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Honors Capstone

5 April 2021

Study Abroad and the Impact on the Labor Market

The opportunity to study abroad during a student's time enrolled in a higher education institution is becoming somewhat of a necessary educational and experiential practice nowadays. The idea of student exposure to an international education is wholly aligned with the greater expansion of the labor market and economy into globalized networks. With a globalized economy, there becomes a major need for globalized individuals because these students will become integral working members of the international labor market. There is no doubt that "since globalization in the economy and academic system is an unavoidable aspect of the millennium, higher education should fit the new global system through the assistance of internationalization practice", in other words, studying abroad is a minor prerequisite that helps students integrate into the international workforce (Zerman, 2014). Essentially, there is significant value in obtaining foreign qualifications from a social-cultural perspective, business perspective, and economic perspective in relation to the labor market. Over the last several decades, the number of higher education students across the globe receiving some part of their university education abroad has been on the rise, positively impacting the international labor market through student migration intentions, standards of employability and the development of global careers, as well as economic determinants.

To begin, from a social-cultural perspective, study abroad experiences increase migration intentions amongst internationally mobile students. Students who move abroad to complete a degree or earn credits at a foreign institution have an easier time realizing the abundance of opportunities in the international labor market. Essentially, educational mobility programs play an influential role in indirectly persuading or affecting a student's labor market mobility decision later on. Largely, a student's international migration selection "is a complex engagement of personal motivations, economic prospects, geopolitical factors, and cultural transitions" that are important to consider when determining the probability of student migration intentions (McGill, 2013). Studies show that studying abroad increases a person's probability of working abroad by about fifteen to twenty percentage points, meaning that after studying at a foreign institution, the individual is that much more likely to reside and work abroad for an extended period of time (Parey & Waldinger, 2008). From the perspective of European university graduates, the effect of studying abroad on later international labor market mobility finds that formerly mobile students are fifteen to eighteen percentage points more likely to continue to live and find employment in a foreign country after graduation (Parey & Waldinger, 2008). In addition, a study conducted from a Dutch university finds that studying abroad increases a student's probability of living in a foreign country by around fifty percent (Parey & Waldinger, 2008). These internationally inclusive statistics exemplify the impact that studying abroad has on a student's global citizenship identity.

Studies have shown that students who have pursued study abroad opportunities during college have more interest in foreign cultures, and it has directly correlated with an increased curiosity of living abroad, working abroad, and permanently migrating later in life. Those who have studied abroad are more likely to indicate that their interest in foreign cultures has led them

to seek employment abroad. It may be the case that studying in a foreign country increases the individual's taste for living abroad, which may in turn increase their probability of migrating later in life (Parey & Waldinger, 2008). The article, "Motivations for Studying Abroad and Immigration Intentions: The Case of Vietnamese Students," reports several influential findings that may persuade, in this case, Vietnamese students, to reside in their host country after graduation (Nghia, 2019). One of the main factors that increases student migration is the desire to gain international work experience. Fundamentally, students wish to gain international work experience because it is viewed as a necessary component for career development. High income rates in the host country heavily impact a student's migration intentions. Higher salary rates in the host country attract young students to immigrate after graduation for the reasons that they will be able to afford a better quality of life and support their families back home in their native country. Similar to high income, students often explain that migrating to the host country is beneficial due to the better work conditions. Furthermore, students view opportunities for personal development to be greater in the host country rather than their home country, and this influences their intent to migrate. Basically, students believe that if they remain in the host country beyond graduation, they will have the ability to experience more opportunities to reach their personal goals in comparison to their home country. The perceived quality of life in the host country significantly influences a student's migration decision as many find that the environment, security, and standards of living in their home country are not particularly desirable. Lastly, the quality of education in one's home country leads students to seek an international education because of the "bad practices" at home, and the ultimate suppression of academic freedom (Nghia, 2019). Principally, global careers and thoughts of immigration are not necessarily always planned before study abroad, but the "education abroad experience leads

many participants to actively seek an international dimension to their paid and volunteer work” (Moajeri Norris & Gillespie, 2008).

