

**“The Mismatch of Business Graduates’ Skills and Job Requirements in Labor Market of Pakistan”**



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## **Abstract**

The education/skills mismatch has profound impact on individual workers, organization, and on overall national economy. It potentially affects the involvement level of workers into job related tasks. Such low level of involvement negatively affects the overall productivity of the firm. Consequently, the affect is passed through the industries and influence the national labor yield. The mismatch of Education/skills of business graduates and job requirements has significant impact upon wages and job satisfaction. Employees whose education/skills are not matched with their jobs earn less than those whose education/skills matches. On the other side, if the skills of employee are not optimally utilized then he would feel less satisfied than those whose education/skills are optimally utilized. Technological advancement is another factor that contributes to causes of such mismatch phenomenon. All these factors require attention of policy maker of country as well as universities should also provide updated information and curriculum to graduates so that they could meet with the demand of the labor market.

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## **Executive Summary**

Various researchers proposed education and job mismatch as the difference between the acquired and required education. Education and job mismatch was primarily considered as the temporal issue for the economy by researchers. But later researchers proved it to be completely adverse what Freeman anticipated. The education and job mismatch laid foundation of chaos for economies. The fundamental reasons behind such proposition range from government policy making to general behavioral trends in nationals of any country.

Education and job mismatch could be offspring of the overall education policies. The problem is mainly discussed in various research literatures. A conference was conducted in United States where the chairman stated that we are almost at the brink of economic destruction if US fails to review the education policies. Therefore, education policies could not be considered something that is permanent instead it should be considered something that is transitory and would be reformed with the passage of time, general market, and economic trends.

Another aspect of the general impact of education and job mismatch is on the economy as whole. This leads to the under-utilization of the human resources. This has severe effect on the overall productivity of the country. The only step towards the economic progress for any country is serious consideration of the Human Resource Development policies. To accomplish this objective the mile stone is the optimal utilization of the general public.

Besides the impact on company and overall economy the education and job mismatch has its impact on individual worker. A recent researcher has proved that education and job mismatch has effect on the employees' commitment, job satisfaction, mobility, and training participation. The workers that are not adequately matched with job are less satisfied with the job and their work and would have more career mobility than adequately matched peers. The rationale behind such behaviors is that if someone's skills are not sufficiently utilized while working, he would have low involvement in job and would be less motivated.