Working title

Finding out the employers’ perspectives on the different forms of post-high school education and employability

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ABSTRACT

The Swedish labor market is one of a complex nature with ever-changing preferences. The political discourse of the work strategy has grown stronger, and within this discourse, the concept of employability is central. Due to political initiatives, a new educational institution, the YH academy, has sprung forward. It provides students with short, specialized educations and also claims to make students highly employable. In order to find out if these claims were correct and if they came with a price, the study focused heavily on the reflections of, what we consider to be the actual customers on the labor market, the employers.

Through the aid of mainly employers, the study sought to find out if shorter programs meant that the YH graduate had different career possibilities and lower work benefits, compared to a university graduate in the same field. Also, the study dove deeper in to how YH academies operations differed in comparison with universities’ operations, in order to create more employable students. In other words, how did the YH academies business logic differ from the business logic of universities?

To approach these problems, qualitative interviews were conducted with six companies employing both YH graduates and university graduates, a program director from a YH academy and a program director from a university. Also, relevant theoretical tools and literature were used in order to better understand the problematic and answer the questions posed.

The employers all proved to be very satisfied with the product that the YH academies produced. Their graduates showed qualities such as career rigidness and a rapid learning curve that employers found very valuable. At the same time, most employers emphasized the strength of a good compote of both university graduates and YH graduates. The university graduates’ broader theoretical background and ability to grasp more complex problems, had proven worthy when it comes to innovating systems and qualifying for higher positions. This was appreciated since many companies expressed a desire to recruit internally. So the criteria met by a good compote of both YH graduates and university graduates, is what really constituted true value for employers.

The study also concluded that some universities, in the strive toward achieving better employability and by recommendations of trade and industry, have implemented one of the YH academies’ main tools, the work related internship. If more universities would utilize this tool, the competitive edge YH graduates have in their rapid learning curve would severely diminish.
ACKNOWLEDGEMENTS

First and foremost, we would like to thank our respondents that helped us make this qualitative study as rich as it became. Not only did they respond to our questions very well, they also made themselves available to us if we needed complementary questions or help in any way. For us students, coming out and having positive experiences like these in the professional world means a lot, so thank you!

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1. INTRODUCTION

In this section, we formulate the problems, the questions and the main purpose for this study.

We live in a time where the Swedish labor market is characterized by mixed messages, changing values and emerging institutions. The predominant discourse of today is the one of the work strategy, or “arbetslinjen” in Swedish. The work strategy is an old Swedish political term which dictates full employment and the obligation of all in society – who are able – to work for their own living (Olofsson et al. 2005, p. 9). This discourse penetrates the labor market, the educational system and many other societal elements. It represents the core values of the current right-wing government “Alliansen”, and it is further amplified from outside of Sweden through the current winds of globalization and the constant pursuit of growth.

As is the case with many European neighbors, the recent financial crisis has increased Sweden’s unemployment rate, especially among the young and those without post-high school education. Similar to the situation after the 1990’s Swedish banking-, financial- and real estate crisis, many are now looking to get a higher education from the universities in order to become more attractive in the labor market – to increase their own employability. Some would say that we live in a time where the importance of theoretical knowledge is more stressed than ever, since the amount of university students are reaching new record levels of over 350 000 university students which is more than twice the number of the early 1990’s (Sweden Statistics, 2010; Swedish National Agency for Higher Education, 2010). On top of this, many universities also prolong their programs to include the international Master’s degree as a standard, turning many old four-year long programs into five-year long programs.

Despite this seemingly golden age of universities, a new and different educational institution based on a completely different business logic has grown forth and become well-established: Yrkeshögskolan, or YH. This is an only two-year long program tailored for maximum employability toward a specific profession, based on both theoretical courses and on practical work related internships at real company sites (YH-myndigheten, 2010). Some of the YH programs are focused toward more practical professions, such as locomotive driving. More interesting to note, however, is the fact that many of the programs are aimed toward highly qualified professions, such as accounting, banking, insurance, marketing, construction and project management. These are not the typical guild-professions (appendix 1) usually associated with learning-by-doing; these are all demanding service professions vital to modern corporations. Many of these professions have earlier been exclusively to university
graduates. Not only have YH breached into the qualified professions market – YH academies also present highly impressive employment rates, often ranging between 85 - 95 per cent of the graduates having employment within six months of graduation (YH-myndigheten, 2011). These rates are seldom reached by universities. At first glance, the newcomer YH seems to create highly employable persons in a very short amount of time, and for the first time ever, the universities’ monopoly in providing labor for highly qualified positions is seemingly broken. In the era of globalization, within the discourse of the work strategy and in times of currently high unemployment rates, this fact might raise questions about the actual benefits of university education for individuals seeking employment.

But at what price does the YH graduates’ high employability come? Are the YH graduates’ high employability acquired through sacrificing the wage and future career advancement possibilities of a university graduate? Or does the business logic of the YH academies – with focus on specialization, hands-on practice and up-to-date profession specific methods demanded directly by employers – simply triumph over the old, rigid and overly theoretical universities when it comes to employability and bridging over the gap between education and professional career? There are many questions that could be debated to clarify the complex situation of the Swedish labor market. We have, however, chosen to narrow down our focus for this thesis, and concentrate on one thing in particular.

1.1 Questions
Writing this study within the discourse of the work strategy, we wanted to find out what constitutes value for the buying side of the employment market. We wanted to know what matters to the employing organizations and companies, whose criteria all of the different educational institutions claim to qualify their students for meeting. This question holds importance considering the educational institutions’ different and sometimes contradictory methods, contents and general business logics. Performing a thorough analysis of the buying side’s current demands in the labor market would provide new and useful data for the many different sides of the labor market. Young people who have just finished their high school education and are looking for the right post-high school education in order to become employable will get a clearer perspective of what their future employers are looking for. Also, the different educational institutions themselves might benefit tremendously from this collection of reviews regarding their “products” and how these actually perform as employees within the employing companies.
Figure 1. Our basic labor market model that will be used throughout this study: The different educational institutions are viewed as the producers of graduates, the different graduates are considered to be the product for sale in the labor market according to demand, and the employers are the buyers of the labor market, whose demand for different graduates we seek to understand.

1.2 Main purpose
The main purpose of this study is to *describe and analyze the demands and the reasoning from the buying side of the labor market – the employers – regarding the products created from the selling side of the labor market, namely the employable graduates educated at different educational institutions. This is done in order to clarify the mixed messages of today’s labor market and thus benefit all parties involved.*

1.3 Discourse: The Work Strategy
Before we continue on describing our study of the labor market, we want to further explain the discourse within which all of our reasoning will be made: The work strategy, referring to the Swedish term “arbetslinjen” (Junestav, M. 2004). The work strategy sets the framework for all other theoretical approaches, the central concept of employability as well as our interviews and the final analysis and conclusion. It will be the discourse within which this whole study is made.

The concept originates from the start of the 20th century, when it was more of a moral standpoint than a political economic strategy. The work strategy claimed that the unemployed should earn their governmental welfare support through public work if they were physically able (Olofsson et al. 2005, p. 9). The meaning has changed slightly since then, but the basic message of the work strategy remains the same: It advocates full employment and the whole political and economic system is supposed to encourage everybody - who is able - to work for his or her own living, as opposed to surviving on governmental subsidies. Consequentially, the Swedish labor market today is explicitly individualistic, with each individual’s employability defined as their own responsibility to create and maintain.
The discourse of the work strategy is by many seen as an answer to the circumstances of today’s global economy. We live in a world, where many describe how both the established industrialized economies of the west as well as the emerging economies in the east and in South America, pursue increased economic growth. Today’s world is also often described as a world of globalization, where increased global trade and interconnectedness as well as decreased protectionism transform the global economy. The process of globalization also works as a multiplier, further amplifying global growth ambitions. The sum effect for Sweden of this global pursuit of growth combined with the increasing globalization is that the international competition facing Swedish companies is higher today than ever. Swedish companies face competition from countries all over the world, many of which have but a fraction of the Swedish wage levels. Swedish politicians have started to pay more and more attention to these trends. The fear of many political parties is that, unless Sweden complies with and adapts to the globalized world economy and increases its own competitiveness, many Swedish job opportunities and companies might be lost.

Thus, the term of the work strategy once again started to become popular. Parties from both sides of the political spectrum have started to re-embrace the old Swedish concept of the work strategy. The real breakthrough of the concept came with the now reigning right wing constellation “Alliansen”, or The Alliance, consisting of The Moderate Coalition Party, People’s Party the Liberals, The Centre Party and The Christian Democrats. The Alliance won the 2006 and 2010 Swedish parliamentary elections through campaigns largely centered on the work strategy.

