

# Research on The Unemployment Rate of Students after Graduation in Ho Chi Minh City and Ways to Overcome It

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## Abstract

Our economy is currently in a very favorable stage of development. From a subsidized economy, it is gradually moving to a market economy where people are allowed to be autonomous in business and freely develop. Vietnam has a relatively young population structure, which is a great strength to carry out the industrialization-modernization of the country. However, there are also negative aspects that arise. That is the situation where too many students are unemployed after graduating from colleges and universities. This situation has caused many obstacles to the country's economic and social development. Therefore, the question here is what causes that problem? It is because the training process of universities has a lot of aspects that do not satisfy the needs of businesses or because students are not equipped with enough skills and orientation for themselves. This article will present the limitations as well as the best ways to overcome the difficulties for students and is supported by the survey results conducted by 100 students from colleges and universities in Ho Chi Minh City. The article uses analytical and qualitative methods to clarify the unemployment problem of graduated students. With a rate of about 30% of graduated students being unemployed and about 25% of graduated students having jobs different from their majors. This research paper is not only for students in Ho Chi Minh City but can also be widely applied to many areas across the country.

## Keywords

Student, unemployment, employment

**To cite this article:** Ca, V. H. (2021) Research on The Unemployment Rate of Students after Graduation in Ho Chi Minh City and Ways to Overcome It. *Review of International Geographical Education (RIGEO)*, 11(7), 865-871. doi: 10.48047/rigeo.11.07.82

**Submitted:** 03-10-2020 • **Revised:** 05-12-2020 • **Accepted:** 07-02-2021

## Introduction

Nowadays, the economic situation is considered as the driving force for development of many countries which is increasingly changing, and businesses are narrowing the need to recruit personnel. Job opportunities become fewer while human resources are larger (Wu, 2011). According to data from the Ministry of Education and Belfi, Allen, Jacobs, Levels, and van Oosterhout (2021), there was an average of 300,000 college and university graduate students. This causes many difficulties and creates great pressure on job competition for the new graduates. According to the survey, more than 70% of students after graduation are full of confusion and do not know where to go. In fact, students can only show all their knowledge and skills through their resume, and can only summarize their abilities and knowledge of their four university years in one interview (Tran, Phan, & Marginson, 2018). This is really not an easy thing for fresh graduated students. Moreover, the profession they pursue always seems to be in a state of excess manpower, while the side jobs are always welcome; however, they do not have the qualifications, skills and work experience (Hoa, 2016). Therefore, what is the key to helping new graduates open the door to jobs? It is clear that professional knowledge and basic skills that schools teach are one of the important factors to help the students get closer to businesses. However, seemingly marginal factors are also one of the criteria that help businesses evaluate students higher such as equipping soft skills, team-work ability, etc. (Wu, 2011).

## Research Content

### Research History

Some time ago, many businesses fell into a shortage of human resources as the population of Vietnam at that time was not much, the number of people going to college and university was still small. Moreover, the shortage and excess of human resources are also reflected in the supply-demand relationship that has not yet met (Tran et al., 2018). The quality of human resources at that time was still weak, the number of people who knew about high-tech techniques could only be counted few (Hoa, 2016). Currently, the percentage of workers with degrees and certificates is increasing rapidly, especially workers with college and university degrees or higher. However, this is a group with a very worrying unemployment rate. Therefore, how to solve this problem in the most complete way? The answer lies in the role of higher education as a training center for future (Tong, 2019). In addition, students need to equip themselves with the necessary skills so as not to be surprised when meeting businesses. It is easy to see that many graduates are unemployed not only because of poor or lack of work experience, but also because of lack of interviewing skills (Belfi et al., 2021). It can be said that applying for a job is difficult, doing it or not is even more difficult. Most of the newly graduated students still face many problems such as: ineffective communication, not knowing how to control their ego, and inexperience, etc (Tran et al., 2018). Therefore, the in-depth study of the solution to the problem of the increasing unemployment rate and how to overcome it is an important issue and needs to be clarified (Hoa, 2016).

### Current Unemployment Situation

Unemployment is a situation in which workers who want a job cannot find a job or are not employed by the organization, company and community. The level of unemployment is assessed and measured through the unemployment rate (Tong, 2019). The unemployment rate is the percentage of unemployed workers out of the total social labor force. Recently, unemployment has always been a painful problem for many countries around the world. It has a strong impact on the development of a country, moreover it has an impact on the mental health of people (Wu, 2011). Unemployment has increased due to the global economic slowdown: The global economic downturn has forced many factories to reduce production or even close because their products cannot be sold. The quality of products meeting export demand is still low, not commensurate with high-quality products of countries with a high level of development. Therefore, businesses have to cut their personnel, leading to job losses. Moreover, recently, due to the continuous reoccurrence of the Covid-19 epidemic in Vietnam as well as around the world, many businesses are unable to sustain themselves in the market. In addition, long-term thinking

habits among young people are equally affected (Hoi, 2019). A part of young workers wants to find the right job they love even though other jobs are much better, leading to a situation where there is a shortage of workers in industries that need labor, while there is an excess of labor in industries that do not need a lot of labor. There is a small proportion of students with good qualifications who do not have a job because they are always in a state of waiting for expected jobs with higher salary (Hoa, 2016).

