The Impact of High Job Qualification Standards on Unemployment Rates Among Fresh Graduates in Indonesia

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Abstract
This study aims to identify and analyze the main challenges faced by new graduates in Indonesia in entering the job market, focusing on the high job qualification standards that often do not align with the skills possessed by graduates. Data from the Central Statistics Agency (BPS) in 2023 shows that the open unemployment rate for university graduates is 5.34%, higher than the national average of 4.86%. Only 53% of university graduates work according to their field of study, while 40% of employers feel that new graduates lack the necessary competencies. A descriptive qualitative method was used, with primary data from in-depth interviews and focus group discussions, as well as secondary data from BPS and related institutions. The analysis indicates a significant gap between the higher education curriculum and the job market requirements, and the high qualification standards of companies. This study recommends updating the higher education curriculum to better align with job market needs, increasing internship and job training programs to provide practical experience, enhancing career development services on campus, providing incentives for companies that recruit new graduates, and implementing regular policy monitoring and evaluation to ensure continuous improvement. These measures are expected to not only reduce the unemployment rate of new graduates but also support sustainable economic growth in Indonesia.

Keywords: Fresh Graduates, Job Market, Job Qualification Standards, Unemployment.

INTRODUCTION
In the midst of the era of globalization and rapid economic dynamics, new graduates in Indonesia are faced with the main challenge, namely high standards of job qualifications, often not in line with the skills they have (Rijal et al., 2022; Wang et al., 2022). Data from the Central Statistics Agency (BPS) shows that the open unemployment rate for university graduates will reach 5.34% in 2023, exceeding the national average of 4.86%. This phenomenon is one of the main causes of the high unemployment rate among new graduates.
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Indonesia, like other developing countries, experiences a significant gap between the job qualification requirements demanded by the labor market and the qualifications possessed by university graduates (Ariansyah et al., 2024; Tentua & Winarko, 2020). A study from the World Bank in 2022 shows that only 53% of university graduates in Indonesia work according to their field of study (Haryono et al., 2023). In addition, research by the Ministry of Education and Culture in 2021 revealed that 40% of entrepreneurs feel that new graduates do not have the required competencies.

One of the problems of concern in Indonesia is the inconsistency of high job qualification standards with the competencies possessed by new graduates (Nugroho et al., 2024). Many companies apply strict requirements for job positions, such as minimal academic grades, extensive work experience, or specific skills that are difficult to find in recent graduates (Hidayat et al., 2021). On the other hand, new graduates often do not have the required competencies adequately (Deffinika et al., 2021). This gap contributes to the high unemployment rate among recent graduates in Indonesia.

This problem is increasingly urgent to address immediately, given the significant economic and social impact of unemployment among new graduates (Azzahra et al., 2024). The inability of recent graduates to get a job according to their qualifications can hinder economic growth and increase social instability in Indonesia (Indrawati & Kuncoro, 2021). Unemployed new graduates will have difficulty meeting their economic needs, and this can trigger social problems such as poverty, crime, and dissatisfaction with the government (Lima et al., 2021). Therefore, immediate efforts are needed to harmonize job qualification standards and graduate competencies in order to create more suitable jobs for the young generation of Indonesia (Sagita et al., 2020).

Previous studies have shown several factors that affect the unemployment rate among new graduates in Indonesia. Rahman (2021) found that new graduates face fierce competition in entering the world of work, with the percentage of unemployment of graduates in the previous year higher than graduates in the previous 3 years. In addition, the types of jobs that are most widely engaged by new graduates are laborers and entrepreneurs, showing a lack of compatibility between qualifications and the needs of the job market.

Meanwhile, Sitompul (2023) analyzed the determinants of unemployment of young educated workers in Indonesia. The results of the study show that those who are highly educated, have work experience, and major in IT have a greater probability of getting a job. However, individuals living in urban areas tend to have a lower probability. This shows the need to improve the quality of human resources through education and training so that new graduates can compete in the job market and have equitable investment distribution throughout Indonesia.

Based on the findings of previous studies, the novelty that can be contributed to this study is to analyze, more specifically, the impact of high job qualification standards on the unemployment rate of new graduates. This study will delve deeper into how highly qualified recruitment policies and practices in Indonesian companies affect the ability of recent graduates
to get jobs, as well as their implications for unemployment rates among them (Liu-Farrer & Shire, 2023; Pritadrajati et al., 2021).

This study aims to analyze how high employment qualification standards affect the overall dynamics of unemployment in Indonesia, with a focus on a deeper understanding of the factors that contribute to the problem of unemployment among new graduates in Indonesia. This research is expected to provide new insights and practical recommendations to address these issues and provide valuable input for policymakers and stakeholders in designing effective strategies to align graduate qualifications with labour market needs. In the end, the results of this research are expected to contribute to increasing the absorption of new graduates and sustainable economic growth in Indonesia.