As a clear example of the reasoning in current Swedish politics, we would like to refer to a political speech by Jan Björklund, the Swedish Minister of Education and party leader of the People’s Party the Liberals. In this speech, he discusses globalization and the mechanisms of the work strategy at the political meeting in Almedalen prior to the 2010 Swedish parliamentary elections (Folkpartiet, 2011). In his speech, Björklund describes how there is an ongoing restructuring of the global economy which has never before been seen, and how this inevitably affects Sweden. He continues to describe what he calls the solution for Sweden in order not only to cope with the globalization, but to profit from it. This is to be done through what he calls “classic liberal politics” (Authors’ translation, HS/VP), based on high educational ambitions, a greater European cooperation and through making it worthwhile for individuals to work hard, to get a higher education and to run businesses, as well as through creating a world-class business climate (Folkpartiet, 2011). This statement clearly shows how the central mechanisms of the work strategy are presented as the proper response to the current globalization. The work strategy is reflected through the ambitions of making it worthwhile for people in Sweden to work hard, in order to encourage all individuals to try and support themselves. Furthermore, we can see how Björklund connects the work strategy with increased educational ambitions, which are supposedly going to increase Sweden’s competitiveness as well as grant the graduates better employability.
All of these values which Björklund promoted in his speech at Almedalen (Folkpartiet, 2011) – such as higher educational ambitions, a greater European cooperation and creating a better business climate – are reoccurring themes in not only the Swedish politics, but also in the current European politics. In fact, along with the discourse of the work principle, we would like to describe another current phenomena regarding higher education which is important to understand before we present our own study. This is the phenomena of The Bologna Process and how this affects the official purpose of Sweden’s higher educational institutions.

Figure 2. The discourse of The Work Strategy, affected by globalization and the pursuit of growth and with Employability as a central concept.

1.4 The Bologna Process
The Bologna process is a cooperative project within Europe regarding higher education (college and university education). It was initiated in 1999 when 29 countries signed the Bologna declaration, which later lead to the creation of the European Higher Education Area (EHEA) in 2010. This area now includes 47 European countries. The declaration has three main purposes: 1) to promote mobility between countries, 2) to promote employability, and 3) to increase the competitiveness and attractiveness of Europe as an educational entity (Regeringskansliet, 2010; European Higher Education Area, 2010).

With Sweden as one of the partakers in the Bologna process, we can thus state that the universities in Sweden now are explicitly directed – from an international political level – toward creating more employable graduates. Regardless of how effectively this directive is implemented so far, this still means that the official purpose of Swedish universities today is moving closer toward creating highly employable graduates. The needs of the corporations and the political agenda of minimizing unemployment rates and maximizing competitiveness is now the main focus of universities.
The fact that this is far from what has been considered the main purpose of universities for hundreds of years, and the fact that universities are still based upon a different business logic – a different way of producing this employable graduate – than YH academies, makes the Bologna process an interesting and important theoretical aspect of this study. For example, the implementation of the Bologna process in Sweden has led to many Swedish university programs – such as engineering and economics programs – becoming increased in length from four to five years as a new standard. This is often done with the universities themselves referring to having to meet the needs of the modern competitive labor market. This is the case with the economics program we (the authors) are currently studying at, where the standard length has just been adjusted from three to five years (Handelshögskolan vid Göteborgs Universitet, 2011). This tendency of universities prolonging their programs is interesting to compare to the employability-maximizing YH programs, which are still only two years long; the YH academies also justify their program design of only two years total – centered on hands-on learning-by-doing – by claiming that this satisfies the needs of the modern labor market. They consider themselves to present the solution to the former mismatches of the modern labor market, where the producers and buyers have long had too much distance between each other. We will try and explain this difference in educational methods between the two educational institutions further on in our study.

**Figure 3.** The discourse of The Work Strategy, affected by globalization and the pursuit of growth and with Employability as a central concept. The Bologna Process further stresses the importance of employability.

### 1.5 Definitions

In this section, we define the most central concepts and expressions that we will discuss throughout this study.
1.5.1 Employability – When we are talking about employability, we are referring to the degree to which a subject, e.g. a graduate with a university degree, is easily integrated at a work site and attractive for an employer to hire. A highly employable graduate might not need to be highly educated, and a graduate with many years of education might not be highly employable. This all depends on the demands of employers and the labor market. Employability does not refer to what kind of position the subject might expect, it just refers to the likelihood of the subject easily getting the position which he or she strives to acquire. Thus, a graduate with a Master’s degree in management might not be as employable as a graduate with a Bachelor’s degree in construction engineering. Still, the one with the Master’s degree might acquire a higher entry level position where he or she can expect a higher wage, a broader range of career possibilities and more responsibility within the organization compared to the more employable Bachelor’s degree graduate.

Since this study is a qualitative one based on interviews with representatives from different companies, employability cannot be measured empirically through statistics, only discussed as a concept depending on different parameters among which education will be the one in focus. We will therefore discuss employability as the degree to which the interviewed employers prefer to employ a certain graduate type over another. In the interviews, we have also made sure to bring up this central subject on many occasions to get a multifaceted view of the employers’ perspectives.

1.5.2 Business logic – This is a term that we borrowed from the book “Designing Interactive Strategy” (Normann and Ramírez, 1994), which is mentioned further down in the “Theoretical framework” chapter. It will constitute one of the most central terms of this whole study. The different educational institutions have grown forth from different societal frames of logic and from different time periods. For example, as we will discuss in detail later on, the university as an educational institution has grown forth during hundreds of years, influenced by all the different ideologies, perspectives and ideals on knowledge and education of that time. The newer institutions of KY and YH, however, have grown forth during the last 10 years (Rudenstam, 2009, p. 6), influenced first and foremost by the perceived mismatches of the labor market and the new Swedish discourse of the work strategy. We can conclude that the two different educational institutions have grown forth from different backgrounds. Thus, the actual methods of education of the different educational institutions – which can be described as the business logics of the actors in the educational industry – are not fully comparable, since their explicit and implicit purposes as institutions differ.

Since the purpose of this study is to describe and analyze the demands and the reasoning from the buying side of the labor market, where the educational institutions constitute the producers, we will discuss the different frames of thinking and practical approaches of education in terms of the different business logics of educational institutions.
1.5.3 University – We will refer to the Swedish educational institutions, “universitet” (university) and “högskola” (college) as universities. The primary difference between the two labels is that a university can engage in postgraduate education and research, as well as award doctorates. The college, on the other hand, must be officially assigned a specific scientific field in order to be allowed to perform the same level of research as universities. Since this difference is out of focus in this study, where we will discuss the first level of post-high school studies – that is, higher studies aimed toward employment – we will simply go with the term university throughout this study (Skolverket, 2005).

1.5.4 YH academy – The post-high school educational institution of YH – short for ”Yrkeshögskola” which can be translated into ”profession college” – will be referred to as either YH or YH academy throughout this study. A YH program is a two year long educational program based on both theoretical courses, as well as several months of learning-by-doing through practical periods out at different company sites, so called “LIA periods” (YH-myndigheten, 2010). These LIA periods will henceforth be referred to as work related internships.

The predecessor of YH – KY, short for “Kvalificerad Yrkesutbildning”, which can be translated as “qualified professional education” – is an older, more deeply rooted and well-established term than YH. In some of our interviews with employers, we even had to explain how the two terms are related. Since the two terms YH and KY refer to almost entirely the same thing and since all remaining KY- programs will be transformed into YH-programs by 2013, we will primarily stick to the term YH throughout this study (YH-myndigheten, 2010). Exclusions will occur when we quote interviews and other sources.

1.5.5 Lower technical knowledge – This term refers to the teachings of both the old Guild institution (Appendix 1) as well as today’s YH academies. We will use it when describing skilled craftsmanship that is above basic manual labor but considered to be below universities’ higher technical teachings and knowledge.

1.5.6 Work related internships – This term refers to the practical period students spend at company sites while they are still enrolled in school. In our study, this practical period is full time (40 hours/week) and has the length of a school semester, which is about four months long. We have used the expression in a context where the practical period is spent within the students’ field of expertise, in other words in line with the profession that they are training themselves to learn. There is one slight exception to this definition in our study occurring in the third part of our qualitative studies, presented later. We then refer to an earlier form of the work related internship that only lasted during the summer but had now been discarded in favor of a full semester.
2. THEORETICAL FRAMEWORK

In this section, we present the earlier studies on the subject as well as the theories and literature, which will aid us in specifying as well as developing a problem. Furthermore, it will determine how to interpret collected data in regard to the formulated problem. Also, it will be used for interpreting and analyzing the empirical background studies and interviews.

