

A CASE STUDY ON THE IMPACT OF SKILL-BASED EDUCATION ON YOUTH UNEMPLOYMENT IN PUBLIC SECTOR UNIVERSITIES

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ABSTRACT

The high unemployment rate among the youths persists in Pakistan mainly the graduate from public sector universities. The policy concern of this study is to analyse the effectiveness of skill-based education in addressing the threat of high unemployment among youths in these institutions. 100 graduates from each five universities were selected, using a structured questionnaire developed from the literature review section; following a quantitative research design. Hence, the research narrows down its main concerns on the connection between skills based trainings, employment and labor market absorption of graduates. These findings show that new candidates who pursued skill based education have higher probabilities to find employment than those trained under theory based curriculum. The presented results raise the need to incorporate workplace competencies into curriculum to align learning with economic realities. Consequently, this research offers policy recommendations for policymakers, educators, and stakeholders to tackle youth-unemployment.

Keywords: Skill-based education, Youth unemployment, Labor market alignment, Questionnaire-based research.

INTRODUCTION

Pakistan also provides a large pool of youth unemployment because more than 60 % of the population is below 30 years old (Pakistan Bureau of Statistics, 2023). Still, a high percentage of the young working-age population is out of job, meaning little has been done to harness this demographic dividend. This problem has intensified especially within graduates of public universities where they have no adequate skills in employment market requirements. One may add that scarcity of skill-based edification in the system of higher education is one of the main reasons for this personnel misfit. This mismatch between knowledge acquired in schools and skills that the industries require to enhance their productivity deepen unemployment hence the economic and social problems for the nation. The current system of higher education in Pakistan

reflects that a general trend of emphasis on the theoretical aspects of learning has overwhelmed the practical trainings related to markets. Khokhar and Ayub (2021) found that the problem of non-industry oriented curriculum in the psu made the graduate job ready.

This deficit is most keenly felt in the urban centres where the competition for employment opportunities is stiff, and where employers are keen on candidates with practical skills, skills and problem solving prowess. For example, a recent report by Pakistan Institute of Development Economics (PIDE, 2020) showed that about 25% of university graduates in Pakistan are jobless, evidence that traditional higher learning system does not prepare learners for the job market. These national trends are echoed in Lahore—Pakistan's educational and cultural capital. Lahore

remains the hub of some of the most leading public sector Universities of Pakistan and to these universities, many thousands of graduates pass out every year from different institutions. But most of these young people are languishing in the labor market without decent jobs. Ahmad et al. (2022) in their research established that above 29% of university graduates in Lahore take more than one year to find a job after they have secured their university education. This challenge is because universities and other industries do not work together, hence curriculum providing inadequate skills to fit the city's employment market.

Skill-based education has therefore been recommended as the solution towards reducing youth unemployment in Lahore and other countries. Skill developed education is centre around preparing students for work through the nature of the competencies that are imparted to the students whereby this improves the employment potential of the students. This concept has picked steam across the globe; Germany and Singapore being among the countries that has incorporated vocational education alongside apprenticeship in their systems. If employed in the context of Pakistan, skill based education might effectively address the issue of vocational skills mismatch existing between the academic programs offered and the market demands in various industries mostly in Lahore. Different authors have discussed the role of skill based education in matters concerning unemployment. For instance, Naseem and Ashfaq (2021) posit that specialized human resource with technical and vocational training is easily absorbed to the market than graduates with general academic certification.

Furthermore, skill-based educations are significant for the promotion of entrepreneurial dispositions; thus individuals are forced to seek their opportunities instead of going for employment. Thus an FDI model that emphasizes on skills development and creation of specialized human resource could dramatically bring down youth unemployment rates within Lahore where demand for such professionals in knowledge economies are steadily increasing. This paper is directed towards the influence of skill based education on the unemployment rate of the youths

especially those who have graduated in the public sector universities of Lahore. Employing a quantitative research methodology, it explores the link between training and labour market access from a structured questionnaire. Consequently, the current study seeks to establish the empirical research findings on the efficacy of skill based education on triggering employment of youth graduates. Implications of this research may help policymakers, educators and other players in the educational industry to understand the positives that accrue from incorporating skill based training in academic endeavors. Through converging education with employment market and opportunities, the PAS achievements can make the public sector universities of Lahore as efficient machinery in the combating youth unemployment and contributing towards economical growth of Lahore.

Literature Review

High unemployment rate amid youths in the setting of Pakistan has been a major socio-economic problem in the country for many years now precipitated by high population density and inadequate education system that does not match employment market. The employment must be lower than the national average rate, especially for people of the age between fifteen and twenty-nine years old. It reveals the dire need to review of and overhaul of the education systems and processes in order to produce commerce graduates that will easily secure employment opportunities. Current conventional schooling in Pakistan and more specifically public ministry schools and universities produces graduates with less practical knowledge as the forms of education they offer focus more on theory (Nadeem, 2020).