METHODS

This study employs a qualitative method with a descriptive approach to explore the experiences and perceptions of new graduates in Indonesia who have not yet found a job after graduating from university in 2023. Primary data is collected through in-depth interviews and focus group discussions (FGD) with 20-30 respondents for interviews and 3-5 groups for FGD, each consisting of 5-7 people. Purposive sampling is used to select respondents based on specific criteria, such as graduates from 2023 who are still unemployed, along with snowball sampling to find additional relevant respondents. Secondary data is obtained from the Central Statistics Agency (BPS) and other related institutions. Data analysis is conducted through thematic analysis, involving transcription, coding, theme grouping, and in-depth analysis to identify patterns and relationships between themes. The findings are validated through data triangulation, member checking, and peer debriefing to ensure consistency and accuracy (CohenMiller et al., 2022).

This research also considers ethical aspects by obtaining informed consent from all respondents and maintaining the confidentiality of their personal information. Respondents are informed about the study’s purpose, procedures, and their right to withdraw at any time. While this study provides deep insights into the factors affecting the unemployment rate among new graduates in Indonesia, there are limitations to be noted. These include potential bias from purposive sampling and the limited generalizability of the findings to a broader population. Despite these limitations, this approach aims to offer targeted recommendations for policies that support the alignment of graduate qualifications with labor market needs.

RESULTS AND DISCUSSION

Statistics on Unemployment Among Recent Graduates

Based on BPS data in 2023, the unemployment situation among new graduates in Indonesia shows several significant trends. The open unemployment rate for university graduates reached 5.34%, exceeding the national average of 4.86%. This indicates that college graduates face greater challenges in finding jobs compared to the general population. In addition, the data also revealed
that around 2.6 million university graduates had not managed to enter the job market in the same year.

**Table 1. Statistics on Unemployment in College Fresh Graduates**

<table>
<thead>
<tr>
<th>Category</th>
<th>Numbers/Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Unemployment Rate</td>
<td>5.34% (College Graduates)</td>
</tr>
<tr>
<td>National Unemployment Rate</td>
<td>4.88%</td>
</tr>
</tbody>
</table>

This phenomenon highlights several problems in the education and employment ecosystem in Indonesia. First, the gap between the educational curriculum and the job market needs can cause a high unemployment rate among new graduates. Education that is not fully relevant to the demands of the industry can result in limited skills needed by the job market, making it difficult for graduates to compete.

In addition, there is also an issue about the quality of information provision and career briefing for graduates. Many college graduates may be unprepared in terms of soft skills, such as communication skills, leadership, and adaptation to a dynamic work environment. This can affect their ability to face the selection and job placement process.

To overcome this challenge, a holistic approach is needed from the government, universities, and the private sector. Colleges need to improve the quality of education by updating the curriculum according to industry developments and incorporating more relevant skills training. Governments can also play an important role in facilitating industry involvement in the education and training process and providing support programs to facilitate graduates' transition into the workforce.

With these measures, there is expected to be an increase in the employment of new graduates and a reduction in the unemployment rate among them, which in turn will support sustainable and inclusive economic growth in Indonesia.

**Qualification Gap and Job Market**

The study results show a significant gap between the job qualification requirements and competencies possessed by new graduates in Indonesia. According to the World Bank (2022), only 53% of university graduates in Indonesia work according to their field of study. This data shows that almost half of graduates are forced to work in fields that do not match their educational background. This raises questions about the relevance of the higher education curriculum to the job market's needs.

Research conducted by the Ministry of Education and Culture (2021) strengthens these findings. From a survey conducted on entrepreneurs, 40% feel that new graduates do not have the competencies needed for the positions they offer. Employers highlight that many graduates lack practical and soft skills such as communication, problem-solving, and teamwork.

**Table 2. Percentage of Graduates Working in accordance with the Field of Study**
<table>
<thead>
<tr>
<th>Information</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work according to your field of study</td>
<td>53%</td>
</tr>
<tr>
<td>Not working according to the field of study</td>
<td>47%</td>
</tr>
</tbody>
</table>

This gap shows that there is a disconnect between the world of education and the world of work. Higher education systems may need to adapt to focus more on developing skills relevant to industry needs. Increased cooperation between educational institutions and the private sector can help bridge this gap through internship programs, industrial training, and job market needs-based curricula.

Additionally, it is important to regularly review and update the curriculum to keep up with technological developments and global demands. Improvements in these areas will not only increase the job suitability of graduates in their field of study but will also reduce the unemployment rate and increase overall productivity.

