

Will the Increasing Number of University Graduates in China Affect Their Future Employment Rates?

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Abstract: The employment rates of university graduates is the core measurement revealing the employment situation, as well as supply and demand. It is also the important basis for making employment policies. The main factors concerning the employment rate of university graduates are the imbalance between supply and demand, dislocation of labor force supply and industrial structure, dislocation of employment expectation and lagging employment guidance. Relevant measures need to be taken to solve problems in statistics of employment rates.

Key words: University graduates, Employment rate, Restrictive factors.

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An employment rate of University graduates is the percentage of the number of employees in the number of job-hunting graduates. It is the core quota to weigh the employment situation of graduates and supply and demand. An employment rate has become the main basis for educational authorities to assess its management departments at a lower level and schools in terms of employment and quality of running a school. It is also an important aspect for a school to examine teaching quality and discipline design of its departments. Psacharopoulos believes that in many countries, especially in developing countries, education at different levels can achieve higher profit rate on average. [In addition, it's higher than that of investment in physical capital. To some extent, employment rates may reflect

their first time employment situation, or demand situation of employers in short term (before and after education), supply and demand situation of university graduates in job market. However, this can not reflect that situation in a long period]. [Employment will accompany the whole process for individual labor from entering the market to retreat from the market. Whether employed or not in short term can not judge his employment ability or labor's individual quality, or even affirm there are problems in school training. In this paper, the author will discuss problems that affect graduates employment and restricted factors of employment rates of university graduates.

I. Current Graduates Employment Rates in China

In current statistic of employment rates of Chinese graduates, the number of employed graduates includes employees who have signed employment agreement, enrolled students (referring to upgraded junior college students and students obtaining higher degrees), students studying abroad, flexible employees, which refer to those working in a position without signing employment agreement, including those of self-employed, running business in partnership, working without relevant document registered in personnel agency.

Since 1999, China has carried out the policy of

increased enrollment in high education. Our basic national condition is a large popular, weak economic foundation. Increased enrollment meet the needs of a large number of young people to go to college. It also leads to the conflict that the supply of university graduates is far more than the demand in job market with economic growth. The number of university graduates increases each year: 1.45 million in 2000, 2.12 million in 2003, 2.4 million in 2004, 3.5 million in 2005, 4.8 million in 2007 and 5.59 million in 2008. More and more university graduates clearly feel decreasing rates of supply and demand in job market each year. It is difficult employment peak for university students from 2001 to 2008. Meanwhile, the enrollment increases each year with a fast growing number of graduates in job market, for example, the number of graduates doubled in 2003 than 2001. It is the same case in 2004 compared with 2002. The number of employment demand would decrease further. The development of graduates' demand from industrial structure is from few to abundance to few, while the number of graduates is to increase then to develop steadily. This sharpens the contradiction between supply and demand, causing decreasing employment rates. In 2007, the number of graduates increased by 22%, together with social demand dropped by 22%.

II. An analysis of Reasons for Current Low Employment Rates of University Graduates in China.

The reason for restraining the increase of employment rates mainly lies in the result affected by many factors during the period of policy-changing. The main feature is short-term shortage and structural employment shortage. Experts have predicted that there will be imbalance of the number of graduates between supply and demand in five to eight years. Short-term poor employment is the time dislocation of the supply of university students and the demand of employers. But this might be in long-term because of the shortage of

many factors, such as ability of university students and market demand, policy dislocation of government and market rules, professional expectation and demand condition. The following are the specific reasons

1.Imbalance of Supply and Demand

[The conflict between labors and working post leads to dislocation of relevant features between supply and demand. The frictional unemployment does exist generally].²With rapid growth of national economy, living standards of urban and rural residents has been greatly improved. People's desire for higher education has upgraded to unprecedented levels. At the same time, the demand for university graduates with good qualification is far more than that of ordinary workers. With the constant deepening of China's economic system reform, long-term bound rural labor force are set free, moving to big cities, gathering in rural labor-intensive industry which requires relatively less technology. This results in significant increasing number of job-hunters. In addition, when national economy grows to certain level, we need reduce costs consumption. It is an inevitable trend to improve scientific and technological content for economic growth. The model of economic growth transits from labor-intensive model to technology-intensive one. Advanced technology has replaced labor work and has reduced demand for human resources. Economic structure accelerates the pace of adjustment and upgrade, demanding for higher and higher requirement of quality of human resources.

2. Dislocation of Labor Supply and Industrial Structural Adjustment

If current labor force fails to meet the requirement of productivity development, it will be technological unemployment. Employers have to look for suitable labors again. Su Peter thinks that technological advances are the core of economic growth. [The entire economic system is pushed by technological innovation and its diffusion

process. Mass unemployment and innovative activities are consistent in history].³China has huge population, rich in labor force resources. Whether in rural villages or towns, with rapid population growth, there is a massive workforce. Underemployment is very common in long-term. One can not develop his active characteristics of labor.

