



The situation of skilled labour market entrants

HCCI IEER has been examining the longer-term career paths of skilled labour market entrants since 2018. It involves surveying graduating students in the year of their graduation and in the two consecutive years afterwards. Below, we present the career paths of 2020 and 2019 graduates in 2021. The survey involved 2,468 of 2020 graduates and 1 023 of 2019 graduates, who were contacted online or by telephone.

About respondents

47% of respondents who graduated in the 2019/2020 academic year are male and 53% are female. Their average age is 21 years. 51% graduated from secondary vocational schools and 49 percent from secondary vocational-grammar schools. 60% of respondents have a certificate of secondary education. 84% can speak at least one foreign language. 61% of fathers do not hold a certificate of secondary education, 50% of fathers have a technical

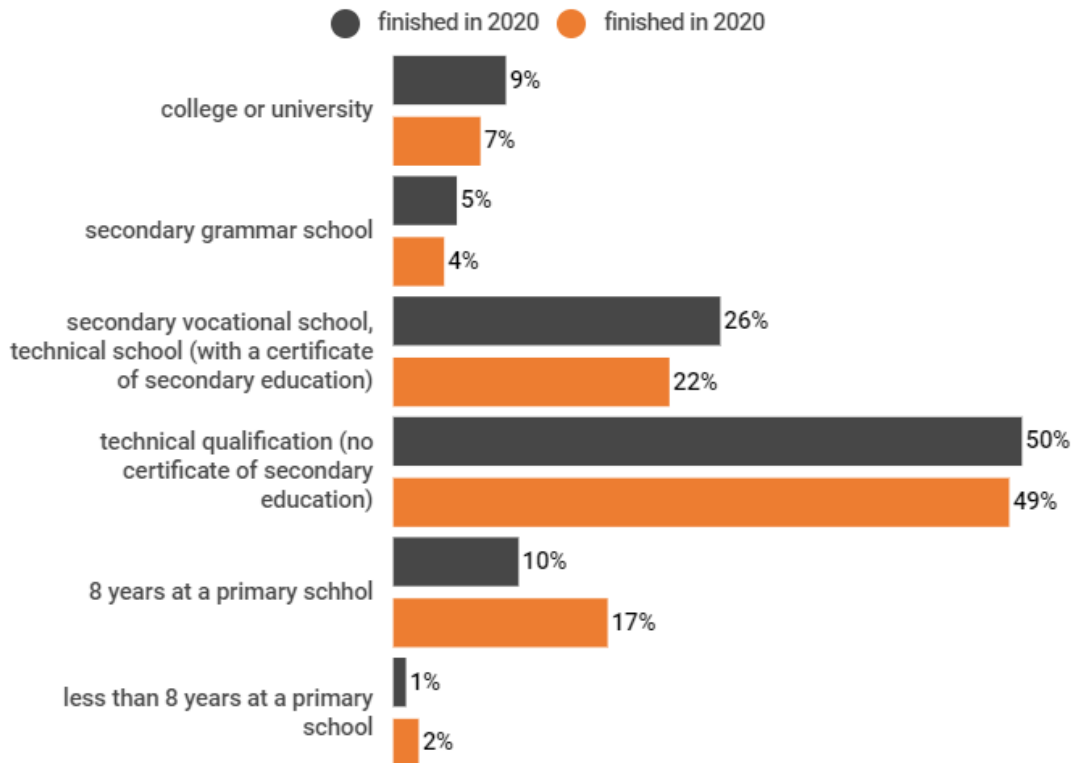
qualification and 39% of respondents have parents working as skilled workers.

Of the respondents who graduated in 2018/2019, 67% are male and 33% female, their average age is 27 years. 67% of them have a father who did not graduate from high school, nearly 50% of them have a technical qualification and most of the parents work as skilled workers.

Qualifications of secondary vocational school graduates' fathers

(N₂₀₂₀=2240; N₂₀₁₉=945)

Most fathers of secondary vocational school graduates do not have a GCSE. The majority of them work as technicians.



Source: IEER 2021

Labour market status

52% of **2020 graduates** are currently at work, the majority of them as employees (40%). 38% are still students, mostly at vocational-grammar schools or technical schools (42%) and universities (22%). 11% are receiving non-formal education. Around one in ten respondents are unemployed (9%).

