Employability and equity: A comparative international analysis

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Improving the employability of students has become central to universities across both Australian and American contexts. The rise of employability as an essential graduate capability is reflected in reform of the mainstream curriculum to cultivate interpersonal and other ‘soft’ skills; a growth in the extent and diversity of clinical and industry placements; and the increasing use of graduate outcome data to inform student aid allocation, institutional reputation, and potentially accreditation (Field, 2013). A greater emphasis on the measurable and utilitarian value of degrees is partly driven by concern over rising fees and student debt (Avery & Turner, 2012; Kamenetz, 2006), and partly by a decline in the graduate wage premium as systems move from mass towards universal participation (Trow, 1973).

Integrating employability into university curriculum raises a central question of student equity. How can universities ensure that employment opportunities are aligned with the interests and assets of an increasingly diverse student population? Presently, some student cohorts have significantly worse labour market outcomes than others. Graduates with a disability or from a non-English speaking background, Black, Latina/o, and ethnic minority graduates all typically face worse than average employment outcomes (Graduate Careers Australia, 2014b). Further, perceptions of high student debt may steer students away from choosing lower-paying careers that serve the public interest (Rothstein & Rouse, 2011).

The authors suggest how the employability capability may be developed to reduce rather than reinforce inequality, drawing on higher education theory and practice from Australia and the United States.

Keywords: Employability, equity, higher education

Introduction

This paper highlights the need for universities to embed student equity into their employability missions. Comparing Australian and American contexts, we argue that universities in both countries are increasingly focused on providing students with employment opportunities, and with broader skills for employability such as collaboration, communication and problem-solving. Cultivation of these skills and opportunities is being promoted through mainstream curriculum design, and through the expansion of extra-curricular initiatives. While the employability agenda is now well-understood and documented, the effects of its implementation across diverse student cohorts remain largely unexplored. Drawing on original research from an Australian university, we argue the need to interrogate the effects of social and cultural capital, financial wealth, and diversity of background. In particular, we argue that greater institutional support is required to enable traditionally underrepresented students to engage with optional employment experiences.
Optional employment experiences are typically extra-curricular, and may include paid internships, voluntary work placements, or broader experiences such as outbound mobility and career preparation activities.

The first section of this paper outlines the context and implications of recent sectoral expansion in both nations. We highlight the limitations of growth for student equity, with underrepresented student cohorts either failing to increase their proportional representation, or realising growth primarily within institutions of relatively low status. A further implication of growth, combined with rising fees and other factors, is a renewed focus on employability and a contemporaneous decline in the relative graduate wage premium. We define employability broadly to include notions of duration, quality, and career building, beyond immediate post-graduation employment outcomes. Employable people are those who have the generic skills to fulfil multiple roles and transition between jobs; obtain employment at a level that matches their discipline-specific skills and personal qualifications; and demonstrate capacity to build a career over a long period of time (Bridgstock, 2009). The focus of our paper, however, concerns optional experiences available to students outside of the mainstream curriculum. These experiences form a central element of the broader employability agenda within universities, and our institutional data specifically reveal participation rates within these activities.

If the growth of higher education has contributed to a decline in the relative graduate wage premium, that decline has not been experienced equally. Our second section highlights that, while graduate wage outcomes been static or declining relative to non-graduates in both Australia and the United States, these outcomes differ markedly by geo-demographic factors. In particular, students from low socio-economic backgrounds in Australia, and from Black and Latina/o background in the United States, are more likely to record lower graduate salaries and lower postgraduate transition rates. Graduate destination data remain an incomplete but important measure of employability skills. Given the inability of sectoral growth to raise underrepresented student participation rates at selective institutions, and given the relatively poor graduate outcomes of underrepresented students, we would therefore expect employability strategies to include a clear focus on student equity.

