

The effect of practical experience during studies on labour market entry of Bavarian graduates

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1 Introduction

- Graduates need practical experience additional to higher education
 - Acquisition of additional competences
 - Contacts
- Relevance of practical experience depends on:
 - Type of higher education
 - Field of study
- Graduates as entrepreneurs of their labour force
- Practical experience → time span until first employment reduced

2 Theoretical background

2.1 Human capital theory

- Competences acquired in internships and jobs
 - determinants of acquiring competences in internships and jobs
 - general competences vs. firm-specific competences
 - internships vs. study-related jobs
 - profits vs. costs
 - negative marginal utility
 - significance of field of study concerning practical competences
- Limited extent of application of human capital theory
 - optimal amount of practical experience not known
 - relevance for labour market entry not exactly quantifiable

2 Theoretical background

2.2 Social capital theory

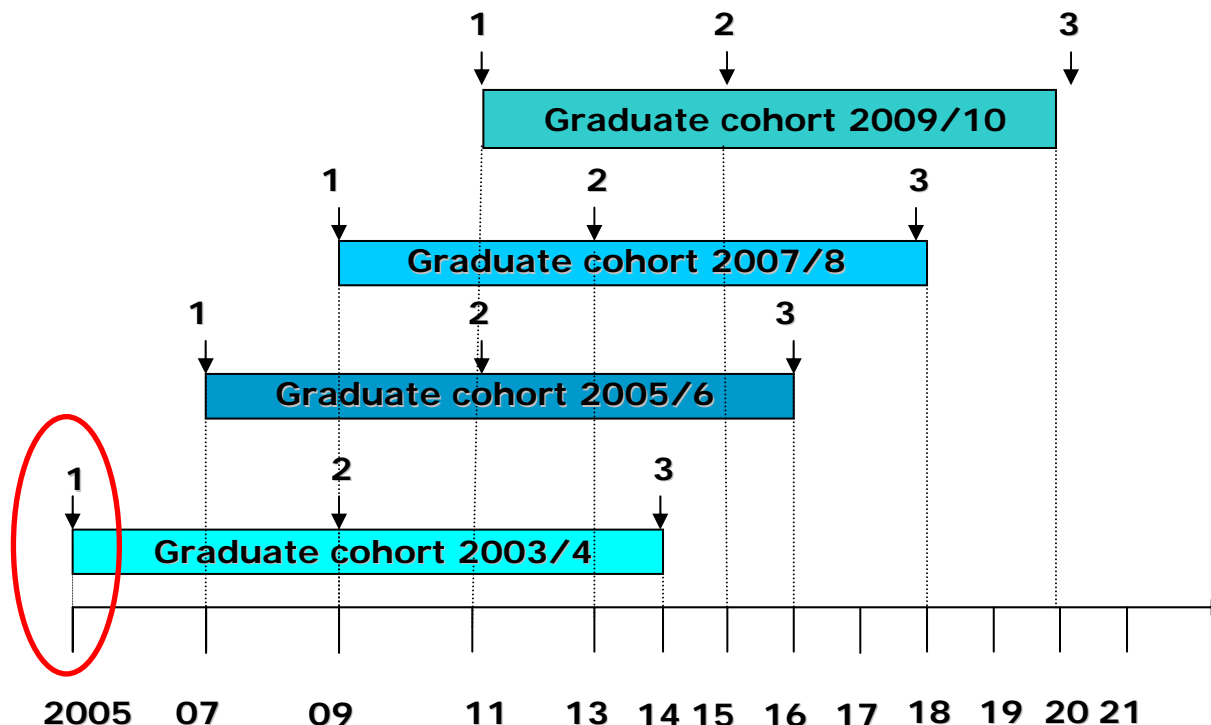
- Contacts from internships and study-related jobs
 - determinants of establishing contacts
 - contacts as a form of “capital”
 - labour market as an “imperfect” market
 - use of contacts as a means of risk reduction
 - significance of field of study concerning contacts

- Social capital versus human capital
 - social capital as a supporting factor for human capital
 - social capital as a factor blocking optimal allocation of jobs

3 Data and methods

3.1 Data

- Data basis: Bavarian Graduate Panel, data from 2005
 - 4,519 graduates of Bavarian universities (of applied sciences)
 - five groups of fields of study (Diploma/Magister only)



- further information:
www.ihf.bayern.de

3 Data and methods

3.2 methods

- Dependent variable: duration until employment vs. Ph. D. fellowship
- Independent variables
 - familial conditions (gender, partner, parents' education)
 - course of education (stay abroad, professional training etc.)
 - results of studies (final mark, duration of studies)
 - Practical experience during studies
 - Further variables (field of study, disposition for mobility etc.)
- Method
 - event history analysis: piecewise constant exponential model
 - no specific assumptions concerning functional form of transition

4 Results – Social capital

Variable	Group 1 [#]	Group 2 ^{##}
1st employment: contact from internship (1=yes)	0,449***	0,673**
First employment: contact from job (1=yes)	0,250***	0,739***
<i>Reference group: formal ways to 1st employment</i>	-----	-----
Last internship: professional competences ⁺	n. s.	
Last internship: extra-professional competences ⁺	n. s.	
Jobs: professional competences ⁺	n. s.	0,102*
Jobs: extra-professional competences ⁺	n. s.	

[#] clear reference to the labour market ^{##} diffuse reference to the labour market

⁺ 1 = not useful at all; 5 = very useful; *** 1 %, ** 5 %, * 10 % (significance level)

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4 Results – Other effects

Variable	Group 1 [#]	Group 2 [#]
Number of internships during studies	n. s.	
Gender (1 = man)	n. s.	0,323*
Partner (1 = yes)	0,113**	0,448***
Professional training related to studies (1 = yes)	0,184***	0,597**
Final mark in the studies	-0,302***	n. s.
Duration of studies	-0,076***	n. s.
Disposition for mobility (1 = high, 0 = low)	-0,221***	n. s.
Begin of job search	-0,040***	n. s.

clear reference to the labour market ## diffuse reference to the labour market

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5 Conclusion

- Jobs and internships are useful for smooth labour market entry
- Contacts are directly useful, competences indirectly
- No signalling effect for practical experience
- Other forms of practical experience also useful
- Other factors usually more important for labour market entry
- Further research necessary
 - different results for bachelor and master graduates?
 - different results for other countries/regions?

Thank you for your attention!

Further information (in German):

Sarcletti, Andreas (2009): Die Bedeutung von Praktika und studentischen Erwerbstätigkeiten für den Berufseinstieg (bayerischer Hochschulabsolventen. Eine Untersuchung anhand der Daten des Bayerischen Absolventenpanels). Studien zur Hochschulforschung 77. München: Bayerisches Staatsinstitut für Hochschulforschung und Hochschulplanung. Zugl.: Bamberg, Dissertation, 2009

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