

What Germany and Romania have in common: The impact of university prestige on graduate employability

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The current paper focuses on analysing the impact of university prestige on the employment process of graduates. Representatives of recruitment companies and employers were interviewed to understand the ramifications of university prestige while selecting candidates for job openings. The research takes place simultaneously in Romania, as a representative of a peripheral higher education system, and Germany, as a representative of a higher education system located at the centre of the academic world. By exploring the difference in prestige between individual institutions and the higher education systems of the two countries, this paper aims to better understand the transnational significance of university prestige. With the help of thematic analysis, three main themes were extracted and revealed as relevant for both countries: (1) skills represent the core variable of relevance in the employment process, (2) university prestige is viewed as a contributing variable and (3) the selection process itself is becoming increasingly complex. Additionally, Romanian employers demonstrated a preference for graduates from German universities, highlighting the centre-periphery dichotomy in higher education.

Keywords: university prestige; employability of graduates; recruitment process; Romania; Germany.

Introduction

University prestige has gathered momentum in recent years as a means to distinguish between the increasing numbers of higher education institutions. Prestige and vertical differentiation add to the various tools for selection and allocation of privilege in society. Traditionally, graduating from a university was sufficient to secure pecuniary and non-pecuniary benefits (Krueger, 1972; Maani, 1996; Menon, 2008; Oreopoulos and Salvanes, 2011; Romele and Purgailis, 2013; Tilak, 1989; Toh and Wong, 1999). Today, benefits seem to be further maximized by some higher education institutions more than others. Institutions that Harvey and Green (1993) define as representative of ‘quality as excellence’ carry a higher level of prestige; here classical examples include

Harvard, Oxford and Cambridge. Graduates of such places are in the favourable position of being able to use this prestige as a token in acquiring further potent social privilege (Grafton and Townsend, 2008; Oprisko, 2012). Prior studies reveal a higher salary for students attending selective institutions (Brewer, Eide and Ehrenber, 1999; Long, 2010). However, most of these studies are conducted on graduates in the USA context, where the level of differentiation between higher education institutions is very high. At the same time, such studies struggle to understand if the difference in salary can be explained by the added human capital with which prestigious institutions might equip their graduates, or the mere perceived value of the university's name. Human capital theory and signalling theory are the main theoretical frameworks employed by these studies (Bedeian and Feild, 1980; Hoxby, 2009; Long, 2010).

Romania and Germany are chosen as comparative contexts to be analysed. Both countries represent contexts in which the vertical differentiation of higher education is less preeminent. For this task, representatives of the demand side of the employment process, recruiters and employers, are interviewed to understand the ramifications of university prestige in the selection of candidates for job openings. As is traditional for this type of research question, signalling theory and human capital theory are simultaneously used to analyse the results. Participants are asked to discuss aspects of the recruitment process, their perception of universities and the level of prestige associated with various types of institutions and programmes, and to present their understanding of the relation between university prestige and employability.

The first section of the paper highlights the rationale for engaging in comparative research; outlining the relationship between university prestige and employability by highlighting the centre-periphery dichotomy in higher education. Section two, three and four constitute the theoretical components of the paper, and discuss the concept of prestige, describe the employment process and respectively highlight the theoretical framework of the paper. Following the theoretical construct discussion, section five describes the methodology employed in this research. Section six, seven and eight present and respectively discuss the results of the study. Before concluding the paper, section nine highlights some of the limitations of the study.

Rationale for comparing

The academic world is divided into a centre-periphery dichotomy. Composed of research-intensive universities, often labelled as world-class institutions, the centre is frequently located in developed countries (Altbach, Reisberg and Rumbley, 2009). The reciprocal applies to universities at the periphery. Given the different levels of success of higher education systems in accumulating reputation, it is appropriate to take an example of both a centre and a peripheral country when analysing the impact of university prestige. Germany, on one hand, has institutions that are well-positioned at the centre of the academic world (Bleiklie, 2014), while Romania's higher education system is still positioned at the periphery. The aggregated prestige of the higher education system in Romania is lower than the equivalent aggregated prestige of the German system. At the same time, the most prestigious universities in Germany are recognised to a greater extent than the most prestigious universities in Romania, as illustrated by university rankings.