However, section three reveals that some employability initiatives may in fact exacerbate student inequity, and involve low access and participation of underrepresented groups. This section examines results from an Australian university, where voluntary placements were made available to students to increase their workforce participation and experience. While students with particular knowledges and financial security were aware of the new extra-curricular opportunities available, and able to take advantage of them, others appeared to be effectively marginalised from these opportunities. Aligned to similar research from the United States, we argue that optional employment experiences require targeted support to ensure accessibility, affordability, and broad participation. However, redressing marginalisation in this space also requires a deeper appreciation of capital and cultural wealth. In Bourdieu’s popular conception, middle and upper class families carry forms of knowledge understood as cultural and social capital, that enable them to maintain their position in the social hierarchy (Bourdieu & Passeron, 1977). Importantly, these forms of capital are convertible and transmissible, enabling education systems to reproduce privilege rather than create genuine social mobility (Goldthorpe, 2007, p.4). The extent of Bourdieu’s claims of social reproduction has been critiqued in light of evidence of intergenerational and educational mobility (Goldthorpe, 2007, p.5). Moreover, further critique has arisen within critical race theory, in which a deficit-model of cultural capital is rejected, and alternative
forms of capital are highlighted, such as aspirational, linguistic, familial, social, navigational and resistant capital (Yosso, 2005, 77-81). One of the challenges for universities is to design employability and other experiences that value these diverse forms of capital, often held by underrepresented students.

Clearly, addressing unequal participation within optional employment experiences is only an institutional starting point. Broader reform around curriculum, retention and achievement is also critical to raising employability among student cohorts. What constitutes employability extends beyond technical capacity to broader skills and attributes, particularly the noncognitive, or ‘soft’, skills that are recognised as transferable, durable, and highly regarded by industry. Soft skills need to be embedded in mainstream curriculum, include interpersonal collaboration, teamwork, communication skills and problem-solving skills (Andrews & Higson, 2008; Dwyer, Millett, & Payne, 2006). Academic achievement also matters beyond graduation. Using data from the Collegiate Learning Assessment, Arum and Roksa (2014, pp.62-65) highlight that differences in student achievement levels lead to marked differences in graduate outcomes. Finally, Vincent Tinto (2012, p.1) underlines the importance of student retention to employability, noting that ‘what matters is not simply attending college but completing a degree, especially a four-year degree’. The centrality of curriculum, achievement and retention initiatives to employability is well-documented and itself involves a multitude of student equity issues, such as the consequences of higher attrition rates for underrepresented students. Our focus on optional employment experiences within this paper is thus not designed to be comprehensive, but rather to cover an aspect of employability whose consequences are significant in isolation, and to which we can contribute original research. Irrespective of broader reforms, we argue that the provision of targeted support to underrepresented students could significantly enhance their experiences and post-graduation prospects. However, institutional strategies must do more than try to integrate or ‘acculturate’ underrepresented students. Universities ultimately need to design employability models that explicitly support students with different forms of capital and community cultural wealth.

Methodology

This study draws on relevant employability literature and research across both comparator nations, and also refers to publicly available data sets across both nations. To this end, the authors examine the Australian Graduate Survey, which provides information on university graduates three months after graduation. Alongside this survey lies the Beyond Graduation Survey, which captures Australian employment outcomes five years after graduation. In the United States, we examine the findings from a variety of researchers who have conducted secondary analyses on datasets organised by the U.S. Department of Education’s National Center on Education Statistics. The authors also include preliminary findings from the Baccalaureate and Beyond Longitudinal Study, a study similar to Australia’s Beyond Graduation Survey that captures employment outcomes and undergraduate experiences of American students who completed their bachelor’s degrees in the 2007-2008 academic year. The first Baccalaureate and Beyond Longitudinal Study follow-up collected data one year after graduation, and the second Baccalaureate and Beyond Longitudinal Study follow-up collected data four years after graduation. The U.S. Department of Education is still in preliminary analyses of this longitudinal survey.

Our research also includes original data from a medium-sized Australian university that includes both metropolitan and regional campuses. The Career Development Centre at this
institution collects student details for a wide range of services, including voluntary work placements. The Centre provided the authors with spreadsheets identifying students who have completed and submitted a voluntary work experience form. The form is designed to insure students while they are undertaking volunteer experience in a field that is related to their course, because standard workplace health and safety laws do not cover unpaid employees.

