

Information Asymmetry in College Students' Employment Market

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Abstract: College graduates are the most prosperous, energetic and creative group in society. They have ideas, ambitions, and mastered a relatively systematic modern scientific knowledge. They are valuable human resources. They shoulder the heavy responsibility of continuing to push forward the cause of reform, opening up, and modernization, and shoulder the heavy responsibility of building a well-off society in an all-around way and the great rejuvenation of the Chinese nation. The employment problem of college graduates is not only related to the vital interests of graduates and even the masses of the people, but also to the sustained and healthy development of higher education and the basic national policy of rejuvenating the country through science and education and strengthening the country with talents. Based on the analysis of the employment environment, this paper explains the essential reasons for the difficulty of employment caused by information asymmetry from the perspective of economics, and then proposes solutions to improve the employment status.

1. Introduction

The 2018 national college graduates are expected to have 8.2 million people. As shown in Figure 1, the employment situation is complex and severe. According to statistics, the number of graduates has increased year by year in accordance with the year-on-year growth rate of 2%-5%. The number of graduates in the past 7 years has reached 57.06 million. In 2018, the number of college graduates nationwide is expected to rise to 8.2 million, and the number of graduates will reach a new high. The employment system for college graduates is mostly “need for supply and demand, two-way choice”. That is, the employer proposes the demand for talents, issues recruitment information, and the graduates select the enterprise and deliver the resume, thereby realizing the information exchange between the two parties and employment. Whether it is a graduate or a recruiting company, getting information about the other party and correctly interpreting the other's information is very important in employment. In most cases, it is difficult to achieve the equivalence of information, that is, there is a phenomenon in which the parties do not fully understand the facts or do not know at all, or have the luck, value the immediate interests and deliberately hide the truth and refuse to provide real information, so in the job market The information provided and transmitted by both the supply and demand sides is often inaccurate and incomplete.

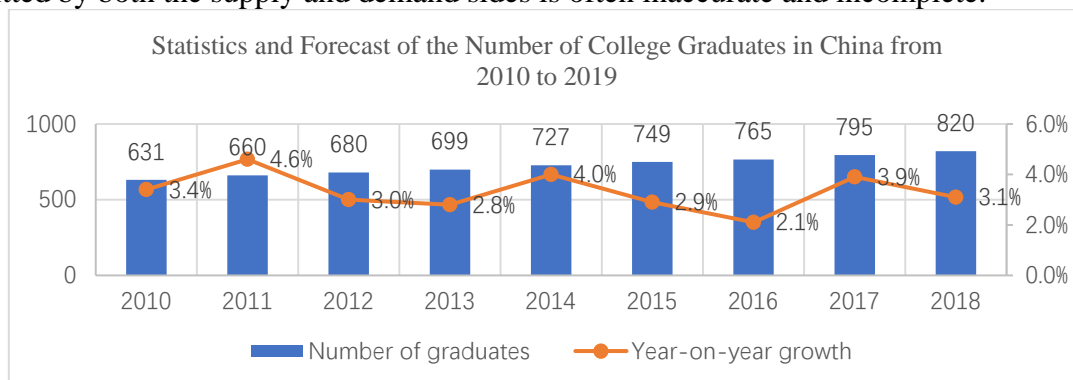


Figure 1 Number of college graduates in 2011-2018

The phenomenon of lemon market in employment is an important manifestation of information

asymmetry in the talent market. The lemon market is a defective market. When the seller of the product has more information about the quality of the product than the buyer, the low-quality products are shoddy due to the adverse selection behavior caused by the asymmetry of the product quality information. Drive high-quality products out of the market. In the talent market, from the employer's point of view, the salary level that the employer is willing to pay is determined based on the average work level of the previous applicants. Therefore, the employer is only willing to pay an average salary level in most cases. From the perspective of candidates, job seekers know their abilities better than the units. In this case, high-level talents are not satisfied with the current salary level. The criteria for selecting enterprises are relatively high, and the existing positions are abandoned, so that Competitive graduates fill the talent market, as shown in Figure 2. The emergence of the “lemon market” distorted the efficiency of market distribution. Usually, the market is a good way to allocate resources, retaining the best quality, most competitive, eliminating inferior quality and weak competitiveness, but the market mechanism in the talent market has not fully played its role.

