

THE ROLE OF EDUCATION IN LABOR MARKETS IN TURKEY: A LABOR DEMAND - SIDE APPROACH¹

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Abstract:

One of the basic criterions by evaluating the qualitative dimension of labor market analyses is the educational attainment. Labor inputs of manufacturing system are built by the outputs of education system. Thus, it is the education system which determines the qualitative and quantitative accordance of labor supply and demand to manufacturing system. From this aspect, the analysis of the role of education in labor markets is critically important.

The researches concerning the effects of education on employability in terms of labor demand – side approach are very limited in Turkey. In other words, how to measure the effects of education on labor markets has been a weak point of education – labor market relations literature. So, this study aims to fill in the gap in this field. Therefore, the properties that are expected by the administrative officers in hiring and promoting processes, whether the status of educational level is a distinct preference reason have been analyzed in “Turkey’s Top 500 Industrial Enterprises” Survey (2006). In this research, as collecting data instruments, a survey sheet which is composed of two parts has been built up and these sheets have been executed to administrative officers by direct conversation method.

The conclusions of this research show that, the detailed studies concerning Turkey labor market could lead outstanding findings. Looking over the behaviors of labor demand – side in a macro – level would bring new insights to battle against unemployment, which is one of the most significant socio – economical problems of Turkey.

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**TÜRKİYE İŞGÜCÜ PİYASASINDA EĞİTİMİN ROLÜ:
TALEP YÖNLÜ YAKLAŞIM**

Öz:

Bir ülkenin sahip olduğu işgücünün nitelik düzeyi, o ülkenin ekonomik gelişiminin temel göstergelerinden birisidir. Ülkelerin sahip olduğu insan kaynaklarının etkin kullanılmaması, önemli sosyal ve ekonomik maliyetleri de beraberinde getirmektedir. Günümüz dünyasında, uluslararası alanda etkinliğin aracı rekabet gücü yüksek, bilgiye açık, üretken bir ekonomik potansiyele sahip olmaktır. Küreselleşen dünyada buna ulaşmanın en önemli yolu ise insan kaynaklarının sürekli geliştirilmesi olarak görülmektedir. Artık işsizliğin önlenmesi ve işsizlikle mücadele politikaları, olumsuz sosyal etkilerden korunmaktan çok, ekonomik gerekliliklerden kaynaklanmaktadır.

20.yüzyılın ikinci yarısı boyunca çalışma ilişkilerini belirleyen birçok faktör 1990'lerden bu yana önemli değişimlere uğramıştır. Gerçekte, imalat sanayilerinde yoğunlaşan istihdama, istikrarlı ve güvenli bir kamu sektörüne ve güçlü bir sendika hareketine dayanan 20. yüzyılın geleneksel endüstri ilişkileri, 1960'lı ve 1970'li yıllarda zirve noktasına ulaşmıştır. Ancak 1980'lerden itibaren artan işsizlik 1990'larda da bu eğilimini sürdürmüştür; bu durum, birçok ülkede sosyal korumanın zayıflamasına neden olmuştur.

İşsizlikle mücadele ve istihdam yaratma sorunu gelişmişlik düzeyi ne olursa olsun tüm ekonomik yapıları önemli arayışlara itmiştir. Kuruluşundan itibaren üyelerinin ekonomik kalkınmasını sağlamak amacıyla alternatif politikalar üretme hedefinde olan Avrupa Birliği de aktif istihdam politikalarını, kriz ortamından etkilenen iş piyasalarının ve işsizlerin yeniden iş piyasasına entegrasyonu doğrultusunda geliştirmiştir.

AB, içinde bulunduğu ekonomik konjonktürü ve özellikle küresel rekabette ABD ve Japonya'dan kaynaklanan sert rekabet ortamını değerlendirerek, sosyal modelini daha verimli ve sürdürülebilir kılmak ve etkin bir istihdam politikası oluşturmak amacıyla Avrupa İstihdam Stratejisi (AİS) oluşturma çabası içine girmiştir. Birlik içerisinde üye ülkelerin istihdam hedeflerinin belirlenmesinin ne yönde ve hangi başlıklar altında takip edileceği, AİS'de dört temel unsurla ifade edilmiştir. Bunlardan ilki ve belki de en dikkate değer olanı, işsizlere uygun beceriler ve teşvikler sunarak, iş hayatına dönüşü sağlayan ve iş piyasalarının açıklığını ifade eden "istihdam edilebilirlik"tir. Diğer unsurlar ise; "serbest girişimcilik", "uyum sağlama" ve "eşit fırsatlar"dır.

AB'nin 2004 yılında yaşadığı son genişleme halkasında, işgücü piyasalarında ve işsizlikte önemli yapısal sorunlar yaşayan ülkelerin Birliğe dahil edilmesi, Avrupa işgücü piyasalarında olumsuz etkilere neden olmaktadır. Yeni üyelerde işgücünün vasıf seviyesinin genellikle düşük ve sektörel dağılımın

diğer üyelere oranla farklı nitelikler taşıması önemli handikaplar olarak dikkati çekmektedir. İşsizlik oranları açısından da durum farklı değildir. Yeni on üye ülkenin işsizlik oranları, eski on beş üyenin işsizlik oranlarının oldukça üzerindedir. Bu gelişme bütünleşme süreci ile birlikte, Birlik genelindeki işsizlik oranlarının artmasına neden olmuştur. AB'ye tam üyelik sürecinde bulunan Türkiye'nin eğitim-istihdam analizi çerçevesinde değerlendirilmesi, Türkiye ve Birliğin gelecekteki insan kaynakları potansiyellerinin belirlenmesi açısından büyük önem taşımaktadır. Türkiye'nin gerek sayısal gerek eğitimsel olarak sahip olduğu potansiyelin büyüklüğü, bu tür analizlerin geliştirilmesi gerekliliğini ortaya koymaktadır.

