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## Position of the graduates from colleges of business administration in the employment system

Survey among companies and graduates, Analyses of job ads, basic statistical data on employment and education

**A**s part of the increased European cooperation one goal is to set up a European qualifications and evaluation framework which encompasses all fields of education. Empirically founded responses from the labour market and the professional careers of graduates from Austrian colleges of business administration (Handelsakademien or HAKs) constitute an essential basis for argumentation to appropriately position the HAK qualification in the National and European Qualifications Frameworks (EQF/NQF) and to be able to design the training in a future-oriented manner; they are therefore indispensable for the further development of this school type.

### About 6,600 HAK graduates a year

In 1990, some 6,200 students acquired the upper secondary school-leaving certificate and VET diploma (Matura) at a HAK, by 2007 this figure had risen to about 6,600. The share of young people attending HAK among all young people attending school in the tenth year is clearly higher than in the early 1980s and at present comes to 7.9 percent. The maximum value in the relative share has already been exceeded, however (2002/03: 9.3 percent HAK share in year 10)

### Success on the labour market

Labour market data proves that completion of the HAK promises success on the labour market. The number of unemployed people registered with the Public Employment Service Austria (AMS) in 2008 compared to the workforce according to the last census was 4.6 percent, for HAK graduates the figure was 3.5 percent. The 2001 census reveals that an approximate total of 95,200 gainfully employed people have completed a HAK in its full-time form. Combined with graduates of the HAK Kolleg (postsecondary VET course) it can be assumed that some 103,000 employees boast a HAK qualification. This means growth of about 66 percent compared with the 1991 census.

In the context of HAK education, the new requirements are clearly reflected in the form of competences in information and communication technologies, foreign languages and increasing requirements in terms of socio-communicative competences for the job. Evidence for

the qualification level of the HAK is provided in particular by the frequently acquired external certificates. One of the pieces of evidence confirming the fact that HAK-based education is heading in the right direction is the unemployment rate for the HAK from mid-2009: 3.8 percent compared to 5.8 percent on average for the workforce.

### Studying at university and working as a trend

The Austrian school form VET college (Berufsbildende Höhere Schule or BHS), which also includes the HAKs, qualifies for entry into the world of work and provides general higher education (HE) entrance qualifications. The calculation of a total study rate is difficult as the two types of higher education institutions (university and Fachhochschule) each have their own access statistics. For 2005, the Science Ministry has identified a study rate at universities within 3 semesters after the Matura of around 37 percent, for Fachhochschule programmes 11 percent. However, the trend is towards enrolling at a later point in time and on a part-time basis. When taking an average study success rate into account, some 30 percent of each Matura year group at HAKs will probably attain a final diploma.

### Survey among companies

In spring 2009 a written survey was conducted among companies about the employment of graduates of a HAK. All responding companies (N=251) have recruited staff with a HAK qualification: in the last three years over 60 percent frequently or sometimes, 13 percent rare-

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ly. When analysing the horizontal division of labour at the company, the VET qualification obtained at the HAK proves to be an extensive qualifying basis for employment at companies. More than two thirds of employees with a HAK qualification are, however, employed in the field of „accounting/finances/banking“. A significant distance behind, but still the second most common answer by the companies, is the field of „distribution/sales/customer support“. As well as business knowledge, foreign languages and IT skills, the interviewees rate social competence and communicative skills as very important for the fulfilment of positions starting from career entry. This importance is also reflected in the additional qualifications in these fields that are rated as very important.

In the 2009 survey, about one quarter of the company representatives stated that staff with a HAK qualification are frequently or sometimes employed in management positions, 52 percent of the companies do not make any

such observations. The higher the position they want to achieve, the more years of professional experience are required according to the interviewees' for employees with a HAK qualification to be considered. HAK graduates have good chances of achieving positions in middle management in medium-sized and larger enterprises in particular.

Regarding their competitors from Fachhochschule institutions and universities it becomes clear that the questioned company representatives definitely believe that HAK graduates will „keep their previous employment areas“ whereas „Fachhochschule graduates take completely different career paths in the company“. 70 percent of the respondents speak out in favour of HAK graduates attending part-time studies if they want to advance in the job. University graduates are recruited in large companies particularly often.