**High Job Qualification Standards**

In Indonesia, high job qualification standards are often a major challenge for new graduates entering the job market. Many companies require prospective employees to have a combination of high academic grades, relevant work experience, and specific skills that match the position offered. For example, for advanced managerial or technical positions, companies often require a minimum of several years of work experience in a related industry as well as a specific educational degree from a reputable college. This makes it more difficult for recent graduates who have just completed their education to compete with more experienced candidates.

| Table 3. Entry-Level Job Requirements in Indonesia |
|-----------------------------------|-----------------|-----------------|--------------------------------------------------|
| **Position** | **Minimum Qualifications** | **Minimum Work Experience** | **Specific Skills Required** |
| Administrative Staff | Bachelor's Degree in Administration or equivalent | 1-2 years | Advanced Microsoft Office (Excel, PowerPoint), project management, advanced communication skills, strategic planning |
| Research Assistant | Bachelor's Degree in Social Sciences or Natural Sciences | 1-2 years | Analytical skills, quantitative and qualitative research methodologies, advanced report writing, statistical software proficiency (e.g., SPSS, R) |
| Junior Programmer | Bachelor's Degree in Computer Science or Engineering | 1-2 years | Basic programming (Python, Java), full-stack web development, version control systems (e.g., Git), software |
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<table>
<thead>
<tr>
<th>Position</th>
<th>Required Degree</th>
<th>Experience</th>
<th>Knowledge and Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior Accountant</td>
<td>Bachelor's Degree in Accounting</td>
<td>1-2 years</td>
<td>Basic accounting knowledge, ERP systems proficiency (e.g., SAP, Oracle), financial analysis, auditing skills</td>
</tr>
<tr>
<td>Digital Marketing Assistant</td>
<td>Bachelor's Degree in Marketing or Communications</td>
<td>1-2 years</td>
<td>Knowledge of SEO/SEM, digital marketing strategies, data-driven marketing, content creation and management, marketing analytics tools proficiency (e.g., Google Analytics)</td>
</tr>
<tr>
<td>Customer Service Representative</td>
<td>Bachelor's Degree in any field</td>
<td>1-2 years</td>
<td>Communication skills, conflict resolution, customer relationship management (CRM) software proficiency, emotional intelligence</td>
</tr>
<tr>
<td>Junior Graphic Designer</td>
<td>Bachelor's Degree in Graphic Design or Fine Arts</td>
<td>1-2 years</td>
<td>Adobe Creative Suite, UX/UI design, branding and identity design, animation and multimedia skills</td>
</tr>
<tr>
<td>Junior Data Analyst</td>
<td>Bachelor's Degree in Statistics or Mathematics</td>
<td>1-2 years</td>
<td>Excel, knowledge of data analysis, proficiency in data analysis tools (e.g., R, Python, SQL), machine learning basics, business intelligence software (e.g., Tableau, Power BI)</td>
</tr>
</tbody>
</table>

The table above illustrates the general requirements for entry-level positions in Indonesia that are often set by companies. Each position requires a minimum educational qualification of a bachelor’s degree in relevant fields such as Administration, Social Sciences, Computer Science, Accounting, Marketing, or Graphic Design. Additionally, companies typically require a minimum of 1 to 2 years of work experience, even for entry-level positions. This indicates that having work experience is crucial for new graduates to compete in the job market. Each position also demands specific skills relevant to its field. For example, Administrative Staff must be proficient in Microsoft Office, project management, advanced communication, and strategic planning.

Discussion

It is important for a job vacancy to be written realistically, reasonably, and not discriminatory. Realistic job descriptions help prevent gaps between potential applicants' expectations and job reality, reducing the risk of employees feeling dissatisfied or disappointed after starting a job (Lössbroek et al., 2021). Non-discriminatory job openings create an inclusive work environment, respect diversity, and demonstrate the company's commitment to the values of justice and equality (Faruk, 2024). Additionally, realistic and non-discriminatory job openings help build the
company’s credibility in the eyes of potential applicants, demonstrating the company’s commitment to honest and fair recruitment practices. Clear and accurate job descriptions also help attract potential applicants who are truly a good fit, reduce the number of applications from candidates who do not have the appropriate qualifications and improve the efficiency of the recruitment process (Lyu & Liu, 2021).

However, job vacancies with unreasonable qualifications are still often found. Some of the reasons why this may happen include the following: First, the HR team may not have enough experience in the recruitment process, especially in growing small- to medium-sized companies. Less experienced HR may not realize that the set requirements look unreasonable or don’t match the actual level of work. Second, companies prefer to get the perfect candidate over a candidate who is ready to work, so they set the qualifications as high as possible to get the best candidate, even though this takes more time and effort. Third, companies can be affected by the latest industry trends or practices in the recruitment world that may not always be suitable for every situation.

Entry-level job positions in Indonesia typically require a combination of academic qualifications, work experience (1-2 years), and specific skills tailored to each role (Wismansyah et al., 2024). This poses a challenge for recent graduates, who may struggle to meet these stringent criteria compared to more experienced candidates. Some companies offer training programs or internships to bridge the gap between academic learning and practical work experience. While these programs provide valuable hands-on experience, participants often do not receive any payment for their work (Hora et al., 2020).