Bu çalışma, eğitimsel niteliklerin özellikle emek talebi cephesinden ne şekilde algılandığını ortaya koymayı amaçlamaktadır. İnsan kaynaklarının geliştirilmesi meselesi hiç kuşkusuz sayısal ve niteliksel bir gelişimi içermektedir. İşgücü piyasasında talep edilen niteliklerin neler olduğu, bunların nasıl kazanılabileceği ve eğitimsel niteliklerin bireyin piyasadaki yerini ne ölçüde belirlediği gibi konular, eğitim-istihdam ilişkisinin kurulmasında ve insan kaynaklarının geliştirilmesinde talep cephesinin yaklaşımlarının esas alınması gerekliliğini ortaya koymaktadır. Piyasaya sunulan eğitimsel niteliklerin kullanıcısı olan firmaların sahibi ya da yöneticisi konumundaki işverenlerin eğitimsel nitelikler ile istihdam edilebilirlik arasındaki ilişki konusundaki görüşleri, ulusal düzeydeki insangücü politikalarını da belirlemektedir. Bu çerçevede araştırmada, Türkiye'nin ilk 500 büyük firması içinde yer alan, özel sektörde, imalat sanayinde faaliyet gösteren ve Ankara bölgesinde merkezi bulunan Ankara Sanayi Odası (ASO) üyesi firmaların işverenleri tarafından "eleman alımında hangi özelliklere önem verildiği; söz konusu özellikler arasında eğitim düzeyinin belirgin bir tercih sebebi olup olmadığı ve eğitim-istihdam arasındaki ilişkinin hangi kuramsal yaklaşım çerçevesinde algılandığı" sorularına yanıt aranacaktır.

Araştırmada, öncelikle eğitim-istihdam ilişkisi konusunda işgücü piyasasının talep kesiminin görüşlerini belirlemeye yönelik yapılan benzer çalışmaların sonuçlarını tespit etmek amacıyla yerli ve yabancı literatür taraması yapılmıştır. Çalışmada, nicel araştırma tekniklerinden "alan araştırması (survey)" tekniği kullanılmıştır. Bu araştırma tekniğinin kullanılmasının nedeni, kişisel ifadelerle dayalı davranış, tutum ve karakteristiklere ilişkin araştırma yapılmasıdır.

Anahtar Kelimeler: Eğitim, İşgücü Piyasası, İstihdam Edilebilirlik.

INTRODUCTION

The quality level of a country's labor force is one of the main indicators of the country's economic development. The inefficient use of human resources in a country brings major social and economic costs together. In order to be efficient in today's international field, the economic potential of a country should be highly competitive, open to new information and productive. The best way of achieving this has been seen the development of human resources in the globalizing world. Policies regarding the prevention of and struggle against unemployment result from economic needs rather than the need to avoid unwanted social effects.

Many factors determining the labor relations throughout the second half of 20th century have dramatically changed since 1990s. Traditional industrial relations of 20th century, actually grounding on employment focusing on production industries, a stable and reliable public sector, and a powerful union act; have reached their highest point in 1960s and 1970s. However, the increase in unemployment rates in 1980s has continued in 1990s, and this led to a weaker social protection in many countries along with the change in balance of power in labor market, in favor of the employer (Dereli, 1997: 55).

The new structure emerging with the concept of globalization shows itself in a new understanding of production, new sectors and renewed definitions of economic dynamics. Several industries such as information society, have emerged and thus "the new economy" concept was born. Despite the fact that this new economic arrangements have increased employment level for new jobs and new vocations; unemployment has become a serious threat due to the decreasing share of industrial sectors allowing high rates of employment and rapidly developing technology requiring less human power (Keser, 2002: 87).

The fight against unemployment and the tryings to increase employment forced all economic structures whatever their level of development to search for new ways. Since its foundation, European Union has aimed to produce alternative policies in order to achieve economic development for its members, and developed its active employment policies in order to realize integration of labor markets affected from the economic crisis and unemployed people back to the market again.

This study aims for explaining how educational qualities are perceived by the labor demand side. There is no doubt that the development of human resources involves a quantitative and qualitative approach. Issues such as demanded qualities by labor market, how these qualities can be obtained, and how effective are educational qualities in determining an individual's place in the market point out the need to consider approaches of the demanding side in developing an education-employment relation as well as human resources. The opinions of employers who are the owners of

or managers in firms using the supplied educational qualities, about the relation between educational qualities and employability determine national labor force policies. The scope being this, the study shall try to answer questions such as “What is important in hiring employees?”, “Among all other factors, is education level a significant factor in preferring one candidate over another?”, “Within which theoretical approach is education-employment relation assessed?”; with the employers of Ankara centered, and Ankara Chamber of Industry (ACI) member firms which are among the biggest 500 firms of Turkey, and operate in private sector, manufacturing industry.

During the research, in order to establish the results from previous studies executed to determine the opinions of demand side of the labor market about education-employment relation, relevant literature, both domestic and foreign, has been examined. The study uses the “survey” as quantitative research method. The reason for preferring this technique is that the research involves behavior, attitude and characteristics based on personal statements.

I) THE CONCEPTUAL FRAMEWORK

A) Education

The concept of education which emerges with human being’s ability to learn remains to be importance and valid constantly. Education can generally be defined as “the process of behavioral changes of an individual”(Aydın, 2006: 25; Ünal, 1996: 7). It is considered as an individual activity due to the fact that it gives individuals personality, ability and value; and as a social activity due to the fact that it realizes its function to socialize and protect, change, renew, and transfer social values to the next generation.

With education, the individual always learns to be “better”. At this point, it is important to define “what better is”. The answer to this question can be “develop the humanly existence potential which is a part of the individual himself”(Reboul,1991: 23). In this context, education becomes the combination of “bringing up”, “teaching” and “shaping”(Dikmen, 2001: 10).

Today, education system consists of two main branches in many countries: formal education and non- formal education. Formal education which means the education given at schools regularly involving programs prepared by taking the properties of peer individuals who have approximately same levels into consideration (MNE, 2006: IX), includes preschool education, primary education, secondary education and higher education levels. In formal education, the entrance to education levels are limited by a certain age and the starting and finishing of these levels are controlled by educational documents such as diploma. Every educational activity executed along with or separate from formal education, regarding the individuals who have never been involved in formal education or studying in some level of formal

education or ceased the education process at one of these levels (MNE, 2006: 7) is defined as non- formal education.

As stated above, education being one of the most important factors accelerating economic, social and cultural development can be directed to various targets. One of these targets is to provide individuals with information and skills regarding vocations in order to increase their productivity at work. Such an education is called “training” (Ünal, 1996: 7). A part of formal education and on- the- job training, for example, are educational activities regarding training.

B) The Economic and Social Value of Education

Economic and social conditions at a certain point of time affect the point from which education is approached. This statement builds an expectation of harmony between the perspective at a certain period of time, from which education is considered and the role of education in economic and social functioning in that period.