TABLE 1:

**Accessibility to positions for HAK graduates at the company level by working experience and continuing training, in % (row)**

Position at the company level	Accessibility by working experience			
	less than 1 year	1 to 3 years	4 to 9 years	10 years and more
Executive board	0,0	0,5	8,5	25,9
Head of department or division	0,0	7,0	35,2	23,9
Group and team management (including project management)	1,8	14,2	44,7	10,5
Assistance (to management / executive board)	17,2	42,1	23,5	1,4
Project participation, other cooperation	25,4	45,5	9,4	0,5
Clerical staff / managing clerk	42,2	41,7	3,0	0,0

Source: ibw-survey among companies spring 2009 (n=251)

**Online survey among HAK graduates**

The online survey among graduates of HAKs (N=2008) which was also conducted on a nationwide basis in spring 2009 largely confirms the results of the company survey in terms of preferred areas of employment. Leading by a clear margin, banks and insurance companies are the main employers for school leavers. Some graduates begin their professional career in a leading position immediately upon completion of the HAK. The professional entrants are most likely to be assigned a leadership position and staff responsibility (7.9%) in the activity fields of IT/telecommunications/technology and organisation/administration/law.

To identify the degree of autonomy and responsibility for the completion of tasks in work, the survey interviewees were asked to use the competence descriptions of the National Qualifications Framework in their current version. The majority of HAK graduates are at least expected to work autonomously in familiar work environments when entering the world of work immediately after completion of school. 5 years after acquisition of the HAK qualification, more than half of the employed graduates have a position that is characterised by responsibility and at least limited staff responsibility (coordination of staff). It can be seen clearly that this positive development sets in as early as one to three years after acquisition of the upper secondary school-leaving certificate and VET diploma.

The higher the task level of an entry position, the more frequently respondents state that, as far as they know, the position was also advertised for other competitors. It is noteworthy that employees with a leadership position more frequently indicate that their competitors come from other (VET) institutions (e.g. engineering college or HTL, business college or HLW) or are specialists (e.g. bookkeepers) than graduates of Fachhochschulen or universities. This assessment – that they have been assigned the respective position despite competition from academically qualified people – therefore speaks in particular for the high quality and acceptance of the HAK qualification because school graduates are considerably younger.

Repeated changes of workplace (even during the first year following graduation from school) are probably helpful to acquire the professional experience that is demanded vehemently in the job ads to ensure that applicants meet the requirements of their next post, even at higher levels.

#### **HAK and university study**

The assessment of the HAK graduates' professional development prospects compared to their competitors from universities and Fachhochschule programmes shows that – irrespective of the level on which the respondents are currently active – about every fourth to fifth rates opportunities as „equally good“ from a subjective perspective. Overall, however, the major importance of further HE studies can be clearly seen. Comparing the group of interviewees who have completed an HE study with those people who have always been employed since their HAK graduation, it is apparent that practice and professional experience also lead to a clearly positive development, but that only a completed HE study enables the large jump to leadership positions.

#### **Analysis of job ads**

In the project, job ads in print media and internet search engines that were specifically targeted at HAK graduates or applicants with comparable qualifications were evaluated in the period between autumn 2008 and spring 2009. If those jobs ads in which an economic sector was specified are summarised into categories, the majority of job ads for the target group of HAK graduates are published for the field of business-related services/liberal professions. In quantitative terms, most job offers in the selected job ads are available for the activity fields of „accounting/finances/banking“ and „distribution/sales/customer support“. Most job ads offer an activity as an assistant, followed by searches for clerks.

In the job ads, details about the requirements for the respective jobs take up ample space. These can be seen as corresponding with the descriptions of knowledge

and skills in the National Qualifications Framework and can be classified into one of the following categories:

- knowledge (e.g. foreign languages, IT)
- key skills
- special recruitment requirements (e.g. willingness to travel).

Regarding the demanded level of responsibility in the analysed job ads, applicants are first and foremost expected to work autonomously in familiar work environments. In slightly more than 10% of the job ads, fields of activity with a leadership position will be filled.