There were 169 completed forms submitted to the Career Development Centre, including international students and a number of students who completed more than one voluntary work experience placement within the year. In total we were able to match 113 unique domestic students to 2013 student census data. Within the same university, we matched data from the International Student System (ISIS) for semester-long student exchanges to the student census data from 2011 to 2013. As part of our analysis we removed the duplicate student identifications for students who had completed more than one exchange and filtered the exchange data for domestic students only. The number of students successfully matched to enrolment data was 562 across the three years between 2011 and 2013.

**Expansion, participation and employability**

Higher education has undergone rapid transformation across Australia and the United States over the past several decades. Since the introduction of the demand-driven system in Australia in 2009, under which universities could enrol unlimited numbers of undergraduate students, the number of Commonwealth supported places has increased by 22 per cent (Norton & Kemp, 2014). The proportion of Australians between the ages of 25 and 34 who hold a bachelor’s degree has risen from 29 per cent in 2006 (Bradley, Noonan, Nugent, & Scales, 2008, p.18) to 35 per cent in 2013 (Kemp & Norton, 2014, p.4), close to the Government’s target of 40 per cent (Bradley et al., 2008). Within this overall growth, the proportion of students from the lowest quartile of socio-economic status (SES) background rose marginally from 16 per cent to 17 per cent between 2007 and 2012 (Norton, 2013, p.12). The proportion of regional and rural students has remained fairly static at just 17 per cent, despite regional students comprising over a quarter of the Australian population (Burnheim & Harvey, 2014). Thus, while the overall number of underrepresented students in higher education has risen substantially, socio-economic and geographic inequality remains.

In the United States, postsecondary education has expanded rapidly to accommodate growing numbers of students who were largely excluded from higher education prior to the Civil Rights movements of the 1960s (Smith, 2009). Particularly since the expansion of financial aid programs in the 1980s, postsecondary enrolments have increased dramatically, especially for African American and Latina/o student populations (Carnevale & Strohl, 2010). From 1995 to 2009, freshman (commencing) enrolments for Latinos and African Americans rose sharply, by 107 per cent and 73 per cent respectively, while enrolments for Whites increased by 15 per cent (Carnevale & Strohl, 2013). Although the enrolment growth among White students may seem small, it has largely taken place within the most selective colleges and universities, while the enrolment growth among underrepresented student populations (e.g., African Americans and Latinos) have largely been concentrated at less selective four-year institutions and two-year community colleges that only offer associate degrees (Carnevale & Strohl, 2013). Thus, despite sectoral expansion in both nations, the most selective and prestigious institutions continue to admit relatively few underrepresented students. Within five of the elite ‘Group of Eight’ universities in Australia in 2013, low SES students comprised less than 10 per cent of the student cohort (Department of Education, 2014). Underrepresented students in elite universities typically have much higher retention rates than
those enrolled elsewhere, underlining the challenge of increasing both participation and retention, and the extent of institutional stratification (Pechenkina, Kowal, & Paradies, 2011; Bradley et al. 2008).

Sectoral growth in both Australia and the United States has contributed to a relative decline in the graduate wage premium (Norton, 2014, p. 76; Shierholz, Sabadish, & Wething, 2012). This decline, along with rising tuition fees in both nations, has generated renewed debate on the private benefits of higher education in both popular and academic discourse (Norton 2014). Speculation about which degrees have experienced the deepest declines in wage premiums has piqued interest in available data capturing graduate outcomes, including differences in outcomes by field of education, geo-demographic characteristics and other variables (Pechenkina, Kowal, & Paradies, 2011; Bradley et al. 2008). Employers are also communicating and influencing graduate capabilities perceived as critical to work-readiness (Hart Research Associates, 2015; Humphreys, 2014). The widespread publication and calibration of employment outcome data into league tables indicates how they are informing both student recruitment on the part of institutions, and college choice decisions by students and parents (Humphreys, 2014). There has also been a notable rise in postgraduate education (Staklis & Skomsvold, 2014), potentially fuelled by perceptions of credential inflation and the concern over wage differentials (Harvey & Andrewartha 2013;).