When societies discovered the importance of the education process, schools became a part of social life; and with this, information regarding the social and economic functioning, and knowledge and skills regarding each economical role began to be given within a planned learning and teaching process. The importance of learning action in work place also increased. Societies can produce new technologies or transfer these technologies, and can increase efficiency and employment through quality labor force and quality production inputs; only if they can build up education and training systems as a planned process designed to create desirable behavior, knowledge and skill variations.

Today, it is assumed that the contribution of education to economic development is realized by increasing the efficiency level of labor force, and that educated labor force is more efficient than uneducated labor force. The economical value of education is assessed according to the vocational knowledge and skills earned to the individual. Despite this common conception, there are some approaches determining the economic value of education based on the effects of education on attitudes, social and communicational skills, rather than technical knowledge and productive skills (Blaug, 1985: 18). In this context, it is clear that the economic value of education for training a labor force that can meet the needs of the labor market, especially in developing countries, should be considered as a combination of these two skill categories (vocational knowledge and skills, and social and communicational skills) earned to the individual.

C) Employability

The concept of employability is central for labor market policies of several developed and developing countries. Employability is an individual’s being employed and remaining employed throughout his working life; in other words, it is the

development in one's knowledge, skills and abilities which will give the individual work guarantee (HM TREASURY, 1997: 1). Indeed, the work guarantee does not mean the expectation of one's working for the same company constantly. Employability skills give individuals the assurance that he can find another job in case he wants to change his job or gets fired, and can join the active population without encountering any difficulties in case he leaves the active population for any reason.

D) The Role of Education in Labor Markets

The relation between education and employment starts with the individual's efforts to learn working in order to meet personal needs and demands. As the jobs and job definitions are constantly changing in the social development process, education gains more importance for obtaining the required qualities and proficiencies. Technological developments has dramatically affected the production process; breaking some vocations into pieces, and combining some together, and even eliminating some of them. Nevertheless, some new job titles have also emerged.

The most important problem of education system which is not able to catch up with the above said changes in production process, is not being able to provide the production system with labor force at required numbers and qualities when it is needed. This brings up the question, how the qualitative harmony can be achieved between the manpower need of production system and outputs of education system, and how the educational qualities can affect labor efficiency through formal or non- formal education.

As a production factor taking place in production process, labor force contains the various combinations of qualities such as knowledge, skills, social attitude and behavior which are outputs of education system. It is of great importance that how the said qualities of education which determine the economical value of education is perceived by the employers who are actually the demand side of the labor market. According to employers, which educational qualities have direct effects on efficiency; which qualities are preferred to be developed through training programs arranged by the firm or to be already gained within the formal education process? The answers to these questions define the function of education in labor market from the point of view of the demand side.

II) THE THEORETICAL FRAMEWORK

Despite the close relation between education and production process, researching the role of education in economic structure and considering education in economic analyses is not a new approach. With the Human Capital Theory which has been developed by neoclassical economists, education became an important element of labor market. After the studies which have been presented as the Human Capital Theory, serious researches on labor efficiency of education, economical development

and its relations with employment have been conducted. The results from these researches have been used in manpower/ education planning studies, and served as a basis for several educational policies. Today, many countries implement policies produced with this understanding and conduct manpower/ education planning studies (Ünal, 1990: 3). However, even the suggestion of other theories and hypothesis gives us some clues about the idea that in cases of hiring, employment, promotion and firing there should be qualities other than education which have effects on these cases.

In both classical economics and the beginnings of neoclassical economics, labor force has been considered to be a homogeneous production factor. In other words, labor force has only been considered from its quantitative aspects, and qualitative aspects have been left out. Nevertheless, some classical economists like *Smith* and *Mill*, have considered education as “an investment on the future income capacity”(McNabb, 1987: 157- 158).

According to neoclassical economics, production factors are homogeneous in quality, the only difference between those factors is in wage. There is no divergence in quantitative aspects (age, gender, level of quality, etc.) and that is why personal expenditures on education are counted as “consumption expenditures”(Levitan, Mangum, Marshall, 1976:115). However, Neoclassical Economy School used to take the outcomes of a training program as the participant’s “utility” obtained during the program, and personal spending on education used to be considered as “consumption expenditures”. Focusing on labor market neoclassical economy has offered various theories.

In late 1950s, some neoclassical economists like *Schultz*, *Mincer* and *Becker* have rediscovered the thoughts of *Smith* and *Mill*, who saw education as “an investment on the future income capacity”, and connects education, employment and waging. And Human Capital Theory is based on these thoughts. Human Capital Theory agrees to the basic assumptions of Neoclassical School, regarding labor market analyses, however differs from the Neoclassical School on the idea of labor force qualities’ being homogeneous; and considers educational qualities as a factor which has effects on employment level and wage. According to the theory, “human capital” factor is a variable in neoclassical production function.

The fundamental assumption of Human Capital Theory is that education increases efficiency and therefore lifelong earnings. According to this approach, individuals with higher education obtain higher earnings, and these earnings are a measure of the individual’s increasing efficiency and thus their contribution to economic development (Psacharopoulos, Woodhall, 1994: 40). According to this theory, differences in human capital accommodations of individuals lead to a differentiation in their efficiency levels. Firms pay higher wages to people with higher efficiency levels.

According to Dual Theory which separates labor market into two different sectors as primary and secondary, the main point of this stratification is every market's having employment structures and wage policies of their own (McNabb, 1987: 160). First of all, since the dual economy consists of two sub-sectors with different characteristics, attitudes of labor force and firms in both sectors, towards employment require different theoretical explanations.

The supporters of Dual Labor Market Theory point out the institutional variables and firms which form the labor force demand as determinant of wage and employment. Since wage is a function of technology level, human capital investments such as education does not have any effect on allocation of labor force among work tasks and determining wages (Ashton, Maguire, Spilsburg, 1987: 161; Boyer, Smith, 2001: 213; Piore, Wachter, Gordon, 1974: 651). This means that since the wage changes depend on the content of the work, not on individuals, educational differences should not be reflected on differences in earnings. Dual Theory does not consider education as a factor which increases the efficiency potential of the labor force; it is only a mechanism which is used by the employer during the hiring process. From this perspective, it is suggested that in case of a development in techniques used when choosing employees, education shall be a less important factor (Ünal, 1991: 756).

The Screening Hypothesis states that education is not the only factor increasing the efficiency of the labor force by earning necessary knowledge and skills; and that it functions more like a "signal" (Parasız, Bildirici, 2002: 115; Uyanık, 2000: 30). The Screening Hypothesis sees the economical purpose of education system as defining individuals according to different educational levels. Nevertheless, education is also considered as a mechanism which classifies individuals according to their abilities, and labels these abilities with educational documents (Parasız, Bildirici, 2002: 115; Uyanık, 2000: 30; Ünal, 1991: 758). According to this approach, education allows people to find better jobs just by giving them a diploma or a certificate without changing their efficiency levels. Employers regard these documents as indicators of marginal efficiency (Uyanık, 2000: 32).

