Implications of Credentials, Employee Selection Process and HEI Quality on Graduate Employment Success: Employment Transition Patterns in the Labor Market of Batangas, Philippines

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ABSTRACT

The paper presents employment transitions of new graduates to the labor market by establishing the influence of tools used by the industry in screening and selection of new employees. The paper advances the contributions of 12 Higher Education Institutions (HEIs) of Batangas in the employment success of their respective graduates in terms of the labor market's intentions to hire and perceived skills fit for employment of new graduate applicants. Data set was from 106 human resource officers and unit heads from 61 business establishments in the cities of Lipa, Tanauan and Batangas.

The framework investigates the labor market's use of credentials and tests for job relevant characteristics and HEI reputation and accreditations for quality and their respective influence over graduates' employment success. The research uses descriptive statistics and multiple linear regression applications which define the use of tools' strength in influencing new graduates' employment success.

Results show that graduates are perceived to be differentiated considering their undifferentiated credentials. Differences of graduates are based on distinguishing characteristics afforded by institutional characteristics in forms of reputation and accreditations for quality. These characteristics extend from HEIs to its graduates and serves as a social trademark that brands them (graduates) categorically different from others. New graduates' transitions from school to work, therefore, are facilitated by the industry agents' perception of the quality of the HEI they graduated from and assigned to job positions based on perceived fit based on how the industry facilitated their entry to the labor market.

Issues about equality, educational investment returns as well as educational service quality were discussed implying the need to improve HEI quality to contribute for new graduates' employment success.

Keywords: *New graduate employment transitions, tools for screening and selection, HEI reputation and quality assurance*   .

Introduction

For the last 10 years, education sector has been expanding in terms of the number of

HEIs and the number of graduates specifically those from Business Administration Degree which is a non-technical or non-board program which covers majors in various disciplines such as Financial, Marketing, Operations, and Human Resource Management, among many others. What is ironic is that even with the supply of graduates from an expanded education market, the industry sector complains of shortage of graduates in terms of skills and competencies while many graduates find themselves underemployed. In the Philippines underemployment is posted at an annual average rate of 19.98% for the last five years and 16.74 for the CALABARZON region. Furthermore, data shows that underemployment in the national level is declining while for CALABARZON area is increasing (www.nscb.gov.ph, December 5, 2012).

These developments are enough for the proponent to pursue an investigation on the school to work relations in order to understand the processes that facilitates the transition of graduates to the labor market. The research is concerned with the factors that differentiate graduates based on educational credentials that eventually influence their employment outcomes; employed at the work and position equivalent to the degree earned, failure to get employment and/or underemployment (Branine, 2008, p 499; Nabi, G., 2003, p 371).

These developments prompted the proponent's interest to enquire on how transitions of new graduates is facilitated specifically that defines and explains the school-to-work transition process. The transition suggests its initiation from completion of academic requirements for earning graduate degrees, application for integration in the graduate labor market through employment, screening applicants by industry agents and ends in employment outcomes. Employment outcomes possibilities result to either the selection of the graduate who best fits the organization's requirements or non-selection or failure of employment. Another possibility of employment outcome is being hired in positions with skills requirement lower than what the students were trained for or underemployment. This transition and employment outcomes are facilitated by actors in the graduate labor market specifically HR officers and middle to top management who decides who gets the job position.

The locus of the paper is directed towards understanding the labor market processes that culminate in someone's getting a job (employer's making a hiring decision). This thesis, has a relatively little of the empirical literature which is explicitly organized around this conceptualization, (Bills d, 2003, p 442).

It is then appropriate to take this gap as a challenge to explain graduate labor market transitions by identifying the factors that influence graduate employment success using social structures of credentialism, human capital theories and status construction theories.

The primary objective of the study is to empirically establish the way new graduates are integrated into the labor market through the use of screening and selection tools employed by the industry agents.

The research intends to explain how the industry agents' use of screening tools and selection practices influence their preference for graduates of HEIs and their perception on graduates' skills fit for employment position. This established patterns of behavior of the actors who facilitate the transition of graduates from school to work. To realize this end the following questions are presented for investigation.