In contrast, there are an abundance of reasons explaining why study abroad does not increase or lead to any migration intentions at all. In fact, “many international students arrive in the host country primarily to study and experience a new culture, and unnecessarily to pursue immigration opportunities” (Nghia, 2019). First and foremost, many students have family ties and obligations that they must return to after their education experience. In some cases, students need to return to get married, take care of their families, or support their parents. Another situational factor that influences students to return home is to aid in the development of their country as a way to pay respect and loyalty to their nation. Also, international students may be comfortable with the work culture in their home country and do not see the need to work elsewhere. Familiarity with the culture and lifestyle in one’s home country also plays a role in migration intentions. Students believe that they must return to their home country because of their familiarity with the language, culture, customs, and traditions. Lastly, students are not influenced to migrate after their study abroad experience because of the social life in the home country. These students value their social networks and wish to maintain them by returning home. In some cases, students do not pursue international education programs willingly, but they are asked by their families to go and look for immigration opportunities (Nghia, 2019).

To further the claim that studying abroad increases migration intentions amongst internationally mobile students, there are several implications to advance this idea from the perspective of international students studying abroad in the United States. Students are not necessarily remaining in the U.S. if they originate from a particular nation, there are numerous complex elements that alter this choice (McGill, 2013). The first implication deals with the

length of time a student pursues studies abroad and the relation to their residence upon graduation. Findings prove that the length of time a student remains in the U.S. while completing a degree is positively correlated with United States residence upon graduation (McGill, 2013). Additionally, it is proven that longer programs also correlate with international careers. From the perspective of global alumni, they “were 40% more likely to have studied abroad for a full academic year than the alumni whose careers remained domestically focused, more of whom participated in summer and semester-long programs” (Mohajeri Norris & Gillespie, 2008). The second implication questions the receipt of scholarship aid from the institution as it is related to an international student’s location after graduation. Findings prove that receiving designated scholarship aid is negatively correlated with U.S. residence following graduation. Thirdly, the type of degree studied in the United States showed no correlation to an international student’s residence upon graduation. Although, completing doctoral studies in the United States is positively correlated to a graduate’s choice of residence after graduation unlike the completion of undergraduate level studies. To continue, another implication involves applying for the immigration benefit known as post-completion Optional Training Practice (OPT) and its relation to a student’s location after graduation. Unknowingly, applying for post completion OPT is positively correlated with remaining in the U.S. following graduation. Another hypothesis deals with applying for a 3-year temporary work visa (still requiring evidence of non-immigrant intent) during the course of studies and its relation to an international student’s location following graduation. Proving this hypothesis, a student’s application for a three-year work visa is confirmed to have a significant correlation to geographic location upon graduation (McGill, 2013).

Exploring the concept of study abroad and its impact on the labor market from a business perspective, study abroad increases the employability of graduates entering the labor market. Studying abroad creates the need for internationally experienced higher education graduates to satisfy the need for global-minded individuals in the expanding global society (Zerman, 2014). This so-called global society has created a global workplace where “most employees will continue to live and work at home but will use technology to customize products and services for clients worldwide, communicate with suppliers, and collaborate on projects with overseas offices” and in turn, young college graduates will be heavily exposed to foreign cultures as part of their jobs without ever physically working overseas (Tillman, 2004). Likewise, student participation in an international education program will provide young graduates with an appreciable opportunity to develop and enhance marketable skills that one would not obtain from a traditional education experience (Di Pietro, 2013). For one thing, an international education experience brings forth valuable skills that will enhance the likelihood of employment for a new graduate entering the labor market when compared to other job applicants.

To expand on this topic and prove further that studying abroad increases the employability of graduates entering the labor market, studies provide a recognizable gain in several areas including personal maturity, social status, and distinction, and most importantly, better job market positioning (Mohajeri Norris & Gillespie, 2008). Above all, the study abroad experience allows individuals to “gain skills that influence their career path, foreign language knowledge that is useful at work, and interest in a career direction” (Mohajeri Norris & Gillespie, 2008). Moreover, these influential skills help an applicant by providing a better positioning in the labor market when competing with other job candidates. One of the main skills that is becoming a critical new requirement when hiring new college graduates is cross-cultural