2.1 Earlier studies

As we started exploring the previous research performed on the YH academies, we did find some work, but none with a satisfactory focus regarding our chosen subject. We found a study (Olsson, 2010) regarding the political mind-set behind this institution. To a certain degree, it also discussed the business logics of the YH academies. We also found studies regarding the KY academies’, now YH academies’, graduates and their entry in to the professional world upon graduation (Rosvall, 2008). Furthermore, we also found a study regarding the different pedagogical approach when it comes to teaching adults in educational institutions such as the municipal adult school and KY, now YH, (Lindell, Swedenborg, 2010).

Although the studies were well performed, we thought that they lacked the perspective on the labor market as a market based on supply and demand. We saw a need to address the customers on this market, the employers, to whom this new educational institution was meant to cater to. They are the buyers on the labor market; understanding their preferences and perspectives is crucial in order to create an educational institution producing highly employable graduates. Furthermore, we found that the study on the KY graduates’, now YH graduates’, post-graduate professional career focused too heavily on the entry level position. We saw a need to evaluate the YH graduates’ career in a longer perspective and compare this with the careers of university graduates. Building upon the essay of Olsson (2010), we wanted to explore the political mind-set and the business logic of YH academies even further. We also thought that a study of the business logic of universities would be very interesting, seeing as universities still are the dominant educational institution in Sweden. Part of the business logic is, what we consider to be the core of any school, what kind of teachers and pedagogical approach is used.
2.2 Designing Interactive Strategy: From Value Chain to Value Constellation.

Since we have chosen to interpret and understand the labor market with a fundamental market perspective – with supply and demand – we can also best understand the current organizational changes and switches in this market through literature approaching the subject using the same terms. Thus, we have chosen to include the book “Designing Interactive Strategy. From Value Chain to Value Constellation” written by professor and management consultant Richard Normann and Professor Raphael Ramírez (1994, Swedish title: Den Nya Affärslogiken). This book revolves around the topic of the constantly changing business landscapes and how the companies who are able to evolve and redefine themselves and their business logics are the ones who triumph compared to the ones that stand still and take existing norms for granted.

When it comes to organizations as producers of goods and services, this book opposes the older concept of value production through value chains – described as assembly lines – with the newer concept of value production through value constellations (Normann and Ramírez, 1994, Pp 61-67). In a value constellation, many different agents, sometimes even including the end customer, help and add to the product’s or service’s value through interaction. This provides important input from more than one producer and thus grants the production of more desirable and demanded products for the end market. This reasoning around the value production can be exemplified with the educational industry as producing companies of valuable – or in this case, employable – graduates as offerings in the labor market. These graduates are finally offered in the labor market for the buying companies to pick and choose from according to demand. One could perhaps draw comparison and observe specifically how the YH academies principle of “co-producing” their employable graduates along with the buying side’s input through the work related internships – in which they add parts of the total added value. All of this will be discussed in the final analysis chapter, when we analyze our interviews in the light of Normann’s and Ramírez’ (1994) theories.

One of the most powerful ideas presented in the book revolves around the concept that only organizations whose business logic reflects the present fundamental market logic for creating value are the ones who will be able to compete and thus survive (Normann and Ramírez, 1994, p. 74). Since we consider universities and YH academies as competing shapes of educational institutions – or as competing producing companies of employable graduates – we believe that this book will prove itself to be useful for interpreting our empirical studies and interviews. This concept has also been valuable in formulating the problem of what is actually demanded on the labor market, what the employers actually demand. The book helped us by putting a label on the educational institutions’ production methods. The problem could therefore be specified through a comparison of the business logics of universities and YH academies.
2.3 Incitement! A book about school

One of the most interesting sources, which we have chosen to include as part of our theoretical foundation for our research, is the book “Incitement! A book about school (authors’ translation HS/VP)” by Sven-Eric Liedman. This literature is not derived directly from the academic realm (although written by an academic), and we realize that it constitutes something different than an ordinary theoretical source for a thesis. Nevertheless, this debate book has provided this study with a criticizing perspective upon the subject of employability, which adds a holistic view to the analysis and facilitates a better understanding of both the history of the educational institutions as well as of the present situation.

The author is a Professor Emeritus in History of Ideas and Science at The University of Gothenburg, which makes his opinions on the current movements within higher education valuable to take into account. The book is a debate book, which is focused on what Liedman claims to be the downside of today’s political education ideals. Primarily he focuses on the Bologna process and its utilistic focus on employability (Liedman, 2011, pp. 100-131). These are the same concepts that the YH academies have gained so much praise for and have been the pursued ideals of universities in later years through The Bologna Process. They are in Liedman’s book described as enemies of the virtues that universities used to represent. Translated into the phraseology of this study, Liedman describes his ideal university as a producer of something more than just an employable worker educated for commercial companies. According to him, universities have long been – and should remain – the producers of something completely different: Free-thinking, criticizing and humanistic citizens, who can critically form their own opinions and perspectives on matters regardless of the current zeitgeist or the demands of the economy. Liedman thus criticizes the fact that universities, through the Bologna process and the political directives from the work strategy-based and employability focused Swedish government, are tuning in to the same business logics upon which the YH academies are based. This criticizing perspective, along with the alternative concept of what the business logic of universities should be, will be used later throughout the analysis and conclusion parts of this study. This will help to understand the differences in educational institutions’ business logics, as well as what the interviewed companies perceive as advantages and disadvantages in the differently produced graduates.

3. METHODOLOGY

In this section, we explain how and why we chose to approach this problem with an interview-based qualitative study and how we selected the studied companies. It will also be an account for how we will analyze the collected answers from these interviews.
3.1 Choosing the topic
The whole idea for this study started out with us authors discussing the general subject of Sweden’s high youth unemployment rate and how we would like to write a useful and interesting study on this current topic. Eventually we reached the specific subject of the many different educational institutions’ intense marketing campaigns towards young people looking for a post-high school education. Realizing that many young and uneducated or unemployed individuals probably get overwhelmed by all this marketing and the mixed messages of what would really be the best educational form for them, we decided to focus our study directly toward the end-destination for all graduates: The employers. From there, the idea of taking a market perspective on the labor market and the education industry grew forth through discussions with our supervisor Christian Jensen. We also went to visit YH Gothenburg’s open house, as a pre-study, to get a grip of what YH academies really stand for. We wanted to know what their teachers and students say about the education and how they market this new educational institution. This pre-study helped us realize what questions could be brought up in this study, and made us decide to stick with the chosen subject of analyzing the employers’ perspective on the produced employable graduates of different educational institutions.

3.2 Quantitative or qualitative method?
The initially intended method for conducting our research was to go for a primarily quantitative study. This was supposed to be based on companies’ internal data regarding individual employees’ wages, wage development and employment status correlated with which form of post-high school educational background the employees had. This quantitative study would then be completed with interviews, where the observed statistic tendencies could be further examined and discussed. This methodology turned out, at an early stage, to be difficult to implement due to our contacts’ inability to acquire internal data from their companies. Thus, we decided to continue on the qualitative path instead and focus more on the employers’ experiences of different graduates and different educational institutions as producers of employable individuals. We chose to ask the same main questions to each respondent in order to make a comparison across employers and find patterns and differences. We then analyzed these answers with the aid of our earlier presented theories and concepts, in order to explain the specified problem.

There are many problems when conducting a qualitative study of this sort (Colorado State University, 2011), however, and one of those is the bias from both respondent and interviewer. In other words, both the questions and responses can be skewed in order to serve the purposes of the biased individual. Furthermore, it is also difficult to create enough trust necessary to collect complete and truthful answers from respondents in a short amount of time. It is also difficult to make the study consistent, meaning that it is hard to find respondents of equal credibility.
In order to avoid becoming biased ourselves, we tried not to ask a question we already knew the answer for because we might then subconsciously alter the question in order to simply confirm our preconceived notions. As for building trust, we tried to behave pleasantly and professionally in the communication with contacts both before and during the interview in order to create a safe common ground. However, when it comes to respondent bias, we acknowledge the fact that there might exist some in this study and the reader should be aware of that. This bias is something naturally existent in each of us and not a poor reflection on our respondents in any way.

Even though we can conclude some respondent bias might exist, we believe that knowing about the different pitfalls of conducting a qualitative study before we started conducting the survey helped make our study stronger. In this next chapter we will explain why we chose our different respondents for the study.