The variation in prestige between higher education systems and institutions is particularly relevant in the present context of increased academic mobility. It is more common nowadays for students to study abroad, often in higher education systems located at the centre of the academic world. Some of these students return to their countries of citizenship upon graduation, bringing their degrees with them. Assuming institutional prestige transfers from an institution to its graduates, the prestige of a higher education system at the centre is no longer relevant solely to the academic world, or geographically limited by the borders of a system. This opens the possibility to not only research the impact of university prestige within a given national system, but also to investigate university prestige outside of its national locus.

The concept of prestige

As the sum of inter-subjective and shared perceptions of the esteem of various elements of a system and between systems, prestige is widely discussed in the academic literature. Prestige has been labelled in numerous ways, may it be reputation, goodwill, image and standing (Shenkar and Yuchtman, 1997), social honour, status and charisma (Weber, 2010), and symbolic capital (Bourdieu and Wacquant, 2013). Weber describes prestige as one of three ways in which power is distributed within a community. Power is defined as “the chance of a person or a group to enforce their own will even against the resistance of others involved, through a communal action” (Weber, 2010, p. 137).

Prestige is relevant only insofar as it provides power to individuals or groups. A similar conception whereby prestige is defined in contrast to economic or material possession is encountered throughout Bourdieu's work. A crucial element of Bourdieu's symbolic capital is the property of it to be recognised (Bourdieu and Wacquant, 2013).

More recent reflections on the concept of prestige describe the phenomenon as deriving often from non-agonistic sources, particularly excellence in valued domains of human activity (Gil-White and Henrich, 2000). Prestige functions in the ongoing comparison between the prestigious and, what Gil-White and Henrich call, the "have-nots" (p. 166).

Prestige becomes relevant insofar as it is used as a source of power and because of the transactional value it brings. In the employment process, the recognition of prestige becomes important. One is prestigious insofar as others recognise you as such, and less so in the absence of this recognition. But what is recognised as prestigious varies. The umbrella concept does not dictate what is perceived as prestigious in various arenas of the public and private spheres. What constitutes prestige in higher education does not constitute prestige in soccer, or even at other levels of education. Here is where the concept proposed by Gil-White and Henrich, resting on excellence in a particular field, is insightful. Equally important in understanding prestige is the contrast between the prestigious and the 'have nots', between the excellent and the non-excellent, the centre and the periphery. For this contrast to exist, differentiation is necessary. Implied notions of hierarchy engrained in differentiation, recognition, transactional value and excellence are the four main attributes of prestige as understood in this paper.

Employability and the employment process

As Harvey (2001) notes, employability is more often than not defined implicitly, rather than explicitly, in the academic literature pertaining to higher education, and refers to the "propensity of students to obtain a job" (p. 98). For many, increasing the employability of graduates is a major purpose of higher education. Students are to graduate and find a job as quick as possible, and the employability of graduates becomes an outcome of higher education and an indicator for measuring its quality. Research on the employability of graduates (Cai 2013; Jackson, 2014, Jain and Jain 2013; Leuze, 2000) and research on the transition from higher education to the workplace (Leuze, 2000; Teichler, 1989; Teichler, 2000) has gathered momentum in the

last decades. Often policies connected to higher education, such as quality assurance, the Bologna Process and trends in higher education, such as diversification and expansion, are driven by an attempt to increase the employability of graduates (Harvey, 2001; Kehm and Teichler 1995; Leuze, 2000).

Plenty of studies describe employability and illustrate the wide array of variables relevant in the employment process. Such studies are generally focused on two main directions of investigation. Firstly, the hypothetical leading variables relevant for employers are explored. Endeavours such as human capital theory, signalling and screening theories (Schultz, 1961; Spence, 1973) belong mostly to the field of economics of education, and are based on simple economic assumptions of asymmetry of information and the desire of employers to increase productivity. Such streams of research explain patterns in the employment process, such as wage differences, but rarely engage with the normative dimension of employment practices (Tholen, 2014).