Labor Queue Theory suggests that educational documents are indicators of qualities which affect future efficiency and trainability, but they shall not have any direct effects on future job performances. According to this model, the structure of a job is determined technologically. Nonetheless, the model agrees to the ideas that efficiency at work is not related to the qualities of labor force, but to the qualities of the work; and that labor market basically functions as "allocation of labor force supply among work tasks". That is why education and training does not have any significant effects on determining the efficiency of the potential of the labor force.

According to Labor Queue Theory, in the hiring process, employers consider the "trainability" levels of individuals they plan to hire, in order to minimize their training costs. Individuals are placing in queue for the available jobs in the market. The factor

determining the allocation of the applying individuals among said jobs is the applying individual's relative position in the queue (Ünal,1991: 762). And the relative position of the individual in the queue is determined by his education level.

III) THE ROLE OF EDUCATION IN TURKISH LABOR MARKETS

The education system in Turkey has a structure consisting of formal and non-formal education. Formal education starts with preschool education, and it continues to primary, secondary and higher education levels with a continuous 8 years. Secondary education consists of general and vocational secondary education institutions. On the other hand, non- formal education in Turkey is "folk education", "apprentice training" and "distance learning".

Since 1997/1998 educational year which was the beginning of the 8-year compulsory education implementation, it is observed that schooling rates according to education levels and gender is on the rise. In 2008/2009 educational year, the schooling rate for primary education was %96,5, when the schooling rate for secondary education was %58.5. This major difference between these two levels reflects on the labor market as unskilled workers.

The technological developments which accelerated with the globalization period, makes the existence of a dynamic and changeable labor market conditions inevitable. This structure forces individuals to improve their "employability" qualifications to be able to compete in the market and protect their economic levels. Vocational-technical training which is briefly defined as the adaptation of individual to work has a major role in such an improvement. Vocational-technical training equips individuals with basic vocational knowledge and skills that are required for entering a certain business field; and teaches how to use the technologies regarding the vocation.

Turkey has adopted an approach which focuses on formal vocational technical secondary education in training technical labor force. Training of the technical labor force in vocational colleges, apprentice training and non- formal education is another way applied to train technical labor force. Especially after the 1970s, development plans aim to build a secondary education structure focusing on vocational training, and it has been predicted that %65 of the students continuing their education in secondary level should continue their education in vocational-technical high schools. This aim has never been reached; also the weight of general high schools remains unchanged. As of the 2008/2009 educational year, %45.3 of the students in secondary education attends general high schools and %9.9 of them to vocational-technical high schools. This structure makes entering the labor market at an early age more difficult, and leads to a piling in the higher education examination system.

Another resource for training technical labor force is vocational colleges. In 2002/2003 educational year, students who are graduated from vocational high schools

were given the right to enter a higher vocational education institution in the same vocation line, which can be considered as the subsequent training without having to take any exams. Also, within some determined limits, some of the students in these schools were given the right to shift to undergraduate programs. In Turkey, there are also attempts to train technical labor force by non- formal education. Non- formal vocational and technical education activities are conducted by public institutions, universities, municipalities, vocational institutions, volunteer and private institutions.

Developments in Turkish labor markets go through a transition process similar to its economic transformation. There is no doubt that the most profound effect of the structural changes in economy emerging after 1980 was on the sectoral distribution of employment. Turkey not canalizing the redundant labor force from the agricultural sector to industrial sector due to inadequacies in vocational training and redirecting, has been faced with an unevenly distributed and major service sector employment.

It can clearly be seen that education level of the labor force differs from developed economies. In 2008, while more than half of the employed were high school or below educated, the share of higher education or faculty graduates in total employment was on %10,3. In today's world where global competition can be felt intensely, considering that the most important element for having a competitive advantage is human resources, it is clear that Turkish labor markets have severe drawbacks.

Unemployment in Turkey has some structural problems such as being a long term problem, much tenser in agriculture and a common situation for women and youth. The fact that the majority of the unemployed did not pass beyond high school or an equal education institution, shows that educational institutions can not sufficiently meet the demands of labor market. Another fact that the second majority among unemployed is higher education graduates indicates that this problem remains to be in higher education system, and there is a flaw in planning of the macro human resources policies. All of these issues point that the relation between education and employment has not been established in Turkish labor markets, yet. It is clearly stated that the opinions and preferred approaches of labor demand side are essential to establish a relation between education and employment.

Turkey has a young population, and unemployment among youth has a tendency to increase recently. This requires determining the educational needs of labor markets, and educational institutional should be designed with respect to those needs. Turkey Labor Market Study which was published by the World Bank in 2006, highlights the possibility that unemployment among youth can be a result of demand sided effects. According to this study, one of the most important reasons for unemployment among youth is that the economy can not create job opportunities which will include educated young individuals in the labor market (WORLD BANK, 2006: 140).

IV) FIELD SURVEY: THE ROLE OF EDUCATION IN LABOR MARKETS IN TURKEY - A LABOR DEMAND-SIDE APPROACH

A) Data Set

In this study, a research method was designed to determine how and within which theoretical approach the managers of firms which are among the biggest 500 firms in Turkey, operate in private and industrial sectors and are members of ACI, consider the education-employment relation with respect to various job positions. In order to collect data, interview forms with structures complying with the method to be used in this study, were prepared. To be able to acquire more reliable results, data collection tools were filled in face to face meetings.

The interview forms which were prepared as data collecting tools, consists of 26 questions and 2 parts. In the first part which has 7 questions, it is aimed to determine the participant's personal characteristics. In the second part of the form, participants were asked to answer multiple-choice questions and prioritize the elements given in the question. In this section the aim is to determine which criteria the employer uses when choosing their personnel, considering internal structure of the firms as well. In questions where the participant was asked to prioritize, 5 level Likert Scale has been used².

A pilot study with 20 managers has been conducted in order to test the reliability of the questions. As a result of the reliability analysis for question number 18 which uses the likert scale, it is seen that with a 0,963 Cronbach's Alpha value, the questions proved to be reliable.

