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The right person for the job:
The relevance of qualifications to employment

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The right person for the job

The relevance of qualifications to employment

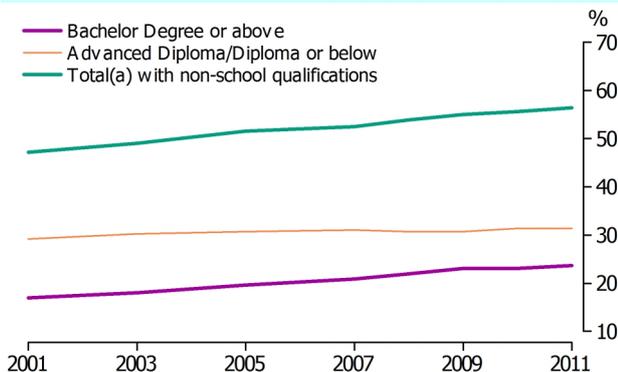
Education plays an increasingly critical role in preparing individuals for entry into the labour force, and ensuring they have the skills necessary for employment and life-long learning. The changing structure of the labour market, as well as the fast pace of technological change in an increasingly global economy, requires a workforce capable of development throughout their life.

Over recent decades there has been an increasing demand for vocational and higher education qualifications across many sectors of the labour market. This has resulted in a steady increase in the proportion of the working-age population with these qualifications. However, while the proportion of Australian workers with qualifications has increased, there is concern that many of these workers are employed in a field of work that has little relevance to their qualifications.

Qualification trends

Over recent years, the proportion of Australians who have gained a qualification has been steadily increasing. Between 2001 and 2011, the proportion of all Australians aged 15-64 years with a qualification ranging from a Certificate I to a Postgraduate degree, increased from 47% to 57%. Increasing levels of education reflect the broad structural changes in Australia's labour market in recent decades, including increases in service industries, which often require qualifications for employment, and concurrent reductions in the manufacturing industry, which may not require qualifications for employment.¹

Proportion of people aged 15-64 years, level of highest non-school qualification – May 2001-May 2011



(a) Includes 'Level not determined'.

Source: ABS 2001-2011 Survey of Education and Work

Data source and definitions

Data in this article come from ABS [Learning and Work, 2010-11](#) (cat. no. 4235.0) and the ABS [Survey of Education and Work, May 2011](#) (cat. no. 6227.0). Unless otherwise stated, data in this article are for persons aged 20-64 years who have non-school qualifications.

Qualifications refer to non-school qualifications at the Postgraduate level, Graduate diploma and Graduate Certificate level, Bachelor degree level, Advanced diploma and Diploma level, and Certificates I, II, III and IV levels.

Higher education qualifications include qualifications at the Postgraduate level, Graduate diploma and Graduate Certificate level, and Bachelor degree level.

Vocational qualifications are qualifications at the Advanced diploma and diploma level, and Certificates I-IV levels.

Relevance of qualifications refers to where people stated they were currently working in the same field as their highest qualification, or, if not working in the same field, stated their highest qualification was still highly relevant or relevant to their current job.

Income quintiles are groupings that result from ranking all people in the population in ascending order according to their personal weekly income and then dividing the population into five equal groups, each comprising 20% of the population.

In this article, employed people are regarded as **full-time** if they usually work 35 hours or more per week. Employed people are regarded as **part-time** if they usually work fewer than 35 hours per week.

Adult migrant in this article refers to a person who migrated to Australia when they were aged 15 years or over.

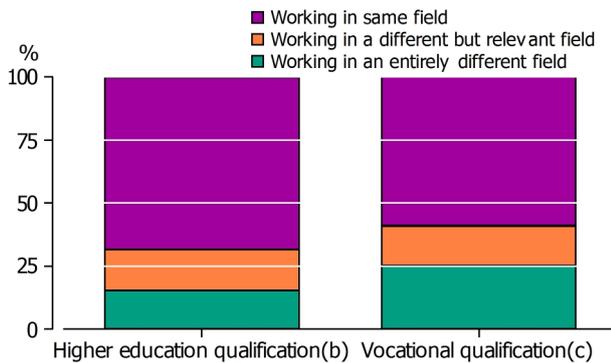
This article looks at employed people aged 20-64 years with a qualification, and the relevance of their highest level qualification for their current employment.