3.3 Choosing the subjects
The subjects for our research were six different employers within three different industries: Banking services, accounting and auditing, and construction. All of the interviewed companies were large, well-established employers, who employed both YH graduates and university graduates. The choice of these subjects was made in order to maximize the validity of the answers to our questions in this study. Since we cover three very different industries the answers acquired are not completely linked to any one single industry. We also made sure to acquire two different companies’ opinions within each industry in order to avoid one single company’s opinions to constitute the perspective of the whole industry. We chose the respondents due to their relevant know-how regarding their specific companies’ personnel structure and recruitment processes. This was not only in order to acquire relevant information but also an attempt at achieving equal credibility between all respondents. Furthermore, these companies were all presumably continuous and stable employers where a graduate, theoretically, stood great chances of making a good and lasting career. We figured that this sort of cross-industry study would provide a nuanced overview of the buying side’s views and preferences.

This primary study was supposed to be completed with two interviews with representatives from two different YH academies – one privately owned and one municipally owned – to get a deeper insight into the business logic of the YH academy as an educational institution. We wanted to learn how the people in charge at the YH academies think about themselves as an educational institution, what they think about the universities and what their experiences have been in their cooperation with employers. However, due to technical problems with our recording equipment, our interview with Sven-Åke Axén representing the privately owned YH academy, IHM Business School, regrettably could not be used for this study.
After conducting all these primary interviews, we decided to add a third interview part to our study, following a lead we got in the final stages of the writing process from one of our employer interviews. This third part was an interview with the program manager of Chalmers construction engineering program, where they had recently added one full semester of work related internship to the original three-year long engineering program. In this last interview section, we wanted to explore the mind-set behind switching from the usual theory-based university strategy to a mix of theory and practice, similar to the strategy of the YH academies.

4. REALITY CHECK: THE LAYOUT OF THE LABOR MARKET

In this section, we will provide a short historical background and extracts from interviews with the six employers, YH Gothenburg and the program director from Chalmers.

4.1 Research: Short historical background of educational institutions

Ever since the 14th century, there has been a need for lower technical knowledge. This has taken on a lot of expressions during the course of history, due to the ever-changing nature of society. We have chosen to include this short historical background, in order to give a description of the origin of the YH academies and their business logic. For this historical background we have consulted Rudenstam (2009, pp.19-29). All of the educational institutions mentioned throughout this chapter are translations of the original Swedish terms, found in Appendix 1 of this thesis.

During the 14th century, the educational system in Sweden was different compared to present day. The market places during that time were dominated by craftsmen and their products, and this is where education circulated. The relationship was that of a master and his apprentice; the apprentice had to study under the master for a number of years until the aforementioned individual had earned the journeyman’s certificate, according to the master. This was a way for the craftsmen to preserve the quality within the trade. This educational system was called the Guild institution and it was a prominent factor in Sweden for many years to come.

In 1477, the University of Uppsala came to being, making it the first university in Sweden. Its primary purpose was to educate priests but it also presented a handful of men the opportunity to study law and philosophy. As modern society developed, these two educational institutions created conflicts between those who appreciated the universities’ new truth seeking science (without a clear relation to reality).
and those who found education aimed toward producing skilled labor for craftsmanship and industry more relevant.

The Guild institution was abolished in 1846. This occurred due to the fact that Sweden was undergoing its major industrialization and this institution no longer served a significant purpose in the eyes of the authorities. Instead, it was replaced to a large extent by larger universities that focused on similar knowledge adapted to modern society, such as Chalmers Technical College and the Royal Technical College. At the end of the 19th century, these new universities reached the same scientific level as the old universities and provided educations no master could offer their apprentices: modern university educations for modern times. However, in the labor market, there still existed a demand for workers with lower technical knowledge. To meet this demand, Sunday and evening schools, as well as trade high schools began to appear in the late 19th century.

During the last years in the 19th century, the government stepped in and took a firmer grip of the educational system in Sweden. Their initiatives rendered in three different branches of work related education: the lower level apprentice school and vocational school, the elementary school and the trade school. The trade school focused more on a particular trade more than general technical training, making it the more attractive choice.

Between the 1920s and 1950s, local vocational schools were developed, very often well tied to the local industries. The municipalities had almost free ranges when it came to developing their own curriculums. During the late years of the Second World War, this situation however changed. Authorities now saw the need to oversee the vocational schools, and so the Royal High Council of Vocational Education was formed. Their task was more of an investigative nature than taking responsibility. They found that the vocational schools were varying in quality of education in the years after the Second World War.

After this review the discussion arose of who was to actually take responsibility for all the vocational educations. The discussions resulted in the government taking on responsibility for all the vocational schools nationwide. The objective was to equalize the level of education without sacrificing the quality of those schools that excelled.

In the beginning there were about 20 different departments, all overseeing some part of the vocational school. The situation was very complex and it proved difficult to get a good overview of all the vocational schools. The solution to this inter-departmental problem was to unify them all in to one big authority called the School High Council. This council took over after the Royal High Council of Vocational Education was closed down. This ushered in a new era for the vocational educations. More solid steps were taken to incorporate the needs of trade and industry in to the programs. The reason
behind this was to create more relevant educational forms that included more practical training for professions.

During the 1970s there were significant class differences between those attending the vocational educations and those who studied at the public study preparatory school. The class issue was a heated debate during this period in Sweden and the government at the time was one that pursued solidarity and equality. As a product of these modern ideals, the cohesive high school was founded. It incorporated the two year work related programs, the three year study preparatory programs, a three year economics program and a four year technical program. This reform, however, did not go the entire way because only the three and four year long programs enabled students to attend university. Thus, the two year programs still did not qualify students for higher studies. Due to this issue, an institution that enabled student to supplement their studies with subjects necessary for higher education of the student’s choice was introduced. This institution was called the municipal adult school. With the cohesive high school system, companies were relieved of both influence and responsibility. Instead the responsibility fell on the particular interest organizations representing trade and industry. Together with the School High Council they discussed curriculums and relevant educations.

In 1977, another step in securing the equality in education took place with the introduction of the university reform. It meant that all post-high school educations would be included in the university and be preparatory for further research. As was the case with the vocational schools decades earlier, there were a great number of universities that varied remarkably in quality. By housing all these different university programs under one roof and utilizing the university’s demand for science, the standard of education would rise. The purpose of these educations was to accommodate the interests of trade and industry without sacrificing theoretical prominence.

As a result of this reform, however, trade and industry’s voices became less of a priority. At many places where only a few number of local industries were dominant, many students chose to dive deeper in to the academic world instead of seeking employment afterwards, as was planned. Thus, this new reform really did not serve its purpose in the eyes of trade and industry. As a result of this, companies cried out for professionally trained workers for their operations.

In 1985, attempts were made at integrating the two year long vocational education within the frames of the high school. The education would now be three years long, providing the students with a greater knowledge in basic subjects such as Swedish, English and Mathematics. The final year would consist of 60 per cent practical training at work sites, which would provide employers with workers that have a broader theoretical background as well as practical experience within their field of studies. When this attempt was later evaluated, positive trends could be interpreted from the work placed practical experience and a tighter bound with trade and industry from the school’s point of view was made.
The high school was reformed once again in 1994 and now consisted of 16 three year long programs. The programs that were once work preparatory now became work oriented. In other words, the practical period was removed and so students, consequentially, needed some time to adapt to their work place upon their first employment. Both the industry and public sector quite rapidly expressed their malcontent for this new system. They needed a work force that could be put to work instantly without introductory courses. Even though they had some influence on the educational system, the new high school stayed the same and so a clear void arose that the current system could not fill. It was quite clear that a new reform had to be developed; this is where thoughts of the KY, later YH, were first formed.

4.2 Qualitative study: Interviews pt. 1, YH academy
By interviewing a qualified representative from YH Gothenburg we sought to gain a deeper insight into the business logic of the YH academy as an educational institution. We wanted to learn how the people in charge at the YH academies think about themselves as an educational institution, what they think about the universities and what their experiences have been in their cooperation with employers.

How would you describe the purpose of YH educations?
According to Olof Eriksson, representing YH Gothenburg, the purpose is to educate individuals rapidly integrable and operational at a work site when they have finished their education. He compared this to university graduates that are expected to go through a certain amount of years of employment before they become productive.

What contact do you have with your graduates? How are they doing?
Governed by the central YH agency, all of the YH academies are required to do a follow-up on all their graduates six months after their graduation. Furthermore, Olof told us that when they apply for new programs they often evaluate the success of older programs and in that process they perform a follow-up on students that are still accessible. There is, however, no systematic approach to this process; it is simply a sporadic event that transpires in the application phase. It also depends on the content of the particular program, their contact is often better with more specialized programs.

What do they tell you regarding forms of employment, salary development and career paths?
Olof had the impression that his graduates didn’t make the same career as a university graduate would do. He stated that they often end up in the specific profession that they educated themselves to get. He did have one exception and it was the Purchasing Assistant program. He said that since there is no equivalent program in any nearby universities, the career path for the students from this program is
often different, since it attracts career-focused high achievers who, according to his guess, would otherwise have applied for the university.

