The biggest gap is identified between the perceptions about the degree to which the Faculty helps students to acquire the skills and abilities they need to work.

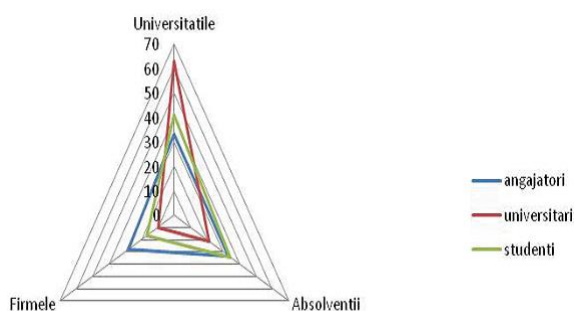


Figure 4: Perception gap on the responsibility of training the graduates in the labor market

The perception gap regarding the responsibility of preparing graduates for the labor market. Analyzing on pairs, we may find that the greatest perception gap is identified between university lecturers and employers (63% of professors considers that universities have the responsibility for preparing graduates for the labor market, while this is supported by 33% of employers' core). In the same time, poor law, inaccurate, incomplete and evolving in the field of education, namely the shortcomings of the current legislation in the field of education are relatively low direct adaptation of the educational offer to the requirements of the labor market and the maintenance of a system of qualification ne operational for the labor market in Romania. Therefore, improving the quality of education and vocational training so that you are ensured the conditions necessary so that the skills and competencies provided to be tailored and responsive to labor market needs, to be accessible to all individuals.

These objectives can be achieved by redefining the contents and goals of learning, improve access to key competences for all, improving

learning conditions, quality assurance and improvement of the qualification of teachers through initial and continuous training. A sensitive issue that Romania is facing with is the migration of higher qualified employment.

Why graduates are choosing to leave the country?

According to data provided by the representatives Sznergize Consulting, the lure of working abroad affects about a quarter of young professionals. In graduates of general, they feel that they are more likely to be unable to make abroad as at home. Thus, Romania is placed in a position to export free senior developed countries being unable to monetize their talents available and they formed. Thus arise the need INSERT project - which aims to build a network of vocational rehabilitation and integration for people with disabilities in Romania, in order to improve the access to the labor market. The project implementation period is 36 months (January 2011 - December 2013). Currently, many universities graduates and no longer find a job in the specialty they followed. The remaining options are many: emigration or accepting a job in a field other than that for which they were prepared. This is because the different specializations offer graduates of universities has never been correlated with labor market requirements

The main objectives proposes to the project, answered by 50 public universities, public and private, are, on the other hand, encourage employment in Romania and graduates remain local labor market and the other was intended that through a joint effort of universities and employers, to be able to anticipate the requirements of the labor market in the medium term.

2 Conclusions

Education and lifelong learning are essential in the future of young people in the labor market. Education system offers various opportunities for training, but young people are choosing their

own career paths, but are influenced to some extent, in decision-making, the public authorities, of employers and of their own families.

A coordinated strategy could be considered the correlation between educational packages offered by institutions of higher education and current and future needs of the economy. Educational offer adapted to the needs of universities for sustainable economic and social development at local, regional, national, as well as to the interests and needs of the education and training of students is an essential requirement for the development of competitiveness and economic growth of a nation.

The capacity of the education and training system to respond to changes occurring in the labor market and quality assurance in education crucially depend on the quality and level of training/qualification of human resources in educational systems and continuous vocational training.

The formation and improvement of teachers, instructors, trainers and other educational personnel, including training in partnership with companies, contributes to achieving the objective of improving human capital and supply system of education and training, the skills required on the labor market.

Training and education can be designed in line with the requirements of the information society and the knowledge society. Therefore, must take into account the rapid changes that cause each sector needing constant updating of skills, in addition to the acquisition of knowledge and skills. It may be the effect of a low correlation between education programs and qualifications required in the labor market. At this point missing information about the degree of saturation on some of the dynamics of qualifications or occupations. Therefore specialization for young people on the labor market almost does not matter, because very few manage to engage in graduated studies profile. In view of the superior human factor in Romania is necessary and significant improvement professional training system

continues. In the current economic crisis, Romania should aim to modernize and adapt the education system to market requests revival of scientific research and innovation, focusing on the practical application based economic partnership between business, universities and research institutes. It is necessary to work towards flexible labor market and the conditions necessary for optimal development of a competitive environment. In conclusion we can play a few strands schematically in the educational process facilitates in order to streamline and modernize it.

1. Considering education as a national priority. It required a clear conception about the role of education in society about the role of graduates every level of the labor market system.

2. Passage of reforms to redress the systematic reform. Systematic reform of education in Romania will be multiple interrelated actions such as:

- Including learning allows all development programs both nationally and locally;
- Remove outdated specializations, professions develop poor correlation of number of employees and higher education institutional better state labor market;
- Better correlation between majors and occupations by adapting educational classification;
- Optimization of practical activities in the teaching process;
- Clear formulation of educational policy option for mass higher education.

3. Better education funding and diversification of funding sources.

4. Increasing investment in research

5. Using information and communication technologies in education through measures under preparation content by linking disciplines, from the efficiency of transmitting knowledge.

The younger generation, which is in the process of training can not only be educated to accommodate this new world in which to live, but also to effectively contribute to the building's future. Man is learning the extent that is open to change, takes deliberate and constructive design strives for change. Also,

man is educational in so far as its society and educational systems are designed as open societies and educational systems.

References

Adumitrăcesei, I.D., N.G. (coord.) (1995), Labour market. Chişinău : Technical Publishing House.

Brătianu, C. (2008), A dynamic structure of the organizational intellectual capital, in Naaranoja, M. (Ed.), Knowledge management in organizations, pp. 233-243, Vaasa: Vaasan Yliopisto.

Floroiu, (2009), Quality assurance in higher education challenges and answers, Paper presented at Conference on Strengthening and developing human capital for Sustainable Societies of Knowledge in South East Europe, Bucharest, www.tvet.ro, Accessed 18 August 2013.

Aceleanu M. I., Creţu A. Ş., (2010), Employment strategies and policies in the context of current labor market, Bucharest: ASE Publishing house.

Gibbons, M. (1998), Higher Education Relevance in the 21st Century, Paper prepared as a contribution to the United Nations Educational, Social, and Cultural Organization World Conference on Higher Education, ed. Education The World Bank.

Author description

PhD. Assist. PETRICĂ Elena-Irina, a graduate of the Faculty of Economics (2008), major in Marketing from the University of Sibiu Alma Mater and the second cycle - Master's degree, specializing in Marketing and Business Communication (2010) from the Romanian-German University of Sibiu. Since 2011 to present PhD in Marketing, at Transilvania University of Brasov, Faculty of Economics and Business Administration.