competency. Cross-cultural competency is the ability to work in an environment that is multicultural either domestically or internationally, and these skills are mainly obtained through international education programs (Tillman, 2004). Following this point, hiring managers have voiced that they, “valued the skills that the student had developed in order to adapt to a new culture. In other words, employers were interested in the personal as well as professional skills that a student employed to successfully adapting to living, studying, or working in France, because they could be applied, for example, to working with a multinational team based in Latin America” (Tillman, 2004). Additionally, when it comes to the interview and hiring process, it is imperative that an applicant makes their abroad experience matter to the employer by providing relative experiences that align with the job description. In fact, a study determined that interviewees who talked about their study abroad experience throughout the duration of an interview found it as being “a point of personal connection with employers, even if studying abroad or international experience was not an explicit requirement or preference for the job” (Farrugia & Sanger, 2017). The study abroad experience significantly builds on a student’s overall confidence level which can help a student perform better when interviewing for a job. A confident candidate who can explain how a study abroad experience has helped their ability to problem solve or overcome job-related challenges is an extremely important characteristic for employers (Di Pietro, 2013). It also has been noted that employers find interest in the foreign language skills students acquire while abroad, as well as the experiences students have gained while traveling throughout other countries and interacting with foreign cultures, and many of times this is seen as an advantage that gives an applicant the competitive edge (Farrugia & Sanger, 2017). The ability to interact with foreign cultures shows employers that a candidate can be flexible and adapt to unfamiliar and challenging situations (Di Pietro, 2013). Furthermore,

employers across several industries have expressed their interest in “learning about job candidates’ resiliency, adaptability, and capacity to handle cultural and personal differences” as well as “knowing why the interviewee decided to study abroad, and generally what skills were gained from it” (Farrugia & Sanger, 2017). As noted, study abroad contributes greatly to the development of transferrable skills and positive employment gains in various ways. These ways include the characteristics of the study abroad program, the study abroad destination, and a student’s intentions of using study abroad experience for employment benefits and gains. Also, one’s ability to understand cultural differences contributes greatly to an individual’s overall career progression (Farrugia & Sanger, 2017). Generally, “within the context of today’s global economy, most students will move into jobs where they work for or do business with international companies, as well as work with diverse colleagues. Accordingly, the work-related skills gained through study abroad can be powerful tools for career success” (Farrugia & Sanger, 2017). Conclusively, employers agree that study abroad makes a job candidate more well-rounded in various important areas that are imperative for career success.

Despite the fact that there are several ways in which study abroad increases the employability of young graduates, there are various ways in which study abroad does not increase employability. A common thought amongst college students is that a study abroad experience guarantees professional survival in the labor market, and this is not technically the case (Petzold, & Peter, 2014). From an international standpoint, German graduates noted that they do not have study abroad experience and “these graduates can usually compete successfully in the labor market” answering the common concern that studying abroad is not a necessary condition for labor market success, and yet it is more of a normative behavior (Petzold & Peter, 2014). Moreover, graduates should also make themselves aware that only select companies view

study abroad experience as a competitive advantage. It has been noted that “[t]he degree to which study abroad experience matters is directly correlated with the degree of internationalization that the company possesses” for example, “[e]nterprises with less than 25% of sales abroad estimate international experience as less significant, while multinational companies even explicitly look for graduates with mobility experience” (Petzold & Peter, 2014). As discussed earlier, human resource managers usually only consider study abroad experience as a competitive edge if they have study abroad experience themselves. This means that a study abroad program listed on a resume may not always be enticing to every human resource manager.

Another explanation to why study abroad does not increase employability is due to the fact that it has become a “social norm.” Nowadays, studying abroad is considered a “cookie-cutter” experience within the college process, and “the norm to study abroad has developed different dynamics that are completely independent from labor market advantages” (Petzold & Peter, 2014). Essentially, this new norm to study abroad when coupled with the idea that study abroad experience leads to better labor market opportunities is not a strong correlation with one another. These points bring about the ultimate question of “why in a global economy do recruiters rank study abroad so low on the criterium they seek among candidates?” The reason for this is because many companies do in fact “demand candidates to be able to adapt to a multinational and multiethnic workforce” but this can happen regardless of studying abroad (Tillman, 2004). Basically, students who have international experience believe they have an increased ability to adapt to a multinational and multiethnic workforce because they have been immersed in this type of situation during their studies, but companies still do not desire this experience. Managers argue this point by saying, “study abroad programs in which students lived

with other Americans, took courses from U.S. professors and socialized mostly among themselves” do not truly have the international experience that they claim to possess, and in turn, this type of experience is not as impressive to recruiters (Tillman, 2004). Managers only truly value “programs in which students had substantial and meaningful ‘real world experience’ with another culture” (Tillman, 2004). With that being said, for study abroad experience to truly matter to a company, there must be true transferrable factors that the company deems necessary to hire a candidate.