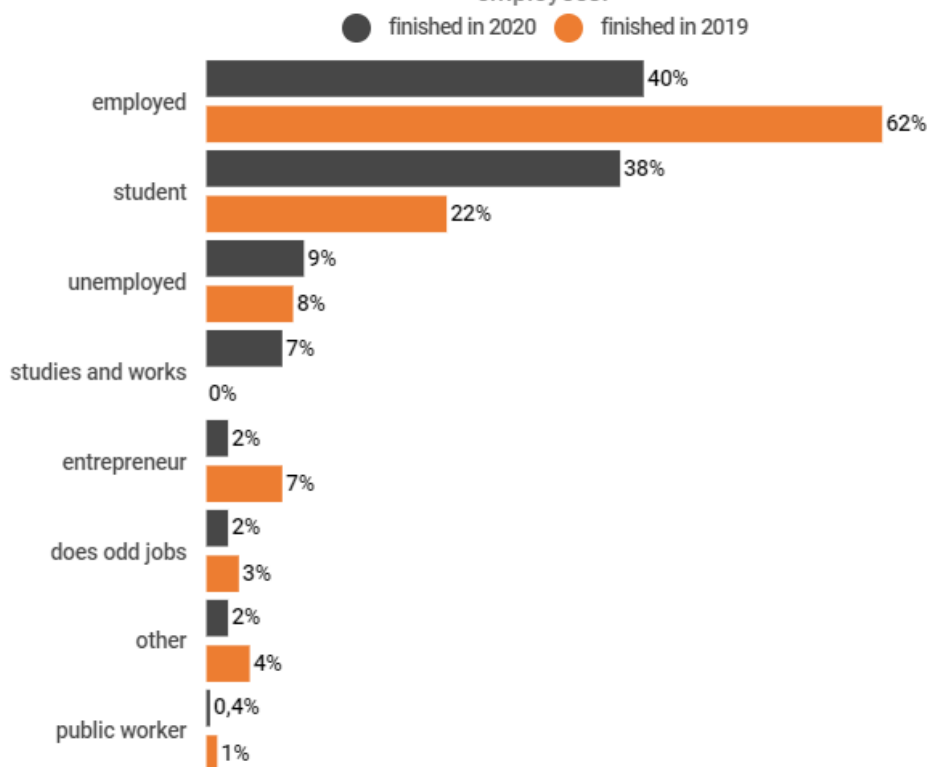
Three quarters of **2019 graduates** work: 62% are employed, 7% are self-employed. 22% are

still studying. 8% of all respondents are currently unemployed, while 28% of 2019 graduates were looking for a job for shorter or longer periods last year. It was a temporary situation for most of them, but about a third were unemployed for a longer period (4-12 months). 62% managed to find a job last year, whereas 38% have still been searching.

The labour market status of secondary vocational school graduates

(N₂₀₂₀=2468; N₂₀₁₉=1023)

Less than a half of entry-level secondary vocational school graduates worked for an employer in the first year after graduation. The proportion of those still studying is high. However, in the second year after graduation, 62% of secondary vocational school graduates worked as employees.



Source: IEER 2021

56% of respondents who graduated in 2020 and are currently employed found a job in the occupation they studied. 10 percent landed in a job similar to their profession (e.g. in the same occupational group). 19% got a job in a different occupational group and 15% ended up with a job that does not require any qualifications. Overall, 44% of 2020 graduates did not work in the profession they studied. The results show that for a significant proportion of skilled labour market entrants,