In more than half of the job ads, certain periods of practical work (mostly for several years/3 5 years) are compulsory. Unlike the time dimension, the job advertisements much more often state that the content of previous job experience is a more important requirement for future employment than the time worked. The share of experience that is described as „compulsory/necessary“ is slightly smaller than the demanded periods of practice, however.

Between 13 percent of the job ads in the print media and 23 percent in the internet search engines are exclusively oriented to the target group of HAK graduates. Competition from other education and training paths of the Austrian school system can be found at different levels. At the same qualification level, fierce competition by HLW graduates is noticeable at least in the job ads. Where not only a HAK qualification but also formally higher educational qualifications are demanded, this mostly concerns Fachhochschule to the same extent as university graduates, with the share of academically qualified competitors being substantially higher in online job ads.

Particularly worth mentioning is the above-average proportion of potential competition by Fachhochschule and university graduates in the activity field of controlling/auditing.

#### **Structural change and HAK**

Though the labour market is subject to continual structural change employment opportunities for HAK graduates continue to be good according to projections because the training is broad and all companies need to fulfil business-related tasks. These also seem to be the major reasons why graduates, by comparison, boast statistically relatively small increases in their unemployment figures even in the crisis.

Potential employers can be found increasingly in the services sector. In the future it will therefore in this regard become more and more important to adjust the

training to be successful in terms of demand as a place of training.

### **National qualification framework and HAK**

At the core of the NQF classifications there should be arguments that refer to the „descriptors“ for „knowledge, skills and competence in the wider sense“.

Whereas the level of knowledge and skills achieved upon completion of a HAK in the public diploma exams and diploma theses can be identified and documented without any difficulty, statements related to competence in terms of independence and autonomy **primarily represent expectations for potential that will only reveal themselves while graduates exercise their profession and which can be proven in typical positions.**

The collected empirical evidence shows the following levels of professional employment related to professional experience and/or years of practice:

- (1) Typical positions for entrants: clerk, project member and assistant
- (2) The graduates' survey shows in particular that project manager positions are also possible for entrants
- (3) Positions such as group or team management become increasingly accessible after about 3 or more years of employment and
- (4) Leadership positions at the level of department head or managing director are considered by the business sphere for people with a HAK diploma especially after 4 or more years of employment.

The professional level „project manager“ corresponds to Level 5 in all descriptors, the positions „clerk and assistant“ can (still) be seen in a differentiated way but also mainly correspond to Level 5 with regard to the descriptors „knowledge“ and „skills“.

Regarding credits granted for professional experience and continuing education and training, it will be necessary to cover new ground to ensure that Austria does not fall behind in the international comparison and young people are not disadvantaged due to fewer supporting opportunities.

### **Recognition of qualified professional experience: 4 years as significant learning time mark**

As is well known, the EQF is a reference framework to record formal, non-formal and informal learning. In order to come up to the professional qualifications of HAK graduates with professional experience, it would be necessary to create recognition procedures which examine and document professional experience and continuing education and training at a higher level. The growth in learning during 4 qualified years in the job is a prerequisite for classifying the acquired qualification at EQF Level 6. It will be necessary to offer certifications at EQF Level 6 after around 4 years. This should be possible in several subject areas.

### **HAK College – Bachelor: difference of one year of learning**

The difference between a two-year HAK Kolleg and a Bachelor degree has been reduced to one year of learning due to the 6 semester Bachelor courses (with the same previous qualifications). Many countries have qualifications at HE institutions or outside which – within the framework of the short cycle concept – constitute half or two thirds of the Bachelor degree. Here the four-semester Kollegs, mainly thanks to their job-specific orientation, have real development potential which needs to be used.

### **Orientation at EQF Levels**

In the long term it would be possible to combine the different types of HAK and as the top level envisage the Kolleg level as a short tertiary qualification. Before that there would be an entry level (outcomes of the first year) and the certificate level (outcomes of the 3rd year) in terms of EQF Levels 2 and 3. This could create benefits in a pedagogical respect (fewer dropouts, more structured exits and entries), but also for the international positioning of the HAK diploma as EQF Level 5. Level 6 would only be accessible by way of certification following at least 4 years of practice and continuing education and training.

The entire research study can be obtained from ibw in printed form (ibw-Forschungsbericht Nr. 157, ISBN 978-3-902742-25-4) or [online](#).