### INSTRUMENTS FOR HIGHER EDUCATION ADJUSTMENT TO LOCAL LABOR MARKET NEEDS

#### Krawczyk E.\*

**Abstract**: Higher education adjustment to local labor market needs enables to maximize the potential of human capital for the development of an economy based on the knowledge and the innovation and improve the quality of social life. The aim of this paper is to present main instruments of higher education adjustment to the needs of local labor market in Poland. The author will review selected instruments and measures implemented by major national organizations participating in this process, i.e. national authorities, local authorities, labor offices, entrepreneurs. For the purpose of this publication, the author also drew up the diagram showing main instruments of higher education adjustment to the needs of employers carried out by the Ministry of Science and Higher Education (MNiSW).

**Key words:** higher education, labor market, employment, instruments for adjustment to labor market needs, contracted education, business councils, labor offices, knowledge-based economy

#### Introduction

The early 90's of the twenty century and a number of social and economic transformations in Poland accompanying this period had a significant impact on the labor market and the rapid dissemination of higher education. Not without significance has become at that moment a general opinion that the completion of higher education significantly increases the chances of employment and higher wages. In the Polish society, there has been established the conviction, that having a higher education is necessary to find a better work or in extreme cases even any employment. This society approach largely affected the later development of higher education, the dynamic increase of number of graduates annually supplying the labor market and the subsequent educational policy conducted by successive authorities. [1]

The higher education system largely determines the socio - economic development of the country. Hence, many national and international documents raised this issue. Extremely important for the higher education in Poland has been a legislation at national and international level, especially that in the European Union, all determining the directions of its development and financing. The main regulations in this area include those contained in the Act On Higher Education of 1990 along with changes made in its amendments of 1997, 2005, 2011. Currently, the Polish government is intensively working on the another amendment of this Act. Moreover, there are essential also other documents on national and international higher education such as the development strategy called Europe 2020. This indicates the common consciousness to make the thorough analysis

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of current status and effectiveness of higher education at national and European level, and consequently to take actions to eliminate disparities between the phenomena of demand and supply of qualified university graduates in the labor market.

The aim of this paper is to present the main instruments of higher education adjustment to the needs of local labor market in Poland. The analysis of selected instruments and actions implemented by major national organizations participating in this process, e.g. national authorities, local authorities, labor offices, entrepreneurs will be made on the basis of reports, expertise documents, web pages of stakeholders operating in the area of higher education adjustment to the needs of local labor market. For the purpose of this paper, the author also prepared a graphic showing the main instruments of higher education adjustment to employers needs conducted by the Ministry of Science and Higher Education (MNiSW).

### Modern trends in the development of higher education

Recently, there are more and more frequently undertaken discussions on the need to amend the Polish higher education system. This results from many social and economic transformations, not only at the national but also at EU and global level, to which should refer by introducing appropriate reforms. More and more voices are being raised about the need to adjust the higher education system in Poland to these changes- it is important to direct the attention into labor market requirements. The University needs to be more open and responsive to the needs of employers and economy and issues relating to the higher education should be consulted in much wider group than the academic and government institutions. Essential are also social issues, such as demographic problems, which largely determine the labor market.

The literature on the subject often emphasizes the need for proper cooperation of representatives of business, academic, social and government environments i.e. companies, institutions, local and regional authorities, ministries, business environment institutions, social organizations. [8] This is an important requirement to objections from the first years of the twenty-first century, that the Polish higher education should satisfy requirements of the labor market in order to do not "produce" next crowds of unemployed with higher education working far below their qualifications or entirely in another profession than the learned one.

In the knowledge based economy, universities perform three very important functions of: discovering, transferring and using of knowledge-in order to provide appropriately educated human resources for the labor market, also by applying the principle of "lifelong learning" and to deliver news and innovations by transferring results of scientific research.[2]

Each one of the above-mentioned functions of higher education is significant for the proper development of country. Nevertheless, the spectre of rising unemployment and wasted potential of inappropriately trained human

capital as well as the negative socio-economic results- caused by improper higher education system not adapted to the labor market needs- is an extremely terrifying scenario, with which, unfortunately, society in Poland has to deal to a certain extent. The improvement of this situation depends on a good cooperation and mutual relations of interested parties responsible for the areas of: higher education, employment and economy.