**Equity and graduate outcomes**

Underrepresented students receive relatively poor graduate employment outcomes compared with the overall student cohort. The Australian Graduate Destination Survey (Graduate Careers Australia, 2014b, p. 18) highlights that graduates from a non-English speaking background (NESB) had relatively low full-time employment figures four months after graduation. Only 62.3 per cent of these graduates were in full-time employment at this point, compared with 71.3 per cent of the total group of graduates. NESB graduates were around twice as likely to be not working and looking for full-time employment as other graduates (18.8 per cent compared with 10.6 per cent for all graduates). Graduates who reported having a disability also had relatively low full-time employment figures (69.3 per cent). Disparities in graduate outcome by gender are well-documented, with an Australian gender wage gap of 9.4 per cent favouring males in 2013, reduced to 4.4 per cent after controlling for field of education and other factors (Graduate Careers Australia, 2014a, p. 1).

In the United States, a primary focus is on those students from African American and Latina/o ethnic backgrounds, as they have traditionally been and continue to be underrepresented in American higher education. As previously stated, recent enrollment growth for these populations has been concentrated in under-resourced, open-access universities and publicly funded community colleges. However, it is more selective colleges

1 Various distinctions are drawn among American higher education institutions. The main classifications lie in whether or not an institution is public or private, two year or four year, and for-profit or not-for-profit. Generally, two year institutions, commonly known as community colleges, are affordable, open access institutions that offer associate’s degrees and vocational training. Bachelor’s degrees are offered by four year colleges that may or may not have a selective admissions process, and that often have greater financial resources than community colleges due to higher tuition. For-profit colleges, owned and operated by private companies, are popular with working class students, but often have high student debt default rates and relatively poor graduation rates and outcomes (Mettler, 2014, p.2).
that invariably have greater financial resources and endowments, higher rates of postgraduate enrollment and attainment, and whose students enjoy higher career earnings ten years after graduating. For example, graduates from more selective colleges earn $67,000 USD annually, as opposed to graduates from less selective/open-access colleges who only earn $49,000 USD (Carnevale & Strohl, 2013). Preliminary analyses from the Baccalaureate & Beyond study also show racial/ethnic and gender disparities in earnings in the most recent follow-up of 2007-2008 college graduates. Among full-time employees, White workers reported an average annual salary of $52,400 USD four years after graduation, while African Americans and Latina/os lagged behind at $48,800 USD and $47,300 USD, respectively (Cataldi, Siegel, Shepherd, & Cooney, 2014). In the same subsample of full-time employees, men’s average annual salary was more than $10,000 USD higher than women (Cataldi et al., 2014).

Moreover, in 2009, only one year after graduation for the B&B participants, unemployment was lower for White college graduates (8 per cent) than for African Americans and Latina/os (both 12 per cent), and for the Asian/Pacific Islander group (16 per cent) (Cataldi et al., 2014).

Finally, low socio-economic status graduate outcomes are highlighted by their participation levels within postgraduate education. Heagney (2010) notes that low socio-economic students constitute only 10.5 per cent of the total Australian postgraduate cohort. Moreover, just 8 per cent of continuing Australian PhD students came from low socio-economic backgrounds in 2008, despite this group constituting 15 per cent of the overall university cohort and 25 per cent of the population. As several authors have noted, there is little evidence that the effect of class simply ‘washes out’ through undergraduate level, and postgraduate education remains the most lucrative level for graduate outcomes (Harvey & Andrewartha, 2013; Wakeling & Kyriacou, 2010). In the United States, postgraduate educational attainment is equally important. Individuals with postgraduate degrees exhibit the lowest unemployment rate of educated workers (3.3 per cent), and their annual earnings are $60,000-$100,000 USD on average, as opposed to the $30,000-$54,000 USD range exhibited by undergraduate degree holders (Carnevale & Cheah, 2013). Further, among African American and Latina/o students with high scores on standardized college entrance exams, those who attend selective colleges are twice as likely to go on to postgraduate education (Carnevale & Strohl, 2013).