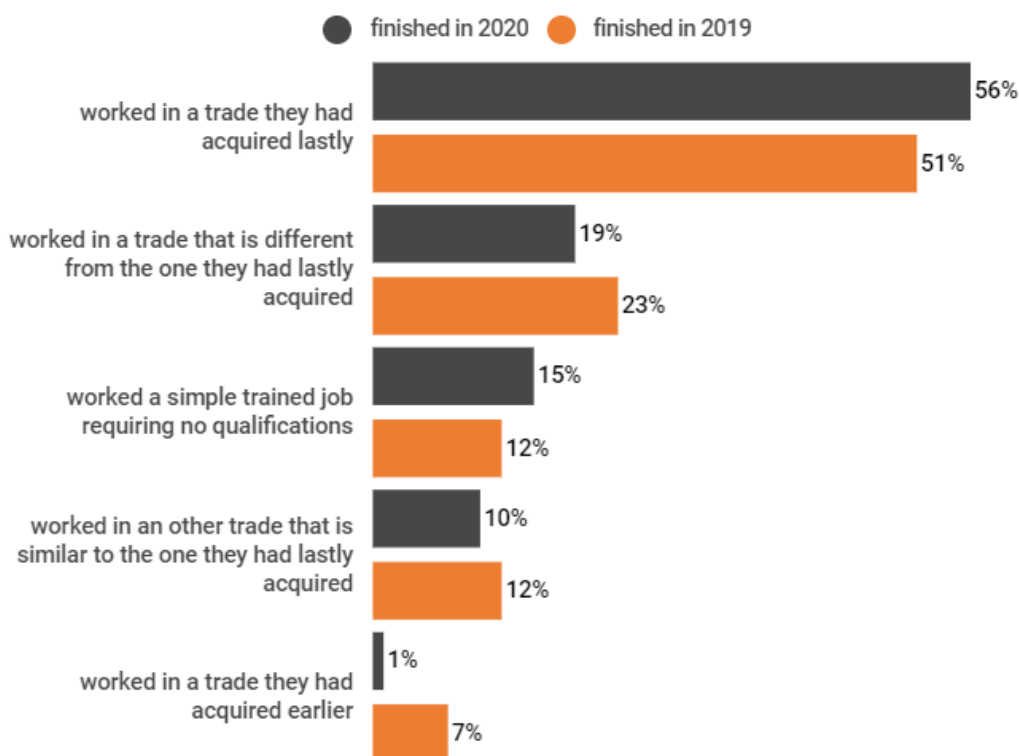
further education plays an important role in their career paths.

Last year, 51% of respondents who graduated in 2019 worked in the field they got qualifications of in 2019. A further 12% work related jobs in the broader circle of their learned occupation, while 23% do completely different jobs. Changing occupation is common, even by looking at skilled workers' first jobs, highlighting the importance of retraining, further training and learning skills on the job.

Secondary vocational school graduates' first workplace

(N₂₀₂₀=1369; N₂₀₁₉=826)

The majority of entry-level secondary vocational school graduates started working the trade they finished lastly.



Source: IEER 2021

About the job search period

The majority (49%) of employed respondents **graduated in 2020** found their current jobs with the help of family members or friends, while 13% found a job by way of an apprenticeship contract. The highest proportion of such contracts were issued by companies specialising in transport, health and electronics. 53% of respondents were looking for their job for less than 1 month. Compared to previous years, the rate of graduates looking for a job for over 1 month increased. International comparisons suggest that the coronavirus pandemic may have made it more difficult to find a job for new entrants to labour markets. This is also suggested by the decrease in the rate of people who believe that qualifications can lead to getting a job quickly. In 2020, 54% of respondents thought so, compared with only 37% in 2021.

The majority of 2019 graduates (64%) attained their current jobs within 1 month

after graduation. Most of them got the job with the help of family members or through an apprenticeship contract.

Job, training satisfaction

82% of **respondents who graduated in 2020** and are currently employed experience job satisfaction. Respondents are highly satisfied with their colleagues, while the two aspects that brings the least satisfaction to them include their salaries and promotion outlooks. 23% report that they are using everything they learned during their school years, while 21% feel that they are not using that knowledge at all in their workplace. The vast majority of young **people who graduated in 2019** are satisfied with their current job. 30% claim they are currently benefiting from everything they learned in vocational training. 23% feel they are not benefiting from it at all.

Only a third of all businesses participate in rehabilitation employment

– *Open labour market employment of people with reduced working capacity in Hungary*

HCCI Institute for Economic and Enterprise Research (IEER) surveyed 1,017 Hungarian enterprises with at least 10 employees about their experiences with rehabilitation employment. The data used for the analysis originate from IEER's October 2021 business climate survey.¹

Although **at least one person of reduced working capacity is employed at only 33% of all companies**, greater rates can be seen at large 50-249 companies (62%) 250+ companies (80%), as well as in manufacturing (49%).