The open unemployment rate (TPT) among university graduates in Indonesia will reach 5.34% in 2023, higher than the national unemployment rate of 4.88%. This data shows that college graduates have greater difficulty entering the job market compared to the general population. In addition, as many as 2.6 million university graduates have not managed to get a job in the same year, indicating a fundamental problem in Indonesia’s education and employment ecosystem (Huub L.M., 2020). The high unemployment rate among recent graduates can be caused by the gap between the higher education curriculum and the job market's needs, as well as the lack of practical skills and soft skills such as communication, problem-solving, and teamwork (Johnson, 2022).

According to the World Bank (2022), only 53% of university graduates in Indonesia work in accordance with their field of study, indicating that almost half of graduates work in fields that do not match their educational background. This raises questions about the relevance of the higher education curriculum to the needs of the current job market. Research conducted by the Ministry of Education and Culture (2021) supports these findings, with 40% of employers feeling that new graduates do not have the necessary competencies for the positions they offer. This gap highlights the disconnect between education and the workforce, which requires the adaptation of higher education systems to focus more on developing skills relevant to industry needs.
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Previous studies by Asuncion et al. (2023) showed that collaboration between educational institutions and the private sector through internship programs, industrial training, and job market needs-based curricula could help bridge this gap. In addition, Mian et al. (2020) noted that education must be constantly reviewed and updated to match technological developments and global demands so that graduates can more easily adapt to the dynamics of the job market. By improving the quality of education and its relevance to the industry, new graduates will be better prepared to compete in a competitive job market.

The high standard of job qualifications in Indonesia is a major challenge for new graduates entering the job market. Many companies require prospective employees to have a combination of high academic grades, relevant work experience, and specific skills that match the position offered (Herbert et al., 2020). This makes it difficult for new graduates to compete with more experienced candidates. In response, some companies have started offering internship or training programs to help recent graduates acquire the skills they need. For example, large banks such as Bank Indonesia hold training programs for students or recent graduates who want to enter the banking world, providing a pathway to gain practical experience before qualifying for higher positions (Ferri Alfadri, 2023).

A holistic approach from the government, universities, and the private sector is needed to address the unemployment challenge among recent graduates (Demissie et al., 2021). Colleges should improve the quality of education by updating the curriculum in line with industry developments and incorporating more relevant skills training (Kang & Xiong, 2021). Governments can play an important role in facilitating industry involvement in the education and training process and providing support programs to facilitate graduates' transition into the workforce (Focacci & Perez, 2022). With these measures, there is expected to be an increase in the employment of new graduates and a reduction in the unemployment rate among them, which in turn will support sustainable and inclusive economic growth in Indonesia.

Policy Implications and Recommendations

**Higher Education Curriculum Updates**

The higher education curriculum should be updated regularly to reflect the current needs of the industry. For example, the study program may include more modules on the latest technology, analytical skills, and soft skills such as communication and teamwork. Colleges can work closely with companies to ensure the material taught is relevant to the job market's needs.

**Internship and Job Training Programs**

Educational institutions and companies should strengthen collaboration in providing internship and job training programs. The program should be designed to provide practical experience that is directly related to the position desired by the student. Companies can offer clearly structured internships, including performance assessments and feedback that can help participants develop the skills needed.

**On-Campus Career Development Initiatives**
Colleges should provide comprehensive career development services, including career guidance, CV writing workshops and interview preparation, as well as job fairs that present various companies. These services help students understand the job market, build professional networks, and prepare for recruitment.

**Incentives for Hiring New Graduates**

The government can incentivize companies to actively recruit new graduates, such as through tax breaks or training subsidies. This can encourage companies to open up more job opportunities for new graduates, helping them gain much-needed initial experience.

**Policy Monitoring and Evaluation**

The implementation of the recommended policies needs to be monitored and evaluated periodically. The government and related institutions must conduct surveys and research to measure the effectiveness of policies and programs that have been implemented, as well as make adjustments based on the evaluation results.

**CONCLUSION**

This research reveals that new graduates in Indonesia face great challenges in entering the job market due to high job qualification standards and lack of compatibility between the higher education curriculum and the needs of the job market, so the open unemployment rate for university graduates reaches 5.34% in 2023, higher than the national average of 4.86%. Only 53% of graduates work according to their field of study, while 40% of entrepreneurs feel that new graduates lack the required competencies. To address this issue, it is recommended that the higher education curriculum be updated to reflect industry needs, strengthen internship and job training programs, provide on-campus career development services, provide incentives to companies that recruit new graduates, and regularly monitor and evaluate policies. These measures are expected to reduce the unemployment rate of new graduates and support sustainable economic growth in Indonesia.

**REFERENCES**


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