1. What is the level of consistency in the use of credentials as screening and selection tool for hiring new graduates?

2. What is the level of consistency in the use of;
   a. efforts in assessing job relevant characteristics of the new graduate applicants
   b. HEI reputation as screening and selection tool for hiring new graduate applicants
   c. HEI accreditations as screening and selection tool for hiring new graduate applicants

3. What are the respondents' preferences in hiring graduates with reference to Higher Education Institution they are from?

4. What are the respondents' perceptions on graduate skills fit for employment positions (staff or managerial trainee) of graduates with reference to Higher Education Institution they are from?

5. Which of the following influence most the industry's preference for graduates of HEIs?
   a. Use of credentials as screening and selection tool
   b. Efforts in assessing job relevant characteristics of the new graduate applicants
   c. Use of HEI reputation as screening and selection tool for hiring new graduate applicants
   d. Use of HEI accreditations as screening and selection tool for hiring new graduate applicants

6. Which of the following influence most the respondents' perception on graduate skills fit for employment positions (staff or managerial trainee)?
   a. Use of credentials as screening and selection tool
   b. Efforts in assessing job relevant characteristics of the new graduate applicants
   c. Use of HEI reputation as screening and selection tool for hiring new graduate applicants
   d. Use of HEI accreditations as screening and selection tool for hiring new graduate applicants

Theoretical Framework of the Study

The research paradigm used to extrapolate the social processes facilitating labor market transitions is founded on the principles propounded by middle range theories. Middle range theories (MRTs) are set of theories or propositions that bridge the gap between the empirical observation and broad, often abstract and untestable, general or high-level theories with a goal to generate the theories that were sufficiently abstract to allow behavioral generalization, and yet were satisfactorily grounded in reality so that they could be empirically verified (Oxford Reference Online, accessed Nov. 2012). Thus, middle-range causal theory offers a social mechanism that links individual action with broader empirical social regularities (Bills, 2003, p. 444).

The research posits that to better understand how industry agents' practices and preferences influence their intentions to hire, the need to draw principles in sociology becomes more pertinent and practical. Bills (2003, p. 442) employed the same methodology on his analysis on how employers acquire, evaluate and act on the information provided by credentials as the basic mechanism that links schooling and socio-economic outcomes. This is also parallel to a shift to a social-process approach confounding from a mainly pragmatic approach to a more theory-driven construct-oriented approach to help understand the underlying structure of personnel selection instruments and improve prediction of work performance (Lievens, Van Dam, and Anderson, 2002, p596). Likewise, the choice for this approach is to follow the call for further studies using subjective perceptions of (employment) success alongside objective measures to enrich studies of career success (transitions) done objectively (King, Burke, and Pemberton, 2005, p1001, as cited by Arthur, et. al., 2005). This is especially fitting if the purpose is to demonstrate a (generalized) social fact external to individuals to be studied objectively as social currents (Stofferahn, 2000, p. 315). Thus, the research advances the use of middle range theories by using social structure theories in explaining empirically established behavior and its influence over individual actions and likewise interpreting the results as labor market behavior from the perspective of *Homo sociologicus* (King, Burke and Pemberton, 2005, p.1001).

Conceptual Framework
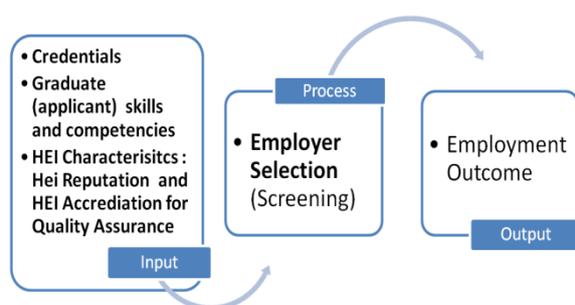
The development of the research paradigm framework and consequent identification of the variables for investigation takes its cue from employers' practice of specifying the desired characteristics they prefer as criteria for selection and effectively selecting new employees by making sure that they have the necessary knowledge, skills, and abilities to perform the jobs they (successful applicants) are hired for. This practice of selection is depicted using a generalist view of the relationships among the variables presented in a systems analysis perspective of Input-Process-Output (Figure 1).