Secondly, the relevance of skills, broadly speaking, in the employment process receives special attention in the academic literature. In an exploratory quantitative study, Finch, Hamilton, Baldwin, and Zehner (2013) research the importance of five clusters of variables in the employment process: soft skills, problem solving skills, functional skills, pre-graduate experience and academic reputation. Employers completing the survey ranked soft skills as the most important factor in the recruitment process. Academic reputation was ranked the lowest. The study of Finch et al. is not an exception in noting the importance of soft skills in the employment process; soft skills are often ranked as the most important employability variable (Hennemann and Liefner, 2010; Lau, Hsu, Acosta, and Hsu 2014; Poon, 2012). Often these studies are accompanied by a reflection on the quality and content of education that future employees are exposed to and should alternatively be exposed to (Lee and Han 2008; Cai, 2013; Lau et. al. 2014; Dhiman, 2012).

Signalling theory and human capital theory

The results of the thematic analysis are analysed through the filter of both human capital theory and signalling theory. In the late 1950's, Schultz explicitly started discussing the importance of investment in human wealth as a means to achieve economic growth (Schultz, 1959; Schultz, 1961). 'If you want a good job, get a good education' became a

hallmark of human capital theory and a slogan frequently used in society. This idea is often understood as the meritocratic and democratic way of getting ahead (Strober, 1990). Human capital theory not only suggests that education is a means to achieve productivity, but also suggests the process responsible for acquiring such productivity: skills and knowledge rewarded by higher earnings (Becker, 1975; Mincer, 1974). The individual is viewed as capable of rationally calculating the likely benefits of gaining further education, and such calculations will likely influence the choice individuals make. One of the major critiques towards human capital theory is that the link between productivity and education hijacked the traditional educational goals of building socially responsible citizens (Baptiste, 2001; Gillies, 2011) and teaching critical thinking in favour of what some call neoliberal politics (Gilead, 2009; Le Grange, 2011); that is the adherence to principles of free market and trade liberalization, with little to no government interventions, where the individual becomes secondary to economical outputs. With all its criticism, human capital theory predicts that recruiters aiming to increase the productivity of employees will be evaluating primarily the skills an applicant has to offer in the recruitment process.

While human capital theory suggests that any benefits deriving from additional education are due to the acquisition of additional skills, signalling theory asserts that the mere acquisition of a higher education degree sends a message of productivity to employers (Spence, 1973). According to signalling theory, the acquisition of skills is redundant in the link between education and productivity. For such a communicational act to function, signals need to be honest (Murray and Moore, 2009), costly (Moore, 2003; Spence, 1973), and reliable (Spence, 1973; Backes-Gellner and Tuor, 2010).

Methodology

In order to gather respondents that have accumulated wide and diverse experiences in the selection and employment process, but at the same time maintain clarity and focus in their knowledge, both representatives of recruitment companies and representatives of human resources departments were interviewed. A sample of five interviewees from Germany and five interviewees from Romania was selected.

An interview is generally defined as a “conversation with a purpose” (Berg, 2001, p. 6). Here, the purpose is to gather insights from recruiters on the impact of university

prestige on the employment of graduates in Romania and Germany. For this purpose, a semi-structured interview (Berg, 2001; Doody and Noonan, 2013) seems to offer both the rigor necessary to expose different interviewees to similar stimuli, thus assuring comparability between interviews, and the flexibility to accommodate the different experiences and nuanced perceptions of interviewees. The four-step sampling procedure defined by Robinson (2014) was used.

The interview protocol was divided in five separate sections exploring: (1) the recruitment experiences of the interviewee, (2) the recruitment process, (3) the employer perceptions of university prestige, (4) employability factors, and only at the end (5) the relation between university prestige and employability. Open-ended questions were the main type of questions used during the interviews, but ranking questions and written questions were included also. Additional fictitious selection exercises were given to interviewees in order to capture the prioritization of selection criteria. In constructing the interview questions, particular attention was given to avoiding bias and ambiguity (Keats, 2001). The interview conversation was divided into topical stages (Hermanovicz, 2002). Pre-prepared questions embraced a sequential structure with simple feedback loops, where the interviewer returns to crucial responses in order to avoid bias (Keats, 2001).

The interviewees that generously agreed to part-take in this study are experienced in different fields of recruitment and have worked for multiple companies of varying sizes. They engage in recruitment activities at the local, regional, national, and in the case of one respondent, at an international level. The breadth of the experiences of interviewees facilitated the process of gathering multiple perspectives on the relationship between university prestige and the employment process of graduates.