**Employability experiences within universities**

Data on expansion, participation and graduate outcomes reveal a need for employability to be embedded within universities, particularly to support underrepresented students whose graduate outcomes are relatively poor. However, our own data indicates that underrepresented students may in fact be marginalized within some employability experiences.

In one Australian institution, we examined the characteristics of students undertaking voluntary work placements, organised through a central university careers service. These placements are not for credit or formal recognition, but provide valuable experience for students. In Arum and Roska’s (2014, pp. 69-71) study of United States graduates, the researchers found that 25 per cent of graduates found their most recent job through an internship, volunteer opportunity or former employer, and a further 17 per cent of graduates found their job through their colleges’ formal and informal career resources. While little comparative research is available at national level in Australia, the similarity of university structures and labour markets suggests similar outcomes could be expected.
Within our examination of voluntary work placements within the Australian university, we found that low socio-economic status students were only about half as likely to participate as other students. Ten per cent of students undertaking an unpaid placement were from a low socio-economic status background, compared with the overall low socio-economic status participation rate of 18.3 per cent across the institution. Students from regional campuses were also under-represented. Despite comprising over a quarter of the student cohort, regional students represented only 14 per cent of work placements across the university.

We also examined geo-demographic impacts on participation in for-credit opportunities linked to employability. Specifically, we found that both students from low socio-economic status backgrounds and those studying at regional campuses are under-represented within long term international student exchange programs. International exchange, or ‘study abroad’ programs, are well-documented for their ability to expose students to real-world sites and connections. Within one major study of liberal arts students at a New York institution, the researchers found that virtually all students praised their international experience, and ‘many, in fact, cited it as their single most valuable educational activity in college’ (Chambliss, 2014, p. 127).

In the Australian institution we examined, low socio-economic status participation rates in long-term exchange programs improved over the three years from 2011 to 2013 but these students still remain relatively under-represented. In 2011, only five per cent of domestic students who participated in a long term exchange were from low socio-economic status backgrounds, despite the fact that such students comprised seventeen per cent of the total student cohort. In 2013, the low socio-economic status exchange proportion had increased to twelve per cent but still trailed the University-wide proportion of such students (18.3 per cent). Similarly, students from regional campuses are under-represented. Based on the data from 2013, the number of regional students undertaking an international exchange would have to triple to achieve parity with their proportion of the student cohort.

In response to the findings on voluntary work placements and international study exchanges, the University is introducing greater financial support programs to promote the participation of low socio-economic status students in both programs. Similar support programs already exist at some other universities. For example, the Work Placement Program at Deakin University provides bursaries to disadvantaged students undertaking compulsory work placements as part of their course, and to students undertaking a voluntary work placement. In addition, students undertaking a voluntary placement are given career support to assist them to maximise their placement, and the program can provide a small, $500 AUD payment to supervisors to support and encourage organisations to provide work experience. Students on voluntary work placements are paid at the equivalent of a Higher Education Officer level one for 4 weeks, bringing the total cost of the bursary and supervision grant to roughly $4000 AUD per placement (Essex & Salvatico, 2012). Initial evaluation of the scheme shows that it is highly valued by participants, and that students who have participated within the program have displayed strong achievement, retention rates and graduate outcomes. In addition, a number of students who participated within the program have commenced full time work with their host organisation once they finished their degree (NCSEHE, 2014). This outcome is consistent with Arum and Roska’s (2014) findings within the United States context, as outlined above.

Discussion
Voluntary placements and outbound mobility experiences are only two aspects of the employability agenda, but our research indicates that unequal participation is likely to be prevalent wherever optional, application-based activities are offered. These results are perhaps unsurprising. Students from low socio-economic status backgrounds are more likely to have greater time commitments outside of study, such as casual employment or family commitments, and are less likely to be able to afford the time or money required to undertake unpaid work experience. Regional students are also more likely to face compound disadvantage, with over a third of the university’s regional cohort also hailing from low socio-economic status backgrounds. Moreover, research suggests that low socio-economic status students are less likely to possess the particular cultural capital required to access placement opportunities, despite often possessing high levels of aspirational, navigational, resistant, familial and other forms of cultural wealth (Yosso, 2005).