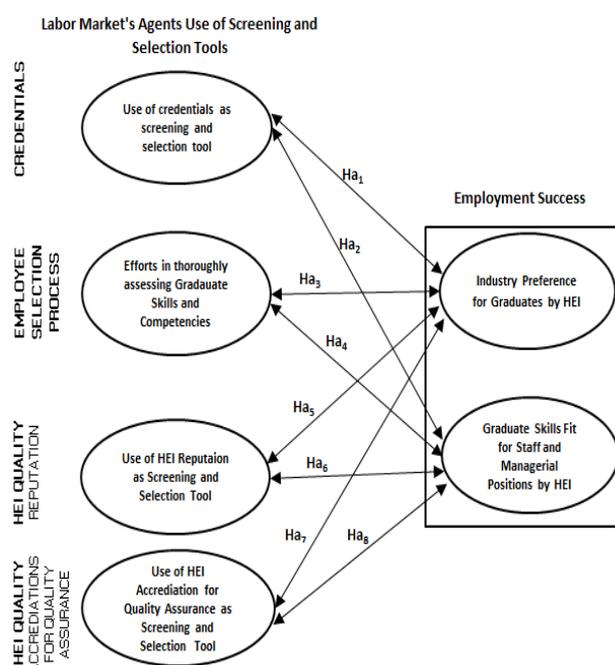**Figure 1. Input-Process-Output Framework for Graduate Labor Transitions**

Figure 2 shows the variables identified for investigation in realizing the objectives of the study. The predictor variables or the variables that the research would want to test for influence over employment outcomes are the inputs being used for selection in the screening process. These variables are;

a. The industry agents' use of credentials as screening and selection tool.
b. Industry agents' efforts in assessing applicants' skills and competencies.
c. Industry agents' use of HEI Reputation as screening and selection tool. **Figure 2. Conceptual Framework**
d. Industry agents' use of HEI Accreditations for Quality Assurance as screening and selection tool.

The criterion variables on the other hand are the employment outcomes which could

be any of the following:

a. Industry agents' preference for graduates of HEIs for hiring
b. Industry agents' perception on the graduate skills fit for employment position as staff or managerial trainee position

The concept of employment success and the contribution of HEIs and employee selection criteria is founded from the discussion of <u>human capital theory</u> by Bills, (2003) and Brown, D. K., (2001); Thomas, and Zhang, (2005). Rumberger and Thomas (1993) provided insight to the economic returns to the baccalaureate (degree) and differences in earnings as an indicator of employment success. Insights from Stiglitz (1975) with his discussion of <u>screening theory</u> (Bills, 2003, p. 445) were used to discuss the concept of screening. Theories of <u>credentialism</u> by Chillas, (2009), Brown, Meyer (1977), cited by Bills, 2003, (p 451) were used to discuss the role and implication of formal qualifications for employment. Furthermore, to support the initial assumptions of influence of educational institution to employment success, the research draws insights form <u>status construction theory</u> which focuses on the collective development of widely shared status beliefs about apparently nominal social differences among people, (Blackwell Encyclopedia of Sociology, online, 2012).

Scope and Limitations of the Study

The study involves the identification and analysis of the patterns of behaviour or the social construct that facilitates graduates' transition to the labour market. Technically, it tackles the employment success issues of new graduates and how schooling from respective HEIs influences their success. The research also covers HR management issues only in terms of practices for external direct hiring or processing individual applications from outside the organization and not through mediated recruitment and hiring or promotions from within.

Moreover, HEI quality is delimited to HEI reputation and quality assurance since the process of identifying quality in higher education varies according to the different stakeholder point of view and no agreement on a model for quality in higher education. The study is delimited in terms of its locale. This is so because the research locale is the common point of reference pertinent to supply and demand for graduates.

Research Methodology

Research Design

The study's design is descriptive and primarily deductive with conclusions based on general observations and experiences of the respondents through non-interactive instruments (survey questionnaire). The respondents are the industry agents responsible for screening and selection of new graduate applicants for employment. The research employed the process of

constructing reflective measures by identifying the set of theoretically derived indicators to directly represent or reflect on (analyze) the construct being advanced (Vidaver-Cohen, 2007, p280).

Research Locale

Lipa City is among the three cities in the province of Batangas, Philippines (the others being Batangas City and the City of Tanauan). Lipa city serves as an Institutional Center and has been identified as one of the ten cyber growth corridors of the Philippines or the Next Wave Cities for IT and business process outsourcing. Lipa was ranked 10th among the cities in 2009 and 6th in 2010 because it is one of the cities that obtained the highest scores for availability of graduates and workers, infrastructure, business environment and cost. **Tanauan City** is a first class city in the province of Batangas and part of Manila's conurbation which reaches Lipa City in its southernmost part. **Batangas City.** Known as the *"Industrial Port City of CALABARZON"* and classified as one of the most competitive cities in the country today The city is presently classified as a Regional Growth Center and identified as one of the sites for the Regional Agro-Industrial Center and Special Economic Zone.