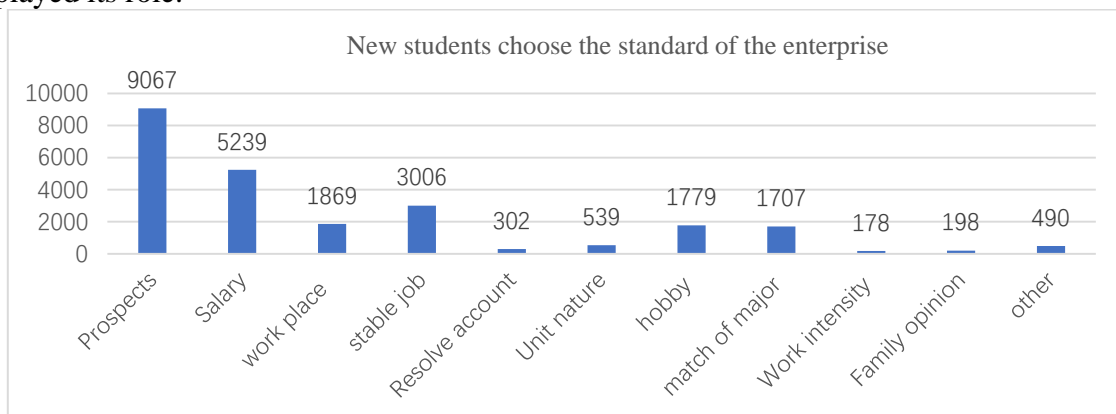


Figure 2 Standards for selecting freshmen

2. PEST analysis

2.1 Analysis of political and legal environment

The political and legal environment refers to the political power and political attitudes that have practical and potential impact on the employment of college graduates. The legal environment mainly includes laws and regulations formulated by the government that are binding on the employment of college graduates; the political and legal environment is actually a set of factors that are inseparable from the economic environment. Since 2000, China’s employment issues for college students have mainly adopted the “employment mechanism of market orientation, government regulation, school-enterprise union, and two-way selection of students and employers”. In addition, the government attaches great importance to the guidance and encouragement of graduate employment. Former Premier Wen Jiabao pointed out that the current government must put the employment of college students at the forefront. How to promote the employment of college students in the national "two sessions" in 2009 has become a key issue of the "two sessions." The State Council, various ministries and commissions, provinces and cities are stepping up to study how to deal with the current institutional policies for college students. Until now, the employment of college students is still a matter of great concern to the state. The state has adopted a series of policies to alleviate the difficulty of employment. The employment policy of college students is a series of related policies implemented by the state to promote the smooth employment of college students. It is characterized by timeliness, regionality, sustainability, and diversity. As far as the current situation is concerned, the employment policy of college students in China includes the following aspects. First, the general policy of college graduates. The main content of the general policy of college graduates in China is the resettlement policy of graduates and the principles of use of graduates. The general policy proposes to further deepen the reform under the current situation,

further improve the employment management system for college graduates, and at the same time broaden the channels for college graduates to enter the grassroots employment. Second, the specific policies for the employment of college graduates. In terms of specific policies, the main contents are work procedures, work discipline, specific regulations, and local employment policy measures. Third, the special policy for the employment of college graduates. The main contents include relevant employment regulations for sick graduates, branch students, self-funded students, overseas Chinese, graduates from Hong Kong, Macao and Taiwan, and graduates. Judging from the government's various measures for the employment of college graduates, the employment problem of college graduates has received great attention and attention from the national government. The employment channels of college graduates have been continuously expanded, and the support of government policies has been continuously increased. The political and legal environment for employment is constantly being optimized.

2.2 Economic environment analysis

The economic environment mainly includes both macro and micro aspects. The macroeconomic environment mainly refers to a series of GDP growth levels and economic development trends that can affect the overall employment level of college graduates. The government work report of 2019 puts: "At present and in the future, China's total employment pressure will not decrease, structural contradictions will be highlighted, new influencing factors will continue to increase, and employment must be placed more prominently. Employment. In the past, our macro-control policies mainly talked about two: fiscal policy and monetary policy. Now juxtapose the three policy instruments of finance, money, and employment. This is the first time in the history of China's economic development or economic work, and it is an innovation. Now, in the presence of downward pressure on economic growth, we have prepared for it and made early efforts. On the morning of March 15, the third "representative channel" of the second session of the 13th National People's Congress was opened. When asked about this year's "Government Work Report" for the first time to put the employment priority policy at the macro-policy level, the deputy director of the National People's Congress and the Chinese Academy of Social Sciences, Cai Wei, said that the basis for formulating macroeconomic policies in the past mainly depends on the rate of economic growth. However, with the entry into the new stage of economic development, employment has been directly used as the basis for the adjustment and implementation of macroeconomic policies. The microeconomic environment mainly refers to a series of factors affecting the employment of graduates, such as the economic development level, consumption level, salary and salary, and industry prospects of college graduates. At present, the impact of the transformation of China's economic growth mode and the adjustment of economic structure and the implementation of the two strategies of rejuvenating the country through science and education and sustainable development have emerged. In recent years, the IT industry has developed rapidly, its position in the national economy has risen steadily, the number of demand has risen sharply, the quality requirements are high, and there are structural contradictions in the employment of graduates, which are manifested in the imbalance between profession and demand, level and demand. Because the frequency of changes in school training cycle and social needs occur asynchronously, the adjustment of school's social needs is often lagging behind and dislocation. This requires university students to be familiar with the direct impact of the objective economic environment on employment, give full play to subjective initiative, and overcome the objective environment. Unfavorable factors, actively adapt to social needs.

