

Competencies Increase the Value of Job Seekers: a Case for Fresh Graduates

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ABSTRACT

The current situation, it is difficult for graduates to get jobs that meet expectations. The length of time getting the first job when graduating is due to lack of experience and unprepared graduates to compete in the world of work. The purpose of this study was to determine the direct and indirect effects of formal education and salary variables on time looking for jobs with competence as the intervening variable. This study uses prime data in the form of questionnaires which are distributed to fresh graduate students who have gotten jobs. This study used the intervening regression method with R Studio software to process the data. The research results formal education cannot directly affect the competence of fresh graduate students and can indirectly influence formal education through competence on time looking for jobs. Meanwhile, salary can affect competence directly and have an indirect effect between salary through competence on time looking for fresh graduate student jobs.

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INTRODUCTION

Indonesia has a very high population or workforce. Population growth will greatly affect the growth of the workforce. The greater the number of working age population, the number of the labor force will automatically increase. This means that the number of people who are looking for work or unemployed also increases. One of the

important objectives of economic development is the provision of sufficient employment opportunities to create a growth in the labor force, which grows faster than the growth in employment opportunities. One of the factors of unemployment and also causing the length of time for someone to get and look for a job is the lack of job opportunities for people who don't

have a job, job opportunities can be interpreted as the demand for labor in the labor market (Pierskalla & Sacks, 2020).

Education is an important factor in developing youth resources, in addition to transforming knowledge to improve skills and quality of work. Based on the concept of employment education functions into two important dimensions. First, the quantitative dimension, namely the ability of the education system as a supplier of educated manpower, or to fill available job vacancies. Second, the qualitative dimension is the production of an educated workforce which can then be formed into a driving force for development (Yeh et al., 2020).

Competence or also known as ability is an interest or talent that must be possessed by every person. According to one of the factors that determine the success of work or business is the ability, intelligence and skills. Without this, it can be predicted that there will be many problems that will be faced in a job (Halfer, 2007). These skills are obtained through informal education which can provide positive value for job seekers because they are considered to have mastered the appropriate competency field.

The focus of this research is to see how long the waiting time for fresh graduate students is to get a suitable job based on several factors they have, namely formal education, expected salary with competence from informal education.

LITERATURE REVIEWS

Time Looking for Jobs

Length of Looking for Work is the length of time a person uses the time to get a job. Every unemployed job seeker will try to find work in a market where the information is imperfect. The imperfection of this information can mean that the job seekers or those who are unemployed do not know for sure the required qualifications or the wages that will be offered for job vacancies

in the market. This is because each employed assesses job seekers with different views, so the offers given to job seekers are only about the frequency of all job offers which are distributed side by side, and the wage structure according to skills (Lestari & Sudiana, 2019).

The length of time unemployed or also known as the waiting period is the time period for alumni to get a job. After graduating from college, alumni will usually find work. The waiting period or length of unemployment also varies according to the level of education. There is a tendency that the higher the education level of the workforce, the longer the waiting period. The long waiting period or the long unemployed workforce with a high level of education is also due to the high targeted reservation wage (Lumapelumey, 2019).

Unemployment Period is a period in which a person is continuously unemployed or the length of time an average worker is unemployed. The duration of unemployment depends on:

1. Labor market organization, with regard to the presence or absence of institutions or labor distributors and so on.
2. the demographic state of the workforce.
3. The ability of the unemployed to remain in search of better jobs.
4. Availability and form of company.

The process of looking for work takes time and every job offer needs to be answered as soon as it is offered, so job seekers before starting the job search process must determine whether or not a job offer is accepted. This limit is usually in the form of a reservation wage. A job offer will be rejected if the wage offered is below the reservation wage or the expected minimum wage, otherwise a job offer will be accepted if the wage offered is equal to or above the reservation wage.

Formal Education

In general and simply, education can be

interpreted as a human endeavor in developing and growing his innate potentials both physically and spiritually based on the values that exist in society and culture. The efforts made aim to foster values and norms so that they can be inherited to the next generation so that they can be developed in life that occurs in an educational process (Swarsih et al., 2020; Watkins et al., 2016). In chapter 1 article 1 of the National Education Law No. 20 of 2003 education is a conscious and planned effort to create students who are actively educated so that they can develop their potentials so that they have the power of self-control, spiritual religion, personality, intelligence and noble character and skills needed by himself, society, nation and state.