Population of the Study/Sampling Design

The research gathered responses from human resource officers and middle managers of business organizations operating in Tanauan City, Lipa City and Batangas City in the province of Batangas.   They represent business organizations as industry agents or firm representatives and (study) takes their perspective as industry agents responsible in screening and selection of new hires for the organization. Their responses, impressions on their practices in screening and selection of new hires and perceptions with regard to graduates of HEIs in Batangas, are critical to realize the paper's objectives. The value of their perceptions is on account of their involvement in the recruitment, screening and selection of new hires before, to their observation and working relationship as co-employees with the same. Their insights from these relationships serve as the basis for their perceptions used in the paper.

Retrieval rate for the 200 questionnaires was 57% or 113 out of 200 delivered survey questionnaires. There was a 94% valid response rate or 106 complete survey questionnaires out of 113 retrieved. The retrieved number of complete survey is 68% of the original sample estimate. However, since the model used in this research has 4 predictor variables, the ratio of cases to predictor variables is 27:1, which is enough to validly run linear regressions and draw statistically significant results.

Data Gathering Tool/Research Instruments

The research used a survey questionnaire designed to gather responses with regard to

respondents' (industry agents) impression on the use of credentials as screening and selection tool, efforts to assess job-relevant characteristics and use of HEI quality (reputation and accreditations) as screening and selection tool for hiring graduates of HEIs.   The research used Semantic Differential Scaling in the development of the scales for gathering data.

The questionnaire was pilot-tested among the HR personnel and guidance counselors currently working in the HEI where the proponent works. The guidance counselors worked in the industry as HR officers before working for the HEI, which makes them fit to test and evaluate the face validity of the questionnaires to determine if the questions appear to be measuring the particular construct advanced. Data gathered were consequently tested for reliability using an item analysis procedure utilizing cronbach's alpha. The test was used to assess the internal consistency of subscales in each factor. Internal consistency estimates reliability by grouping questions in a questionnaire that measure the same concept. Subscales for each component were examined in terms of its correlation with the identified factor. Estimates of cronbach's alpha are interpreted like correlation coefficient, the closer it is to one, the higher the reliability estimate of the instrument. This process assures that the study used a reliable instrument which is made up of valid multiple individual measurements. The copies of the questionnaire were distributed to the respondents after asking appropriate consent or approval from the firm's representatives.   Questionnaires were retrieved after a few days or hand-delivered with pickup method or at the most convenient time for the respondents. Hand-delivery and mail back by the respondent after completion was also tried.

Management and Treatment of Data

ANOVA was utilized to evaluate mean differences of graduates grouped according to their HEI. This supported the research claims of differentiated skills in an undifferentiated degree or credentials. Pearson correlation was used to determine the degree and direction of linear relationships between the screening and selection tools (predictor variables) and the respondents' preference and perceived skills fit for employment positions   (criterion variables).   The use of multiple linear regressions allowed the identification of set of predictor variables which together provide a useful estimate of the likely score on a criterion variable. The p-value (probability value) approach is employed to test significance of results and computed on the basis of a test statistic and then compares it with the significance level (test size). The *alpha level* or the *level of significance* is the probability value to define the very unlikely sample outcomes if the null hypothesis is true. The research in all hypothesis tests set the alpha at .10 level of significance.   If the p-value is smaller than the significance level, researches reject the null hypothesis. (Park, 2010, p. 3),

Results and Discussion

Low industry participation for answering surveys for the research's data collection proved to be a challenge for the proponent but managed to collect enough to deduce significantly profound observations. The study achieved a 57% response retrieval rate (113 out of 200 delivered survey questionnaires) and a 94% valid response rate (106 completed survey questionnaires out of 113 retrieved).   Of the total, 61 survey questionnaires were answered by Unit/ Department Heads while 45 surveys questionnaires were answered by Human Resource Officers.