The frequency of rehabilitation employment of at least one person in a given category of companies (*company level*) does not in itself provide information on the overall number and proportion of such employees at companies (*employee level*), i.e. it does not tell the **extent to which rehabilitation employment can be considered systemic**.

That would mean that **only 0.8% of the labour force is of reduced working capacity**, however, the number of such people would suggest a significantly higher proportion. **The labour market potential of rehabilitation employment is indicated** by the fact that the employment rate of people with reduced capacity was 27.5%, whereas the employment rate for people with normal capacity was 77% in the second quarter of 2020, according to HCSO data.

It can be clearly seen that **the rate is the highest for 26-49 companies (2.7%), and it is the lowest for 250+ companies (0.7%)**. It is hardly a surprise – although a large firm is more likely to have at least one person with reduced working capacity, smaller firms will still have a higher proportion of such workers as a share of total employment. The latter figure may also be explained by the fact that employers are obliged to pay a rehabilitation contribution to promote occupational rehabilitation if the average statistical headcount of their workforce exceeds 25 but the number of reduced capacity employees is below 5%. Take a company with 26 workers, where the quota is 1.3 employees, while for a 250+ company it is 13, i.e. smaller companies can more easily reach the level at which they are exempt from paying rehabilitation contribution.²

As for economic sectors, it is **trade (1.7%) and the industry (1.4%) that have the highest proportion of reduced capacity workers in the total number of employees, while other economic services employ them at the lowest**

¹ Two weights were used in the analysis, one for questions focusing on the company and one for questions regarding employees. The sample of respondents is representative as to the number of registered enterprises with regard to company size, economic sector (industry, construction, trade, other economic services) and the number of employees.

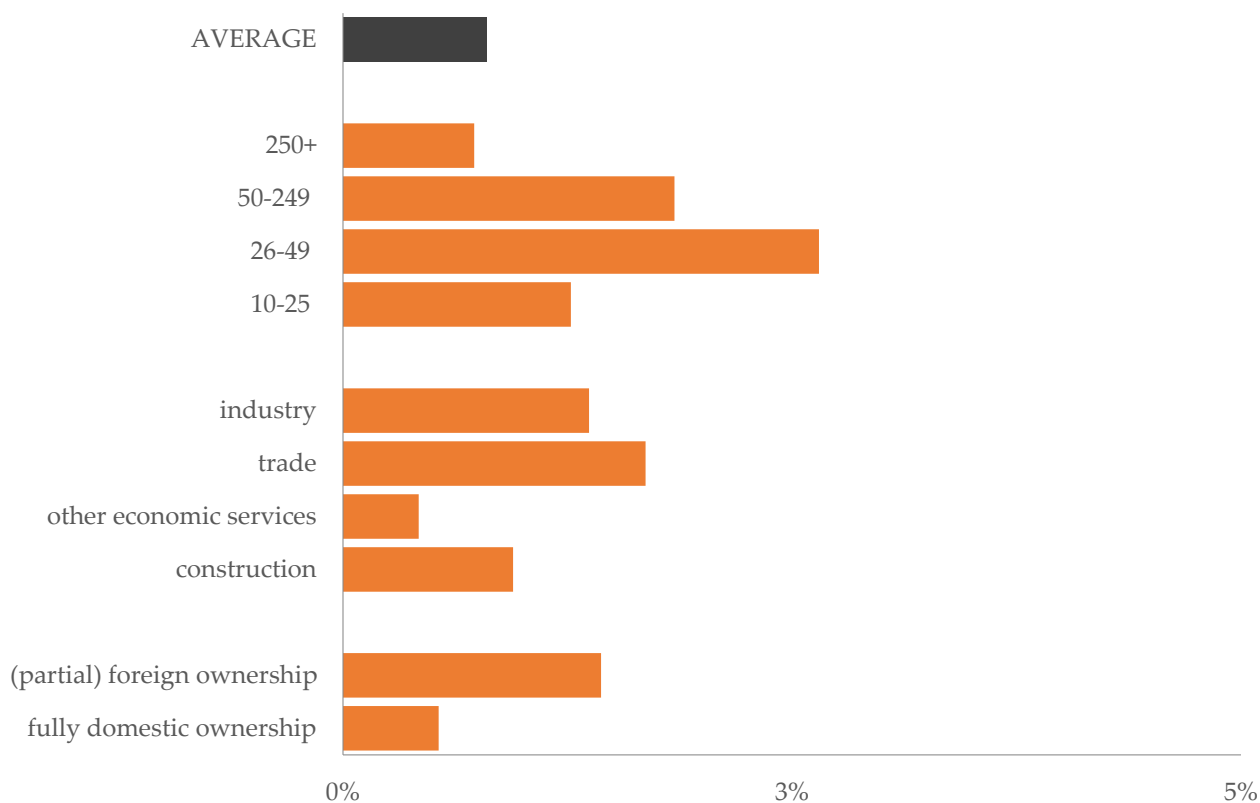
² The contribution total is significant: in 2021, the number of missing workers of reduced capacity multiplied by HUF 1.449.000 /person/year, and in 2022, the number of missing workers of reduced capacity multiplied by HUF 1.800.000/person/year.

