



Enhancing Labour Market Relevance and Outcomes of Higher Education

LMRO Partnership Initiative

About the LMRO Partnership Initiative

Technological advances, climate change, the digitalisation of the economy, and exogenous shocks such as the COVID-19 pandemic are **transforming labour markets**. Today's students and workers must adapt to changing tasks and jobs, acquiring skills that permit them to perform new jobs, and update skills throughout their lives. The fast pace and uncertain nature of labour market changes also present **challenges for higher education institutions**: they must anticipate novel jobs and skill needs, create study programmes that are relevant to these labour market needs, and rethink how to communicate with learners about future careers and with employers about graduate skills. **Governments**, for their part, face the need to **re-examine** how their portfolio of policies – **funding, monitoring, and labour market data systems** – can better support learners and institutions in responding to these challenges.

To support policy makers and higher education institutions in their **shared commitment to enhance the labour market relevance and outcomes (LMRO) of higher education**, the European Commission and the OECD launched in 2019 the LMRO Partnership Initiative, a collaborative project with the participation of Austria, Hungary, Portugal, and Slovenia.

Through policy analysis, peer-learning activities, and the development of a self-reflection tool for use by higher education institutions, the project is **building national government and higher education institutional capacity to implement future higher education policy reforms**. The project also informs and supports the upcoming **European Strategy for Universities**, linking its planned aims to national and institutional context and spurring the transformation of the higher education sector.

Work in the four countries will be completed in February 2022. The European Commission and the OECD are discussing options for a **continuation of the LMRO Partnership Initiative in the period 2022-2023**, with country-specific analyses and international peer-learning activities. The aim of this document is to present the rationale and purpose of the project, underpinned by first results. Countries interested in participating in the next phase of the project are invited to state their interest in participation, and to indicate potential policy priorities (e.g. lifelong learning, skills for green growth).

The remainder of this document outlines (1) how the project supports policy-making in the participating countries, (2) how the project contributes to the adoption of effective and scalable institutional practices,

and (3) how peer-learning activities make project findings available for policy makers and higher education practitioners across Europe and the wider OECD area.

1. How does the project contribute to higher education policy-making?

Country-specific analyses assist policy makers in participating countries with the **examination of existing policy portfolios**, and the **identification of policy options** that have the potential to improve labour market relevance and outcomes of higher education.

In the participating countries, the project **contributes to the achievement of longer-term strategic policy objectives**. These include:

- Austria's Development Plan for Public Universities 2022-2027 as well as the Development and Funding Plan for Universities of Applied Sciences, and the target to increase the share of graduates in STEM subjects by 20%, and the proportion of women graduating from technical subjects by 5% within the Research, Technology and Innovation Strategy 2030.
- Hungary's Cooperative Doctoral Programme and the "University Innovation Ecosystem" initiative, which aims to raise the supply of doctoral graduates in fields relevant to the country's economy, and to strengthen links between doctoral education and the engagement activities of universities.
- Portugal's Recovery and Resilience Plan, particularly the "Youth STEAM Impulse" initiative to raise enrolment rates in STEAM subjects, and the "Adults Impulse" initiative, to foster the role of higher education in lifelong learning.
- Slovenia's Higher Education Master Plan, particularly strengthening the role of higher education in continuing education / lifelong learning.

National Policy Briefs summarise key findings of the analysis and present policy recommendations for a national and international audience of policy makers and higher education practitioners.

National Advisory Groups ensure alignment to national priorities and commitment to implementation

In the participating countries, key higher education policy stakeholders form a **National Advisory Group (NAG)**¹ and guide important project decisions with their knowledge and expertise. The NAG plays a leading role in identifying priority areas for the country-specific analyses, and provides an important national dissemination channel to ensure key stakeholders are informed about the progress of the project. In addition, the NAG acts as a sounding board for the project's policy recommendations, and plays a strategic role in gaining support for their implementation.

Insights from institutional-level priorities and practices show policy makers where higher education institutions are focused, and where government support is needed

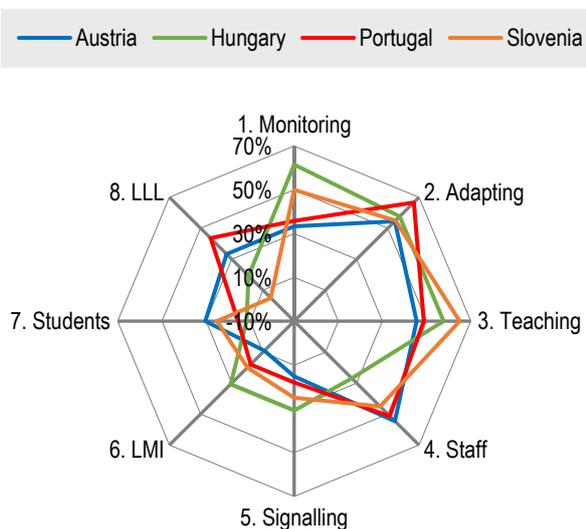
To analyse the effect of public policies on higher education institutional priorities and to identify areas for policy intervention, the project carries out an analysis of institutional priorities and practices with respect to labour-market orientation. It does this through **study visits** to selected higher education institutions, and an **institutional survey**.