The space of the study is composed of managers of firms which are among the biggest 500 firms in Turkey, operate in private and industrial sectors and are members of ACI. The most important difference between the industrial structure of Ankara and overall industrial structure of Turkey is that the production in Ankara, is not a low technology production based on agriculture, forest, or underground resources; but is a high or standard technology production based on advanced human resources, resulting with highly value added products. In addition to ranked as second in the "socio-economic development index" of State Planning Organization (DPT, 2007), Ankara is one of the most developed cities in Turkey.

In determining the space of the study, it is assumed that firms which are among the 500 biggest firms in Turkey would have a more institutionalized structure and that the managers of these firms would not take any chances when hiring a new personnel and in the process of employment .It is planned to make 3 interviews with 3 managers

one of them being a top manager, one being a human resources manager and the other one being an actual production management.

Sample group has been created using simple coincidental sampling method (Balci, 2004: 95). The formula to determine the number of interview forms which will be applied with simple coincidental sampling method.

$$n = \frac{z^2 N p q}{z^2 p q + d^2 (N - 1)} \quad (1)$$

Here, **n** is the number of interview forms, **N** is the total number of firms in the space (N=78); **z** is the statistical reliability level (at %5 significance level z=1,96); **d** is error tolerance (d=0,05); and **p.q** is the variance (p.q=0,25).

According to the above given formula, at a significance level of 0,05 and error tolerance being 0,05, the number of managers that are needed in the research is 66. Of those 66 managers, 22 are top managers, 26 are HR managers, and 18 are production managers.

The data were analyzed using Statistical Packages For Social Sciences (SPSS 15.0). First of all, the reliability analysis was conducted for only prioritization questions (question 18), as a result the test proved to be statistically reliable. After this, frequency values and per cent shares were presented in related tables. The importance level of managers' hiring specifications have been stated below by calculating average values of points determined for each job position in question 18.

After this, cross tables have been produced by using the data regarding the problem of finding skilled workers and the scale of firms. Finally, cross- tables have been formed by using the data reflecting the managers' theoretical perspectives regarding education-employment relation and the data concerning their personal characteristics. In order to test the statistical relation between the two factors, a Chi-Square analysis has been conducted. Chi-Square Relation Analysis is used to test the existence of a relation between variables in cases of scaled variables (Akgül, Çevik, 2003: 274- 275). Chi-Square analysis is always a two-way test and on-sided alternative hypothesis is not used. To obtain stronger results, in case of the expected frequency levels below 5 are above %20 of the whole, the rows and columns are merged.

0.0 – 0.9	Exactitudely Important
1.0 – 1.9	Not Important
2.0 – 2.9	Mildly Important
3.0 – 3.9	Important
4.0 – 5.0	Very Important

The following hypothesis shall be used in Chi-Square Analysis:

H₀: There is not a statistical relation between the theoretical perspective variable adopted by the managers and ...personality variables.

H₁: There is a statistical relation between the theoretical perspective variable adopted by the managers and ...personality variables.

According to the results of the conducted Chi-Square relation analysis, if the significance level (p) is smaller than the table value (α)=0.05, H₁ shall be accepted. Thus, it is decided that “there is a statistical relation between variables. And if the significance level (p) is smaller than the table value (α)=0.05), H₀ shall be accepted, meaning that there are not any relations between the variables.

B) Findings From The Research

1) Findings Regarding The Personal Characteristics Of Participant Managers

%10,6 of the managers taking part in the research are women, and %89,4 for men. It is observed that the number of women managers is low and they are mostly given the role of HR management.

Looking into the age groups of the managers participating in the research, it has been seen that %10,6 of the participants are in 26-30 age group. For the rest of the participants, %39,4 of the participants are in 31-40 age group, %30,3 in 41-50 age group. And finally %19,7 of the managers are more than 50.

As seen in the Tablo 1; the managers participating in the research are graduates from higher education institutions. %69,7 of the managers are graduated, and %24,2 of them have postgraduate degrees. The rate of managers with lower educational degrees is %6. It is stated that such people work for family companies.

Table : 1
Personal Characteristics of Managers

	Frequency (f)	%
Gender		
<i>Male</i>	59	89.4
<i>Female</i>	7	10.6
Age Groups		
<i>26- 30</i>	7	10.6
<i>31- 40</i>	26	39.4
<i>41- 50</i>	20	30.3
<i>51+</i>	13	19.7
Level of Education		
<i>Primary School</i>	1	1.5
<i>High School and Equivalent Vocational School</i>	3	4.5
<i>Higher Education</i>	46	69.7
<i>Postgraduate Education</i>	16	24.2
Field of Study		
<i>Natural Sciences</i>	4	6.5
<i>Engineering Sciences</i>	28	45.2
<i>Economics and Administrative Sciences</i>	22	35.5
<i>Social Sciences</i>	6	9.7
<i>Others</i>	2	3.2
Term of Office at Management		
<i>Less than 1 year</i>	2	3.0
<i>1- 5 years</i>	22	33.3
<i>6- 10 years</i>	17	25.8
<i>11- 15 years</i>	5	7.6
<i>16 + years</i>	20	30.3
Term of Office in the Firm		
<i>Less than 1 year</i>	3	4.5
<i>1- 5 years</i>	16	24.2
<i>6- 10 years</i>	19	28.8
<i>11- 15 years</i>	10	15.2
<i>16 + years</i>	18	27.3
Position in the Firm		
<i>Top Manager</i>	22	33.3
<i>HR Manager</i>	26	39.4

<i>Production Manager</i>	18	27.3
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Examining the fields of study of the managers, we have seen that with a rate of %45,2 engineers who are generally employed as production managers, have the biggest share. The main reason for that is the firms' being studied operate in manufacturing sector. %35,5 of graduated managers studied economics and administrative sciences. These individuals are mostly employed as HR managers. Among managers who have studied in higher education institutions, with %9,7 being the rate for social scientist; and %6,5 being the rate for other positive sciences.

To be able to determine the job experiences of the managers, it has been stated their working time as a manager. Accordingly the %33,3 of the managers have been working for 1-5 years, %25,8 6-10 years, %7,6 11-15 years and %30,3 of the participants have been working for 16 or more years. It has been noted that very few managers (%3) has occupied the managerial state.

Examining the working time for their actual firms gives us the following rates: %4,5 of the managers have been working for the actual firm for less than one year; %24,2 1-5 years, %28,8 6-10 years; %15,2 11-15 years, and %27,3 have been working for the firm for 16 years or more.

2) Findings Regarding the Scale of Participant Firms

Table 2 shows the distribution of firms included in the research according to their scales. According to the table, %8 of the firms is middle-scale, %8 is large-scale and the majority forming the %83 of the firms are very large-scale firms.