Research from the United States further corroborates our findings. Employability is often couched in terms of the role that human capital resources play in finding employment (Strayhorn, 2008, p. 31). However, studies show that social capital (i.e., information-sharing networks) and cultural capital (i.e., the system of beliefs passed down from one’s parents that characterize class status) help to explain a variety of college student outcomes (e.g., Perna, 2000; Strayhorn, 2005), and are likely to influence participation in optional activities. For example, low-income, first-generation African American students may have fewer sociocultural capital resources bestowed upon them by their family networks, decreasing their chances of effectively accessing and utilizing existing career preparation opportunities at their institutions (Parks-Yancy, 2012). An even more striking example is found in undocumented immigrant students in the U.S. Despite the legal constraints on their employment prospects after graduation, undocumented students draw on unique cultural capital resources to maintain career aspirations, but need additional support to engage effectively with career development activities (Ortiz & Hinojosa, 2010).

Addressing unequal participation in optional activities is therefore central to developing inclusive employability strategies. Working, volunteering, and participating in outbound mobility experiences have all been linked to improved employment outcomes. In particular, Australian Graduate Destination Survey data from 2014 highlight the importance of working while studying in terms of gaining future employment. Of the graduates who did not work in their final year of study, only 55.3 per cent had found full-time employment at the time of the survey, compared with the average graduate rate of 76 per cent (Graduate Careers Australia, 2014b, p. 18). Those not working in their final year were also by far the most likely to have been seeking full-time work and not working, with over eleven per cent of graduates in this category (Graduate Careers Australia, 2014b, p. 18).

US evidence further suggests that, while employers may screen prospective employees using basic indicators such as specialized curriculum or grade point averages, they often look to supplementary career preparation experiences to make selections from screened candidates (Sagen, Dallam, & Laverty, 2000). Career preparation experiences that allow students to gain relevant work experience (e.g., paid internships, voluntary work placements) have become especially popular. Internship experiences, for example, provide a space for socialization to a professional setting, learning the importance of establishing professional networks, and assessing how well they fit with potential career fields of interest (Carnevale & Hanson, 2015) While these types of supplementary career preparation activities generally enhance students’ individual assets, their effects vary. Internship-type work experiences related to a student’s chosen career increase the chances of employment success for graduates in the natural and
life sciences (e.g., engineering, nursing); however, non-work-based experiences, such as participation in student organizations, are beneficial for graduates in the behavioural sciences (e.g., education, social work) (Sagen et al, 2000). In addition to application-based activities, career preparation experiences such as mentoring and participation in cooperative education can result in increased self-awareness and an understanding of occupation that are important for navigating the workforce in the long term (Sagen et al, 2000). These types of career development outcomes are an essential component of the broader conceptualizations of employability being advocated, and necessitate that institutions look beyond short-term employment outcomes in order to evaluate the efficacy of the optional career preparation experiences that they construct for students.

**Conclusion**

Recent growth in higher education within the United States and Australia has involved unintended consequences. As student fees have risen and the number of graduates has rapidly increased, the relative graduate wage premium has declined. This consequence has led many students into postgraduate education, where returns are higher, and other graduates to focus on gaining employment experience while studying. Contemporaneously, institutions have moved to develop a broad notion of employability that includes embedding ‘soft’ skills within their curriculum, and providing a range of formal and informal employment experiences for students. Despite this institutional focus, the benefits of employability are not shared equally, and graduate outcomes for traditionally underrepresented students remain relatively low.

Optional employment experiences constitute only one element of a complex and growing employability agenda. Nevertheless, research indicates that these experiences are valued by students and important to graduate outcomes. The relatively low participation of underrepresented students in optional experiences is thus problematic, and likely to compound existing inequalities of graduate outcomes. In designing institutional strategies, the importance of nuances in cultural, social and financial capital needs recognition. Broadening access to extra-curricular employment opportunities is central to the development of more equitable employability strategies and will require interventions that acknowledge the diversity and complexity within underrepresented student groups.

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