

Mismatch between Education and the Labour Market in the Netherlands: Is it a Reality or a Myth? – The Employers' Perspective

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Abstract: This study examines whether the expansion in higher education over the past 20 years has contributed to better education-job matches on the labour market. In particular, we relate changes in the average formal schooling level of workers on the regional labour market to the educational attainment of the recruited staff within companies operating on that regional labour market. Hereby, it is acknowledged that companies most often recruit from a pool of workers available on the regional labour market. Next, we estimate the effects of changes in the level of schooling of the staff owing to the increased supply of higher educated graduates on the regional labour market on mismatch. Data from the Dutch Labour Demand Panel are used covering 7,451 unique companies over the period 1991-2011. The results indicate that a one-month increase in companies' workforce average schooling level decreases the probability that companies report mismatch with -3.0 percentage points.

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