Respondents' number of years employed ranged from a minimum of 1 to a maximum of 35 years. Industry agents (respondents) represented the manufacturing sector for 12% and the service sector for 88%, with 76% of the total number of firms from Lipa City, 15% from Batangas City and 9% from Tanauan City.   Twenty three percent of the industry agents came from firms with less than 20 employees, majority of which are bank branches while a great number at 26% were from big firms with employees more than 500.

Labor Market's Use of Credentials

Industry agents responsible for screening applicants are highly consistent in accepting formal credentials as reliable sources of information regarding an applicant's job related skills and competencies and potential contribution to the organization However, selection of applicants based on the proof of completion of higher education degree and its merits, is less consistent and decision to hire graduate applicants based on presented credentials is most inconsistent compared to the prior screening practices using formal credentials. This suggests that though the labor market requires and accepts formal credentials as a reflection of one's employment capabilities, use of the same to decide on his employment or non-employment is not assured. Thus, some degree of inconsistency in the application of credentials as a screening and selection tool for graduate applicants is observed.

Labor Market's Efforts to Assess Job Relevant Characteristics

The research makes use of three characteristics to provide validity generalization of job-relevant characteristics of new graduate applicant; intelligence, global measure of performance and personality. Industry agents' firms are moderately consistent in the use of academic GPAs for selection and hiring applicants which suggests that there are employers who do not use academic performance for screening graduate applicants. This behavior is in contrast to a number of literature which supports academic performance expressed in student GPAs as a valid predictor of job performance and tested for recruitment and screening. The industry perhaps, consider GPAs not as an actual job related characteristic of the applicant as basis for employment fit but rather an information that needs to be verified through assessment of possession of employment related skills.

Respondents' firms are more consistent with regard to making ways to test the job

relevant characteristics of new graduate applicants. They are highly consistent in making ways to test global performance of the applicants specifically the critical thinking, written/oral communication skills and job related skills. This suggests that the respondents' firms makes use of tests as selection practices to assure their organization that new employees will have the necessary knowledge, skills, and abilities to perform the jobs they were hired to do and s shows how important employability skills are for employees especially for managerial positions.   This process of selection and hiring provides opportunity for applicants to be able to demonstrate their core transferable skills in addition to academic success.

However, other employers are more interested in the attitude and personality of applicants than in the type or level of qualifications acquired. This is the pattern of the behavior that the research observed. Respondents are most consistent with ways to test the personality of the graduate applicants compared to the former practices discussed.   They are highly consistent in conducting interviews to determine the applicant's ability to work with others, conducting interviews to determine the applicant's work ethics and values and conducting interviews to determine the applicant's dependability/reliability.

Labor Markets Use of HEI Reputation

On the assumption that institutional characteristics extends to its graduates and serves as a social trademark that brands graduates categorically different from others, the research posits that screening of new graduate applicants takes account of   their affiliation with the academic institutions with whatever reputation they have established through the years.   The research uses the concept of institutional reputation as dimension of quality in terms of transformations or how society sees the effectiveness of the institution in transforming students to productive members of society. The research's assumption is that the screening agents believe the graduate applicants possess the kind of quality of skills and level of competencies (status construction theory) relative to the HEI where they graduated from.

Industry agents screening new graduate applicants are consistent with their practice of using HEI reputation in screening new graduate applicants based on their preference for graduates from schools of good reputation. They also believe that graduates of these schools generally competent. Consistency is observed both in their preferences for graduate applicants on account of the HEIs long standing background for educational quality and the success of HEIs graduates in the industry. This supports the role of educational credentials that explains linkages between schools and workplaces that goes well beyond the issues of limited labor market information about the applicant. Not only that they are consistent in screening but high consistency in their selection or bias for new graduate applicants from schools of high reputation is observed. This suggests that they believe on the competence and prefer graduate applicants from HEI with reputation.

Labor Markets Use of Quality Assurance

Compared to HEI reputation used as screen by industry agents, the practice of screening using accreditations for quality assurance as a screening and selection tool for hiring is less consistent. Industry agents are moderately consistent both in their preference for applicants coming from institutions with local accreditations for quality assurance (e.g., PAASCU, PACUCOA) and from institutions with local and internationally accepted accreditations for quality assurance (e.g., ISO 9001 . .)

However, there is high degree of consistency in their use of HEI accreditations as screening and selection of new graduate applicant based on HEI accreditations. They screen applicants whether the academic institutions they are from are accredited for quality assurance and select these applicants believing that they are also competent.

