

ANALYSIS OF CHALLENGES OF HIGHER EDUCATION IN MODERN LABOR MARKET (CASE STUDY: IRAN)

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ABSTRACT

Extensive socioeconomic developments in the human societies due to rapid technologic and academic developments require making changes in the different systems necessarily (ezioni, amitay 1983). higher education system of Iran as one of two hubs of education and training in Islamic republic of Iran is responsible for training the specialist and efficient workforce required for the society in the different levels and fields. According to the applied studies on quality of higher education performance, it is to say that under different reasons, the above goal has not been realized by the society (farastkhah, maghsod 2010). Engaging the graduates of universities and state higher education institutes in the labor market is subject to having capabilities and characteristics that a part of them must be constituted during education in the universities. Lack of proportionality between processes and training materials of academic fields in the universities and skills and capabilities needed by the labor market is assumed as the most important cause of graduates' failure in placement and employment. Furthermore, inattention to entrepreneurship has extended the effects of this dilemma comprehensively. It is notable that in addition to the foregoing, some external factors beyond the activity and control of higher education system have significant effects on the employment of graduates. In this paper, the challenges and opportunities of higher education system for meeting the skill needs of human resources required for the labor market are analyzed and discussed comprehensively in two aspects of internal and external factors. The author offers a framework for formulating the integrated plan of higher education graduates' employment and attention to entrepreneurship is presented as a strategy for solving the challenges.

Keywords: *Higher Education System, Quality, Employment, Entrepreneurship*

INTRODUCTION

Competitiveness in the global economy is dependent to the technologic and innovative capabilities. This includes the capability of developing the new products and access to new markets, utilizing the modern technologies, applying the best managerial patterns in the enterprises and development of skill levels in wide range of labor (Tafreshi, Yousefi and Khadivi 2001). The universities are able to play an essential role in all these cases. As a result, increasing the capacity of Iranian researches and technology for converting the academic achievements and technological findings to the industrial and business successes and employment is dependent to the entrepreneurial role of universities. Thus, the approach applicable on the educational, research and consulting activities is a need-oriented approach interacting to external organizations of university (Khodadad, Hosseini, Seyed Hamid 2006).

If we consider the global growth and development trend, understand that upon increasing and promoting the advanced technologies, the effect and position of entrepreneurs is highlighted increasingly and individual and organizational entrepreneurship is deemed as one of important factors of economic growth and development so that in the west and some other countries, two recent decades have been called golden decades of entrepreneurship (Alaghehband, Ali 2009). The structures available in Iranian universities have been formed with the purpose of specialized training of student and focus less on reinforcing and training of entrepreneurship in the students to the extent that current graduates of

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universities often are not familiar to the initial concepts of entrepreneurship. In addition to the weakness of educational systems of universities in training the entrepreneurial concepts, lack of supplement structures for establishment of physical infrastructure for developing the entrepreneurship spirit in students is one of the other weaknesses of this system. The large number of academic graduates caused saturation of public and even organizations with needed personnel and a great rate of universities graduates may not be recruited in these organizations. This subject underlaid the immigration of academic graduates to the other countries and converted the unemployment of graduates to an important dilemma in Iran. To remove this problem, different ways have been experienced in the world. Most of these ways have been experienced in two categories including completion of educational structures and providing the entrepreneurship requirements such as growth centers (Abtahi, Seyed Hassan 1994). Completion of educational structures that are incorporated for familiarity of students with business issues and training and reinforcing the entrepreneurship spirit focus on mental and psychological preparation of graduates for entry into the economical contexts. Entrepreneurship development requirements are constituted for providing the physical conditions required for entry of these entrepreneur graduates and focus on the establishment of economic professions. The structures experienced in many countries for this purpose include business and technology growth centers (incubators) (Etemadi, Alaeddin 2006). Most of world countries are involved in the employment problems and issues, but diversity of problematic factors and non-known nature of some of them in third world countries has complicated this subject. Nowadays, macro management of Iran seeks for use of academic methods for recognizing and controlling the problematic factors in relation to employment and converting the challenges to opportunities to accelerate the development trend. The universities and higher education institutes are responsible for fulfillment of tasks such as knowledge production, training the experts needed by the society, promotion of technology, innovation and creativity. Today, the scholars believe that achievement to sustainable development is feasible only through utilizing the modern knowledge and advanced technology (Khodadad, Hosseini, Seyed Hamid 2006). Therefore, for development and prevention of underdevelopment, conditions must be provided for universities so that they can train the students for utilizing the modern technology and acceptance of different responsibilities in the enterprise and society.