**When it comes to students with perhaps incomplete grades, what kind of role does the YH academies play there? Are you aiding in the quest to lower youth unemployment rates?**

Olof told us that they generally do not accept students with incomplete grades. There is, however, a quota within the system for students without complete grades, which constitutes 20 percent of the total amount of students. These students are accepted for a “free trial” (authors translation HS/VP). But Olof stresses that it is not common for these free trial students to be unemployed youths but instead they usually have desirable qualities that would suit the profession they are trying to learn. This could be prior working experience or language skills, for instance Chinese is very valuable in a program which is international in its format. But the category of students with, for example, 15 approved grades and 10 incomplete grades do not end up at YH Gothenburg, according to Olof.

When asked if it was the same case for more practical professions such as plumbers, Olof said that it was a bit difficult for him to answer with certainty, but in his experience, programs that have too low of an entry barrier often get rejected from the YH agency. He did not see the YH academies as a good gateway in to the labor market for the unemployed and unqualified youth. He did, however, see the free trial quota as a possibility for many skilled immigrants to get a second chance that they perhaps would not have gotten in other educational institutions. Their foreign language skills could prove to be an asset and a chance for them to educate themselves for a profession, even without formal grades required for universities.

**How is the contact with trade and industry conducted?**

We were told by Olof that there is contact conducted with trade and industry during the procuring of internships for their students. This type of contact is, however, on a decline, since it has been centrally suggested that students should try to look for their own internships as practice for their future job hunting. As far as the procuring of internships, he exemplified with the spedition industry in Gothenburg. He explained that there are only a few big actors and everyone knows each other so there is no great need for the school to take any big initiatives. Bonds are already made and so they only need to be maintained.

**What backgrounds do your teachers have?**

YH Gothenburg has a mix of individuals with very different backgrounds, varying between the different programs. Most of the teachers are consultants hired from outside of the school, often working professionally themselves within the subject or profession they are teaching. The teachers that are still in-house and specifically employed as teachers mostly teach general subjects, such as English
and Mathematics. But even though they teach more general subjects, they often have a professional background before they start teaching at YH. Olof could see that there was an increasing trend that more and more of their teachers are consultants from trade and industry. According to Olof, this fact had two sides: On one hand, consultants are often very competent within their field, but on the other hand, they might not be as pedagogical as professional teachers. There is a peril that they might expect students’ basic knowledge to be too great, and therefore they teach at a level not fit for their students. Simply put, it is sometimes hard for the professionals to connect their own knowledge to the students’ background.

**How do you reflect on municipally owned YH academies versus privately owned YH academies?**

YH Gothenburg is a municipally owned YH academy, and according to Olof, the governance from Gothenburg City is quite small. He accredits this to the fact that YH Gothenburg is a relatively small operation compared to the many other divisions the city manages. As long as the academy has earned revenue or at least broken even, they have not felt much pressure from their owners.

When asked if he would rather be part of a private institution, he answered that this question has been up for discussion before. It was discussed because there would be the advantage of financial ordinance in the operation. He felt that there would also be better job security for staff as well as opportunities when it comes to location and housing opening up if they were private. But in the matters of day-to-day operations and the demands from the YH agency, he claims that there would be no significant difference between working for a municipally or privately owned academy.

**Where do you see YH academies going in the near future?**

Olof told us that the YH agency has been quite clear about their ambition to create even more specialized programs, where general knowledge is further removed in favor for specialized knowledge. He personally felt that this ambition is perhaps a bit too far-stretched and argued that many programs already are very specialized as it is. He exemplified further, that if one day those specialized professions that their graduates are educated for would disappear, these graduates would constitute non demanded labor and therefore be left with practically nothing. He reasoned that the agency could be more hospitable in that sense and provide students with a wider knowledge base to fall back on if needed. He suggested that the focus instead should be directed toward teaching process-oriented competences, where the student learns all about a specific business process from start to finish, such as learning everything from ordering a specific item from suppliers to marketing it in the public market. He meant that students could be introduced to certain processes like this in order to
provide useful service for several different professions, thus providing them with a greater security without leaving the core YH value of maximum employability.

4.3 Qualitative study: Interviews pt. 2, Employers
The following chapter includes the consolidated answers collected from our six different interviewed respondents from their different companies, who all employ both YH graduates as well as university graduates. As mentioned, we have chosen to interview two companies from three different industries:

- Swedbank and SEB within banking services,
- Skanska and Peab within construction,
- And two out of the so-called “Big Four” companies within auditing and accounting, who chose to remain anonymous in this study.

This chapter presents our main questions, which also are the ones we presented to the companies beforehand. As the interviews progressed, we also asked questions specific to the different interviews depending on the respondents’ given answers, in order to encourage the respondents’ reasoning regarding the subject and thus facilitate more detailed answers. However, we still remained within the subject of the original questions. This method enabled us to dig deeper within the specific main question and still keep the interviews at quite an equal and comparable level for all employers.

Since the focus of this study was the employers, we wanted to make sure that we chose the correct respondents for our interviews. Our ambition was to find respondents that were well aware of their company’s personnel structure and recruitment procedure, which would provide us with relevant responses for this qualitative study.

The interviewed respondents from Swedbank are Katarina Hegardt and Ann-Marie Andersson, who work as business managers with responsibility for university graduates and YH graduates respectively at Swedbank’s Telephone banking office in Gothenburg. The interviewed respondent from SEB is Britt Gustafsson, who works as an HR Business Partner. The respondent from Skanska is Kjell Pettersson, who works an HR Partner for Skanska’s western region. The respondent from Peab is Anna Glimdén, who works as a personnel officer for Peab’s Gothenburg area. The two respondents from the two different auditing companies work as HR Coordinator and Senior manager respectively.

In order to provide an easy overview for the reader and facilitate comparison between the different respondents’ answers to each question, we have chosen to present our results with each question as a headline, followed by all of the respondents’ answers to the specific question.
How well do you consider that the YH graduates match your requirements as an employer?

This is the first and the shortest question of all, yet it contains a great portion of the main purpose of this study. The answer from all of our respondents was simple:

All the customers, the corporations employing the graduates, answered that they are very satisfied with the product that the academies produce.

How have you as a company gotten involved in order to influence the YH academies?

Most of our respondents lacked insight into their particular company’s relation to the academies. There were some rather interesting exceptions to this however. Kjell from Skanska had been in the board for the construction program at YH Gothenburg for about ten years and had great insight into their cooperation. He emphasized the dual responsibility companies have when they get involved in shaping educational institutions in accordance with their own preferences. The involved company is obligated to provide the students with internships and communicate their capacity to the academies in order to keep up their proficiency.

Kjell also communicated his disregard for the slow institutional structure of the established universities. For instance, he pointed out that the civil engineering program at Chalmers was misbalanced between the two main sections of construction - infrastructure and housing. In reality, he said, the demanded balance is about 50/50, considering economic climate and industry demand, but the universities teach about 30/70 or even 20/80 in favor of housing. He expressed a desire to have a much better contact on a local level with Chalmers. They both thought that many of the classes included in the civil engineering program, simply put, are not valuable at all for their future professional career.

Another exception was Swedbank, where Ann-Marie (responsible for the contact with YH academies in Gothenburg) pointed out certain areas where they had fundamentally changed the content of YH programs. The component that Swedbank saw was lacking in both YH academies and the university realm was business acumen. The focus in business acumen revolves around the customer and how to approach and maintain a customer relationship. The representatives from Swedbank introduced this concept by entering it in to the curriculum, as well as sending representatives from the bank who personally taught the students how to communicate with customers in a sales situation. They have already seen results and reaped the rewards from this program change, and when it comes to business acumen they can now see a clear edge in favour of YH graduates compared to most university graduates. Katarina added that it does not matter how good your theoretical knowledge is, in reality
you are standing in front of a customer and you need to know how to address this customer. She also exemplified this statement by giving an example from her own life as a university student. She had attended a case evening at another large Swedish bank, revolving around a specific case based on a real situation with one of their customers. Katarina and her fellow students thought they had solved the case and presented the “theoretically right” thing to do in the situation, which was right according to everything she had learned at the university. However, the bank disagreed with this being the best solution and revealed that this was not what they had done in the situation, since it would not be beneficial for the customer and thus not “right” for the situation. This specific customer was a really important client who could not be lost, thus, the bank decided that the customer was right. Through this reasoning, they succeeded in keeping the customer, which was right for the bank in the long run. This was Katarina’s first clash between the business acumen and the theoretical reasoning of universities, and as she and Ann-Marie stated, this difference in thinking is what now separates YH graduates from university graduates. Katarina also said that summer interns from universities that work with them during the summer have a hard time grasping this simple business rule of the customers’ right. It is somewhat of a shock to them.