Labor Market's Preference for Graduates of Higher Education Institutions in Batangas

Graduate employment success or the probability of getting hired after earning bachelor's degree is quite disparate for graduates across HEIs. Though graduates earned the same degree, the labor market regards all graduates in terms of their preference or intention to hire significantly different. Degrees of preference for graduates of all 12 HEIs included in the survey are observed from neither preferred nor rejected to highly preferred by the labor market.   Inequalities in terms of employer perceptions lead to inequality to employment opportunities and wage trajectories. This suggests some kind of irrational behavior in as far as objective evidence for skills and competencies are concerned.

Graduates from one HEI are most preferred by the labor market and very willing to employ if positions are available. Graduates from 2 HEIs follow with agents preferring the graduates and willing to employ if positions are available. Graduates of 4 HEIs are moderately preferred by the labor market and somehow willing to employ if positions are available. Graduates of half of the HEIs in the survey are neither preferred nor rejected by the labor market. This makes the majority of graduates by HEIs having lower chances of getting employed especially when they get to be screened together with the more preferred graduates of HEIs.

Preceding results showing the industry agents' consistency in screening and selection using HEI reputation and accreditations to quality assurance and how different the labor market prefers graduates by HEIs indirectly suggests their judgment on the quality of HEIs. It is also imperative to note the statistically significant relationship between reputation and quality thus, suggesting preference for graduates as a proxy on how the labor market judges the quality of HEIs.

Labor Markets Perceptions on Graduate Skills Fit for Employment Positions (Staff or Managerial Trainee) of Graduates of Higher Education Institutions in Batangas

Graduate employment success may also be gauged against the labor market's perception on graduate skills fit for employment. This perception may signal future employment assignment and consequent wage trajectories. Job assignment takes into consideration the wage or earnings possibilities for the graduates as determined by the positions held upon employment depending on the decisions made by the organization on the notion that employers choose applicants based on skills fit.   Job assignment also suggests underemployment especially in cases where graduates are not employed to the careers or position which they degree suggests.

Majority of the graduates across HEIs are perceived to fit staff position with no evidence of skills fit for managerial trainee position. Some graduates of HEIs, though, have skills fit for a managerial trainee position but observed to be limited.

Graduates of one HEI (HEI 3) are perceived to be the most skilled. However, together with graduates of two other HEIs, labor market finds these graduates to possess limited skills and competencies for a management trainee while graduates of HEI 8 and 12 to have very limited skills and competencies for a management trainee.

The labor market finds the graduates of the remaining HEIs lacking with skills and competencies fit for managerial trainee position. Their skills for staff position vary from satisfactory to superior.

Useful Predictor Variables from the Model using Multiple Linear Regression- Backward Integration to establish Employment Transition Patterns (Preference for Graduates across HEIs and Perceived Skills fit for Employment Positions)

Set of predictor variables left to strongly explain preference for graduates vary from one HEI to another and no particular pattern is observed.   However, in as much as **strength of a particular variable** is concerned, HEI Reputation and HEI Accreditations for Quality Assurance proved to be the most influential for majority of the HEIs. Moreover, this also true with perceptions on skills fit where set of predictor variables left to strongly explain the labor market's perception on the graduate skills fit for employment position as staff and managerial trainee vary from one HEI to another and no particular pattern is observed.   However, in as much as **strength of a particular variable** is concerned, prominence of Credentials among the majority of the HEIs is observed.

Table 1 below shows the summary results from multiple linear regression backward integration and derived values from multiple linear regressions.   The table shows the strongest predictor variables in terms of standardized beta coefficient from linear regression which is also one of the useful variables as predictors from the backward integration.

The predominance of use of HEI Reputation and HEI Accreditation for quality

assurance as variables with strongest influence over preference for graduates suggests how the labor market screens and select graduate applicants. The labor market selects by the quality of the institution where the graduates came from. Thus, **transition is facilitated and higher probability of employment success is accorded to graduates of HEIs with good reputation and accreditations for quality assurance, otherwise, probability of employment success for graduates is low.**

Job assignment of successful graduates, on the other hand, on the basis of graduates skills fit, is facilitated by the labor market through screening and selection by the use of **Credentials**. This is observed by the predominance of the tool for the majority of the HEIs especially those that belong to the less preferred graduates of HEIs.   However, though the use of credentials is predominant, other tools are used and present useful insights on understanding the graduate employment transition patterns in the labor market.