CASE STUDY:

In this paper, to discuss and analyze the challenges and opportunities of irans higher education system for meeting the skill needs of human resources required for labor market, effective factors are divided in two internal and external groups and then the details of each group are described. Methods of library research and investigate these topics in the past ten years in Iran.

External factors

These factors include all items that affect the employment of graduates directly and indirectly and avoid their recruitment by the labor market. The most important external factors are as follows:

1- Non-development of private employment agencies:

Iranian economy is constituted based on Islamic factors that focuses on the public and private ownership. But, in practice Iranian economy is governmental. Non-efficiency of public sector and losses incurred to the country and developments incorporated in the global economy has attracted the authorities to privatization of economic sectors (Hashemi, Seyed Ahmad 2012). But, cumbersome bureaucratic rules and provisions, labor act and some insurance laws have applied barriers to the establishment and development of manufacturing units and small and large economic enterprises and cause reduction of displacement and replacement of labor between different economic sectors of society and minimization of the activity of private employment agencies and ultimately their closure of due to their non-economic activities. Therefore, modifications to be made in the regulations and laws related to laborers recruitment

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and maintenance along with privatization of different economical sectors proportionally to provide the requirements for further activity of private employment agencies.

2- Non-promotion of entrepreneurship culture and low number of entrepreneurs

The enormous young and educated but unemployed population in the society from one side is raised as economic capital and on the other side as a serious and potential threat (Farastkhah, maghsod2010). Unfortunately, despite of importance and effect of entrepreneurship after victory of Islamic revolution in Iran due to governmentalization of processes and government's problems and bottlenecks, entrepreneurship topic has not been taken into account, thus entrepreneurship culture has not been promoted considerably i.e. has remained unknown. From the viewpoint of plenty of experts, entrepreneurship is the engine of economic development of the society. Therefore, removal of governmental barriers existing to the manufacturing activities and execution of entrepreneurs' persuading and protective policies and integration of entrepreneurship culture may convert these threats to opportunity and result in development of Iranian national economy. On the other side, overview of industrial and postindustrial countries demonstrates that a major part of universities' training programs in these countries is allocated to entrepreneurship training. Whereas entrepreneurship and management of small economic enterprises are taught in more than 000 universities in USA, 42 universities of Germany, 13 universities of Poland and 8 Universities in Swede etc., thus it is concluded that effect of entrepreneurship has been perceived in these countries and that they pay attention to the entrepreneurs in economic development process.

In Iran, within two recent years, entrepreneurship centers have been established in more than 15 universities and except some universities, the others had no considerable activity which demonstrates failure of government in culturalization in this relation. Hence, for integration of entrepreneurship culture, some changes must be made in the educational system and content of courses of schools and universities and managed by authorities interested in establishment and development of manufacturing activities and provide the appropriate conditions for appearance of entrepreneurs.

3- Non-development of graduates associations and their efficiency in employment and career guidance:

After victory of Islamic revolution and particularly within 1980, associations, societies and constitutions such as graduates associations have been established with the purpose of increasing the influence and more active presence of educated people and providing the appropriate requirements for their members employment. Overview on the quality of establishment and working procedure of these nongovernmental institutions shows that in past, the society and particularly some authorities were not able to accept the saber-rattling of such institutions. On the other side, the members had no adequate experience in the field of institutional and participatory activities and it caused disorder the associations' activity process. Over time and under effect of society changes and developments, performance of these associations was changed; some of them were dissolved and some other in state of recession and with the minimum activity continued their life (Hashemi,seyed ahmad2012) .