What does a YH graduate's career path look like within your company?

Some respondents, specifically the two from the auditing industry, have formal structures within their organizations still in place that make it quite impossible for anyone other than a university graduate to advance in the company beyond their original field. This is partly a consequence of the rules and regulations of the industry itself. In the auditing industry, in order to become a licensed accountant (“Revisor” in Swedish), rules state that you need at least a master’s degree from a university. YH academies are claimed to produce the demanded labor within simpler bookkeeping services, but they are not yet allowed to educate licensed accountants. So the YH graduates were restricted from this area of the firm and worked in a department that more handled smaller companies’ daily routines. These were routines such as the closing of accounts and balancing of the books. The respondent from the first one of the big four pointed out that there is a possibility to climb within the separate department, but the structure was not yet as well formalized as it was within revision or tax auditing.

This industry was however the exception. More interesting to note for the purpose of this study was that all other respondents emphasized the individual’s possibility to shape their own destiny within the firm, regardless of educational background. What was stressed even more was that they all wanted the employee to have the right personality, attitude and values; with these traits in place, all of the more specific technical knowledge could be taught within the firms. All of the banking and construction companies described how their systems (and in Peab’s case even whole academies) for internal
education work, and how they systematically allocate employees with the right traits but not enough technical knowledge to promote their development.

Most firms also expressed an ambition to primarily recruit internally. An example of this was what Britt explained to be SEB’s policy: To primarily advertise for jobs internally first and only if no qualified applicants were to be found internally, continue to look for external options. This tendency was interestingly enough often explained through the currently employed personnel’s already high integration and experience with the industry and the company – the same traits that are described as the YH graduates’ primary assets compared to university graduates.

Is this career path different in comparison with a university graduate within the same field of expertise? Can a pattern be recognized?

Ann-Marie from Swedbank provided us with very valid points regarding this question. She discovered these points after conducting a preparatory survey around the office and consulting with recruited students that had been with the firm for a longer period of time. She drew the conclusion that YH graduates often make a quite good career within the same department that they start off in. They advance both rapidly and with a solid knowledge and experience basis to stand on. Compared to this pattern, the university graduates change workplaces more often in their eagerness to advance, but also succeeds to advance to higher positions quicker within the company. Although the other interviewed respondents had no statistic basis, they all claimed to observe the same patterns within their own companies: YH graduates prefer to specialize and excel at the more operational level in the company, whereas university graduates often want to advance upwards to either strategic and managerial positions or specialized expert positions. The respondent from the second auditing firm of the big four described how he had observed that “the individuals from YH academies are seldom the career-climbing type”, as he put it (Authors’ translation HS/VP).

Is there a difference in privileges, such as salary and working hours?

Skanska, Peab, SEB and the first of the Big Four did not shy away from the fact that the voices of tradition often entitle university graduates to a higher salary than YH graduates. What was interesting though, as Kjell from Skanska put it, was that “it might be the case that YH graduates actually have a better salary development due to their practical experience” (authors’ translation HS/VP). He accredited this to the fact that salary development for any graduate, once hired, is based solely on the individual’s actual performance. This understanding was also shared by Swedbank. In regards to the subject of salary development they said that “it only depends on how well you perform at your job” (authors’ translation HS/VP).
Entry level wage seemed to be based on more parameters than just the educational background of the graduate. For instance, they also include prior work experience or special skills into consideration. The respondent from the second company of the Big Four described how their individual wage setting at his department, the accounting and bookkeeping department, had led to some university graduates even having a lower entry-level salary than some YH graduates, and vice versa; all depending on individual traits.

**What are the pros/cons between the two when compared?**

The pro-list was extensive when it came to the YH graduates in the eyes of employers. They were often described as extremely well adapted to the particular tasks they were employed to perform. Furthermore, it was also appreciated that they do not always share their university counterparts’ ambition to climb the career ladder in a rapid fashion. This makes YH graduates a more predictable employee which can be kept at the operational level for a long period of time.

Anna from Peab had a lot of positive things to say about the university engineers’ influence in the company’s daily production. In accordance with the rest of modern society, the construction industry has become more and more computerized. She found the engineers’ knowledge and competence in this area to be very commendable, both when it came to knowing how to use the programs and understanding the necessary inputs. Furthermore, she appreciated the inventive ideas and new ways of using the existing systems that the university graduates many times provided. The respondent from the second of the Big Four also mentioned his appreciation for university graduates who also possess practical experience, since these are often able to grasp very complex problems compared to other graduates.

**What graduate do you prefer, if you disregard the individuals’ personality traits?**

Although many respondents showed a genuine appreciation of the YH graduate for specific positions, almost everyone advocated a good mixture of educational backgrounds. The dynamics of the YH graduates’ and the university graduates’ differences made for a better end result for the company as a whole. This statement was strongly supported by all respondents. When asked if the available supply of labor thus is better today than when they were able to acquire university students only, they all confirmed that the situation is better today.

As previously mentioned though, all respondents expressed an appreciation for the fact that YH graduates many times stay in their starting positions longer than university graduates. Britt Gustafsson stated that even though no numbers have been produced, clear tendencies of this behavior had been noticed from managers in contact with them. This observed behavior resulted in SEB intentionally
recruiting YH graduates and others with similar educational background to certain departments where SEB experienced that staff turnover was too great.

4.4 Qualitative study: Interviews pt. 3, Chalmers Construction Engineering Program representative
Following a lead we received from Kjell Pettersson during our interview at Skanska, we decided to add this final interview part to complete our study. We contacted Bert Luvö, the program manager at the construction engineering program at Chalmers. They were one of the first university programs to include the work related internship as part of the university program. Since Bert was the initiator of this reform, we wanted to understand the reasoning behind this uncommon initiative.

Why did you decide to introduce work related internships in your university program?

Bert told us that there used to be a similar work related internship integrated in the program before, but that it had received criticism and been removed. The old variant only lasted during the summers. The issue with letting the students be interns during the summer was that everyone else had their holidays during this period, which often led to the interns competing for jobs with the workers’ children looking for summer jobs. Thus, it was removed from the program and remained so until Bert took the initiative together with representatives from trade and industry and brought it back in a new form.

What do you think the implications of the work related internships are?

Bert explained that their education becomes more attached to reality and that they simply become better and more competent engineers upon graduation than they would be without their internships. He explained how every single one of his departments’ graduates get jobs quickly after (or even before) graduation, as long as the economic climate is favorable.

Do you think it would be good to implement the work related internship in more programs at the university?

He responded that from his standpoint, with insight into the realm of Chalmers and engineering, he thought that more engineer programs certainly could stand to gain a lot from it. He accredits the success in managing to integrate the work related internship into the construction engineering program to the strong central representatives for the industry. All construction companies stand together in the question of education and pull pretty much in the same direction. The competition that occurs between the companies in other situations does not disturb their cooperation in the question of ensuring the supply of properly skilled construction engineers.
4.5 Empirical Summary
In this chapter we have provided a short historical background in order to understand the emergence of the different educational institutions in Sweden. We have seen that there have been two separate segments of education for centuries where one represents lower technical knowledge and one representing higher theoretical knowledge.

We have also interviewed a representative from the modern equivalent of the old lower technical knowledge institutions, the YH academy. We have gathered information regarding the educational methods of the YH academy, in other words, their business logics.

Furthermore, we have conducted interviews with six employers in three separate industries. We have explored their reasoning and demand regarding different graduate types and their role within the employers’ companies. We have asked what makes a graduate employable and demanded in the labor market – in other words, what constitutes value for the buying side of the labor market.

We have also interviewed an exception to the norm within the university realm, namely a program director who has included the work related internship in the curriculum. We explored his reasoning behind this and the response of employers to this change in the university program.

In the next chapter we will analyze the observed patterns and differences in the collected data and responses with the help of our theoretical framework. This will be done in order to answer the specified problems and questions and thus facilitate the final conclusion of this study.

5. ANALYSIS
In this section, we analyze our empirical findings using our theoretical tools and concepts provided in earlier chapters.

Our main focus in this study has been to describe and analyze the demands from the buying side of the labor market, the employers. In our empirical studies, we have gained a better understanding of their needs and preferences regarding the different graduates produced. In this analysis, we have chosen to further evaluate how the two different educational institutions cater to these needs of the employers. This is done by analyzing their different business logics, as provided in the theoretical framework chapter presented earlier (Normann and Ramírez, 1994). By identifying flaws and strengths in the different business logics, we can also draw conclusions regarding the future development of the two different educational institutions. Furthermore, we set out to evaluate what career possibilities the graduates have within the companies and under what conditions they progress. The end result for the graduate is significant to evaluate because it reflects the opinions of the employers in regards to the business logic of the two different educational institutions.
5.1 The business logic of universities

With all this overwhelming evidence pointing toward the YH graduates as having very good – sometimes better – employability compared to the university graduates in the eyes of employers, the question is what the purpose of university education in today’s society is. If the same employability is gained through two years of studies compared to three, four or five years, then what might be the purpose of studying at a university? We found that many of our interviewed company contacts even expressed the situation in terms of the YH academies “understanding” the employers’ needs better than universities. We will now analyze the alternative business logic of universities, since it clearly is not completely compatible with the business logics of YH academies and employing businesses.