When analyzing the past few years, one may notice positive changes in this regard. The Polish authorities are making increasing efforts to improve the situation of graduates in the labor market. There can be observed the transformation of higher education in Poland. Although these changes are small compared to the needs, but the most recent information coming from the Ministry of Science and Higher Education provide that there are planned numerous actions in the field of ever increasing cooperation between science and business. There shall be listed a number of new initiatives and the continuation of previous ones, especially with regard to the education of human resources for labor market needs and cooperation concerning economic issues in the field of scientific research.

#### Local labor market

Until recently, the successful completion of university or technical university used to gave considerable opportunities in the labor market and constituted the sort of ennoblement. In recent years, noticeable is, however, the very alarming phenomenon of difficulties in finding employment after graduation. The problem of higher education graduates unemployment causes dissatisfaction and frustration among students. The need for the appropriate support of higher education graduates in obtaining employment causes numerous discussions not only among the academic community and labor market experts, but also at the government and international level.[7] The lack of higher education adjustment to labor market needs has been the subject of many studies, including reports prepared by the Office of UNDP in Poland, analyzes of the World Bank, the OECD, the Ministry of Science and Higher Education as well as national and EU strategies. It indicates that it is generally noticeable problem.

It is estimated, that currently only 26% of employees in the EU have a university degree, while in 2020 approximately 35% of vacancies in the EU will require qualifications at a higher level. At this point, for the comparison, it is worth mentioning also that the EU's plans for educational purposes for Europe 2020 assume, that by the 2020 40% of young people aged 30-34 should get a university degree or equivalent. [3]

The data from the Central Statistical Office determines, that at the end of December 2013 the unemployment rate was 13.4%- as it was in the previous year. Among the unemployed, 12% have higher education- we must remember that the data is not necessarily reflecting the actual situation, since it defines registered unemployed persons, yet many graduates e.g. are going abroad looking for a work.

The Report *Młodzi na rynku pracy* (Young people on the labor market)[6] concludes that the most difficult situation in the labor market have first time graduates entering the labor market. Considering all professionally active individuals, it is that the young people before the age of 30 more than twice often than other age groups were unsuccessfully searching for a work. Nevertheless, a considerable number of young people under 30 age of life finishes their education at the tertiary level- these persons find employment the most quickly, but a significant impact on this has the selection of the right university and field of study attractive in terms of further employment.[4]

#### **Business Councils at universities**

The cooperation between universities and the local economic environment in the field of higher education adjustment to the labor market needs may be conducted i.e. through the establishment of Business Council at the university. The Business council is defined as the advisory body consisting of representatives of companies and universities-this allows to acquire the most current information from the labor market and find possibly rapid response to changes in the social and economic environment. The report of research made for the project *Uczelnia Przyjazna Pracodawcom* (*The Employers Friendly University*) indicates that in 2010 26 universities confirmed that they have an advisory body such as the Business Council or the Council of Employers, whereas 11 universities indicated that such advisory bodies are functioning at their organizational units such as faculties.[14]

The example of such intensive cooperation is the University of Lodz, at the faculties of which exists 11 Business Councils/ Councils of Employers, e.g. the Business Council at the Faculty of Economics and Sociology, the Business Council at the Faculty of Philosophy and History, the Business Council at the Faculty of Physics and Applied Informatics, the Business Council at the Faculty of Mathematics and Computer Science, the Business Council at the Faculty of International and Political Studies, the Business Council at the Faculty of Management, the Council of Employers at the Faculty of Chemistry, the Council of Employers at the Faculty of Educational Sciences, the Council of Employers at the Faculty of Law and Administration.[13]

The activity of first Business Council at the University of Lodz was launched in 2003 at the Faculty of Management. It was joined by i.e. leading companies and institutions mainly from the region of Lodz. In the following years Business Councils were created at the next faculties. The main aim of these advisory bodies is to approximate academic and economy environments for active cooperation executed by i.e. consulting of educational offer, performing joint educational projects, creating and evaluating studies programs adapted to current needs of labor market, consulting timetables, organizing student internships and trainings, conduct lectures taught by business practitioners, trainings and advisory services for members of Council.[16]