Nowadays, upon constitution of new nongovernmental institutions such as agricultural engineering organization and other practicing fields, the graduates are recruited by these organizations in practice and these organizations in consideration of tools at their disposal may work more actively for underlying the employment of their members.

4- Number of applicants and intensive competition for attaining the available jobs:

The necessity of cultural level promotion, the deprivation-removal and decentralization motto of Iranian government, people's expectation from government for comprehensive development of regions, motto of civil and developmental actions of political activists in different regions, all obliged central government particularly ministry of culture and higher education to take measure for development of higher education

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and establishment of educational centers at the center of provinces and some counties that resulted in increase of graduates. On the other side, centralization of organizations, industries and small and large economic enterprises in metropolises and province centers caused the graduates of other regions with the assumption of finding the utopia to dispatch to these cities and upon joining to the other job applicants to make the competition closer and more intensive. Furthermore, limitation of job opportunities and large number of job applicants has resulted in intensive competition between them.

Therefore, the government while granting the small and large enterprises establishment privilege must take the other conditions into account and particularly pay more attention to number of unemployed graduates of different regions.

5- Non-specification and non-promotion of job-seeking culture:

Despite of cultural-social developments of society after victory of Islamic revolution, still the traditional structure is applicable in the most state regions and employment in public organizations and attaining the luxury administrative jobs, employment in the capital and province centers, employment in good-weathered cities, employment in high income companies with considerable advantages and benefits and finding an appropriate job in the residing city for being near to the family, all are assumed as criteria that often graduates of our society at the time of placement pay attention thereto and prioritize them. In the meanwhile, families emphasize on finding a governmental job within their residing area for their children and keeping the family in nuclear form with the purpose of supplying the family security. All of foregoing factors and other variables cause density of unemployed graduates within a region and employment of uneducated and non-specialists in other regions due to absence of specialist human resources. Although, unemployment and severe economic pressure will result in immigration of graduates for job-finding, but it is recommended to promote and develop the entrepreneurship culture in the universities and encourage the entrepreneurs, furthermore the government must provide facilities in deprived, faraway and bad weathered regions in order to persuade the graduates to seek for job in these regions hoping that after several years of working, with an adequate capital can come back to their interested region.

6- Executive problems in implementation of policies and master plans for state employment:

Evaluation of former governments' employment plans in Iran indicate that despite of their attempt and diligence for compilation of long-term employment plans, these plans similar to other socioeconomic plans have faced a lot of problems in implementation. This failure may be investigated from different aspects:

- a. Policies and course of actions formulation procedures: Overview on decision-making and policy-making procedure in the country demonstrates the inconsistency and difference between legislator and executor. Focus of decision-making in the capital and lack of experienced experts in the central government avoids precise investigation and scrutiny of problems and attention to local and regional realities by the experts. Thus, sometimes, the decisions and plans are adopted and formulated that considering the temporal and local conditions are not executable or their execution gets involved into problem.
- b. Lack of supervision and evaluation of plans execution: Lack of supervision or low supervision on exact implementation of plans has provided the conditions for abuse of executors and economic enterprises. In addition, due to not-execution of evaluations, the weaknesses of policies are not specified and legislator may not be informed of the result of his decisions and accordingly no action is taken for removal of deficiencies and the problems still remain for implementation of plans.