Job match and mismatch

While many more Australian workers are continuing their education beyond school, there is some concern that not all employed people are able to utilise their capabilities fully. When the education or skill level of workers does not match the levels required by a job, either through over or under-qualification, a job mismatch occurs.

Job-matching (and mismatching) has been a focus of international studies into labour force outcomes of education for some time, in terms

Employed people(a) with a qualification, relevance of qualification to current job – 2010-11



- (a) Aged 20-64 years.
 (b) Includes Bachelor degree, Graduate Certificate, Graduate diploma, and Postgraduate level qualifications.
 (c) Includes Certificate I-IV, Diploma and Advanced Diploma qualifications.
 Source: ABS [Learning and Work, 2010-11](#) (cat. no. 4235.0)

of how well levels of education and skills align with employment. In the absence of information on skills, this article investigates the relevance of the field of highest qualification, and how this relates to occupation.

Qualifications and employment

In 2010-11, there were 10.5 million employed people aged 20-64 years. Around two-thirds of men (68%) and women (70%) in this group had a non-school qualification.

Among the 7.2 million employed people with a qualification, women were more likely (49%) to have a higher education qualification than were men (38%). Conversely, men were more likely (60%) to have a vocational qualification than women (50%).

Relevance of qualifications

People pursue different educational pathways for different reasons, including personal interest and career advancement, and these different pathways can affect how relevant their qualifications are to their job. Furthermore, people can obtain more than one qualification. The likelihood of working in the same or relevant field as one's qualifications is higher

Why are some qualifications not relevant?

In 2010-11, 17% of all employed people with a qualification reported that they did not consider any of their qualifications to be at all relevant to their job. The reasons for this include a loss of interest in their field of qualification (29%), personal reasons (23%) and/or a lack of available positions in the field they studied (20%).

(83%) when all qualifications are considered. However, the focus of this article is on the perceived relevance of the highest level qualification alone. In 2010-11, 79% of employed people with a qualification were working in a field that was the same or relevant to their highest qualification.

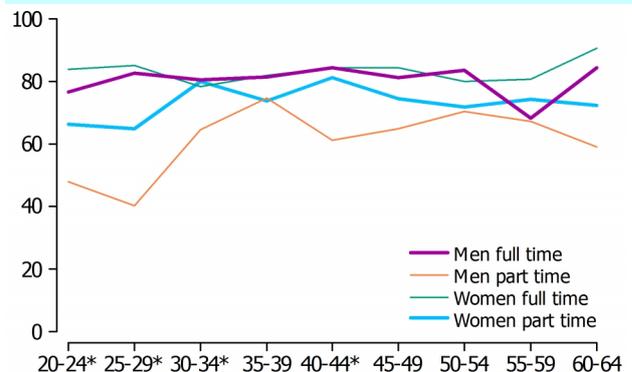
...age and sex

In 2010-11, 79% of all employed men with a qualification reported working in a field that was the same or relevant to their highest qualification. Younger (20-24 years) and older (55-64 years) employed men were less likely to have education-occupation alignment (71% and 72% respectively) than those aged 25-54 years (81%). This effect was not seen amongst employed women, for whom age had little effect on the relevance of their qualification (79%). While people's capacity to do a particular job does not necessarily diminish with age, factors other than qualifications, such as work experience, may become more important as careers progress.

In 2010-11, 79% of employed people reported working in a field that was the same or relevant to their highest qualification.

Conversely, when starting out in the work force as a young graduate, the need for experience or the need for employment of any kind during this transitional stage may outweigh the need to have a job that aligns perfectly with qualifications, particularly for those undertaking further study.

Proportion of employed people(a) with a relevant qualification in their current job by hours worked and sex – 2010-11



*Proportion of part-time men in these age groups had a relative standard error of 25% to 50% and should be used with caution.