An example of this cooperation may be the creation, in the cooperation with Infosys and Hewlett-Packard companies, in 2013 the specialization called. Linguistics for business (L4B), which enjoyed a great interest- for 60 free places applied about 300 people. The establishment of this specialization was preceded by extensive consultations with entrepreneurs. The appointment of new direction was a response to the needs of employers in Lodz and region- getting advanced linguistic competence specialized in two foreign languages at a level above B2, together with skills desirable by a modern employer within: business, economics and finance.[13]

### Cooperation of municipal authorities with universities

Local government authorities have a significant influence on the adjustment of higher education to local labor market needs. Those authorities, through appropriate policies for the economic development (programs, strategies) and cooperation with business and academic entities can take actions responsive to needs of local labor market and increasing chances of successful employment of graduates.

The example of such co-operation of the city with universities and the business world is Wroclaw- one of the largest academic and economic centres in Poland. The mayor of Wroclaw has taken numerous steps towards the effective cooperation of city hall with universities and business. The main initiatives for better cooperation have been i.e. the appointment of Mayor's Advisor for Cooperation with Universities, the creation of the Office for Cooperation with Universities and Wrocław Academic Hub. With the help of these institutions, municipal authorities can monitor the situation of university graduates and the needs of local labor market and implement planned projects.

The Office for Cooperation with Universities was established in 2008 and its activities include i.e. support of cooperation of Wroclaw universities with economic and social environments, cooperation with Wroclaw Agglomeration Development Agency and academic entities to support the development higher education, research and innovation. In addition, the Office prepares analyzes and reports for the Mayor on higher education, research and local labor market. The main project implemented by the Office is the Wrocław Academic Hub.[10]

Wrocław Academic Hub (WCA) was founded to promote cooperation between local government, universities and business. This is the first initiative of this kind in Poland, but not in the world- the idea of harmonious cooperation of local governments with academic entities has been actively implemented in European cities such as Munich, Milan and Stockholm.

WCA conducts numerous consultations with employers on key skills and competencies of graduates and the boosting of mobility between business and academic community. Implemented projects include financing the cooperation of scientists with enterprises in Wrocław including the creation of new products and services as well specialized workplaces.[15]

Another city appreciating the importance of such cooperation is Łódź-famous industrial and academic centre in Poland. The city is working with universities and business i.e. through the project of "Academic and scientific Łódź", which aim is to develop a strategy for the academic and scientific development of Łódź. Such cooperation has tangible results: at the University of Łódź, there were established postgraduate studies in "Organization and management of shared service centre BPO" - the first of its kind in Poland.[9]

#### Cooperation between labor offices and higher education entities

Polish labor offices play an important function in responding to local labor market needs. These institutions also take actions in cooperation with universities through i.e. joint organization of meetings, trainings and conferences, transfer of analyzes and research on current state of employment and demand for skilled employees reported by potential employers. This information is extremely important for universities and local governments. Representatives of labor offices are members of e.g. Business Councils at universities, task teams and councils to local government entities focusing on issues relating to the adaptation of higher education to labor market needs.

It is worth mentioning on the active cooperation of labor offices with the Careers Offices at universities. Careers Offices exist all over the world and are the organizational units of universities. First Polish Careers Office was the Office for Vocational Promotion of Students and Graduates at the Nicolaus Copernicus University in Toruń. Its official opening took place in October 1993. In 1997 the Office participated in a project of setting up a network of 8 Careers Offices at universities in Poland. Careers Offices initiative began to increasingly developin following years, there were opened new offices at most universities in Poland. They are associated in Ogólnopolska Sieć Biur Karier (the Polish National Network of Career Offices), which was established in 1998.[11]

The active operation of the Office is i.e. hrough the realization of projects: Early Recruitment "Milkround", Professional start of science education students, Competencies For Future, Research of Graduates Employment, Nicolaus Copernicus University in Europe in 2020, the Ambassador of Careers Office of Nicolaus Copernicus University, Spring Meetings with Labor Market, Labor Fair, Practices and Internships, Career Days.[12]

Career offices are mainly engaged in providing information about the situation on the labor market, vocational guidance for students, teaching self-presentation and collection of job and internships offers. They also initiate conferences, seminars and meetings of students and graduates with business representatives. The data obtained from Careers Offices can help higher education institutions to verify programs and structure of studies.[11]

### Instruments for higher education adjustment to labor market needs

Below are a diagram and short characteristics of main instruments for higher education adjustment to labor market needs which the Ministry of Science and Higher Education mentioned in replies to interpellations [5] and on its website.