Internal factors

The internal processes and strategies of higher education system that directly or indirectly are in connection to employment and placement of graduates are as follows:

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1- Non-consistency between supply and demand:

In Iran, lack of close relationship between universities and different sections of the society resulted in non-proportionality between student admission capacity and market's demand to specialist workforce. It may be because of inconsistency between higher education system and other society sections in decision-making process that is due to lack of actual statistics, lack of strategies attitude in public and private sectors, inability of managers in planning and meeting the human resources' needs based on the master developments strategies, non-execution of middle-period and long-term period recruitment plans, favorite execution of policies and course of actions and changing the formulated plans after each change in the managements. Furthermore, higher education promotion office in case of supplying the facilities and professors by local authorities and regardless of employment status in the future issues license for establishment of field of study. In consideration of natural goal and philosophy of universities that is promotion of academic level and changing the public attitude and insight and meeting the society needs to specialist workforce, development of higher education is justified. But, the graduates expect upon obtaining their educational certificate, the requirements for their employment to be provided or employment conditions to be facilitated. Thus, it is suggested to adopt a policy that firstly the student admission capacity to be determined based on future need of labor market to specialist workforce, secondly licenses for incorporation of fields in university not to be permanently and upon changing the quality of society needs and new specialties, specifications of issued licenses to be changed. (Farastkhah, maghsod 2010)

2- Non-consistency between training content and job skills:

One of the most important goals of educational systems of societies is providing the requirement for training proportional to job skills needed by the society. Therefore, for designing each effective educational system, important factors such as conditions and characteristics of candidates, content of courses, required facilities and equipments, teaching methods and other factors must be taken into account. On the other side, while designing the professions, description of job and its attaining conditions (that determine the behavioral characteristics, capabilities and skills of each job) must be defined. These skills include technical skill, human skill, perceiving skill and familiarity with the computer. Moreover, having mental and physical capabilities and educational level as well as behavioral characteristics such as personality, attitude type, motivation and individual values are important. Skills, actual talents and capabilities are assumed as potential talents (2). Currently, in Iranian higher education, mostly educational level is assumed as an actual capability or talent, whilst the graduates for attaining the employment require also skills. In consideration of foregoing, revision of syllabuses of educational courses and their drafting based on scientific (theoretical) and practical information needed by the fields and related job contexts related to respective field of study and making consistency and alignment between syllabuses and respective jobs attaining conditions seem to be necessary.

3- Lack of appropriate conditions for applied science and technology trainings:

At present, in Iranian universities, the knowledge is transferred mostly theoretically and as definitions, theories and principles in the class and practical course credits are not taken into consideration significantly. Despite of incorporation of some fields in the University of Applied Science and Technology and establishment of applied science and technology training centers upon cooperation and investment of institutes, but no appropriate beds have been constituted for execution of applied science and technology training plans and sometimes they got only involved in the theory. Lack of appropriate conditions for implementing applied science and technology system in the universities are analyzed from three aspects: a. Lack of planning in higher education system for supplying, training and recruiting the specialist instructors; b. shortage of universities' budget for supply of area, installations, equipments, facilities and educational-aid means, camps and academic visits; c. students' non-motivation for learning practical courses due to uncertainty about effectiveness and applicability of practical course credits at the

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time of job seeking or during employment. Therefore, considering the need to investment for implementation of applied science and technology training plans, it is suggested the government and particularly management and planning organization to pay more attention to the budget of training sector and allocate a part of income or profit of different sectors that are consumers of outputs of educational system, to the universities for supplying the required facilities and equipments.

4- Non-applying the academic and research issues as the first priority in university:

Under effect of economical, political and social conditions of Iranian society, some academic board members have economic attitude to the work and mostly seek for income, some other with the purpose of attaining power and higher social position attempt to obtain a tenure of office and achieve management and membership in parties, constitutions and associations and some other with the intent of improving the conditions and serving people and deprived persons, conduct the political and social activities and stunting of academic and research activities. The students as other constituent factor of university, with purposes such as providing the requirements for employment in the future, meeting the mental tendencies and emotions and sometimes for being introduced among students, practice political activities and other non-curricular student activities, but some other upon situating in the open environment of university get involved in carnal desires. However, within the first years, due to lack of adequate awareness and dominance of emotions and sensations on the logics, the major part of academics' energy is spent for performance of activities and political involvements and other social, personal, non-curricular and nonacademic activities, as a result the training and research issues in the university are not raised as the first priority. Therefore, it is suggested to apply the universities on their main position as the independent centers producing knowledge and science and define a limit for them to avoid political influence, abuse and operation by dominant groups.