¹ Typical members of the NAGs are bodies responsible for quality assurance/accreditation, representative organisations of higher education institutions and student organisations, business/industry representative organisations, and relevant ministries and government agencies.

Study visits² play a key role in collecting information about the factors that enable and impede close articulation between higher education institutions and the labour market. Evidence from selected higher education institutions is complemented by an institutional survey, which examines current practices and future priorities in eight areas, as listed below in Figure 1. Across the four participating countries, 51% of all higher education institutions (119 HEIs) responded to the survey.

The institutional survey provides insights into the **role of public policy in steering institutional priorities**. For instance, governments in Portugal and Austria have introduced policies to support higher education institutions in developing their lifelong learning offer. This is reflected in the mid-term priorities of higher education institutions in these two countries, where lifelong learning plays a larger role than in the other countries (LLL, Figure 1). Similarly, the INOVUP project of the Slovenian Ministry of Education, Science and Sport (2018-2022) is reflected in the institutional priority setting (Teaching), as is the Hungarian government initiative to track the labour market outcomes of graduates (Monitoring).

Figure 1. Which are the most important areas you would like to develop further over the next 2-3 years at your HEI?



1. **Monitoring** and ensuring the continued relevance of the educational offering
2. **Adapting** curricula, the mix and flexibility of programmes, and qualifications to respond to evolving labour market demands
3. Using **teaching** practices, learning environments and assessment methods to equip students with skills valued by employers, including transversal skills
4. Supporting teaching **staff** to keep abreast of innovation and societal challenges linked to their discipline, and to reflect this in their teaching
5. Building a common understanding of graduate skills through collaboration with employers and creating trusted mechanisms for students to **signal** their skills
6. Using **labour market information** to guide study choices and career decision
7. Supporting **students** to enrol and succeed in study programmes with high labour demand
8. Meeting the needs of learners who seek up/reskilling (LLL)

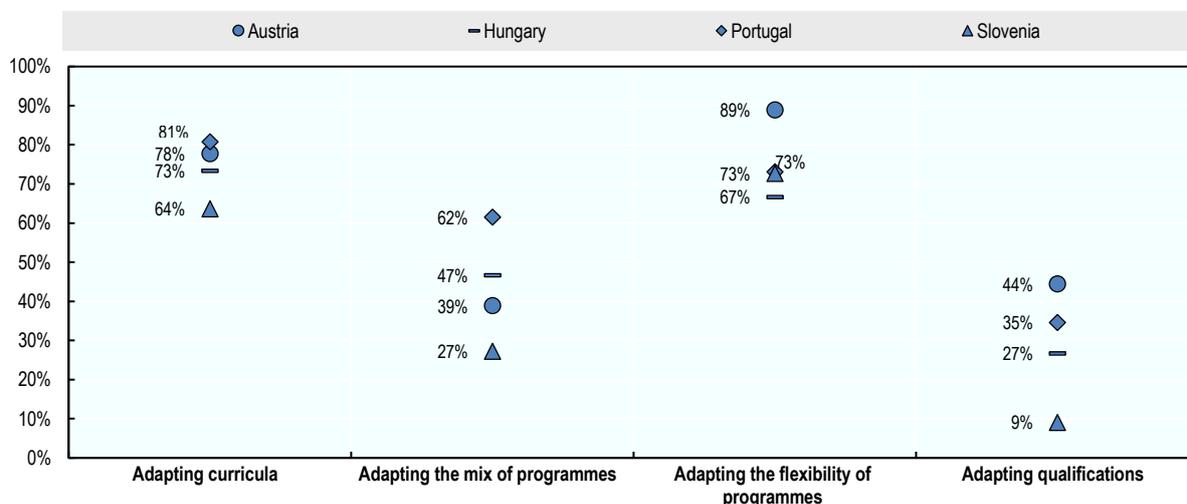
Note: 119 submissions by HEI leadership. Total response rate 51%. Austria: 34 submissions, response rate 47%; Hungary: 26 submissions, response rate 41%; Portugal: 39 submissions, response rate 75%; Slovenia: 20 submissions, response rate 43%. Respondents could select at most three answers. *Source:* LMRO Call for Practices: "Survey of Institutional LMRO Priorities". Survey period: April – June 2021.

Furthermore, the results of the institutional survey allow for **granular analysis**, which in turn **permits policy makers to see where institutional and policy priorities are aligned and where government support is needed**. The area "Adapting" illustrates this point, being a high mid-term priority for higher education institutions in the four countries (Figure 1). The area includes four subareas, with some variation among the countries as Figure 2 shows. The lowest ranking subarea is "Adapting qualifications". However, this is a topic of increasing learner interest and growing activity related to micro-credential development among governments. The higher share of Austrian institutions for who adapting qualifications is a mid-term development priority (44%) may stem from policy support from the Austrian federal government, for instance, through funding for digital and social transformation for public universities as part of the performance agreement period 2019-2021, the expansion of study places at universities of applied sciences in innovative study fields with a STEM focus, and cross-sector support

² The study visits include several interviews with key higher education stakeholders, including senior management, teaching staff, careers services, and focus groups with students and employers.

for digitalisation. Having detailed information about institutional priorities and public policy measures helps policy makers to develop targeted policies.