rate (0.4%). Considering ownership structure, it is clearly the (partially) foreign-owned companies that employ a higher proportion of people with reduced working capacity than domestic ones (1.4% vs. 0.5%).

As the **most important motivating factor for employing people with reduced working**

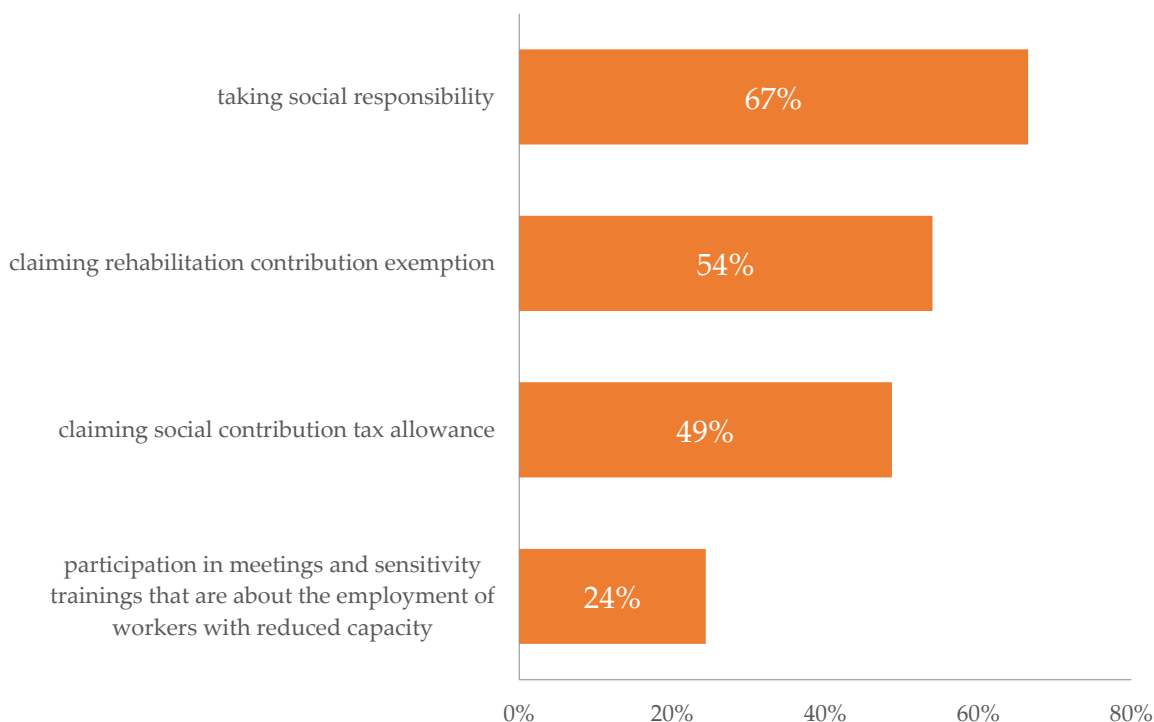
capacity, companies employing at least one such person mostly cited social responsibility (67%) and exemption from paying rehabilitation contributions (54%), the former being the most crucial for 250+ companies (71%) and the latter for 26-49 companies (64%).

