

Abstract

**Analysis of the labor market relevance and outcomes of
OECD higher education systems : On the case of Korea**

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This research examines whether Korean higher education has a suitable system and relevant policies to respond to a rapidly changing social environment and technological development in the context of labor market relevance and outcomes. For this study we used the OECD's analytical framework for its in-depth analysis of 「the labor market relevance and outcomes of higher education systems」, an

agenda for OECD's Enhancing Higher Education System Performance project. Utilizing the framework was intended to draw international comparison in order to identify where Korea's competitiveness in higher education stands at and promote its future advancement.

OECD's analysis of the labor market relevance and outcomes of higher education systems approaches the subject with a focus on the competencies students should be equipped with in the labor market. The analysis framework examines what policies are used by the government to increase competencies of graduates relevant in the labor market, along with their frequency and effect. Relevant policies are divided into policy levers (funding policy levers, regulatory policy levers, information policy levers, organizational policy levers) and policy targets (higher education institutions, students and parents, employees, companies, labor unions and professional groups).

This research analyzed the characteristics of policies related to higher education and the labor market for each policy target according to the OECD's analysis framework. In general, Korea's policies concerning higher education and the labor market mainly targeted higher education institutions, students and parents while very few targeted labor unions or professionals. Most of the policies for higher education institutions were related to improving university education in general, and partly the labor market. As for policy levers, funding policies were most frequently used. However, since various ministries were implementing such policies in silos, some of them were redundant with different goals. Regulatory, information or organizational policies accounted for a small portion. Particularly, except for the operation of career center on campuses and internship system, organizational policies did not have much to offer.

In order to diagnose Korea's labor market relevance and outcomes of higher education, we translated OECD's self-assessment toolkit and used them to conduct a survey among higher education experts. The result showed that Korea's

higher education experts saw Korea's higher education graduates as having suitable professional knowledge relevant to the labor market, but lacked common cognitive skills such as problem identification or solving skills and critical thinking skills, in addition to socio-emotional skills. They also concluded that graduates relatively lacked competencies required to adapt to and succeed in the labor market in 10 to 15 years. They assessed that this is associated with the social climate in which employees emphasize professional knowledge instead of common cognitive skills or socio-emotional skills.

As for access to and preparedness for higher education, the experts diagnosed that Korea maintains a certain level of equity in access to higher education, but is inadequate in preparing students for higher education in middle and high schools, ensuring equal competency development regardless of social class, providing access to and utilizing information to help students choose higher education institution and programs, and facilitating adults' easy entry into or return to higher education. They also responded that there is low connection between the competencies emphasized in secondary education and higher education.

To improve labor market relevance and outcomes, universities were found to be focusing on providing career guidance and counseling service to the students as well as developing programs outside of the curriculum to promote labor market competencies. However, cooperation among employees, labor unions or relevant stakeholders for the development of students' competencies was found to be rare.

In terms of the effect of policy levers, funding policies were evenly spread out over the quadrant graph with axes of frequency and effectiveness. As for organizational policies, most of the policies displayed positive frequency and effectiveness on or above the average level. However, regulatory policies were mostly located below the average level of effectiveness. Such result indicates that organizational policies, though small in number, can produce a big effect by utilizing existent resources or providing direct services to the actual policy targets in the

process of leading and supporting policies. As for funding policies, the effect varied according to how funding resources were utilized, indicating the need for a suitable instrument to operate effective funding programs. Regulatory policies displayed low effectiveness in general, requiring an approach of raising the effectiveness through interaction with other policy levers (synergy effect).

The results of this research led to following seven recommendations: ① establish a control tower coordinating policies in higher education and the labor market ② manage evaluation and quality assurance to improve effectiveness of funding programs ③ develop regulatory policies to complement the limits of other policy levers ④ increase utilization of information policies and expand connection with other policy levers ⑤ create organizational policies that work with the existing system ⑥ convert to higher education which focuses on developing competencies which will lead social development and technological innovation ⑦ increase public accountability of labor market beneficiaries.

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