- (a) Aged 20-64 years.
 Source: ABS [Learning and Work, 2010-11](#) (cat. no. 4235.0)

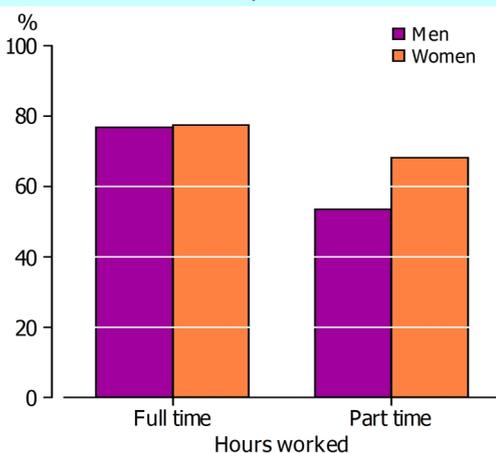
Migrants

In 2010-11, of the 3.8 million migrants aged 20-64 years, over two-thirds (69%) had a qualification, compared with 62% of people born in Australia. Reflecting policies that have increasingly emphasised skilled migration, the proportion of adult migrants (that is, people who arrived aged 15 years or over) with a qualification on arrival has increased from 36% of people who arrived before 1991 to 65% of arrivals after 2006. There has also been strong growth among those with a Bachelor degree or above, rising from 15% of migrants arriving before 1991 to 46% of those arriving after 2006.

Of employed adult migrants aged 20-64 years with a qualification in 2010-11, three-quarters (74%) were working in a job that was the same or relevant to their highest qualification, compared with 80% for those born in Australia, though this difference was not statistically significant. Of all qualified, employed adult migrants aged 20-64 years, 47% had gained their highest qualification after arrival. When migrants gained their qualifications had some effect on whether they were likely to be working in a field that was the same as or relevant to their qualifications. Those who gained their highest qualification after arriving in Australia were more likely (79%) to be working in the same or relevant field than were those who attained their highest qualification before arrival (70%).

Similar to the total employed population, there were some differences based on hours worked, with migrants working full time more likely to have education-employment alignment. This was particularly so for men, with 77% of male adult migrants who were working full time being in a field that was the same or relevant to their highest qualification, compared with 54% of those who were working part time. In comparison, there was no significant difference between the proportions of female adult migrants working full or part time who had a job in the same or relevant field.

Proportion of employed(a) adult migrants(b) with relevant qualifications in their current job by sex and hours worked – 2010-11



(a) Aged 20-64 years with a qualification.

(b) Migrants were aged between 15-64 years on arrival.

Source: ABS [Learning and Work, 2010-11](#) (cat. no. 4235.0)

...hours worked

In addition to age differences, there are some differences between men and women in the likelihood of working in a relevant field, particularly when the hours worked are considered.

While equal proportions of men and women were working in a field that was the same or relevant (79%) to their highest qualification in 2010-11, a different picture emerges when taking into account whether they worked full time or part time. Overall, 82% of those with a qualification working full time reporting working in a job that was the same or relevant to their qualification, compared with 71% of those working part time. Men and women employed full time had a similar likelihood of working in a field that was the same or relevant (81% and 83% respectively).

However, for part-time workers, women were more likely to be working in a field that was the same or relevant (74%) than men (59%).

Young part-time workers (aged 20-29 years) were the least likely to be working in the same or relevant field. Less than half (44%) of young part-time employed men and two-thirds (66%) of young part time women were working in the same or relevant field to their highest qualification. Over three in five (61%) men and over one quarter (27%) of women aged 20-24 years employed part time with qualifications were engaged in further full-time study while working. For these people in particular, employment in the same or relevant field to their highest qualification may not have been as important as having some type of employment while they were engaged in further study.

For older employed people working full time, there is a reduction in the proportion working in a field that was the same or relevant to their qualifications for those aged 55-59 years, followed by an increase at age 60-64 years. It may be that those without relevant qualifications were more likely to retire prior to age 60, while those with relevant qualifications may be more likely to keep working.

Level of highest qualification

Although vocational qualifications are oriented towards gaining occupation-specific knowledge and skills, people with university degrees as their highest qualification tended to be more likely (85%) to be currently working in the same or relevant field as their qualification than those with vocational-based qualifications (75%). This follows a general trend that levels of education-occupation alignment tend to increase with qualification level. It is possible that the specific skills gained through vocational education for a particular job may not be as relevant upon

Proportion of employed people(a) with a relevant qualification in their current job, by selected occupation, selected industry – 2010-11



(a) Aged 20-64 years with qualifications.

Source: ABS [Learning and Work, 2010-11](#) (cat. no. 4235.0)

promotion, whereas qualifications gained through higher education degrees can be applied to a broader range of positions.