The theory of Human Capital means that formal education is an investment, both for individuals and society, in relation to employment opportunities to be able to obtain jobs that are more open to those who have a higher level of education (Williams et al., 2013). This is because in general the level of scarcity of graduates with higher education is also more accurate, so that the level of competition for suitable jobs is also looser. Job opportunities for those who have completed higher formal education are more open, as a result the unemployment rate in this group tends to be smaller when compared to the group with lower education, even though employment opportunities will narrow as the number of graduates with higher education increases (Rudman et al., 2016).

Salary

Search Theory also assumes that job seekers are risk neutral individuals. This means that they will maximize their expected income. With the aim of maximizing the expected net income and wage reservation as criteria for accepting or rejecting a job, job seekers will end the process of looking for work at the additional cost (marginal return) of the job offer (Wulandari & Marta, 2022).

Competence

Expertise or also known as ability is an interest or talent that must be possessed by each person. With the abilities possessed by a person it will enable them to easily carry out tasks with good and maximum results, the skills or abilities possessed by a person can be obtained from formal or non-formal education which in the future must be continuously improved, one of the sources of increasing expertise can be comes from the experiences that are created from a particular field (Lester & Dwyer, 2012).

In addition to education and wages, workers with vocational education who have special skills that are prepared to enter the world of work have a smaller probability of being unemployed than workers with general education (Romadhon & Zikra, 2022). Job seekers with competency certification will find it easier to get a job so the length of time of unemployment is also short because this type of job seeker has low training costs (Mcdonnell & Sikander, 2017). In this study, adding competency variables seen from the experience of undergraduate participation in competency certification which had not previously been measured for the length of time getting a job.

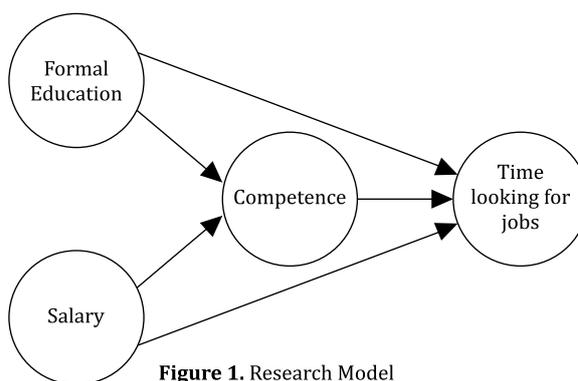


Figure 1. Research Model

Hypothesis Development

Based on the phenomena and theories previously described, this research develops the following hypotheses:

1. The formal education that has been taken by fresh graduate students is expected to be able

to increase students' desire to deepen their abilities through competencies that are in accordance with their respective fields of knowledge.

H1: Formal education has a significant effect on competence

2. The expected salary for graduates is in accordance with the abilities possessed when they graduate. The company will assess the ability of its prospective employees based on the abilities and skills they have and this is proven in the form of competency professional certification.

H2: Salary has a significant influence on competence

3. Formal education that is supported by proven competency skills by undergraduate students can speed up the waiting time for graduates to get a job for the first time.

H3: Competence can mediate the effect of formal education on time looking for jobs

4. The salary expected of students is in accordance with the expertise possessed by undergraduates to be able to compete with other candidates, which can affect how quickly or how long it takes for graduates to get a job the first time.

H4: Competence can mediate the effect of salary on time looking for a job

RESEARCH METHOD

This research uses descriptive quantitative research. Descriptive quantitative research is research that aims to explain existing phenomena by using numbers to base individual or group characteristics. The method in this study used

ordinal regression analysis with Rstudio software (Oktaviani, 2022). The population of this study is Budi Luhur University students in collaboration with the Career Center and Alumni, by distributing questionnaires online for data testing. The sampling technique used is snowball sampling, namely anyone who is considered to know about the object of research. The number of respondents is 45 students with the distribution based on gender as follows:

Table 1. Respondents by gender

Gender	Number of people	Percentage
Man	18	20%
Woman	27	29%

RESULTS AND DISCUSSION

Descriptive

Descriptive statistical results can provide an overview of each variable regarding the average value (Mean), median value, minimum value, and maximum value of the variables studied (Mulyani & Oktaviani, 2022).

Normality Test

Table 3. Shapiro-Wilk Normality test

Shapiro-Wilk normality test data: reg1\$residual W = 0.9243, p-value = 0.591
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Source: R studio output

Based on the Shapiro-Wilk test, it produces a p-value of 0.591 which is greater than the significant value, namely $0.591 > 0.05$ so that it can be said that the data is normally distributed.

