

Education and job satisfaction relationship



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1. Introduction

Underlined concept of the growth strategies of countries is whether the economic growth creates employment or not. Employment generating growth certainly contains both financial and real investments. According to recent researches, when we consider how economies create employment with respect to the education levels of employees, we can observe the increasing rate in unemployment of well educated people. Either in Europe or in Turkey, the reasons behind graduate unemployment can be considered from different perspectives. The main viewpoints are there is an increasing rate of well-educated people in the society and there is not enough suitable jobs which well-educated people can match. This causes a huge amount of graduates do not work in a relative field of their education and that educational mismatch also brings skills mismatch. Mismatch increases wage differences and decreases job satisfaction.

The main purpose of this paper is to analyze the mismatch with both education and skills perspectives and to show the job satisfaction level of working individuals. The sample group of the data is selected from Anadolu University 's West Europe Programme. Choosing this sample allows us to show the mismatch and job satisfaction level of working individuals graduated from West Europe Programme and to make a comparison towards the departments and the countries. Thus, this paper will show the employment and job satisfaction levels of success for West Europe Programme and this provides the opportunity to develop strategies for the incompetency parts of the programme. A literature review placed regarding

the topics of “ job satisfaction” and “ education/skill mismatch”, methodologies analyzed for the model creating/statistical study.

Literature Review

2. Education

Education is one of the effective ways to invest on human capital which increases productivity. There are kinds of education methods individuals can use to invest their human capital like formal, informal and non-formal education. Formal education is the key method which is accepted by many institutions and easy to measure.

There are numerous studies about the effects of education. Studies which analyzed the effects of education found in addition to good effects, in some cases education might indirectly bring some negative effects.

Morgan and David divided the benefits of education as which can be measured and evaluated easily and which cannot. They took the hourly earnings as people’s contribution to the economy, which can be easily measured . They took the years of schooling (completed) as measure of education. The findings of the study expectedly shows a positive relationship between the years of education completed and wages. (Morgan & David, 1963)

Measuring education and analyzing the effect of education on earnings and so on productivity brings another question in minds: “ How much schooling is required ?” Studies about the question shaped across the terms “ over-

educated”, “ under-educated”, “ over-qualified”, “ under-qualified”, “ match”, and “ mismatch”.

2. 1 Over-education & Under-education

An overeducated person is simply has more years of completed schooling more than the years of schooling required by job, and undereducated is vice versa.

There are benefits and losses of over-education as we mentioned before. One of the benefits of education is, overeducated workers are less costly for the firms. Hersch [1991] found an inverse relationship between over-education and training time. (an additional year of surplus schooling reduces training time by 1. 65 weeks for males and 1. 75 weeks for females.) If we take training time as a cost for firms, higher the schooling lower the cost. (Hersch, 1991)

Overeducated workers earn more than the ones working in their field who have lower education levels. Unsurprisingly, they earn less than properly matched ones who are in the same level of education. (Sicherman, 1991) (Giorgio Di Pietro*, 2006) Since the hourly wages are the measure of productivity, we can also assume that overeducated workers are more productive than the ones working in their field who have lower education levels and they are less productive than properly matched ones who are in the same level of education.

Another topic in the over and under-education is the mobility of workers. According to Sicherman, overeducated people are more likely to change

their jobs or their firms than ones who are adequately educated and undereducated. (Sicherman, 1991) Robst [1995] found there is no significant differences between the probability of job mobility between overeducated and adequately educated workers but undereducated workers are less likely to move to jobs requires more schooling than adequately educated workers. Moreover, he found a significant negative relationship between required schooling and job mobility. There is also a high probability of overeducated workers to move to jobs which requires more education. (Robst, 1995)

3. Skills Mismatch and Education Mismatch

Since economy deals with effective using of limited resources, private and public sector should allocate the human resource -as a limited resource. The effective using a human resource is about utilizing the skills. Sometimes, private and public sector can be able to utilize the skills of their labor force but sometimes they cannot. When they fail to manage to utilize the labor force as their qualifications, mismatch occurs. There are two types of mismatch: “ education mismatch” and “ skills mismatch”.

Over-education can only occur from spending more time in formal education. Unlikely, over-qualification can occur in many ways. Formal education, informal education, work experience, age, language skills, computer skills and the other specific skills can drive a person to be over-qualified for a job. Skill mismatch is also different from education mismatch.

4. Education and Job Satisfaction

Individuals invest their human capital because of several reasons. People increase their skills and knowledge because they want to have reputation, to get high wages, to contribute science, to produce or find something good and useful for humanity and many other reasons. The main reason behind all these is satisfaction. They want to satisfy their financial and spiritual needs. While general satisfaction plays an important role to invest on human capital, job satisfaction is also important for working individuals. It effects motivation and productivity of people.

4. 1 Minnesota Satisfaction Questionnaire

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