5- Unfamiliarity of academic board members with processes and work procedures in manufacturing and service units related to field of graduates:

Unfamiliarity of academic board members in practical processes of executive affairs related to students' field is connected to several factors: - In the several-year training process of an academic board member, due to lack of effective relationship between university and departments related to the student's field and impossibility of establishing units similar to working environments in the universities, no requirements for familiarity of students' with technical and practical skills are provided; - Inattention to practical course credits, student operation, laboratory and workshop courses and particularly traineeship and projects; - Applicability of relations and not differing the diligent and academically active graduates from other people while recruitment and inattention to their technical and practical capabilities. Therefore it is suggested to take measures inside the university for further familiarity of academic board members with activity of sections related to their specialty, paying attention to projects and practical course credits and traineeship courses, determination of new provisions for acceptance of students proportional to their field of study and focusing on practical and applied information and awareness level for recruitment and promotion of academic board members.

6- Failure of universities in creation and reinforcement of academic spirit and society serving motivation in students:

Whereas two important agents of student and professor form the basis of university, inability of universities for creation of academic spirit and motivation in students may be sought in characteristics of these two agents. The students mostly have not academic spirit and adequate motivation and commonly instead of attention to their academic level promotion only think of promotion of their educational level (obtaining higher degrees). Thus, universities must provide the educational and training style proportional to the changes in age conditions, social level and society expectations of students as well as effects of presence at academic centers on students' life, so that they can create the academic motive and spirit in

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students and it is realized when academic board members as one of two major agents of university would have academic spirit and serving motivation. Thus, it is proposed in addition to performing fundamental actions about changing the available traditional training style, for recruitment of professors, people with academic and scholarship spirit to be prioritized. On the other side, policies must be made for removal of problems and economic bottlenecks of academic board members.

7- Inefficiency of academic board members in training the specialist workforce needed by the society:

In the topic of training, the purpose is guiding the students, i.e. the professors must lead the students in all different intellectual, emotional, moral, spiritual, social and even political factors. What is presently observed in the most courses and different levels in universities is transfer of academic topics and pre-proved theories or special points from professor's mind to the student's mind that after completion of transfer process, if the professor regardless of students uninteresting emphasizes on the exam or question and answer in next sessions, the student has no option but to study and memorize the contents for answering. If the high population of class and time limitation avoids question and answer process or evaluation by the professor, the contents are memorized only at the time of exams. In the analysis of inefficiency of academic board members in consideration of higher education goals, three factors seem to be more prominent: a. weakness of postgraduate studies system of higher education in promotion of students' academic level; b. weakness of higher education in providing the psychological and training principles and modern teaching styles to the academic board members; c. excessive density of student in the classes and non-observance of training standards. In general, if the academic board members have an academic spirit and be scholar, capable and familiar with modern topics of their specialized field and on the other hand have adequate awareness of modern teaching styles, certainly will be successful in teaching and training goals will be realized intensively in the university (Hashemi,seyed ahmad2012).

Therefore, higher education must identify and recruit the talents and elites and formulate and implement the policies and plans for their familiarity with the training and educational principles and philosophy as well as modern teaching, researching and basic science training styles.

8- Non-specification of minimum academic and practical capabilities for graduation:

In higher education system, obtaining the minimum pass grade is prerequisite for obtaining the graduation certificate. Inappropriate employment conditions from one hand and non-differentiation between graduates in terms of academic and practical capabilities at the time of recruitment from other hand cause a lot of students particularly of B.sc. to lose their motive and interesting in learning theoretical courses and practical activities. These conditions cause training and generating graduates that have no academic spirit and despite of inability in attaining the higher academic degrees, have no appropriate spirit of entrepreneurship and finding a suitable business. The experience of holding integrated exam and evaluation of students in some fields (medicine) and making the continuation of their education conditioned to obtaining the pass grade caused those experts and physicians to enter into the society that have been more successful in therapeutic services and continuation of studies as well. Hence, it is necessary, as a standard syllabus has been defined for each course, criteria to be defined for evaluation of graduates to specify their minimum theoretical knowledge and practical capability as standards for each field and the graduates must be evaluated based on them (Khodadad, Hosseini, Seyed Hamid 2006).