Table 2. Descriptive Statistics

TLJ		FE		Salary		Salary	
Min	: 0,000	Min	: 4,000	Min	: 3000000	Min	: 0.000
1st Qu.	: 1,000	1st Qu.	: 4,000	1st Qu.	: 3200000	1st Qu.	: 0.000
Median	: 4,000	Median	: 4,000	Median	: 3500000	Median	: 0.000
Means	: 3,733	Means	: 4,444	Means	: 3671111	Means	: 0.156
3rd Qu.	: 5,000	3rd Qu.	: 5,000	3rd Qu.	: 4000000	3rd Qu.	: 0.000
Max	: 12,000	Max	: 6,000	Max	: 5800000	Max	: 1,000

Autocorrelation Test

Table 4. Autocorrelation test

Durbin-Watson test data: reg1 DW = 2.176, p-value = 0.7289 alternative hypothesis: true autocorrelation is greater than 0
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Source: R studio output

The Durbin Watson test produces a p-value greater than a significant value of $0.7289 > 0.05$ so that it can be said that there is no autocorrelation in the research variables.

Homogeneity Test

Table 5. Breusch-Pagan Test

Breusch-Pagan test data: reg1 BP = 13.563, df = 2, p-value = 0.1134

Source: R studio output

The Breusch-Pagan test produced a p-value greater than a significant value of $0.1134 > 0.05$ so that it can be said that the research data is homogeneous and there is no heteroscedasticity.

Multicollinearity Test

Table 6. VIF values

FE	Salary
1.0498	1.0149

Source: R studio output

Multicollinearity testing using the VIF value resulted in each independent variable, namely FE and Salary having a VIF value < 10 , so it can be said that the research data did not have a multicollinearity problem.

Goodness of Fit Test

Table 7. F test

Residual standard error: 0.2678 at 42 degrees of freedom Multiple R-squared: 0.4905, Adjusted R-squared: 0.4662 F-statistics: 20.21 on 2 an 42 DF, p-value: 7.092e-07

Source: R studio output

The goodness of fit test using the F test resulted in a p-value of $7.092e-7$ which is smaller than the significant research value of 0.05 and the F-stat value of $21.21 > F$ table 3.220 so that it can be said that the research model is feasible to use. The determination value from the table above shows that 46.62% of the variation in the independent variable is able to explain the dependent variable.

Hypothesis Test

Table 8. Model 1

Coefficients:			
	Estimates	t value	Pr(> t)
(Intercepts)	-0.1299	-3.8330	0.0004
FE	-0.0082	-0.0130	0.9895
Salary	0.3971	6.3130	0.0000
Significant. Codes : 0 '****' 0.001 '**' 0.01 '*' 0.05 '.' 0.1"			

- a. The influence of FE on competence produces a p-value of $0.9895 > 0.05$ so that FE does not have a significant influence on competence.
- b. The influence of salary on competence produces a p-value of $0.0000 < 0.05$ so that salary has a significant influence on competence.

Table 9. Model 2

Coefficients:			
	Estimates	t value	Pr(> t)
(Intercepts)	-0.86970	1.64100	0.02377
FE	0.02019	0.25600	0.00121
Salary	0.09629	-2.07000	0.02506
Competence	-0.50070	-0.98000	0.07320
Significant. Codes : 0 '****' 0.001 '**' 0.01 '*' 0.05 '.' 0.1" 1			

- a. The effect of competence on TLJ produces a p-value of $0.07320 > 0.05$ so that competence has no significant effect on time looking for a job.
- b. The effect of formal education on time looking for jobs produces a p-value of $0.02377 < 0.05$ so that FE has a significant influence on competence. The indirect effect of FE through

competence on TLJ is $-0.0082 \times -0.5007 = 0.0041$. So the total effect of FE on TLJ is $0.02019 + 0.0041 = 0.206$. It is known that the direct effect value is 0.02019 and the indirect effect value is 0.206, which means that the indirect effect is greater than the direct effect. These results prove indirectly that FE through competence has an influence on TLJ.