Here, the reasoning of Sven-Eric Liedman in his book “Hets!” becomes interesting for the analysis. As presented in the theory section, Liedman claims that the universities have long had – and should once again return to – a different business logic than the one of pure employability. Liedman discusses how the current Bologna process has led to universities becoming more and more adapted to the business logic that we might identify as the one which the YH academies are based upon: Everything that is taught is supposed to have a clear connection to – and facilitate the expected following career – and anything not connected to higher employability should be questioned. Liedman understands that we live in a time where the discourse of the work strategy is central, but he questions the impact this has upon the individuals’ many other virtues apart from just employability.

Historically, as we declared for in the shorter historical background, the first universities were founded in order to create priests, philosophers and law men. These were all branded as truth seeking sciences. This original business logic of creating educated members of society rather than just employable graduates has also remained the underlying purpose of universities to a great extent, just as Liedman explains in his book. The purpose of universities was never to create employable graduates particularly trained for single professions, but rather to provide a sort of guild for the scholars (Liedman, 2011, p. 102). The latin word "universitas" is actually translated as guild: Just like blacksmiths had their guilds in which they shared and refined their collective wisdom regarding forging, the universities constituted the same function for those individuals in search of wisdom.

There is an ongoing debate within the university realm (as Bert Luvö told us regarding Chalmers during our interview) about making students more employable and perhaps moving in the same direction as the quite successful YH academies, with more focus on directly applicable knowledge and less focus put on general knowledge and highly theoretical subjects. The same work strategy-adapted business logics, as those of YH academies, have started to enter the university realm. This has been done through the Bologna process and through individually initiated changes such as the one made at the Chalmers construction engineering program. This can be interpreted in many different ways, all depending what point of view you explore. For the purpose of this study however – where we analyze
the demands and the reasoning of the buying side of the labor market within the discourse of the work strategy – the message stands clear: Universities’ original business logics are not optimal for creating easily employable students, when compared to the business logics of YH academies.

What we found very interesting, however, is how representatives from some companies, such as Peab and the second of the Big Four, could relate their companies’ appreciation for university graduates directly to their ability to grasp very complex problems and also innovate new ways of using existing systems. Statements like this can be interpreted as showing the upside of a broad, general and theoretic university education from the employers’ perspective: We can see a glimpse of how the ability to think outside the box and the experience of analyzing complex theoretical problems is the field of expertise where university graduates generally triumph over YH graduates. This fact creates attractiveness in the labor market for university graduates. However, it could also be possible to interpret these observations as a side effect of universities’ tendency to attract highly intelligent people with high grades compared to many of those who apply for YH education, which in turn could be interpreted as a consequence of universities being the well-known institution that attracts the most applications.

The thoughts and arguments of Liedman can be very interesting for understanding the business logic of universities and in the long run what the value and contributions from universities can be to society, besides creating highly qualified employees. Nevertheless, since the core purpose of this study is to clarify the demands and reasoning of the employers in the labor market, the arguments of Liedman can be viewed as standing in direct conflict with those of the employability-advocating side of the debate, namely the advocates of The Bologna Process as well as all of our interviewed employers. Thus, we can predict that the continuation of The Bologna Process and the continued implementation of employers’ business logics into the realm of universities will increase the university graduates’ employability compared to present day.

5.2.1 The business logic of YH academies

The business logic of the YH academies is explicitly to create highly employable graduates. This simple logic has taken on a lot of expressions for even longer than universities have existed. As we saw, it has ranged from the early guild institution, with a master-apprentice relationship, to different governmental efforts such as vocational schools and trade schools. These were all institutions meant to create highly employable graduates filling the need for lower technical knowledge within firms. However, in today’s business climate with global actors, it is not as simple as creating lower technical personnel with a rapid learning curve. In order to keep up with this ever-changing need from the end customer (employers), the only solution is to let them have great influence in shaping the programs correctly.
Here we see a central concept in the business logic of YH academies and that is the concept of the *value constellation* that they have created together with the employers. The concept revolves around not only the producing business adding value to the product, but also other agents, such as the end customer in this case.

The YH academies are also meant to produce specialists that can constitute competitive advantages for firms on a global market. An example of such a specialist was given to us by Kjell Pettersson of Skanska. He talked to us about their need for measuring technicians and how YH graduates really are outstanding in this field. The educational material that the YH students had access to was always up to date and so they were well prepared when joining the construction team on the building site.

Furthermore, we find that the core of any school is the teachers, and here the YH academies’ business logic differs substantially from universities’ business logic. The current trend promotes outside consultants stepping in as teachers. This is a way of allowing companies to influence the curriculum even further and make the YH academies’ teachings more of an extension of trade and industry’s realities. Olof Eriksson of YH Gothenburg found an obvious flaw in this trend, however, and it was the fact that these consultants are not trained pedagogues. Thus, although teachings can be quite relevant, many students might not be able to follow them. In other words, if the correct information is spread in an incorrect manner, it might not become knowledge for the students.

Another trend, or direction, for the YH academies is that of more specialized programs. As previously mentioned, this is an outspoken direction that the central YH agency has decided upon. Olof Eriksson had a conflicting view with the YH agency regarding this matter as well. He felt that there was a big downside to being so specialized for the students; they would have nothing to fall back on if that particular profession would decline or disappear. Instead, he argued that more general and process oriented teachings could be more suitable. There are certain processes such as purchasing that has several steps and includes a number of operators in the process. If such a process would be taught to students this could instead enable them to work in different parts of the chain, thus providing them with better job stability.

Another important part of the business logic of YH academies is the question of who is able to attend the programs. There has historically been a stigma against educational institutions explicitly focused on producing highly employable graduates. This stigma has regarded the fact that work related educational institutions have been perceived as institutions for students with low or incomplete grades. Olof Eriksson from YH Gothenburg shed some light on this subject of students with an incomplete high school record, in the case of YH academies. It is in fact not an institution for those looking to take a short cut in to a professional career without at least complete grades in the basic subjects; Swedish, English and Mathematics. There is, however, a quota of 20 per cent that are valid for a free trial pass in to the YH programs without complete grades. But, instead of being a gateway for troubled students,
this is in many cases an entry point for those with particular desired qualities for the profession they strive to learn. These qualities can range from prior working experience to suitable lingual skills. YH academies can therefore be an opportunity for people with a professional background that are perhaps looking to specialize themselves in their industry, as well as an opportunity for some immigrants with insufficient previous grades.

5.2.2 The significance of work related internships

The work related internship is one of the main tools of the YH academy and a result of the YH academy’s different business logic compared to universities in Sweden. In our study of this educational tool, we have listened to employers, a YH academy and a university that uses it in their curriculum.

When we discussed the role of internships with our company respondents we received this interesting answer from Kjell Pettersson at Skanska:

“…it becomes a leverage that is positive for all parties involved (authors’ translation HS/VP)”

What he meant by this was the fact that there are numerous positive effects of the internships that creates a win-win situation. For the student it becomes an opportunity to attach his or her knowledge to reality, thus solidifying it. It is also an opportunity for students to showcase their abilities and with high probability acquire their first position after their education. It is also an opportunity for them to find out if their chosen career path is right for them, by exposing them to the daily routines of the profession. This reduces the possibility of creating academics that will not use their education in their professional career and would be costly for society.

Since the teachers also get feedback from returning students it creates incentive to continue improving and changing the curriculum in order to make students more employable. On a personal level it can also keep them knowledgeable, if information is spread properly. Furthermore, it gives them feedback they can send to superiors and politicians to create debate and progress.

For the employers it becomes a trial period for possible future employment. They can recruit staff that they are already familiar with and that can get to work immediately without costly internal training or low efficiency in the beginning. From a competitive point of view it is key to have a tight bond with educational institutions; this internship creates just that. It creates dialogue, not only when it comes to evaluations but also in procuring the internship positions at companies.