To drive further the relationship between study abroad and employability, it is necessary to evaluate several scenarios. First, study abroad has an overall impact on the development of various 21st century job skills. Essentially, studies have determined that study abroad helps develop a broad range of intrapersonal, cognitive, and interpersonal skills. More specifically, intercultural skills, curiosity, flexibility, adaptability, confidence, self-awareness, communication, problem solving, language, tolerance for ambiguity, and course-related knowledge (Farrugia & Sanger, 2017). Second, study abroad expands career possibilities because it gives interviewees a broader understanding of career paths and the confidence to pursue these career opportunities. Study abroad opens “career pathways and opportunities that has been either previously unknown or simply unconsidered. It also helped participants feel more ambitious and less tentative about their careers” (Farrugia & Sanger, 2017). Thirdly, the skills gained through study abroad have a significant long-term impact on career progression and promotion within in a company. It is necessary to note that study abroad has proven to be useful when it comes to career decisions, but it has become even more useful as study abroad alumni noted that “they were promoted to management-level positions where communication, interpersonal skills, and the ability to understand and work with differences were key criteria for promotion” (Farrugia &

Sanger, 2017). A fourth scenario states that longer periods of study abroad have a greater impact on job offers and skill development. It has been observed that study abroad has contributed to a job offer at some point for graduates who participated in programs that are longer than eight weeks. On the other hand, for those who spent less than eight weeks abroad explained that teamwork skills were highly developed through short-term programs “which tend to be more structured and team oriented than longer term programs where students might pursue more independent experiences” (Farrugia & Sanger, 2017). Another major scenario deals with choosing a less familiar destination and if this correlates with skill development and a sense of career impact. Studies have indicated that choosing an unfamiliar location, meaning a destination that is significantly and culturally different from the U.S. are more likely to identify a greater impact on their skill development and career utility, making the two criteria positively correlated with one another (Farrugia & Sanger, 2017). Lastly, student intentionality and the degree to which programs are structured contribute to skill development. Further noted, students who have career prospects in mind prior to studying abroad articulate that study abroad positively impacted their skill development and career path. It was also noted that this positive correlation related to the fact that highly structured programs facilitate activities that improve participants overall collaborative efforts, interpersonal teamwork, and leadership skills that are transferrable labor market skills (Farrugia & Sanger, 2017).

The third idea contributing to the overall claim that study abroad has a positive impact on the labor market looks deeper through an economic discipline. Essentially, study abroad positively impacts the economy of host countries by driving profitability for local and surrounding businesses. Over the last few decades, the number of students pursuing a study abroad experience has dramatically increased throughout the world. This increase in study

abroad initiatives directly correlate with significant economic outcomes for the host institutions, host countries, and international students themselves. Students who study abroad are labeled as “educational tourists,” and their stay in the host country benefits both the student and the destination. Research has identified “the significant impact of international education tourism, including students’ potential involvement in place-based activities, increased tourism business, and economic and social benefits to the host country” (Tomasi, Paviotti, Cavicchi, 2020). Briefly stating, “[e]conomically, international students pay tuition fees and use services such as tourism, accommodation, catering, editing, and printing, and language education” that contribute greatly to local economies (Nghia, 2019).

First and foremost, host countries majorly benefit from the large number of expenditures that are imperative for a student’s stay during their abroad experience. These international student expenses include, “accommodation, food and beverages, entertainment and leisure activities, and, in some programs, tuition fees, not to mention the inevitable taxes” all positively impacting the economy (Tomasi, Paviotti, Cavicchi, 2020). These expenditures might seem rudimentary, but the accumulated cost brings forth significant economic gains. Depending on the type of international program, if the program is off sited from the home institution, the tuition and fees, housing costs, taxes, and other expenses that come along with an international education experience are paid directly to the host institution where they benefit greatly. It was indicated that “[i]n the U.S., during the academic year 2017-2018, the 1,094,792 international students contributed \$39 billion to the economy and supported more than 455,000 jobs” proving the tremendous financial impact of international students (Tomasi, Paviotti, Cavicchi, 2020). Also, another major factor that drives economic value upward is the visiting family and friends of these study abroad students. The expenditures family and friends pay forth, for example,

hotels, dining at local restaurants, and partaking in tourist activities economically contribute to the host country's economy. In fact, "[i]n the U.K., in 2014-2015, visitors spent about 520 million euros for transport, hotels, hospitality, and cultural, recreational and sports attractions, generating an estimated 1 billion euros in gross output." Furthermore, the presence of visitors in the U.K. "supported a further 11,000 jobs and 100 million euros in tax revenues" (Tomasi, Paviotti, Cavicchi, 2020). Each of these expenses ultimately provides an influx of money into the economy of the host country. There is no doubt that the value international students bring to the economy of a host destination is impactful and drives forth economic success for all involved.