2.3 Social and cultural environment

The social and cultural environment refers to the educational level and cultural level of residents in a country or region, Zongdun's beliefs, customs, aesthetic views, and values. The social and cultural environment affects the outlook on life, values and career choices of college graduates. Due to the traditional Chinese culture, the system of "unification and unified distribution", and the "elite consciousness" of university graduates, the expectations for work are too high. In terms of jobs, salary, benefits, work environment, etc., it is very high. Not realistic, there is no certain

understanding of the overall situation in the current job market that is conducive to the "buyer market." The selection of employment units and candidates for employment, especially in economically developed areas, students are very demanding on wages and work environment. Most of the college graduates are the only children. They have been favored by their parents since childhood, have a poor sense of independence, are relatively self-disciplined, generally lack clear career plans, and lack understanding of their future positions. Higher education has a certain lag relative to social and economic development. It is difficult for the students they train to adapt to the needs of the market, which leads to the structural contradiction between the supply and demand sides in the talent market: the professional structure of higher education disciplines and the overall social and economic structure, especially the industrial structure, do not match, resulting in imbalance between supply and demand: the school running model is similar. Lack of the ability to innovate, learn, interpersonal, and organizational management that is particularly important for employment, resulting in an imbalance in energy levels.

2.4 Technical environment

The technical environment refers to the development and changes of the directly related technical means faced by college graduates. The biggest technological environment faced by contemporary college graduates is the rapid development of network technology.

The rapid development of network technology has changed people's way of life. Some students are addicted to the Internet, which leads to the decline of academic performance and the lack of communication skills. However, the development of the network and the explosion of knowledge and information have made information exchange faster and more convenient for data inquiry, and also provided a convenient environment for college graduates to self-charge. The rapid development of network technology also provides a platform and opportunity for college graduate employment and entrepreneurship.

3. The main performance of information asymmetry in the employment market of college students.

First, it is difficult for college students to find sufficient and effective information. Including it is difficult to obtain accurate employment policy information, social recruitment job demand information. Second, the information between the different subjects is seriously asymmetrical. The employer understands the relevant ability level of the job seeker through the resume and interviewing the interviewer, but its real workability is difficult to get accurate consideration. Graduates are very aware of their true abilities. Because they are over-craving for a good job, they will make themselves look good by packaging themselves, and they actually do not meet the expectations of the employer. Over time, the gap between the false content and actual performance reflected by job search materials has enabled companies to raise the barriers to entry. Third, the problem of corporate dishonesty. Some employers regard campus recruitment fairs as a way to promote corporate image, over-exaggerating the positions and quotas of recruitment, and the results are only recruited. The job seekers receive the wrong information and spend a lot of time and energy to make useless preparations. Fourth, university information is not complete. Although the school provides an information consultation platform for students to use, providing guidance on employment information consultation and job search information services, it ignores the cultivation of students' entrepreneurial employment ability, which leads to their own lack of ability and hinders their employment, as shown in Figure 3. In addition, due to the influence of society, government, and parents' expectations, the school has packaged its own students to different degrees in the process of recruiting schools. This has made it difficult for students to get jobs that match their abilities, potentially exacerbating the situation. College students are "difficult to find employment".