Field of study

Some fields of study stood out as having high proportions of people working in relevant jobs. Around nine in ten (91%) people whose highest qualification was in a health field had jobs that were either the same or relevant to their field of study, as well as 85% of those with qualifications in the education, architecture and building fields. In comparison, 58% of people whose highest qualification was in agriculture or environmental studies, and 64% of people with creative arts qualifications, were working in a relevant field. It may be that there was a lack of jobs in these fields, particularly among those with qualifications in agriculture or environmental studies, given overall reductions in the agriculture, forestry and fishing industry in Australia. Those whose highest level of education was in the creative arts may have studied for personal interest alone, or may have to undertake paid work in an unrelated field to support their creative work.

Occupation

People employed as professionals were most likely to report working in a field that was the same or relevant to their highest qualification (93%), followed by technicians and trades workers (86%) and managers (81%). People employed in these occupations are likely to have very specialised skills for working in corresponding specialised areas, as well as more general skills that can have relevance across many areas.

In contrast, labourers, machinery operators and drivers had lower levels of educational attainment and education-occupation alignment. Less than half (46%) of labourers were working in a job that was either the same or relevant to their highest qualification, while

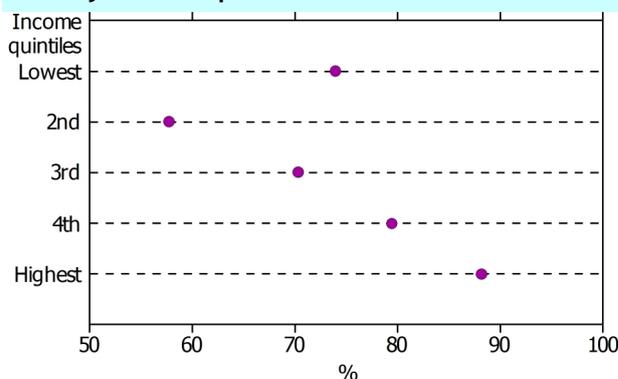
just two in five (40%) machinery operators or drivers were in the same position. There are generally fewer non-school qualifications that are relevant for these occupations, and people working in these fields may gain skills through experience or on the job training rather than relevant formal qualifications.

Industry

Certain industries are more likely to require either vocational or higher education qualifications than others.

Industries with very high proportions of people working in a field that was the same or relevant to their highest qualification included education and training (91%), professional, scientific and technical services (89%), and health care and social assistance (88%). Conversely, only 59% of those working in the transport, postal and warehousing industry reported that their highest qualification aligned with their job.

People(a) employed full-time with a relevant qualification in their current job by personal weekly income quintiles – 2010-11



(a) Aged 20-64 years with qualifications.

Source: ABS [Learning and Work, 2010-11](#) (cat. no. 4235.0)

Income

With the exception of those with the lowest incomes, generally as income increases, so too does the likelihood that people are working in the same or relevant field as their highest qualification. Around nine in ten (88%) people employed full time and situated in the highest income quintile reported working in the same or relevant field, compared with 58% of those in the second quintile.

This reflects the fact that those with the highest income tend to be employed as professionals or managers, occupations which have a higher proportion of people working in a field that was the same as or relevant to their qualifications.

Three quarters (74%) of those employed full-time with a qualification who had an income in the lowest quintile reported working in a field that was the same or relevant to their qualification. Some of those who report low income may have access to other economic resources, and may not necessarily be suffering extremely low levels of economic wellbeing.

Looking ahead

Australia's long-term prosperity is heavily dependent on investments in education and workforce development. Much of Australia's workforce is already equipped with qualifications that are relevant to their employment, providing them with a foundation of skills and knowledge for work, both now and into the future.

The Australian government, in recognition of the increasing importance of qualifications beyond compulsory schooling, has introduced numerous programs to ensure the continuing development of skills for Australian workers.

Most recently, the creation of the Australian Workforce and Productivity Agency² is an initiative which aims to improve Australia's long term workforce planning and development.

Endnotes

- 1 Department of Education, Employment and Workplace Relations, *Australian Jobs 2012*, <<http://www.deewr.gov.au/Employment/ResearchStatistics/Documents/AustralianJobs.pdf>>, accessed August 10, 2012.
- 2 Australian Workforce and Productivity Agency, <<http://www.awpa.gov.au/>>, accessed August 10, 2012.

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