Thematic analysis as “a method for identifying, analysing and reporting patterns (themes) within data” (Braun and Clarke, 2008. p. 79) was used for the purpose of conducting the data analysis. This research blends the inductive thematic data analysis process proposed by Braun and Clarke, consisting of six phases for conducting thematic analysis, with a deductive approach.

The first phase dictates that the researcher becomes familiar with the data. While no notes were taken during the interview in order to avoid confusing or influencing the interviewee, the researcher engaged in a moment of reflection and note writing after each interview. Each interview was transcribed in order to facilitate the data analysis by transforming verbal data into written data. Subsequently, the transcripts were read multiple times, both in full, and in direct comparison with each other.

The second phase of the thematic analysis involved generating initial codes. According to Braun and Clark, codes represent the most basic segments of the raw data. After completing the coding procedure, the next analytical phase of searching for themes began. This process involved sorting codes in an attempt to create overarching themes. In the context of this research, the process of identifying themes focused firstly on each country independently. Later, themes were compared between countries in an attempt to create common themes. Diagrams and schemes were used to facilitate the process. *Figure 1* illustrates an example of how codes were structured into themes.

The next step in the analysis procedure is reviewing themes, assuring there is enough consistent data to support them and observing and correcting for the overlap between the themes identified previously. At this stage, the themes pertaining to the two countries were compared and structured together. After this stage, the themes identified reflect patterns strongly visible in the data set. As a last stage in the data analysis, the themes were named and refined (Braun and Clarke, 2008).

Results of thematic analysis

The researcher identified three leading themes within the available data set. They were common to both countries and they reveal a complex relationship between the leading variables of this research.

a) Skills as a core variable relevant to the employment process

All interviewees, without exception, discussed the importance of skills as a core variable relevant to the employment process. One interviewee stated: "from my field, from my company, when I get candidates for a certain position, I look through everybody and I focus on technical skills. For me it is much more important that the skills are right". As another interviewee confirmed:

“For every position you have, [there are] some hard facts and hard skills that a student should have. (...) But you always have soft skills and that normally depends on the position. You can be very successful if you are mobile, if you have good skills in presentations, that is always very important, and one skill getting more and more important is [self-reputation] management or how good are you in presenting yourself and how good are you in networking.”

Skills are the main components drafted as part of the job description. They represent the filters often applied to screen CVs and are often tested as part of the recruitment process. A selection process focused on identifying and assessing skills is often viewed as the proper alternative to discrimination. The assessment of skills, as needed for particular jobs, is seen as the main source of objectivity in the recruitment process. Skills were not only seen as the most significant variable for selecting candidates, but they enforced the justification of interviewees for why university prestige might have an impact in the employment process.

b) University prestige as a contributor to the employment process

While the importance of skills in the recruitment process was ubiquitous throughout the interviews, the manifestations of university prestige seemed less coherent. Awareness of university prestige within the country of the interviewee was common to both interviewees in Germany and interviewees in Romania. Here, the answers of interviewees themselves as opposed to the assumption of the researcher provided the standard of what constitutes university prestige. In most cases, the examples chosen by interviewees to illustrate prestigious universities correlate with university names successful in various rankings and ratings exercises relevant globally and locally.

Both interviewees from Romania and Germany associated prestige with specific fields of study. Interviewees asked for clarification of field of study when asked to make selections between potential candidates from various universities as part of the interview protocol and they made references to how the perception of university prestige varies according to the field of study. One interviewee confessed: “I only know about prestigious universities in certain fields: informatics or technical“, while another stated:

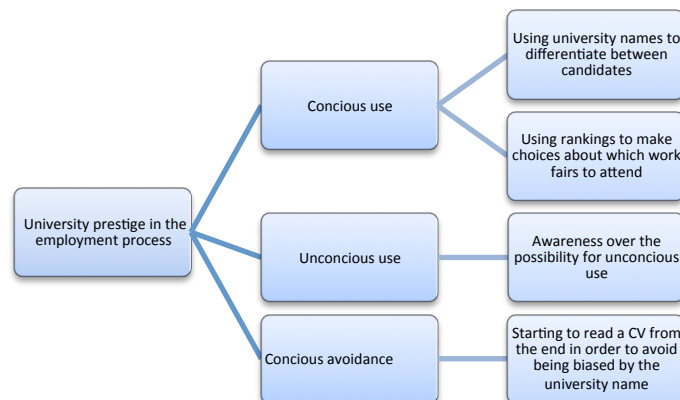
“I think in Germany there are many good universities, but they are not so prestigious, it really depends on the subject. So, of course, when it comes to business, then Mannheim is prestigious, when it comes to medicine, Heidelberg is a prestigious university.”