Figure 1: Employment of disabled workers relative to total employment



Source: IEER 2021

Figure 2: Factors motivating the current employment of workers with reduced working capacity, N=403–428

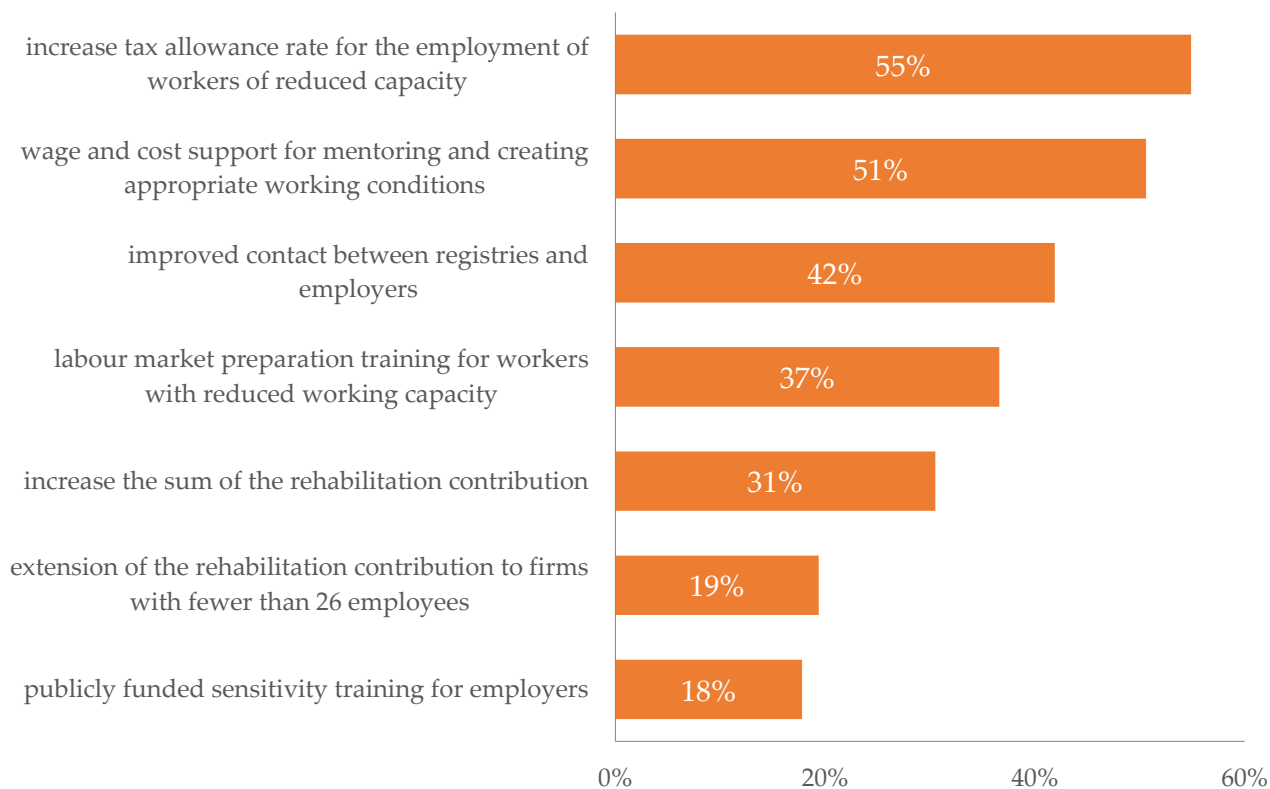


Source: IEER 2021

44% of respondents that do not currently employ any workers with reduced capacity **claim that they would take the opportunity of rehabilitation employment in the future.** However, this commitment is significantly hindered by the fact that **only 4% of such companies have an internal procedure** for the selection and employment of workers with reduced working capacity.