Figure 2. Please specify which aspects you would like to develop further in the area of: Adapting curricula, the mix and flexibility of programmes, and qualifications to respond to evolving labour market demand



Note: 70 HEIs selected 'Adapting' as a mid-term priority, 59% of all responding HEIs. Austria: 18 submissions, 53% of responding HEIs; Hungary: 15 submissions, 58% of responding HEIs; Portugal: 26 submissions, 67% of responding HEIs; Slovenia: 11 submissions, 55% of responding HEIs. Source: LMRO Call for Practices: "Survey of Institutional LMRO Priorities". Survey period: April – June 2021.

2. How does the project contribute to the introduction of effective and scalable institutional practices?

The project develops a **self-reflection tool for use by higher education institutions** across the EU and wider OECD area. The tool contains a set of questions to support the introduction and upscaling of effective institutional practices with a labour market focus. It can be used by higher education institutions to set their own objectives, and to achieve national policy objectives relating to labour market orientation of higher education. Using the tool can also constitute the first step in an externally requested (self-) assessment procedure. An example of the latter can be observed in Spain, where the National Agency for Quality Assessment and Accreditation (ANECA) promotes the use of institutional self-assessment on employability as part of accreditation procedures.

The principal source of information for the development of the self-reflection tool is a Call for Practices³, which collected 109 innovative institutional practices. The analysis of these practices shed light on **key drivers**, the role of **external partners**, and the **importance of internal quality assurance procedures and central structures** for the adoption and upscaling of these practices. For instance:

- The **most important drivers** are **students** (65% of all submissions), and **teaching staff** (51%), whereas **external quality assurance standards and guidelines play a much smaller role** for the introduction of practices with a labour market focus (22%).
- Collaboration with external partners is fundamental for the implementation phase, and **most important partners are alumni** (49%), followed by employers (41%), and government agencies/ministries (37%).

³ The Call for Practices was implemented between from April to July 2021 and received 47 submissions from Austria, 33 from Portugal, 18 from Slovenia and eleven from Hungary. Most practices (76%) were submitted by respondents who hold a formal remit or responsibility for the practice, and about one-third of the practices were related to lifelong learning.

- **Institutional quality assurance procedures** along with the existence of **central structures**, such as career centres and units with a formal remit for labour market orientation, play an important role in the continuous development and upscaling of practices.

These points are reflected in the design of the self-reflection tool, which seeks to guide higher education institutions in setting up a **structured participatory process**, involving relevant internal and external stakeholders in a reflection over the status-quo of priorities, structures and practices, and stimulating a discussion on areas for development.

A test version of the tool will be available for online use by higher education institutions in February 2022.

3. How do international peer-learning activities promote the use of project findings beyond participating countries?

The LMRO Partnership Initiative organises **international policy peer learning** with the aim **to bring in new perspectives and stimulate collaboration in areas of common interest across countries**. These online events facilitate the sharing of key findings from research, innovative national policies and institutional practices from across the EU and wider OECD area with an international audience of higher education policy stakeholders.

The first of three international policy peer learning was organised in [November 2020](#). Around 200 policy makers and practitioners from over twenty countries met to discuss how higher education institutions use labour market information to develop the educational offering and to provide guidance to prospective and current students. At the seminar, there was consensus on the need for publicly available (near) real-time local labour market information to complement traditional statistics relying on surveys. Private companies address this need by showing the potential that complementary data sources like online job postings have in understanding labour demand. Some governments have already started to incorporate these new forms of data into their public labour market information systems to the benefit of HEIs and learners.

Two more international policy peer-learning events will be organised in the period November 2021 to February 2022.

Contacts

- European Commission, Directorate General for Education, Youth, Sport and Culture, C1. Innovation and EIT, Maria Palladino, maria.palladino@ec.europa.eu
- OECD, Directorate for Education and Skills, Higher Education Policy Team, Andrea-Rosalinde Hofer, andrea-rosalinde.hofer@oecd.org
- Austrian Federal Ministry of Education, Science and Research, Maria Keplinger, maria.keplinger@bmbwf.gv.at
- Hungarian National Research, Development and Innovation Agency, Orsolya Rigó-Ditzendy, orsolya.rigo-ditzendy@nkfih.gov.hu
- Portuguese Ministry of Science, Technology and Higher Education, Nuno Gomes Ferreira, nuno.gomes.ferreira@mctes.gov.pt
- Slovenian Ministry of Education, Science and Sport, Duša Marjetič, Dusa.Marjetic@gov.si