Why education matters to employers: a vignette study in Italy, England and the Netherlands
Di Stasio, V.

Citation for published version (APA):

General rights
It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: http://uba.uva.nl/en/contact, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.
Table of Contents

1. Introduction 21

1.1. Why should we study whether education matters to employers? 22

1.2. Education and labour market outcomes: conditional support for three matching mechanisms 25

1.3. The research questions 27

1.4. The design of the research 30

1.4.1. Country selection 30

1.4.2. Sector selection 30

1.4.3. Selection of the outcome variable 35

1.5. Contributions to the field 36

1.6. Outline of chapters 38

2. Education and employers’ hiring behaviour: a three-layered framework 41

2.1. Education and entry into the labour market: employers’ perspectives 42

2.2. Why education matters: micro-level explanations 45

2.2.1. Three matching mechanisms 45

   Human capital theory 46
   Sorting models of education 47
   Social closure theories: closure by degrees and by networks 49

2.2.2. The role of specific educational features in employers’ hiring behaviour 52

2.3. Conditional support for the matching mechanisms 56

2.4. Institutions and school-to-work transitions: macro-level explanations 58

2.4.1. The national context and the value of education as a signal 58

   Institutions of secondary education systems 58
   Institutions of tertiary education systems 60
Institutions of national labour markets 61
Summary 63
2.4.2. Matching mechanisms in context 64
2.5. The missing link: the meso-level of hiring organizations 66
2.5.1. Open and closed employment relationships: a continuum 68
  Private and public sector 69
  Firm-specific training and employment protection 69
  Job type 71
  Organization size 71
  Unsolicited recruitment vs. recruitment via internships 72
  Formalization of hiring practices: formal recruitment channels 72
2.5.2. Theoretical contribution: a three-layered analytical framework 73

3. The institutional framework of school-to-work transitions in Italy, England and the Netherlands 77
3.1. Description of the case studies 78
3.1.1. Transitions from school to work in Italy 78
  Stratification 78
  Standardization 79
  Vocational specificity 80
  Employment protection and labour market flexibility 81
3.1.2. Transitions from school to work in the Netherlands 83
  Stratification 83
  Standardization 84
  Vocational specificity 84
  Employment protection and labour market flexibility 86
3.1.3. Transitions from school to work in England 87
  Stratification 87
  Standardization 88
  Vocational specificity 91
  Employment protection and labour market flexibility 92
3.1.4. Institutional variation: a comparison of indicators 93
3.2. Comparative evidence from employer and graduate surveys 103
3.2.1. Internationally comparable graduate surveys 104
3.2.2. Evidence from employers 110
3.2.3. Shortcomings and ways forward 115
3.3. Mechanisms in context: the working hypotheses of the project 119
3.3.1. Education as productivity-enhancing 119
3.3.2. Education as a signal of trainability 120
3.3.3. Education as a means to reproduce social closure 122

4. Research methodology: a vignette study 127
4.1. How to capture employers’ hiring behaviour? 128
4.1.1. Who are the employers? 128
4.1.2. How to study employers’ hiring behaviour 128
4.1.3. An introduction to vignette studies 135
4.1.4. The added value of a vignette study for this research 136
4.2. Design of the vignette study 139
4.2.1. Operationalization of the vignettes 139
4.2.2. Preparation of the web-based survey 142
4.3. Data collection 144
4.3.1 Sampling of respondents 144
4.3.2. Vignette sampling design 147
4.4. Data structure and statistical modelling 152
4.5. What is being measured by the vignette study? 155
4.5.1. Reliability 155
4.5.2. Validity 156

   External Validity 156
   Internal Validity 157
   Measurement Validity 158

5. The impact of the curriculum on employers’ ratings 159
5.1. Which educational features matter to employers? 160
5.1.1. An overview of the hypotheses 160
5.1.2. The screening of applicants’ résumés 163
   Gender 169
Work experience

Internship at the employer’s premises

Level of education

Field of study

Grades and study delays

Uncredentialed learning

Extra-curricular activities

5.2. A closer look at the mechanisms

5.2.1. School-employer linkages:
human capital or closure by networks? 181

5.2.2. Credentialism: undereducation or negative selection? 185

5.2.3. Education as a signal of expected trainability and of
organizational fit 189

5.2.4. A summary of findings 192

5.3. Pair-wise comparisons and the role of institutional
complementarities 194

5.3.1. Italy and the Netherlands 194

5.3.2. England and the Netherlands 195

5.3.3. Italy and England 196

5.4. The relationship between education and the mechanisms 197

5.4.1. Are the mechanisms correctly captured? 197

Provider of productivity-enhancing skills 198

Signal of on-the-job trainability 198

Social closure 198

Signal of organizational fit 199

5.4.2. Are employers consistent in their answers? 204

6. Education and employers’ decisions about shortlisting
and job interview offers 217

6.1. Hiring as a multistage process 218

6.1.1. Progress of job applicants through the hiring pipeline 219

6.1.2. The creation of a shortlist 221

6.1.3. The invitation to a job interview 224
6.2. Job-education matches and job interview offers 232
6.2.1. The incidence of vertical and horizontal (mis)matches 232
6.2.2. The correlates of vertical (mis)matches 234
6.3. A summary of findings 237
6.3.1. Education and work experience: complementarity or trade-off? 237
6.3.2. Vertical (mis)matches 238
6.3.3. The role of education at different hiring stages 240

7. The role of education in the continuum from open to closed employment relationships 241
7.1. Open or closed employment relationships: a theoretical model 242
7.1.1. Firm size and sector of employment 243
7.1.2. Job type: task-centred vs. function-centred 244
7.1.3. Firm-specific training and employment protection 245
7.1.4. Methods of recruitment 247
7.2. Organizational variation in employers’ hiring practices 250
7.2.1. Recruitment channels 251
7.2.2. Formalization of hiring policies 253
7.2.3. Anticipated training investment and training provision 255
7.2.4. Employment protection legislation 256
7.3. Regression analyses: the role of education across organizations 258
7.3.1. Description of the variables 258
7.3.2. Model estimation 260
7.3.3. Results: education as productivity-enhancing 261
7.3.4. Results: education as a signal of expected trainability 263
7.4. Moving along the continuum between open and closed employment relationships 266
7.4.1. Skills or trainability? A multinomial logit model 266
7.4.2. A summary of findings 269

8. Conclusions 271
8.1. Why education matters to employers in Italy, England and the Netherlands? 272
8.1.1. Contributions of the book 272
8.1.2. Contextualized answers: an overview of the main findings 273
    Results from the vignette study 274
    Results from the employer survey 276
8.1.3. The missing link of organizations 277
8.1.4. The direct measurement of matching mechanisms 279
8.2. Methodological considerations 281
8.2.1. What can be learned from “virtual people”? 281
8.2.2. Why surveying employers? 282
8.3. Generalizability of the findings 283
8.3.1. Country-specific patterns 283
8.3.2. Sector-specific challenges 284
8.4. Unaddressed issues: a two-sided perspective on the role of education in the job matching process 285
8.4.1. The composition of applicant pools 285
8.4.2. The opportunity structure of the labour market 286
8.4.3. Study limitations 287
8.5. Applicability of the findings to policy-debates on education 288
8.5.1. What is the graduate labour market? 288
8.5.2. Sub-degree qualifications 289
8.5.3. Investment in alterable signals to decrease social selectivity 291
8.6. Suggestions for further research 292

Appendices 295

English Summary 305

Nederlandse Samenvatting 317