Explaining about the unemployment of qualified workers who graduated from universities and colleges, there is currently a redundancy in the labor market that the labor market does not need such as business administration and economics; however, there is a lack of technological engineers and technical engineers. Although Vietnam's labor force is large and rapidly growing, it is unevenly distributed across territories university (Nguyen, 2017). The quality of our country's labor force has improved, making a significant contribution to economic growth and social development, but in general it is still low. Universities still focus a lot on the theoretical form without putting too much emphasis on practice (Tran et al., 2018).

## Methods, Subjects and Scope of Research

The study was carried out in two phases, qualitative research and quantitative research. Qualitative research was carried out through interview techniques, discussion with a number of graduate students. Formal research is carried out by quantitative method, conducted through survey questionnaires and semi-structured interviews, easy to understand language without causing confusion in terms of meaning, structure and an appropriate number of questions (Tong, 2019). The object and scope of the research to conduct the research are university and college graduates (who have been and are looking for work) in Ho Chi Minh City. The purpose of the study is to clarify the causes and solutions for unemployment and non-employment of students after graduation. Thereby, the article also offers solutions to help students improve their skills so that they can confidently apply for jobs at medium and large enterprises. This article was completed based on the results of a survey of 100 students from universities and colleges in Ho Chi Minh City. The survey results show that because of the increasing pressure of job competition, in order to get more attention from businesses, students need to be more proactive in equipping them with the necessary knowledge and skills necessary for a business (Wu, 2011).

## Research Results

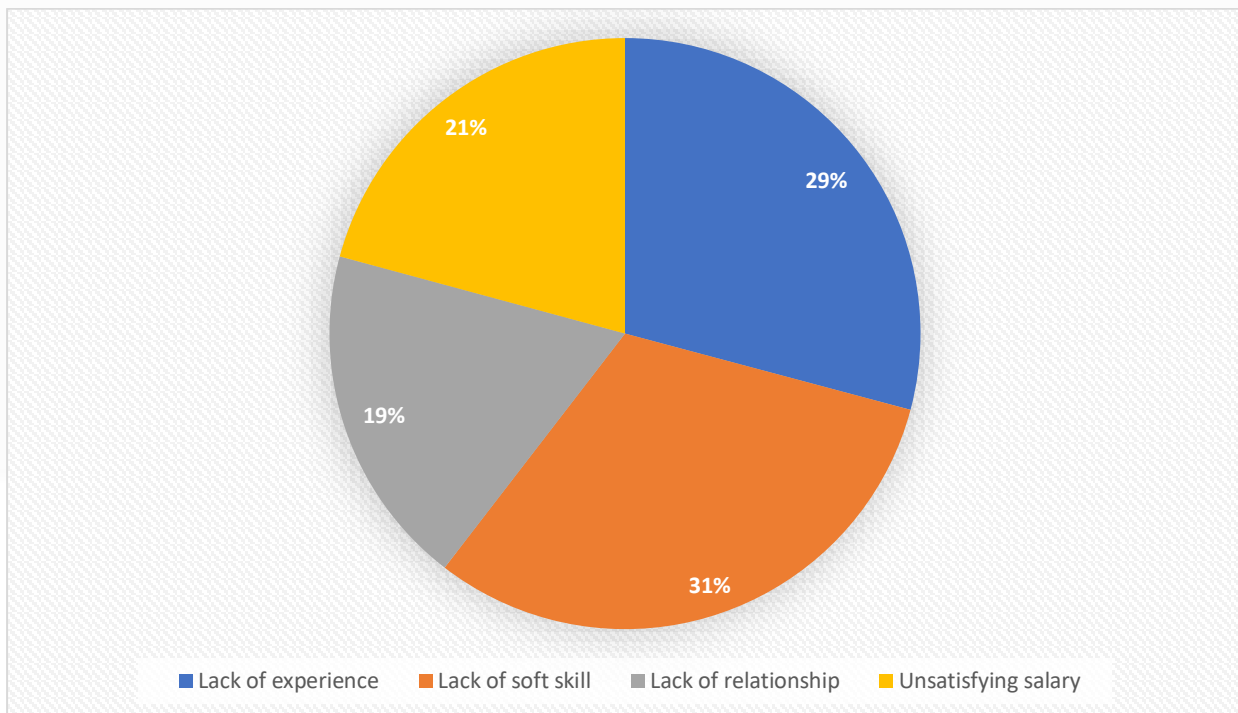
More than half of the students who participated in the survey belonged to the language major. The results from the actual survey show that nearly 80% of students think that the percentage of graduates who work a job out of their major after graduation is increasing.