Interestingly, the exposure to high quality education at prestigious universities was the feature that made applicants from prestigious universities appealing to recruiters. Very often, when asked to illustrate why certain universities are prestigious, reference is made to the quality of education they offer: “So with this programme, they create an added value. First of all, I can see they do this interesting stuff, and I can say, ok, they also offer good education’. In the words of another interviewee: “I think what you expect it to be is that the education for students is better than somewhere else. The programme is of high standards. I think high standards are a good word for it.”

In addition to the importance of the field of study, the aggregated prestige of a higher education system was perceived as relevant in the case of Romanian recruiters, consistent with the centre-periphery dichotomy described earlier. Where offered the option to do so, Romanian interviewees expressed a preference for graduates from German universities to the detriment of graduates from Romanian universities.

Concretely, three types of influence of the prestige of higher education institutions in the employment process of graduates were identified, as illustrated in *Figure 1*.

Figure 1: Example of thematic analysis, types of influence of university prestige



Few interviewees stated they sometimes consciously use the prestige of higher education institutions as part of the selection process. One interviewee confessed:

“If we have a pool of universities that are all focused on engineering, we also look [at] some rankings. We have rankings in Germany and we have also global rankings. And we also look at those rankings to see [what] the ranking of this university [is]. Is the education good or not good and how [do] the students rank their own universities.”

While another interviewee stated:

“I did not study economy, so the future CEO that we are hiring, they mostly have an economics background or a management background. I did not study in that direction, so for me it was really difficult to learn what kind of universities are good and which university is not good. So I relied on the words of my boss to know this one is good and this one is not good. And you find rankings on the Internet, and that somehow [proves] what he said.”

One recruiter in the Romanian context confessed that some clients have a clear preference for candidates that have graduated at one prestigious university in the region. It was statements such as these that suggested there are instances in the employment process where university prestige is *consciously used*. An additional form of conscious use of university prestige is given by preferring prestigious higher education institutions when making choices about where to promote one's company, as stated by two interviewees.

The majority of interviewees did not indicate a conscious use of university prestige in the employment process. Still, during several stages of the interview, most interviewees showed a significant preference for applicants that graduated from prestigious universities.

This preference included a higher degree of tolerance to low grades for graduates coming from prestigious universities. Most interviewees recalled at least one instance where university prestige seemed to play at least a minimal role in the employment process, including the influence on selection choices made by other recruiters that interviewees witnessed. The anecdotes recalled and the selection choices made were

perceived by the researcher as a secondary narrative in the answers from these interviewees. For the context of this research, instances of influence that seem less explicit are labelled as *unconscious use* of university prestige.

A few interviewees actively mentioned the means by which they try to avoid being biased by the name of the university an applicant graduated from. Two lines of reasoning were encountered here. Firstly, some interviewees strongly believed that no other criteria besides skills are relevant in the employment process. Such lines of reasoning were often not consistent with other answers received from the same interviewees, but nevertheless, for a small fraction of the interviews, this constituted the primary narrative. Secondly, a few interviewees were aware that the name of the university an applicant graduated from might have an impact in the employment process and stated that they use techniques to avoid being biased, such as in the case of this response:

“I start at the back (of the CV), really with the hobbies, so the other way around, because sometimes it helps to not only focus on the university (...) Well, often if you look at the university you are a little bit prejudice, because there are some famous universities, especially if we are hiring a CEO then there is MHU, or St. Gallen or Maastricht or something like that.”