Use of assessment of **Job-relevant Characteristics** has a strong influence over assignment of graduates from HEIs 8 and 12.   **Reputation** plays a role for the assignment of graduates for HEIs 3 and 2, while **HEI Accreditations for quality assurance** play as much role for the least preferred graduates (HEI 11).

Table 1. Screening and Selection Tools Identified to Facilitate Transition

of Graduates to the Labor Market

	Degree of Preference for Graduates	Determinants for Entry to the Labor market		Determinants for Fit for Position	
	Mean	Beta	Tool	Beta	Tool
HEI 3	6.18	0.23	Rep	0.23	Rep
HEI 8	5.44	0.19	Qass	0.19	Job-Rel Ch
HEI 12	5.37	0.15	Qass	0.19	Job-Rel Ch
HEI 2	5.28	0.18	Qass	0.14	Rep
HEI 4	5.22	-0.13	Rep	-0.13	Cred
HEI 9	4.90	-0.16	Rep	-0.21	Cred
HEI 7	4.66	0.36	Qass	-0.22	Cred
HEI 1	4.33	-0.35	Rep	-0.20	Cred
HEI 6	4.32	-0.41	Rep	-0.18	Cred
HEI 10	4.28	-0.38	Rep	-0.26	Cred
HEI 5	4.23	-0.40	Rep	-0.21	Cred
HEI 11	4.01	-0.52	Rep	0.19	Qass

Entry to the labor market is obviously facilitated by institutional reputation and perception of HEI quality. Role of educational/institutional credentials is evident and influential to the graduates employment success which explains linkages between schools and workplaces that goes well beyond the issues of limited labor market information (Meyer 1977

at Bills, 2003, p 451) provided by individual graduate credentials (skills and competencies) unless verified and checked.

Conclusion

Based on results, apparent differences on the preference and perceived skills fit among of graduates exist based on the widely shared status belief on the institutions where they graduated from.   This observation is supported by insights from status construction theory.   The institutional characteristics that brand graduates different from others are founded on the **institutional reputation** and **institutional accreditation in terms of quality assurance as dimension of quality**. _Transitions, therefore, are facilitated (Figure 3) by the actors in the labor market by their perception of graduates based on their perception of the quality of the Higher Education Institutions they (applicants) graduated from._

On the other hand, the results show a less prominent pattern for perceived skills fit for employment as staff or managerial trainee. Perceived skills fit define the probability of the job assignment for graduates after successful entry. The use of Credentials proved to be the most predominant among the tools used.

After screening for entry through the use of HEI accreditations for quality assurance, they prefer these graduates after assessing their Job-relevant characteristics. The process, therefore, follow a more rational course of screening by checking the more subjective screening (status construction) with a more objective (assessment of job-relevant characteristics) screening for fit for positions. However, though some graduates' entry to the labor market is facilitated by the use of HEI Accreditations for quality assurance; assessment for their fit for position is by HEI reputation. Same with those (preferred) graduates whose entry is and screening for fit for positions is by HEI Reputation. Screening for fit for position using a more subjective set of criteria like HEI Reputation suggests the absence of use of a more objective reference like credentials or test results for Job-relevant characteristics or the absence of the characteristics to be tested. This also implies the strength of the reputation which could be attributed to an established name or affiliation or years of consistent quality operations before that has an impact until today.