Table : 2
Distribution According to Firm Scale

	f	%
50- 150 workers	2	8.3
151- 250 workers	2	8.3
251 + workers	20	83.4

3) Findings Regarding The Perspectives Of Managers Concerning Education - Employment Relation

The perspectives of managers regarding education- employment relation are considered in three main axes. First of all, the opinions of managers concerning finding skilled personnel have been assessed. After that, qualifications preferred by the

managers when hiring personnel have been ranked relatively. Finally, findings on “the theoretical perspectives through which managers consider education-employment relation” have been interpreted.

A) The Opinions Of Managers Regarding The Lack Of Skilled Personnel

%39,4 of the managers participating in the research stated that there is a lack of skilled personnel in the labor market. %43,9 of the managers admitted that there is a problem of that sort, while %16,7 of them did not have such problems.

A majority of managers (%83,3) participating in the research have stated that they are having trouble in finding skilled personnel when there is a need for it. According to Table 3, the problems encountered in finding skilled employee are more intense for technician, engineer, foreman and skilled worker positions, in other words, for technical positions. Nevertheless, the lack of skilled personnel is not a problem for only the firms subject to our research, but is a general problem of Turkish economy.

Table : 3
The Managers’ Opinions regarding The Lack of Skilled Personnel

	f	%
The Problem in Finding Skilled Personnel		
Yes	26	39.4
In part	29	43.9
No	11	16.7
The Positions (Lack of Skilled Personnel)		
Middle Manager	21	31.8
Administrative Personnel	17	25.8
Engineer	31	47.0
Technician	34	51.5
Foreman	29	43.9
Skilled Worker	24	36.4
Unskilled Worker	1	1.5
The Reasons for the Problem in Finding Skilled Personnel		
Inadequacy in Education System to Meet the Qualification Needs of Labor Market	48	72.7

The Lack of on- the-Job Training in accordance with the Changes in Production System	7	10.6
The Lack of Information Flow in Labor Market	9	13.6
Others³	12	18.2

Another issue standing out in Table: 3 is that there are difficulties in finding unskilled workers for work tasks requiring low qualities, or no qualities at all. However, in the interview with the manager it is understood that the real problem is that the task is not handled properly.

According to managers stating that there are problems in finding skilled personnel in the labor market, the most important reason for this is that education system is not able to meet the qualification needs of labor market. Considering that this problem is more common for technical positions, it would not be wrong to say that main problem here is vocational-technical training. Vocational training system's not being able to meet the requirements in training skilled labor force, is one of the most serious problems in functional relation between education and employment in Turkey.

b) Priorities of Qualifications Preferred by the Managers in Hiring Personnel

In this section of the study, managers' answers to questions prepared to detect the qualifications which are the starting point when hiring new personnel. 66 managers participating in the research, prioritized given qualifications according to various job positions. The average scores for each qualification showed in the related table have been calculated by dividing the total scores which were given by the participant managers into the number of forms (66 forms).

Table: 4
The Importance Level of Managers' Hiring Specifications

Qualifications	Middle Manager		Administrative Personnel		Engineer		Technical Personnel (Technician, Foreman, Skilled Worker)		Unskilled Worker	
	Average Score	Importance Level	Average Score	Importance Level	Average Score	Importance Level	Average Score	Importance Level	Average Score	Importance Level
Level of Education	4.6	Very Important	4.7	Very Important	4.6	Very Important	3.6	Important	1.9	Not Important
Work Experience	4.5	Very Important	4.1	Very Important	4.2	Very Important	4.4	Very Important	2.8	Mildly Important
Foreign Language	4.0	Very Important	3.0	Important	4.2	Very Important	0.9	Exactitudely Important	0.4	Exactitudely Important
Personality	3.9	Important	4.0	Very Important	3.7	Important	3.8	Important	3.5	Important
Age	1.9	Not Important	2.0	Mildly Important	1.9	Not Important	1.9	Not Important	1.8	Not Important
Reference	1.6	Not Important	1.7	Not Important	1.6	Not Important	1.7	Not Important	1.4	Not Important
Examination Score	0.8	Exactitudely Important	0.7	Exactitudely Important	0.9	Exactitudely Important	1.4	Not Important	0.8	Exactitudely Important
Gender	0.7	Exactitudely Important	0.6	Exactitudely Important	0.8	Exactitudely Important	1.3	Not Important	1.5	Not Important
Physical Appearance	0.7	Exactitudely Important	0.7	Exactitudely Important	0.6	Exactitudely Important	1.1	Not Important	1.6	Not Important
Marital Status	0.6	Exactitudely Important	0.7	Exactitudely Important	0.7	Exactitudely Important	0.6	Exactitudely Important	0.5	Exactitudely Important

When hiring for middle management, the most important qualifications for managers are “*level of education*”, “*work experience*” and “*foreign language*”. It is discovered that “*personality*” is another important qualification when hiring for middle management.

For administrative positions, the most important qualifications for managers are “*level of education*”, “*work experience*” and “*personality*”, as well as “*foreign language*”.

And when hiring engineers, like middle management positions, the most important qualifications are “*level of education*”, “*work experience*” and “*foreign language*”. It is observed that “*personality*” is also an important qualification for managers when hiring engineers.

In contemplation of assessing technical position together would be more appropriate, the rankings for technician, foreman, and skilled worker positions are summed up, and the average score for these positions have been calculated. Table 4 indicates that when hiring for technical positions, “*work experience*”, “*personality*” and “*level of education*” are the most important qualifications.

It is possible to say that there are less qualifications standing out, for unskilled worker positions. When hiring unskilled workers, firms consider “*personality*” most, and “*work experience*” is the next important qualification.

According to research results, “*level of education*” is one of the main criteria when hiring new personnel for all positions other than unskilled workers. Managers consider education in the context of vocational knowledge and skills earned to an individual. Managers also believe that changing and harmonizing the knowledge, skills and behaviors of individuals with higher education levels takes shorter time than dealing with individuals with lower education levels.

While “*knowledge of foreign language*” is important for positions other than technical and unskilled worker positions; “*personality*” and “*work experience*” seem to be important for all positions. Participant managers state that meaning of personality changes for different work positions. Accordingly, for top titles such as middle management, engineer, and administrative positions, personality means characteristics gained mostly during undergraduate education period, such as “self-confidence, versatility, leadership, ability to command”. For technical and unskilled worker positions, personality means characteristics gained mostly during primary and secondary education, such as “punctuality, having strict discipline, submission, taking orders and collaboration skills”. This being the situation, it is possible to state that definition of personality changes according to the place of the related position in firm’s hierarchy.