This category of answers is labelled as *conscious avoidance* of using the name of universities in the selection process.

c) Selection as an increasingly complex process

Some of the interviewees stated that they have too many applications for job openings and they sometimes have to apply multiple criteria in selecting between applicants. On the other hand, some interviewees confessed that they are in direct competition with other companies to get the best applicants for fields where the number of good applicants is scarce. There are two areas of complexity associated with the selection process that are of relevance for this paper. Firstly, some interviewees stated that they never receive applications from students that graduated from prestigious universities. When asked why does this happen, the answers suggested a self-selection mechanism of students from prestigious universities when choosing the positions to apply for. One interviewee stated: “We are also a middle company, so it does not really matter for us if

you went to a prestigious university because the people from a prestigious university do not apply with us (...) because they go to IBM.”

Secondly, interviewees mentioned a growing number of criteria and tools that are used in the recruitment process, especially in the cases in which a high number of applicants exists.

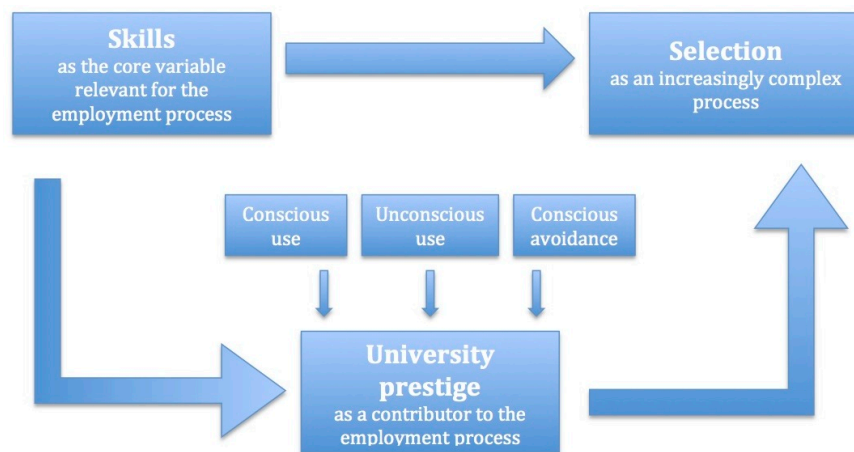
Further findings and discussion

The discourse of university prestige within academia, driven by the popularity of university rankings, defines university prestige mainly in relation to research excellence (Dill and Soo, 2005; Hazelkorn, 2009; Montesinos, Carot, Martinez and Mora 2008). On the other hand, there is little reason to assume that employers might be more interested in the research outcome of a university than the quality with which a university equips its graduates. University prestige was perceived by most interviewees to originate from the high academic standards of programmes, a result consistent with assumptions of productivity deriving from human capital theory. For some participants, prestige was associated with the networks that universities have with established companies. In the very few instances where research quality was mentioned as a source of university prestige, research was perceived to have a positive contribution to the specialized education students receive, emphasizing skills and good quality education, again consistent with human capital theory. For the participants of this study, university prestige is primarily not associated with research excellence.

Common to both Romania and Germany, three types of impact of prestige were identified throughout the responses of the interviewees: conscious use, unconscious use and conscious avoidance. The impact of university prestige thus ranged from significant to none between the interviewees. Still, looking at the aggregated responses, it is difficult to ignore the instances in which the impact of university prestige becomes apparent. This study confirms previous research emphasizing the importance of skills in the selection process (Finch et. al., 2013; Hennemann and Liefner, 2010; Lau et. al. 2014; Poon, 2012) but contributes with the analysis of a more significant and complex impact of both system level prestige and institutional prestige in the employment process.

The relationships emerging from this study can be summarized as follows (see also Figure 2). Both university prestige and skills have an impact on the employment process. Prestige can be used in the employment process actively and consciously, unconsciously or its impact might be purposefully avoided. However, the importance of skills is also significant in understanding the manner in which prestige functions, as oftentimes prestigious institutions are defined by employers in relation to the good quality education they provide.