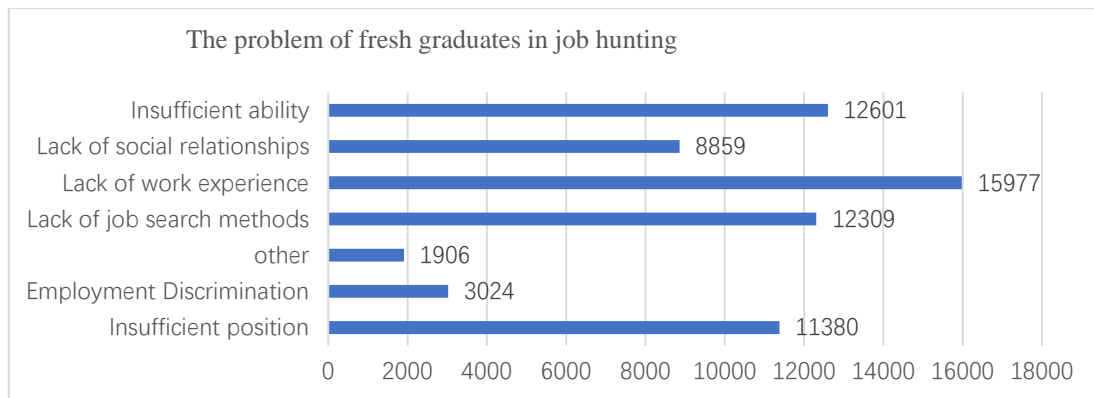


Figure 3 The problem of fresh graduates in job hunting

4. Countermeasures and recommendations

Due to the shortcomings of employment information asymmetry and insufficiency in China's labor market, employment information often cannot meet the requirements of both employers and employees, that is, it is difficult for employers to obtain high-quality graduates, and graduates are also difficult to obtain their favorite positions. The difficulty of employment and the difficulty of recruiting make the talent market shrink. Therefore, in combination with the causes of college graduates' employment difficulties, we propose the following suggestions.

4.1 The government strengthens the establishment of internal and external information systems in universities

First, the government should inform the school of the employment policy and the country's future development plan in a timely manner, so that the school can adjust the teaching direction in advance and in accordance with the national development plan, scientifically plan the professional setting, and develop a new student training model. The government should promptly and accurately transmit the information on the status quo and future demand of the employer and its own development personnel to the university in order to facilitate the order-based talent training according to the needs of the government and employers. Only through the government, establishing a bridge of information communication between enterprises and universities can reduce the negative impact caused by information asymmetry, enabling employers and graduates to more effectively complete the interaction of information and achieve the goal of accurate employment.

Secondly, no matter whether the employer or the job seeker is not honest, the state can introduce corresponding policies, establish a sound credit system, and adopt certain penalties for dishonest subjects, such as credit system.

4.2 College students self-preparation

College students can work hard to improve their knowledge and skills and reduce the need to disguise themselves because they are not prepared to make themselves look good. In addition, paying attention to employment information in a timely manner, consulting the senior school seniors who have successfully employed in the past, obtaining relatively accurate job information, adjusting their employment direction in time, and reducing information asymmetry, which leads to the loss of their favorite work. While increasing the collection of employment information, we should also pay attention to the establishment and cultivation of a sense of integrity.

4.3 Employer changes the evaluation mode

Employers should change the single assessment method. In addition to understanding the job seekers through the graduate resume, they can also obtain higher quality graduates by adding various assessment methods, such as increasing interviews, written examinations, and in-depth understanding of candidates. Responsiveness and communication skills can also be assessed through team assessments, and the spirit of teamwork and leadership can be assessed accordingly.

Multi-faceted investigations can obtain more information about candidates, which is convenient for enterprises with incomplete information. Can hire high-quality job seekers. In addition, the employer should also increase the cooperation between the school and the enterprise in scientific research. Through cooperation, learn about the college students with employment needs as soon as possible, and carry out timely training and education, so as to make long-term plans for the company to recruit employees who are more in line with the corporate culture. In this way, in the process of real job hunting, due to the full understanding between the two parties, the degree of information asymmetry is reduced.

4.4 Colleges and universities to strengthen employment guidance

In-depth investigation of the current employment situation and the employer's needs of employers targeted employment guidance for the majority of graduates. Employment guidance should run through the whole process of college students from enrollment to graduation. It can include vocational ideal education, simulated workplace experience, job interview training, career concept education, legal and regulatory education, etc. so that students can clearly define their job search goals before graduation. Have a certain understanding of the environment, the workplace, and other environmental and interview, signing and other processes. In addition, when reducing the negative impact of information asymmetry on the employment of college students, colleges and universities should start from their own, strengthen the construction of education and teaching in colleges and universities, and provide information on various authoritative employment information for students to reduce students. Missed the best opportunity to find a job because of false employment information. In the face of employers who come to the school for recruitment, the school needs to verify the employer itself and the information it provides to reduce the employment risks of the students in the school.

5. Conclusion

Information asymmetry is the main reason why graduates are difficult to work accurately and even unable to work. Therefore, cooperation between enterprises, universities, and governments is an important prerequisite for improving the status quo. Only when the country introduces corresponding policies will enterprises be more self-disciplined and constrain themselves with higher requirements. For graduates, national policy constraints will enable graduates to improve their sense of integrity and competition, thereby reducing the adverse effects of information asymmetry and increasing the employment rate of the entire society.

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