- c. The effect of salary on TLJ produces a p-value of $0.00121 < 0.05$ so that salary has a significant effect on TLJ. The indirect effect of salary through competence on TLJ is $0.3971 \times -0.5007 = -0.1988$. Then the total effect of salary on TLJ is $0.09629 + (-0.1988) = -0.1025$. It is known that the direct effect value is 0.09629 and the indirect effect value is -0.1025, which means that the direct effect is greater than the indirect effect. These results prove indirectly that salary through competence has an influence on TLJ.

Multiple Regression Equations

The multiple regression equation can be described as follows:

$$\text{Competence} = a + \beta_1 \text{FormEdc} + \beta_2 \text{Salary}$$

$$\text{Competence} = -0.1299 - 0.0082 \text{FormEdc} + 0.3971 \text{Salary}$$

$$\text{TLJ} = a + \beta_1 \text{FormEdc} + \beta_2 \text{Salary} + \beta_3 \text{Competence}$$

$$\text{TLJ} = -0.86970 + 0.02019 \text{FormEdc} + 0.09629 \text{Salary} - 0.5007 \text{Competence}$$

$$\text{TLJ} = a + \beta_1 \text{FormEdc} + \beta_2 \text{Salary} + \beta_3 \text{FormEdc.Competence} + \beta_4 \text{Salary.Competence}$$

$$\text{TLJ} = -0.86970 + 0.02019 \text{FormEdc} + 0.09629 \text{Salary} + 0.206 \text{FormEdc.Competence} - 0.1988 \text{Salary.Competence}$$

Discussion

1. Formal education has no influence on competence, this is because the formal education that has been taken by fresh graduate students is expected to be able to increase students' desire to deepen their abilities through competencies that are appropriate to their respective fields of knowledge. This is evident in the absence of the effect that students who complete their formal education have a longer time to take part in competency professional certification. The competencies in question can increase knowledge, mastery of tasks, skills, and basic values which are reflected in the habits of thinking and acting to prepare fresh graduates to face competition in the world of work.
2. Salary has an influence on competence, this is because the salary they get will affect the competence of fresh graduate students. The company will assess the ability of its prospective employees based on the abilities and skills they have and this is proven in the form of competency professional certification. This competency certification can determine the size of the salary received and open up greater opportunities to be accepted for work than other job applicants.

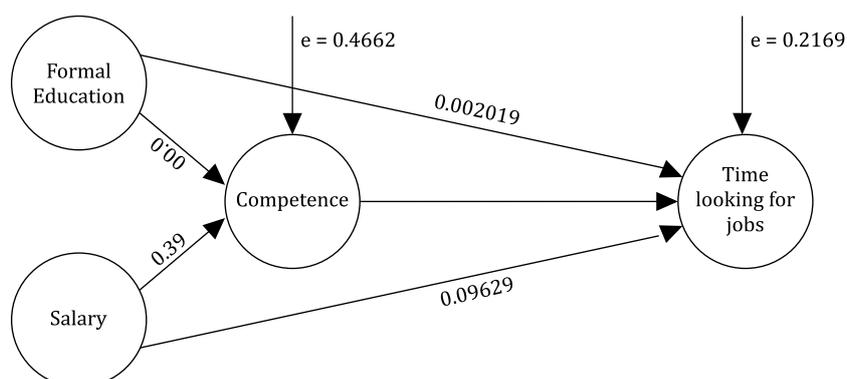


Figure 2. Model of research results

3. Formal education has an indirect effect through competence on time looking for jobs. This is due to the longer it takes to complete formal education because students take competency professional certification to increase their knowledge and abilities and can increase their chances of being accepted for work.
4. Salary has an indirect influence through competence on time looking for jobs. This is because the higher first salary earned by fresh graduate students is determined by their abilities and readiness to face the world of work. So that the time needed to get a job will be longer than when graduating from formal education.

CONCLUSION

This research results that formal education cannot directly affect the competence of fresh graduate students and can indirectly influence formal education through competence on time looking for jobs. Meanwhile, salary can affect competence

directly and have an indirect effect between salary through competence on time looking for fresh graduate student jobs. The time it takes for fresh graduates to get a job for the first time is determined by several factors, namely formal education, salary and competence. The longer it takes to get a job, it means that students prepare their abilities not only with formal education but are proven by the professional certification they follow. This research is expected to provide motivation for graduates to take part in training and competencies to add skills to be able to compete in the world of work.

This research is limited to a small number of respondents and a small number of students taking professional certification. Meanwhile, researchers have difficulty contacting alumni to obtain information about their first and current work. It is hoped that further research can capture a greater number of respondents so as to produce representative research results.

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