Over a half of all respondents said that an **increase of tax allowance granted to promote the employment of reduced capacity workers (55%)** and **subsidies for wages and costs of mentoring and creating appropriate working conditions (51%)** would be the most helpful in increasing participation in rehabilitation employment.

**Figure 3: Factors promoting the future employment of workers with reduced working capacity,
N=812-859**



Source: IEER 2021

International trends

Changes in the production, consumption and employment situation in certain major international economies compared with peer expectations and the previous period.

		Period in review	Actual data	Expectations	Previous period
	Unemployment Rate	(April)	5.0%	5.0%	5.0%
Germany	Manufacturing Purchasing Managers Index	(April)	54.6	54.1	56.9
	IFO Business Climate Index ¹	(April)	91.8	86.7	90.8
France	INSEE Business Climate Index ²	(April)	105.9		106.8
	Unemployment Rate	(April)	3.5%	3.5%	3.6%
USA	CB Consumer Confidence Index	(April)	107.3	108.0	107.6
	Manufacturing Purchasing Managers Index	(April)	59.2		59.7
China	Manufacturing Purchasing Managers Index	(April)	47.4	48.0	49.5

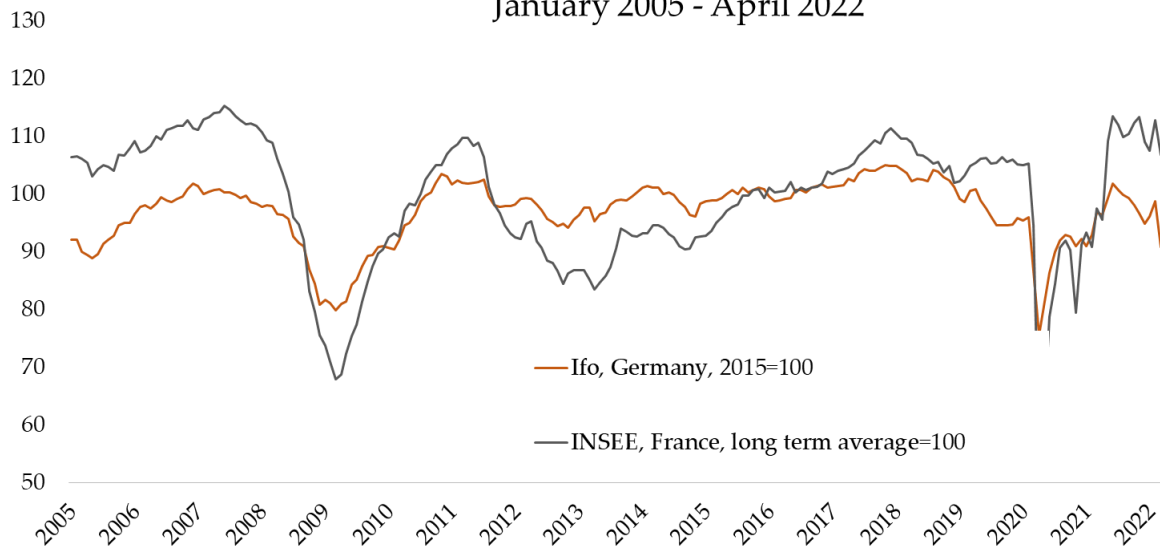
¹ <https://www.ifo.de/en/survey/ifo-business-climate-index>

² <http://www.insee.fr/en/themes/indicateur.asp?id=105>

The rest of the data source: <https://www.bloomberg.com/markets/economic-calendar>

In Germany, the IFO business climate index increased compared to March. The manufacturing purchasing manager index (PMI) decreased compared to previous period. Unemployment rate remained the same for Germany. The French INSEE business climate index decreased compared to last month. In the United States, the CB consumer confidence index slightly decreased compared to the month prior, and it performed worse than expected. The manufacturing PMI also decreased compared to March in the USA. The unemployment rate remained the same compared to the previous month. The Chinese manufacturing PMI decreased compared to March.

Business confidence in Germany and France,
based on the Ifo and INSEE business climate survey,
January 2005 - April 2022



Sources: www.ifo.de, www.insee.fr

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