3.Regional Distributive Dislocation of University Graduates

Vast in territory, the unbalanced development of regional economy is another basic condition in China. In choosing jobs, students are driven too much by personal maximum benefits. This results in the fact that university graduates pursue and admire work in regions of high graduates density. This brings about a shortage of employment demand in less developed area. The economic development sequence is along southeast coast-midland-west. The graduate rates of 100 university students follow the same sequence. So is graduates' job expectation. While the great demand for graduates goes to the opposite sequence, i. e., west-midland-southeast coast. It is the same distributive order considering both the number of employed graduates and sequence of difficulty in introducing university graduates. Regional distributive dislocation of supply and demand of university graduates is another reason that limits raising the employment rate.

4.Dislocation of Expectation

Educational certificate is an important signal that original intelligence on different levels and personality characteristics (good attitude, punctuality, initiative) affect future labor productivity or plasticity. Labors with certificates can be rewarded by better pay. A certificate might help to predict one's future work performance. But it can not enhance one's job performance directly. Graduates and their family have higher employment expectation. There is a gap between expectation of choosing a job and actual

employment distribution (salary, region, unit). University graduates have higher rewarding expectation of his individual human resource investment. The expectation of employment area and employers are relatively fixed. This trend brings about employment problem. On one hand, there is higher and higher employment pressure with more and more university students. On the other hand, university graduates are unwilling to work in needy area, including mid-west areas, hard areas, small and medium sized enterprises, non-state-owned sector (except foreign enterprise). Furthermore, with the market economic development, employment changes from the traditional model that "firm runs the role of society" to labor demand model based on modern human resource management. In the past, companies would share the burden of unemployment, help to arrange unemployed worker. But now with profit as its core. Using "post description" as its standard to release position demand information, employers search staff through pricing system, competitive mechanism, mechanism of supply and demand in labor market. Or sometimes they would ask headhunter search companies to employ workers under critical conditions. University graduates remain hugely popular in job market for their higher quality. Meanwhile they are at a disadvantage in the workplace because of no working experience. [Because job choices are made under conditions of imperfect information, recruitment experiences may serve as signals of unobservable organizational characteristics (Rynes, Heneman, & Schwab, 1980; Rynes & Lawler, 1983). For example, in their qualitative study of recruiting, Rynes, Bretz, and Gerhart (1991) found that, consistent with signaling theory (Spence, 1973), recruits interpreted a wide variety of recruiting experiences (e.g., recruiter competence, the sex composition of interview panels, recruitment delays) as symbolic of broader organizational characteristics].⁴

5.Lagging Employment Guidance

[With the issue of employment of college students becoming increasingly prominent, how to establish good

view of college students employment, and improve the employment quality of college students is becoming the research focus. The student in normal college is different from the general class of university students' employment characteristics, so the class of college students' employment education needs to pass through the normal employment guidance thought, and really have a definite object in view of university students employment, and employment ideological education contents. Ideological and political education in university education is an important part, the thought of college students is even more important than professional knowledge. How the college students employment guidance implements effective ideological and political education is a measure of an important symbol of the level of college employment guidance. Ideological and political education are important to improve college students ideological level, psychological quality, with objective point of view regarding the social view of obtain employment. Ideological and political education of college students needs to be throughout the whole education career, particularly for college students about to enter the community, participating in the job, assuming an adult should bear the responsibility and obligation of the stage. Normal Graduates' employment direction is narrow, mainly for II types of educational institutions, to accept the reality voluntarily with mature and stable thought, realizing reasonable employment is an important task of employment guidance in ideological and political education in colleges and universities. This will be the normal university students' Ideological and political education as the main content, discussed in the employment guidance for university students as how to carry out effective ideological and political education.].⁵The employment rate is high in many countries. This urges business owners, politicians, and media all to ask to offer support to university students by improving their employment ability for the students to enter job market. Comparatively speaking, lagging employment guidance of Chinese university students is even more serious. Because it is the first time for most employed graduates, they do not have full understanding

of labor market. University graduates are not adequately prepared both mentally and psychologically, including adaptability to enter job market, knowledge structure, and professional competence. If there is no proper employment guidance service system to offer job information and vocational guidance, university students will face the loss of market efficiency in job-seeking process. At present, the primary problem in employment guidance service is lack of employment information, such as supply and demand shortage of graduates. Employers can not acquire complete general and individual information of university graduates. Students know little information about labor market and employers. Employment information is of poor quality. It is seriously lagging for information transmitting, understanding and predicting. In addition, the real employment rate can't be acquired, which leads to policy dislocation. Last but not least, service of employment guiding teachers needs improvement.

III. Conclusion

There is increasing number of students taking college entrance examination in China in recent years. It leads to increased enrollment, which result in sharp increased number of university graduates. It causes the following problems: a boom population, imbalance of supply and demand. From the above analysis on reasons of low employment rate, it can be safely concluded that the increasing number of university graduates in China will continue to affect the future employment rate of university students.

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