Figure 2: Relation between skills, university prestige and the employment selection process



To the relationships above one important layer should be added, as exemplified by data deriving from Romanian interviewees. In the case of Romania, recruiters from three cities were interviewed: Bucharest, Cluj-Napoca and Timisoara. Each of the cities targeted is recognised as a university city and has respectively one or several universities that are perceived as prestigious at a national scale. Here, the effect of the local prestigious university was higher than the effect of other prestigious universities at a national level. As such, the prestige of universities from Cluj-Napoca had a strong effect in the local employment process. The same applies for Timisoara and Bucharest. Interestingly, when the option to select an applicant from a German university was introduced to interviewees, a preference was given to the German university graduate. One of the interview protocol elements asked interviewees to select between candidates that came from different prestigious universities in Romania or from a prestigious university in Germany. All respondents presented with this choice selected the

representatives from the German university. An additional exercise required Romanian interviewees to select between a person that graduated in Romania and a person that graduated in Germany. No university name was provided in this instance. Again, a preference was given to graduates from Germany.

Firstly, this suggests that the prestige of a local institution might have a local effect, and thus small degrees of prestige might have a large impact at a local level. Secondly, the prestige of local universities might be trumped in the few cases where an applicant with an outside degree that is perceived as more prestigious enters the selection competition. This result is consistent with signalling theory, but the signal here seems to be constrained by the scale of prestige of a higher education institution, or a higher education system.

More importantly, the evidence of system level prestige is consistent with the centre-periphery dichotomy introduced at the beginning of this paper. The prestige of universities in Germany and the aggregated prestige of the German higher education system, as representative of a country situated at the centre of the academic world, have impacts beyond national borders. Ramifications of such discrepancies might have discriminatory and unfortunate effects in countries at the periphery, such as Romania. The effects brought about by university prestige beyond national borders can only be understood through comparative work.

Limitations

This paper employs diverse concepts from multiple fields of inquiry, from higher education, to economics of education, from management to sociology. Often, concepts and theories from fields that have different epistemological and ontological claims are combined; prestige, as a sociological concept and human capital as an economic concept stand as clear examples. At the same time, choosing human capital theory and signalling theory in order to analyse qualitative data poses limitations to the analysis, as such theories are generally used to interpret quantitative data. It is difficult to imagine a way to correct the theoretical limitations of this study given the current state of knowledge on the research question. Hopefully, as more empirical data is collected to answer the research question, better theoretical constructs will emerge, constructs that will correct for the limitations of this study.

Empirically, the data analysis revealed fragmented positions on various questions from interviewees. This illustrates that the reality of the employment process is complex. The researcher tried to convey this sense of complexity through the thematic analysis. In order to crystalize further themes and patterns in the employment process, quantitative and experimental studies capturing the complexity of the employment process, which include more countries with different levels of aggregated and institutional prestige would be appropriate.

Additionally, given the methodological choices of this study, its results should be taken with caution and not generalized. However, the results of the study remain interesting and complementary to the existing literature that focuses primarily on the USA context, and neglects the analysis of in-depth rationales for the impact of university prestige in the employment process.

Conclusion

This study aimed at understanding the impact of university prestige in the employment process of graduates. The analysis revealed a contributory role of university prestige both in Romania and in Germany. The extent of the importance of university prestige ranged from significant to none between various interviewees. The role of university prestige was merely contributory compared to the role of skills in the selection process. This result is consistent with predictions of human capital theory, which sees skills transmitted and perfected through education as the engine for productivity.

While the importance of skills in the employment process is easy to interpret using the prism of human capital theory, the effect of university prestige recorded as part of the thematic analysis is difficult to associate exclusively with either human capital theory or with signalling theory. However, it is important to note that employers perceived university prestige to derive from the quality of education provided to students.

Further, this paper advances knowledge on the effect of university prestige beyond national borders, specifically the prestige of institutions at the centre of the academic world in countries situated at the periphery. As revealed, the impact of a German degree in the Romanian labour market is significant. Such results illustrate the need to engage in further comparative analysis on trends beyond national borders.

While correlations between the abilities and skills of individuals and their university of graduation might exist, such an applicant should not receive a job due to the name of the university he or she graduated from, but because of the transparent assessment of the skills and abilities necessary to complete that job. Such an approach would offer equality of opportunity to all applicants, comfort to unsuccessful applicants in understanding what they can improve in order to receive a job in the future, and the personal satisfaction of the successful applicants to know that they succeeded based on their abilities as opposed to arbitrarily defined signals and selection criteria.

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