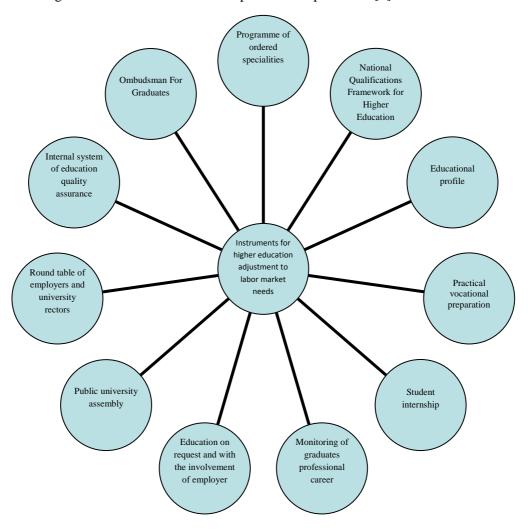


Figure 1. Diagram of main instruments for higher education adjustment to labor market needs

Source: Author's own elaboration on the basis of [5]

- National Qualifications Framework for Higher Education- They were introduced in 2011 through the amendment of Act on Higher Education. The Ministry of Science and Higher Education defines the National Qualifications

Framework for Higher Education as a description of qualifications obtained within the system of higher education in Poland- learning outcomes are specified in terms of knowledge, skills and social competences. This allows to the creation of new fields of study, much more suited to the needs of employers.

- **Educational profile** The amendment of the Law on Higher Education requires the identification of the profile of studies i.e. whether it is practical or perhaps general academic- depending on students aspirations. The practical profile is characterized by practical vocational preparing, which must correspond to the student's future professional activities and take place through performing certain practical steps.
- **Practical vocational preparation-** Classes on the practical vocational preparation are in the program of studies and enable students to acquire practical competencies possible to create in the workplace. Classes must take place in conditions typical for the student's future professional activity and enable them to perform specific practical actions. What is important, they must be carried out by persons who have professional experience in the field of classes gained outside the university.
- **Student internship** In the education programme, the university should consider the appropriate mode of practices and define their dimension, form and rules.
- **Programme of ordered specialities** The implementation of programme of ordered specialities, coordinated by the Ministry of Science and Higher Education, was launched in 2008. The aim of programme is to increase the number of students in fields of strategic importance for the development of Polish economy, i.e. technical, mathematical and natural sciences by increasing the attractiveness of gaining an education in these fields. The programme includes the financing of higher education institutions (i.e. for scholarship programmes, compensatory programs), support for students (scholarships for the best, training courses), implementation of practices and vocational internships. Ordered specialities were selected on the basis of research conducted among employers and voivodship labor offices.
- Monitoring of graduates professional career- The obligation to monitor the professional career of graduates- particularly after three and five years of graduation- was imposed on universities by the amendment of the Act on Higher Education. The Monitoring of graduates employment aims at adapting the fields of study and education programmes to needs of employers.
- Education on request and with the involvement of employer- The previously mentioned amendment to the Act allows to conduct education with the involvement of employer-also on his order. This is achieved i.e. through the inclusion of public, economic and social organizations into the process of education, creation of programs of studies and evaluation of its effects.
- **Public university assembly** The assembly extracted in the structure of public higher education institution aims at achieving the closer cooperation between universities and social and economic environment. The Assembly may

be composed of representatives of: employers and employers' organizations, labor market institutions, government bodies, local government entities, academic institutions, economic and business environment institutions, etc.