Based on the preceding analysis, therefore, shows that a general pattern to describe how graduates are fit to employment positions is unclear. _Job assignment based on position fit is facilitated (Figure 4) based on how the industry facilitated the entry of graduates to the labor market. This follows how their screening for job fit is influenced by how they regard the Higher Educational Institutions where the applicants graduated from._
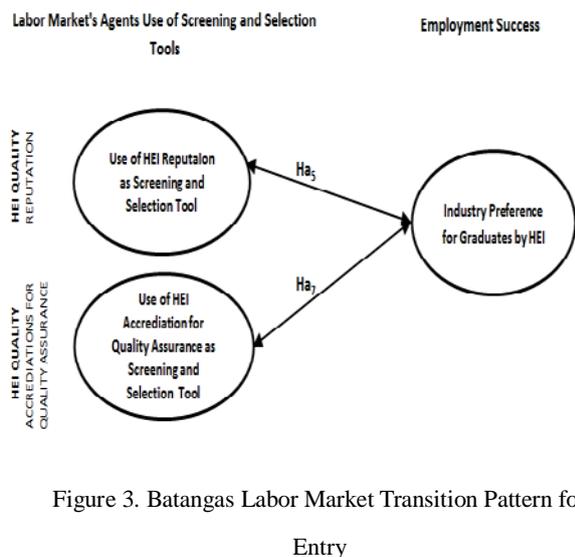
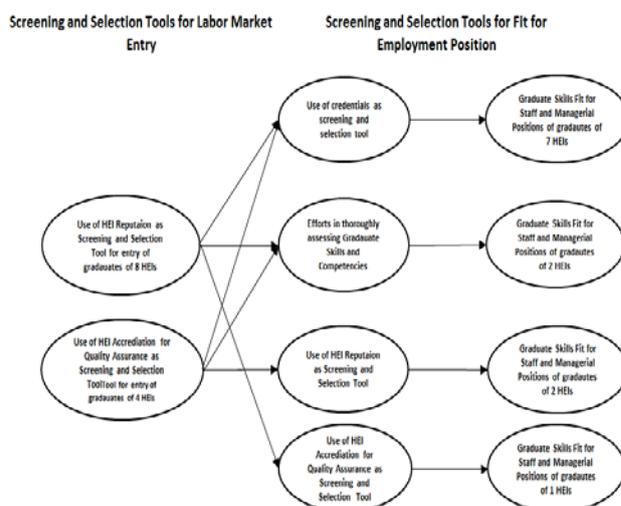Figure 3. Batangas Labor Market Transition Pattern for

Entry

Figure 4. Batangas Labor Market Transition Pattern for

Perceived Fit for Position

Recommendations

The results seem to contradict a long held notion that credentials facilitate transitions of new graduates to the labor market and that a complete and meritorious set of credential is a key for life-long success starting with successful employment. This is especially relied on by those who struggle to invest in education especially parents who wish the best for their children and students who dreams for a better future. This is also the driving principle of some HEIs especially those who wanted to bring education to the masses and provide equal opportunities for access in education.

Entry to the labor market, as the research suggests is more than the diploma or the credentials that a graduate has.   Transition to the labor market relies more on the quality an HEI has and not on the complete (by agency standards) credentials it provides after graduation. If the labor market has been clear about this, credential inflation could have been averted and education expansion (business education) has been avoided. Parents could have been more particular about the school where they will send their children and HEIs more sincere in their promise of quality education. The notion that a graduate credential (earning a bachelor's degree) is an assurance for employment success should have been rectified and investment in education should have been placed someplace else.

The research strongly recommends that emphasis on quality education should be communicated to those who invest in education as the foremost prerequisite for successful entry to the labor market. Parents and students need to assess an HEI's

quality and its reputation in providing higher education before enrolling in their program to assure fair returns for their investment made in education. The local government needs to plan and implement quality management measures if they decide to operate a higher learning institution. This will help them realize their objective to help the marginalized and ensure that they produce productive graduates ready for employment.

Higher education institutions should be consistent and sincere in providing quality education by initiating or maintaining programs for quality assurance in terms of.

a. Curriculum planning with matching to industry needs and requirements to close the gap between skills and competencies mismatch

b. Quality management systems to embed quality consciousness among all members of the organization

c. Accreditation and accreditation processes to assure that they meet acceptable standards certified by external parties

d. Career placement programs to ensure that they guide and assure that their graduates are properly and appropriately placed in the labor market

e. Graduate tracing to track their students' progress. Graduate tracing also provide information about their effectiveness as higher education institution in terms of fit of the skills and competencies graduates developed from their stay in the institution.

Agencies responsible for monitoring HEI operations should also be more vigilant on the quality of higher education by aggressively subjecting HEIs to more strict quality compliance either by quality certifications or accreditations. HEIs on the other hand, should take quality educational services more seriously by initiating and maintaining programs for sustainable quality.

Moreover, HEI standing in the industry based on the preference for their graduates provides a rich venue for further research on higher education management. The results provide information for respective HEIs to reflect on their operations and how they regard quality in their operations. The results also provide basis for strategic directions they could probably take to keep their positions in the industry or improve their standing in the market.

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