On the other hand, while “*gender*” and “*physical appearance*” are not considered to be significant qualities in hiring middle manager, administrative

personnel and engineer positions, this becomes relatively more important when the position is technical personnel and unskilled workers. This should not be surprising when the scope and working conditions of the said works are considered.

C) The Managers' Theoretical Perspectives Regarding Education - Employment Relation

The findings of the research indicate that managers consider education-employment relation for all positions in the context of Labor Queue Theory. However, when considering managers' perception of education-employment relation, it should be more appropriate to assess the theoretical approach adopted by the managers, together with the priority level of the qualifications. Accordingly, when hiring for middle management, administrative and engineer positions, level of education is the most effective qualification for managers in defining the candidate's position in the queue. However, the managers clearly stated that unless supported by other factors such as personality, work experience, foreign language; education level would not be a determining factor by itself.

The qualifications defining one's position in the queue (e.g. level of education, personality, work experience, foreign language), suggest that managers give weight to human capital accumulation. Though, this does not mean that human capital accumulation manipulates managerial behaviors by its own. Human capital indicators are considered as factors representing the individual's "trainability". It is realized that in terms of building human capital specific to the firm, managers predict that individuals with higher human capital accumulations are easier to train, and therefore training costs can be minimized.

Using the theoretical explanations from the previous sections of the study, it is possible to say that managers who consider education-employment relation for all types of job positions in terms of Labor Queue Theory; see educational documents as indicators of various qualifications which will affect future efficiency level of the individual. However, it is clearly understood that managers deem education level not having a direct effect on job performance.

Table : 5
The Managers' Theoretical Perspectives Regarding
Education - Employment Relation

	f	%
The Managers' Theoretical Perspective for the position of "Middle Managers"		
<i>Human Capital Theory</i>	15	22.7
<i>Dual Labor Market Theory</i>	4	6.1
<i>The Screening Hypothesis</i>	15	22.7
<i>Labor Queue Theory</i>	32	48.5
The Managers' Theoretical Perspective for the position of "Administrative Personnel"		
<i>Human Capital Theory</i>	9	13.6
<i>Dual Labor Market Theory</i>	6	9.1
<i>The Screening Hypothesis</i>	15	22.7
<i>Labor Queue Theory</i>	36	54.5
The Managers' Theoretical Perspective for the position of "Engineers"		
<i>Human Capital Theory</i>	15	22.7
<i>Dual Labor Market Theory</i>	2	3.0
<i>The Screening Hypothesis</i>	16	24.2
<i>Labor Queue Theory</i>	33	50.0
The Managers' Theoretical Perspective for the position of "Engineers"		
<i>Human Capital Theory</i>	9	13.6
<i>Dual Labor Market Theory</i>	4	6.1
<i>The Screening Hypothesis</i>	13	19.7
<i>Labor Queue Theory</i>	40	60.6
The Managers' Theoretical Perspective for the position of "Foremen"		
<i>Human Capital Theory</i>	2	3.0
<i>Dual Labor Market Theory</i>	9	13.6
<i>The Screening Hypothesis</i>	8	12.1
<i>Labor Queue Theory</i>	47	71.2

Table : 5
The Managers’ Theoretical Perspectives regarding
Education - Employment Relation (Continued)

The Managers’ Theoretical Perspective for the position of “Skilled Workers”		
<i>Human Capital Theory</i>	1	1.5
<i>Dual Labor Market Theory</i>	9	13.6
<i>The Screening Hypothesis</i>	9	13.6
<i>Labor Queue Theory</i>	47	71.2
The Managers’ Theoretical Perspective for the position of “Unskilled Workers”		
<i>Human Capital Theory</i>	0	0.0
<i>Dual Labor Market Theory</i>	15	22.7
<i>The Screening Hypothesis</i>	3	4.5
<i>Labor Queue Theory</i>	48	72.7

The secondary choice of theoretical approach for middle management and engineer positions is The Screening Hypothesis and Human Capital Theory; while the secondary choice for administrative and technical positions is The Screening Hypothesis. This situation is shown in Table : 5. Accordingly, most managers consider the elimination function of education for all job positions, except for unskilled worker positions; yet they do not embrace the idea that there is a direct relation between education and employment. Until the employee’s job performance is displayed, education is the main determinant in assessment of the individual; people are hired with the assumption that individuals with higher education levels will be more efficient. On the other hand, considering the assumption of managers adopting Human Capital Theory which is theoretically opposite of The Screening Hypothesis, regarding higher education level brings higher efficiency; it can be said that individuals with higher education levels are more preferable in hiring process.

When hiring for positions requiring unskilled workers, the second most preferred theoretical approach after Labor Queue Theory, is Dual Labor Market Theory. According to managers setting their opinions to this theory, there is not a direct or indirect relation between education and employment in unskilled worker positions. However, recalling the theoretical explanations for Dualist Theory, it should only be normal to consider education as an insignificant factor for unskilled workers who are employed in “secondary jobs” available in the labor market.

D) Assessment Of Relations Between The Managers' Personal Characteristics And Their Approach To Education - Employment Relation

The study also investigates whether there is a relation between managers' approach to education-employment relation and their own personal qualifications. In order to determine the relation between the manager's position in the firm, term of office as a manager, term of office in the firm, level of education and study fields, and the theoretical approach adopted by the manager towards all positions; cross tables were generated and a Chi-Square analysis was conducted. At the end of the Chi-Square analysis, instead of evaluating variables among which there are not any significant statistical relation, only significant statistical relations were interpreted. The reason to choose this way is that there are significant relations between very few variables due to the deficiency of sample group.

At the end of the Chi-Square analysis, we found some significant relations between manager's theoretical approach to education-employment relation at some positions, and personal qualifications of the manager. The significant relations between the manager's position in the firm and manager's adopted theoretical approach towards administrative personnel and engineer positions; and the manager's term of service in the firm and manager's adopted theoretical approach towards skilled and unskilled worker positions have been found.