So the method for providing highly employable graduates is for trade and industry to help shape curriculums and provide work related internships that will create a quicker learning curve upon employment. They do all this in order to create a mutually beneficial value constellation. Our empirical findings during the interviews conducted, state that this is a successful concept.
5.3 Career possibilities and benefits

Our interviews have concerned the subject of employability and attractiveness of different graduates in the eyes of different employers. Apart from acquiring the initial employment, which has already been covered in an earlier study (Rosvall, 2008), the possibility of gradually advancing within the organization in regard to the subject’s education was also in focus for our study. Furthermore, we also found it interesting to study under what conditions this employment is acquired, in other words, what kind of benefits the graduate receives.

One of the most common arguments for choosing an academic degree instead of a YH degree is the wider career possibilities it supposedly grants. With this in mind, the answers we received from many of the employers regarding the question of YH graduates and university graduates different career paths were very interesting. The representatives from all the construction companies and banks, namely Peab, Skanska, Swedbank and SEB, all claimed that the right person with the right personality and mentality – regardless of educational background – can go as far as he or she wants within the organization. The fact that the buying side of the labor market in many cases overlooks what specific kind of education the employee has is very interesting. Even more important, the YH graduates’ high initial employment does not come at the expense of future career possibilities, opposite to what we personally suspected when we first started our researches. So, even though career rigidness had been observed among the YH graduates, the career possibilities within the company were in most cases equal to those of university graduates. An exception to this was the auditing industry, which had internal career boundaries connected to the type of educational background of graduates.

It is also interesting to see how the YH graduates’ high initial employability does not result in dramatic wage differences – in fact, some of our interviews showed how YH graduates can even have advantages in this field due to other relevant competences. However, in those cases where educational background was the only valid parameter, university graduates would often enjoy a noticeable, if yet small, wage advantage compared to YH graduates. We suspect that the slight difference in entry level wages is a reminiscent of the traditional view on university educations. We believe that universities today, because of history, are considered to hold a higher status and produce more qualified labor in the eyes of employers. It is a well-known institution, and those individuals responsible of recruiting new employees often have a background in the university realm themselves. We believe this makes for a biased perspective from the recruiters regarding the different graduates. In regards of the entry level wage, we can conclude that employers look at a number of parameters, but when education is the only valid one; university graduates have a slight wage advantage.

Perhaps more important than entry level wage though, is what kind of wage development the graduate experiences. When it comes to wage development, we find that there is a common notion today that it is beneficiary for a graduate to change employer frequently in order to raise their wage level.
However, in this study, we have limited our focus to how the graduate’s wage development transpires when they remain within the same company. Skanska’s Kjell Pettersson provided us with an interesting observation regarding this particular topic. He stated that due to the rapid learning curve of YH graduates, they often perform better than university graduates during their first years of employment. Since most of the employers stressed the individual’s opportunity to create their own destiny, this initially higher performance level of the YH graduate will entitle them to a better wage development than university graduates. Other companies also stated that the wage level – in the same profession – tends to even out in the long run between the two different types of graduates.

6. CONCLUSION

The main purpose of the study was to describe and analyze the demands and the reasoning from the buying side of the labor market – the employers – regarding the products created from the selling side of the labor market, namely the employable graduates educated at different educational institutions. This is done in order to clarify the mixed messages of today’s labor market and thus benefit all parties involved.

Our study has, from the employers’ point of view, examined what constitutes the demand - the true value - when it comes to graduates on the labor market. We have approached this problem by providing a shorter historical background and by conducting qualitative interviews with six employers, a YH academy and a university program. Our empirical data have then been analyzed through valid theoretical frameworks and concepts, with one particular discourse as our guiding light.

This guiding light throughout the study has been the discourse of the working strategy and, within that discourse, the concept of employability. Our empirical findings spell out one thing quite clearly about this concept – the YH graduates’ high degree of employability is much desired and appreciated by employers. Thus, we see that employability as a whole is something in high demand from the end customers in today’s labor market, the employers.

The products created by YH academies, the YH graduates, often have a rapid learning curve upon employment as well as an ambition to excel in their trade without an excessive ambition to climb the career ladder. This rigidity and quick learning curve of the YH graduates is precisely what is needed by employers as a complement to university graduates.

On the other hand, university graduates’ broader theoretical background and ability to grasp more complex problems, has proven valuable when it comes to ingenuity and theoretical qualification for
higher positions within the company. The interviewed employers had also observed that university graduates are more willing to make a career and rise through the ranks within the company. This has been appreciated by employers due to the fact that they have expressed a desire to mainly recruit staff internally.

Thus, we can conclude that the criteria met by a mix of both YH graduates and university graduates governed by the current demand of employers, is what really constitutes true value for employers. The ideal composition of the mix depends on the employers’ demands of the perceived qualities provided by the different graduates. In other words, *there is no given ratio of what the ideal mix is, it all depends on the current demand of the specific company.*

In future developments, we see that YH programs are to become even more specialized than they are today, due to orders from the central YH agency. This is done in order to avoid becoming a competitor of the university programs and more of a complement to them.

Meanwhile, we believe that universities will move more and more toward the business logic of YH academies. Along with other changes, we believe that they will introduce the work related internship into more parts of the university realm than today. This would be in line with the concept of creating a value constellation together with the employers and thus creating a more valuable end product. With a broader theoretical background as well as hands-on-experience, university graduates would then become more employable than they are today, and still retain the theoretical edge which distinguishes them from YH graduates. These changes would all be a result of today’s discourse of the working strategy and its main concept – a concept that the end customers on the labor market demand – employability.

As a final note, we would like to remind the reader that this whole study has been done within the discourse of the work strategy, which we stepped in to in the beginning of this study. With all of the conclusions now made to the questions asked, we can now finally step out of the discourse and discuss both our results as well as the work principle itself. The work strategy only presents solutions to some problems, not all problems. The work strategy is a politically constructed concept, not an objective truth. The global environmental problems, for example, grow linearly with increasing growth and trade volumes, and the focus on employability might very well come at the expense of other educational values with unknown societal consequences, according to Liedman’s (2011) reasoning.

Within the work strategy, our conclusions in this study with increasing employability within the labor market is seen as positive, both in the eyes of employers and for the work strategy-driven Swedish society as a whole. Surely, many different actors within society and the labor market will benefit from increased employability, as well as the following increased Swedish growth and global competitiveness that Björklund (Folkpartiet 2011) and the other politicians of The Alliance advocate.
Still, it remains up to the reader to judge whether increased employability in the labor market is positive or not.

7. FURTHER RESEARCH SUGGESTIONS

In this section we will raise questions for future studies based on our own experiences from this study.

- We were told that the YH agency had expressed an ambition to further specialize their programs in order not to compete with already existing university programs. A study that would research this competitive balance and find out if they really are two separate institutions catering to different markets or if they sometimes clash would be very interesting. Is the YH academies simply a complement to the existing university realm or are they competitors?

- A study that dove deeper in to the different implications of implementing the work related internship in the university realm would also be interesting. It could raise the question of perhaps altering the business logic of universities in the name of employability. It would raise questions of global competitiveness; some companies in our research expressed a need for the university graduates to become productive at an earlier stage than today.

- It would also be very interesting to conduct a quantitative analysis of bigger proportion that could interpret the movements in work benefits and career climbing over a period of time. This would be interesting to study, in order to see if any statistical changes have occurred that differ from our respondents’ observations. Conclusions regarding the legitimacy of YH academies could perhaps be drawn in this type of study.

- We have identified the preferences and reflections of some employers in Sweden regarding YH graduates, but still it is unknown to us how valid a YH degree would be abroad? Since the YH academy is becoming a more established educational institution it is very important to explore what the implications are for the graduates produced in a global perspective. Some of their produced specialists will have to act on a global market and finding out employers’ preferences in a more global study would be very relevant for both the YH academy and its future graduates.

To conclude this chapter, we can say that the research field of the labor market, the discourse of the work strategy and the different educational institutions are all subjects in which the research potential is vast. There are many different problems to solve, many different perspectives to take and many different group’s interests to take into account. We have but opened up the first door to a field which is
not yet very well documented in academic research. We hope to have sparked interest in other scholars to further investigate these important societal elements in order to facilitate future progress.
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Appendix 1: Translations of educational institutions

Educational institutions in the short historical background translated by the authors (HS/VP):

- Guild – Skrå
- Sunday and Evening schools – Söndags- och aftonskolor
- Trade high school – Fackgymnasium
- Apprentice and vocational school – Lärlings- och yrkesskola
- Elementary school – Elementärskola
- Trade school – Fackskola
- Vocational school – Yrkesskola
- Royal High Council of Vocational Education – Kungliga Överstyrelsen för Yrkesutbildning (KÖY)
- School High Council – Skolöverstyrelse (SÖ)
- Public study preparatory high school – Allmänna studieförberedande gymnasiet
- Cohesive high school – Den sammanhållna gymnasieskolan
- Municipal adult school – Kommunala vuxenskolan (Komvux)