Figure 1 refers to the need and equipping oneself with skills before applying for a job at an enterprise. First, more than 90% of students think that the most important skill in a fresh graduate is communication. Good communication is fundamental to high performance in the workplace and is fundamental to influencing leadership, working well with others, and even emotional intelligence. Secondly, about 40% of the students think that the skill of managing time properly is one of the necessary conditions of an employee university (Nguyen, 2017). If you arrange your time and work properly, the work efficiency can be achieved at the best level. There are also other skills needed such as resume writing, teamwork, etc. Creating a perfect resume is one of the first important steps to being able to make an impression on recruiters and potential employers (Thu & Le Hieu, 2017). The ability to work in a team will help the employee easily take the initiative to take on large and small projects for the business without being in a passive situation, causing work to stagnate. In addition, factors such as experience, no relationship due to recent graduates and few close acquaintances make it hard to access job opportunities (Hoa, 2016). Unsatisfactory salary policy of enterprises has also created conditions for higher unemployment rate. Many comments said that salary in enterprises were then lower than salary in the free labor sector (Tong, 2019). A small interview conducted directly at FPT University clearly expressed this point of view. In addition, there are opinions that not only the graduate need to improve their own soft skills, but they also need to cultivate more necessary knowledge and certificates such as certificates of foreign languages, certificates of computer science and certificates of information technology (Hoa, 2016).

**Table 1**  
Factors affecting the unemployment rate of students after graduation

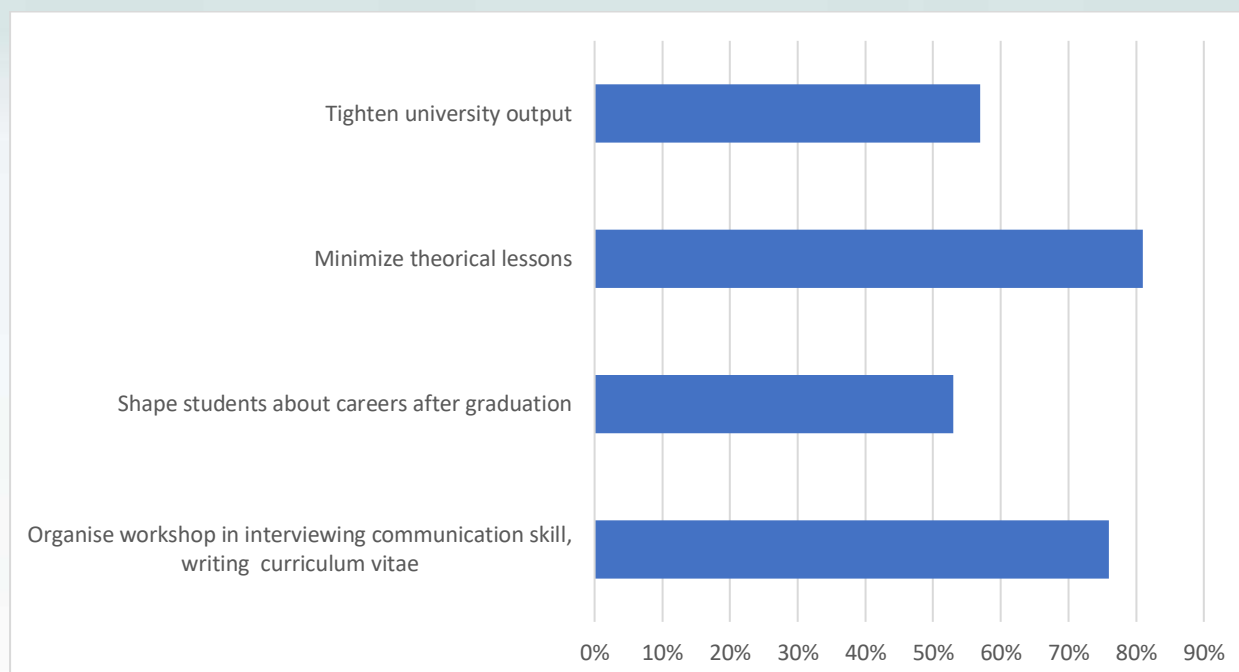
No.	Factors affecting	1	2	3	4	5	Total answer	Total score	Level of concern
1	Lack of soft skills such as: teamwork skills, communication skills, interview skills, etc.	1	1	2	3	4	11	41	0.12
2	Lack of career direction, no clear goals.	1	1	2	5	2	11	39	0.1
3	Many businesses focus on experience and appearance.	1	1	3	5	1	11	37	0.09
4	Second language (English, Japanese) is limited.	0	1	3	5	2	11	41	0.1
5	Recruitment is not transparent.	2	1	4	3	1	11	33	0.08
6	Massive training university, lack of quality.	1	1	3	5	1	11	37	0.09
7	Labor supply is more than demand.	0	1	4	4	2	11	44	0.11
8	Improper working style.	0	0	2	6	3	11	45	0.11
9	The work ethic is not positive.	0	1	3	5	2	11	38	0.09
10	Limited knowledge.	0	0	2	7	2	11	44	0.11
<b>Total</b>								399	1