Suggestions for formulation of integrated higher education graduates' employment plan:

Considering the variety of factors effective on graduates' employment, to solve this problem, all relative enterprises must be utilized for providing and implementing an integrated and comprehensive plan for employment. What should be taken into account for formulation of said plan is attention to factors affecting higher education graduates' employment and assigning its responsibility to the related organization.

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- For admission of students, proportionality of student's conditions to the field of study must be considered;
- To increase the budget of higher education sector and allocate a part of income or profit of different society sectors that are consumers of educational system outputs, to the universities for supplying the required facilities and equipments;
- Higher education must identify and recruit the talents and elites and formulate and implement the policies and plans for their familiarity with the training and educational principles and philosophy as well as modern teaching, researching and basic science training styles;
- The universities and training centers must find their main position and a limit to be defined for them that avoids political influence, abuse and operation by dominant groups;
- To promote and develop the entrepreneurship culture in universities and encouraging the entrepreneurs;
- Providing the facilities in deprived, faraway and bad-weathered regions so that the graduates seek job within these regions;
- Improving the laws and regulations related to workforce recruitment and retention for providing the requirements for private employment agencies' activity;
- To determine the student admission capacity based on future need of labor market to specialist workforce;
- The licenses for incorporating fields in the university must be issued provisionally and changed proportional to time and conditions;
- To revise and draft the syllabuses of educational courses based on relative job requirements;
- To establish consistency and alignment between syllabus and respective job attaining conditions;
- To take fundamental actions for changing the available training style;
- To prioritize recruitment of professors with academic and scholarship spirit, on the other side to adopt policies for removal of problems and economic bottlenecks of academic board members;
- To define criteria as standards for each field demonstrating the minimum theoretical knowledge and practical capability of graduates for their evaluation;
- To reinforce the communication between university and executive sectors;
- To plan for social security and public welfare sector so that the people enter into the university with the purpose of achieving science and knowledge;
- Using the capabilities of nongovernmental institutions such as agricultural engineering organization for underlying the employment of graduates;
- Planning for establishment of entrepreneurship centers and movement of government towards culturalization in this relation;
- Supervision on exact execution of plans so that avoid the abuse of executors and economic enterprises and favorite execution of employment plans.

CONCLUSION

Higher education is the effective factor of modern knowledge-based societies' development (Khodadad, Hosseini, Seyed Hamid 2006). In Iran, higher education with the perspective of outside-to-inside planning is formed based on social demand and the main concern is quantitative promotion of higher education and the quality in the meantime faces crisis. If no required arrangements are applied, quantitative promotion of higher education is problematic. In Iran, neither the families nor higher education are concerned about the employment of graduates, because higher education approach is not supplying the human resources for specific organizations but training the human resources and there is no concern about the place and time and position of these resources. Because quantitative promotion of higher education has not been formed on this basis and due to wrong analysis of human resources' demand, these resources have not been trained correctly and the efforts focus on knowledge of country and attitude change and major skills

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have been ignored. But, in other societies, if employment of students faces crisis, immediately the training plans of universities and even teaching style of professors are changed. Recruiting the graduates of universities and higher education institutes by the labor market is subject to having capabilities and characteristics that a part of which must be created in the university during education period. Inconsistency between processes and training materials of educational fields in universities to the skills and capabilities needed for the labor market seem to be the most important cause of graduates' failure in placement and employment. Furthermore, some external factors beyond the activity and control of higher education system have significant effects on graduates' employment. In this paper, the challenges and opportunities of higher education system for supplying the skill needs of human resources required by the labor market was discussed and analyzed in terms of two external and integral factors, and attention to entrepreneurship was raised as a strategy for removing this problem.

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