From a more microeconomic standpoint, local businesses benefit economically from study abroad programs. Universities across the globe aim to boost the local economy and surrounding local businesses. As discussed, universities benefit greatly from international students, but the surrounding local communities gain a brand-new group of young individuals looking to improve their community. Essentially, the host institution looks "to pursue their civic duties by allowing students to partake in educational services with the local community" (Tomasi, Paviotti, Cavicchi, 2020). Furthermore, these activities allow students to "practice active citizenship, gain knowledge, and improve their employability all while bettering the surrounding community and local businesses" (Tomasi, Paviotti, Cavicchi, 2020). Recently, universities have given more attention to their engagement with civic society, and therefore encourage collaboration when it comes to place-based projects that students participate in with local stakeholders to improve local economic development. Opportunities like these "foster engagement of the young and adult learners of the local community, alongside university students, thus creating a multi-stakeholder learning community" (Tomasi, Paviotti, Cavicchi, 2020). As previously explained, students enjoy tourism activities which positively impact local

businesses competing in the labor market. To emphasize, the overall presence of study abroad programs provide greater opportunities for local entrepreneurs, economic benefits for small businesses, and more employment opportunities for locals, contributing immensely to the local economy (Tomasi, Paviotti, Cavicchi, 2020). Lastly, the cultural exchange between students and locals allows local communities to become more aware of their own cultural identity which is a fundamental aspect in the promotion of economic development and governance (Tomasi, Paviotti, Cavicchi, 2020).

Expanding further that study abroad has a positive economic impact on host countries by driving profitability, it is important to note the positive and negative aspects of a student's local presence. The positive aspects include the idea that on-campus spending is directly related to their studies and this allows the host institution to thrive. Second, off-campus spending on housing, food, books, transportation, clothing, and entertainment contribute greatly to the economy of not only the host country as a whole, but the local economy of the city in which the institution is located. Additionally, contribution to the local tourism industry through students' decisions to domestically travel and partake in tourist activities majorly drive profitability. Also, as noted, non-educational tourism spending by students, visiting friends and family, and the return of study abroad alumni greatly boost profitable growth (Tomasi, Paviotti, Cavicchi, 2020). Comparatively, there are also several negative aspects of the presence of international students for host destinations. First, there becomes a raise in prices for accommodations and shop rentals in the university area. There are fewer part-time and full-time jobs for local people due to the fact that university students want international work experience and will accept lower pay. While the local economy thrives when students are present, there is a significant decline in the local economy during the summer when students are away. Lastly, there is excessive competition in

the market for services dedicated to the presence of international students (Tomasi, Paviotti, Cavicchi, 2020).

Over the last several decades, the number of higher education students across the globe receiving some part of their university education abroad has been on the rise, positively impacting the international labor market through student migration intentions, standards of employability and the development of global careers, as well as economic determinants. From a social-cultural perspective, research indicates that study abroad increases migration intentions amongst internationally mobile students. There is no doubt that students who study abroad have an overall increased interest in foreign cultures. When a student is immersed in a foreign culture, they become more curious of a life abroad, work opportunities abroad, and permanently migrating to a foreign destination. On the other hand, from a business perspective, study abroad increases the employability of graduates entering the labor market. Yes, study abroad may be considered a normative behavior, but the experience allows a student to dive further into an exploration stage in their life. Students who study abroad believe that the experience has profound effects on their career development, broadens one's perspective of career opportunities, and allows one to take on a global mindset. Individuals who possess a global mindset will succeed in the ever-growing global workspace. Lastly, from an economic perspective, study abroad positively impacts the economy of host countries by driving profitability for local and surrounding businesses. Universities who host international students facilitate important relationships between students, visiting tourists, and local stakeholders by fostering significant monetary exchange between all parties. Altogether, study abroad enables student migration and global careers, gives job candidates a competitive edge, and contributes to the profitability of host destinations, all of which positively impact the international labor market.

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