According to [Hossain and Majumder \(2018\)](#), the main reason for unemployment is the mismatch of skills between fresh graduates and employers' requirements ([Figure 1](#)).



**Figure 1:** Causes of graduate student unemployment

In the face-to-face interview, a question was asked as "if you are a recent graduate, would you accept a low salary to easily apply for a job in a company?" Up to 70% of students accepted this condition and thought that because they just graduated, they needed to have experience first, after having enough work experience, they would be interested in salary ([Tran et al., 2018](#)). Assuming that it was in a business, when recruiting new students, only about the 10% of students agreed with the idea that they needed a knowledge base. The rest focused on communication ability and acumen, eager to learn while working. The school is also one of the factors contributing to improving the ability of students ([Nguyen, 2017](#)).



**Figure 2:** Factors that need to be improved by the school

More than 80% of students said that the school should reduce the theoretical hours in class and replace it with practical lessons (Figure 2), because if the theory is dominated, the practice is negligible, leading to graduates not keeping up with real work because they have never practiced in practice (Hoang, 2018). This will help students experience more and give themselves the necessary experience. In addition, factors such as building workshops to invite experienced experts from the school to discuss with students about their experiences in interviewing, how to create an impressive resume, and tightening university output are also the ways to reduce unemployment rate (Wu, 2011).

### Some Suggestions

First, to solve the problem, not only students need to try, but schools and businesses need to create more favorable conditions for students, do well in vocational guidance in high schools to avoid students choosing a school by their hobby without carefully researching; the opinions from members in family, school and society are very necessary, because they help the students to hone their knowledge. Besides, for the school side, tightening university output to screen students who are really qualified to graduate is useful. During the training process, it is necessary to add skills-related tests to let students overcome while the students are still in the university (Nguyen, 2017). Second, departments and student support centers must really act as a bridge between universities and businesses, regularly forecasting and properly updating human resource needs of enterprises. Job placement centers and labor supply units need to actively coordinate with businesses and investors to organize interviews and recruit graduates to work (Tong, 2019). Proposing recruitment for capable and qualified students to work in large agencies and units should be done continuously (Tran et al., 2018).

Thirdly, promoting the development of the system of various types of job placement need to be concerned more so that it becomes an important bridge between employees and employers, between training and employment, and helps to provide initial orientation for students in choosing training professions and job opportunities. The organization of job placement for students must be carefully prepared, the information must be honest, clear and complete in accordance with the law (Tong, 2019). Fourth, the government should create more favorable conditions for students by actively promoting economic growth, creating motivations for employees, stimulating employees to work and dedicate, stimulating growth with stimulus packages, rearranging the labor structure and qualifications of workers, promoting multi-sector economic development, attracting more foreign investment in industrial zones, economic projects, development of transaction systems of the labor market, in big cities, and key economic regions. Promoting investment attraction,

developing various types of enterprises, production and business, strongly developing services, tourism and commerce to create jobs for graduates should be carried out deeply (Nghia, 2018).

## Conclusion

In the current difficult economic period, fresh graduates want to get a stable and suitable job with their ability, which requires equipping themselves with professional knowledge, and especially the necessary soft skills. It is an extremely necessary luggage in today's time. In addition, agencies, organizations and businesses need to have appropriate policies and mechanisms to encourage and support new graduates to integrate into the new environment in the best way. Unemployment is a social phenomenon that exists objectively and causes bad consequences that prevent the development of the entire economy. Therefore, the problem of solving unemployment so that unemployment does not become a heavy concern for people is more urgent than ever; reducing unemployment not only creates conditions for economic development but also promotes economic growth and social stability. A society with a developed economy, low unemployment rate, social evils will be repelled and people's living standards are improved.

## Limitations

The article has certain limitations. Hopefully in the further research, the article will be well received and commented on.

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