Table : 6
Relations between the Managers' Personal Characteristics and Their Approach to Education - Employment Relation

Managers' Theoretical Perspectives		Chi – Square (χ^2)	Significance Level (prob.)
Administrative Personnel Positions	Position in the Firm	4.513	0.099**
Engineer Positions	Position in the Firm	5.371	0.068**
Skilled Worker Positions	Term of Office in the Firm	5.831	0.054**
Unskilled Worker Positions	Term of Office in the Firm	6.486	0.039*

* $\alpha = 5\%$ level; ** $\alpha = 10\%$ level statistical relation

For administrative positions, there is a 10% level statistical relation between the managers' adopted theoretical approach and his position in the firm. The general perception of participating managers on Labor Queue Theory remaining the same; a balanced distribution among managers adopting Human Capital Theory as theoretical approach has been found in terms of position in the firm. Most of the HR managers adopt Labor Queue Theory and The Screening Hypothesis. It is discovered that production managers do not prefer Dual Labor Market Theory for administrative positions (Appendix Table : 1).

Chi-Square relation analysis conducted for engineer positions revealed a 10% level statistical relation between the manager's position in the firm and their adopted theoretical approach. Examining the distribution of adopted theoretical approach in terms of manager's position in the firm, it is realized that top managers prefer Labor Queue Theory; while HR department managers highly prefer Labor Queue Theory and The Screening Hypothesis. It is possible to say that Human Capital Theory is more preferable for HR managers. From his aspect, it is possible to state that, in terms of adopted theoretical approach, there is an almost balanced distribution among corporate department managers, except the ones preferring Dual Labor Market Theory (Appendix Table : 2).

Going from middle management up to top management, individual's "trainability" and the effect of cost becomes more important when hiring for administrative personnel and engineer positions. This situation can be explained as the increasing importance of "cost responsibility" in using executive authority.

There is a 10% level significant relation between the manager's adopted theoretical approach and his term of office in the firm, when hiring skilled workers. According to this, managers who have terms of office between 1-10 years prefer Labor Queue Theory. Also, it is discovered that the choice of Dual Labor Market Theory increases as the term of office in the firm increases (Appendix Table : 3).

There is a 5% level significant relation between the manager's adopted theoretical approach and his term of office in the firm, when hiring unskilled workers. According to this, as the term of office in the firm increases, the choice of Dual Labor Market Theory also increases. Therefore, it is possible to say that there is a positive relation between managerial preferences toward Dual Labor Market Theory and term of office in the firm (Appendix Table : 4).

The fact that managers with longer term of office in the firm prefer Labor Queue Theory when hiring skilled and unskilled workers can be explained as experienced managers' tendency of putting "work experience" and some other factors.

V) RESULTS

Below given the results of this study which was conducted to determine the importance level of educational qualities among all other determinant qualifications in hiring process, and the theoretical approach adopted by the managers, regarding education-employment relation;

- i. The participant firms are very large- scale considering number of workers employed.
- ii. It is observed that the firms participated in the research have institutionalized structures, and there are diversifications in terms of owner-manager positions.
- iii. All participating firms have large production capacities with stable demand for their products, and operate in “primary labor market” which consists of companies using relatively high technology.
- iv. Participating firms’ places in the sector, their mostly institutionalized structures and high technologies used in production organization, bring high quality products; along with a demand for skilled labor force in the production process.
- v. Most of the managers participating in the research stated that they have difficulties in finding skilled personnel when there is a need for it. This trouble becomes more visible in technical positions. According to the managers pointing out this issue, the main reason for this is that education system is not able to train labor force equipped with the qualifications required by the market. Also, this problem grows as the scale of the firm grows.
- vi. It is seen that managers participating in the research generally adopt the Labor Queue Theory among all theoretical approaches regarding education-employment relation for all job positions. However, the fact that there are some managers considering education-employment relation for all job positions from the perspectives of different approaches, shows that managers assess education from different aspects. Nevertheless, it is possible to say that there is a positive correlation between the fundamental criteria used by the managers in hiring personnel and the managers’ perception of education-employment relation.
- vii. It is established that participant managers consider education as the most important factor determining an individual’s position in the line, when hiring for middle management, administrative and engineer positions; however, education can not be the only factor determining one’s

employability. Qualifications such as work experience, personality, and foreign language affect managerial decisions in hiring new personnel.

- viii. Participating managers think work experience and personality are the most important qualifications in determining an individual's position in queue when hiring for technical positions (technician, foreman, skilled workers); and in such cases education is seen less important.
- ix. Participant managers see personality is the most important factor in determining individual's position in queue when hiring for unskilled worker positions; and it is seen that education does not have any significant effect in such work positions.

DISCUSSION

With her young population and productive human resources potential, Turkey has some problems in converting this potential to a competitive advantage. Most important one of these problems is the harmony between education supply and labor force demand is neglected in education planning. Besides, due to the deficiencies in vocational consultancy and guidance system; there are many people in Turkey, who have chosen their vocational field by chance; been trained in areas they are not interested in and have to work in jobs that do not fit their abilities.

In Turkey the high unemployment rates among educated young people make employers be more selective and increase the requirements of getting a new job. In this sense, it can be said that under the current conditions of Turkish labor market, finding a job became a "competition between qualifications". Today it is not enough to have a diploma to participate in the labor market. As the results of our study suggest, personal abilities such as "having initiative, problem solving, adaptation, interpersonal and social communication skills, being good at team work" along with knowledge of foreign language, computer and internet literacy are preconditions for employability.

Our education system has to consider the changing conditions of labor market and provide young people with a training which will develop above listed abilities and qualifications. In order to achieve that, current education programs should be restructured. And in this restructuring process, school-industry cooperation should also be aimed for.

On the other hand, it is not possible to say that demand side of labor market provides sufficient contribution for education-employment relation. Considering the fact that in Turkish labor market, hiring, employment process, promotion and firing processes do not operate with embedded objective criteria and the investment on human resources is inadequate; the multi-dimensional nature of problems in education-employment relation can be seen. In micro level, it is of great importance for companies to determine employment, promotion and wage policies based on

knowledge and skills; to set an economic and social environment rewarding human capital; and in macro level, the education system should be restructured so that the outcomes will be individuals who are innovative, creative, self-confident, and good at team work. This is the way to Turkey's socio-economic development.

ENDNOTE

- ¹ This paper was presented at Second International Conference on Educational Economics 2008, Athens, Greece, 26 – 31 August. A large version is available directly from the authors.
- ² 1: Exactly Important; 2: Not Important; 3: Mildly Important; 4: Important; 5: Very Important.
- ³ The Other Reasons for the Problem in Finding Skilled Personnel: the Specification of Firms' Activity Fields, the Problems in Economic Structure, the Lack of Work Experience, Individuals' Being Less Interested in Working, Firms' Waging Policies, the Lack of Career Planning.

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