- Round table of employers and university rectors- On May 17<sup>th</sup>, 2012 there was convened the so-called Round table of employers and university rectors. The main purpose of meeting was to approximate of both sectors and discuss issues to improve the quality of education and education programmes to better adapt to the challenges of the modern labor market and expectations of entrepreneurs. The discussion was attended by over 80 of the most senior representatives of major universities and employers. At the end of the meeting, there was adopted a joint declaration: "The economy for universities, universities for the economy."
- Internal system of education quality assurance- In 2012, The Ministry of Science and Higher Education has announced a competition for financing the implementation of systems to improve the quality of education. Grants could receive entities, that implement such systems and develop close cooperation with the social and economic environment. Internal quality assurance systems need to analyze the degree of education relationship with needs of economy and society.
- Ombudsman For Graduates- The institution of Ombudsman for graduates was established by the Minister of Science and Higher Education. The Ombudsman is obliged to the current monitoring of studies programmes adjustment to labor market and economy needs by researching the situation of graduates in the labor market. His duties also include the cooperation with the Central Council of Science and Higher Education in the area of professions deregulation. Conclusions from the analysis made by the Ombudsman are presented to the above mentioned Council and the Minister of Science and Higher Education.

Among the Polish Government's plans for 2014, there can be mentioned also other instruments to assist the adjustment of higher education to labor market needs including: special vouchers for entrepreneurs to order the education of students, changes in ordered specialities by the introduction of education competencies wanted by employing companies, significant strengthening of the importance of students trainings - 3-month obligation of internship and in-company trainings, development of a graduates professional monitoring system, preparation of so called "Package to the humanities".[17]

### **Summary**

The responding to labor market needs through the appropriate adjustment of higher education instruments can have a significant impact on maximizing the potential of human capital for the development of economy based on knowledge and innovation, improving the quality of social life and thus strengthening of Polish position on the international arena and its investment competitiveness. The Ministry of Science and Higher Education have been undertaking various measures to strengthen the cooperation of academic entities with employers regarding the proper education of students. Nevertheless, already made changes are

the proverbial "drop in the ocean" of local labor market. The higher education system requires a continuous introduction of appropriate instruments meeting the requirements of employers and their proper adaptation to variable economic realities. The key is to identify the needs through the cooperation the interested parties, the current monitoring of situation and the analysis of future trends-also in the international sphere.

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### INSTRUMENTY DOSTOSOWANIA SZKOLNICTWA WYŻSZEGO DO LOKALNYCH POTRZEB RYNKU PRACY

Streszczenie: Dostosowanie szkolnictwa wyższego do potrzeb rynku pracy lokalnych umożliwia zmaksymalizować potencjał kapitału ludzkiego dla rozwoju gospodarki opartej na wiedzy i innowacji oraz poprawy jakości życia społecznego. Celem niniejszego artykułu jest przedstawienie głównych instrumentów dostosowania szkolnictwa wyższego do potrzeb lokalnego rynku pracy w Polsce. Autor dokona przeglądu wybranych instrumentów i środków wdrażanych przez głównych krajowych organizacji uczestniczących w tym procesie, tj. władz lokalnych, organów krajowych, urzędów pracy, przedsiębiorców. Dla celów niniejszej publikacji, na podstawie zestawienia przygotowanego przez Ministerstwo Nauki i Szkolnictwa Wyższego (MNiSW), autor sporządził także schemat przedstawiający główne instrumenty dostosowania szkolnictwa wyższego do potrzeb pracodawców.

**Słowa kluczowe:** wyższe wykształcenie, rynek pracy, zatrudnienie, instrumenty dostosowania do potrzeb rynku pracy, edukacja na zlecenie, rady biznesu, urzędy pracy, gospodarka oparta na wiedzy

#### 高等教育调整到当地劳动力市场需要的工具

摘要: 高等教育调整到当地劳动力市场的需求能够最大限度的人力资本为基于知识和创新经济的发展潜力和提高社会生活的质量。本文件的目的是目前高等教育的波兰当地劳动力市场的需要调整的主要手段。作者将审查选定的文书和措施,参与这个过程,即国家当局、地方当局、劳动办公室的主要国家组织实施的企业家。为此发布,作者还提请图显示由科技部和高等教育(MNiSW)进行的雇主的需要的高等教育调整的主要手段。

**关键词:** 高等教育、劳动力市场、就业、文书为对劳动力市场的需求、 承包的教育、商业理事会、劳动办公室的调整基于知识的经济