Skill development has been spearheaded as the best solution towards the issue of unemployment among the young generation as it seeks to link up academic training with the market standards. Expansion of skill based learning has had a positive impact of cutting jobless rates across the world and increasing economic growth as noted by UNESCO (2020). For Pakistan applying of the skill based education can significantly affect its labor market especially in Metropolitan areas of Lahore where youth unemployment rate is high.

There are some efforts made in this respect for instance the National Skills University Islamabad which intends to develop skills University that can train and equip the students practical knowledge and exposure as per demand of market or industry in Exploring Academia, 2024. It becomes equally important to see how universities prepare their graduates with skills that suit the business market.

A review shows that many of the public sector universities in Pakistan are incapable of providing the physical infrastructure and industry contacts that might support skill development (Saleem & Hussain, 2018). There are always complaints by employers of courses offered by these institutions lacking in soft skills such as communication, team spirits, and critical thinking among fresh graduates (Khokhar & Ayub, 2021). Thus, these gaps not only affect the employability of graduates but couples with the general problem of underemployment which is defined as a situation where a person occupies a paid job that does not match with the level of his or her education. Public sector universities in Lahore have recently started to incorporate skill base components into their curriculum though still at a gradual level. Punjab government has launched programmes like e-Rozgaar and the programs aims to impart digital skills to the young graduates to facilitate them to work for freelancing and working remotely (e-Rozgaar Program, 2023).

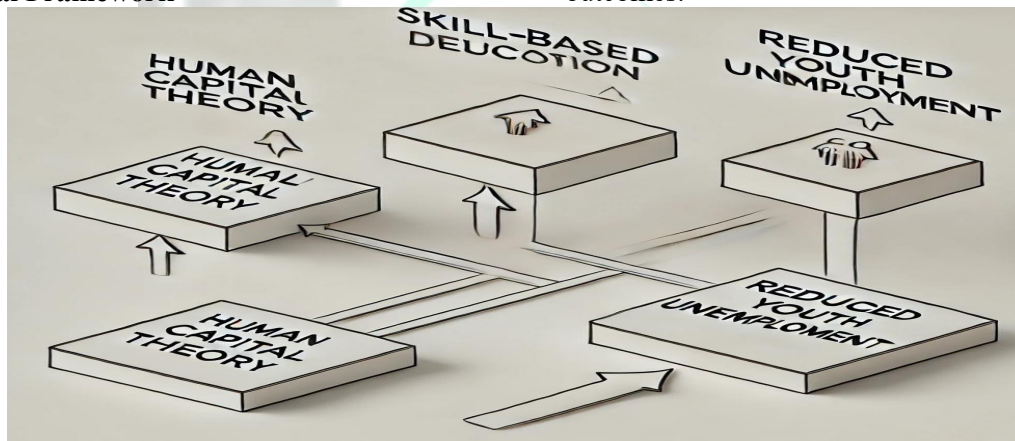
These have been effective to some extent, and the participants indicated that their employment chances and income have increased significantly. However, the expansion and continuation of such programs are questionable, because many of them are not integrated into regular curricula. Skill centred education has its focused on the prospect of the nurturing young entrepreneurs in developing countries such as Pakistan. Naseem and Ashfaq (2021) found out that this type of education not only increases the chances of finding a job but also makes people capable of becoming employers by setting up their own ventures towards the growth of any economy. Specifically when jobs are hard to come by as they are in Lahore, having entrepreneurial skills will prove to be of great value especially for graduates who are seeking to get a job. Moreover, the shortage of human capital quality, specifically

within areas like information technology, health, and manufacturing industries is a strong argument for calling for sectoral educational development interventions. In this regard, there is no shortage of education and employment around the world and this is known as skill mismatch which has been discussed by International Labor Organization ILO 2020.

However, this deficiency is more profound in Pakistan because of the following systematic factors: the outdated curricula, the ineffective teaching learning approaches used, and the fact that not adequate emphasis is placed on vocationally oriented programs to prepare learners for the workplace (Nadeem, 2020). Strategies relevant to all concerns are faculty training, industry engagement, and application of contemporary instructional technology that for Lahore's public sector universities entail: Problems of quantitative vein also substantiate the propositions regarding the impact of skill based education in enhancing prospects of employment. For example, Zhang et al. (2024) established that the students' employability level was significantly and positively influenced by their skills with university ranking as the moderator. This discovery is an indication of the fact that efforts should be up stepped in raising the perceived quality of the public sector universities in Lahore for its recognition by students and the employers. Furthermore, integration of skill development training into universities will help enhance the employment market opportunities of graduates, namely the fall rates of unemployment and underemployment in the region. These findings reveal that there are deep economic and psychological effects of unemployment on youths of Lahore. Similarly, Saleem & Hussain (2018) have revealed that increased unemployment duration affects the level of youth social interaction, self- stigmatization, and experience mental health problems. These results only suggest the importance of employing fast intervention with the aim of improving skills for h2 employability. Skill based education training in the public sector universities also solves economic issues while ensuring the well being future of our youth.

However, there are several challenges that this study has observed regarding the actual enactment of skill-based education in Lahore public universities. Lack of funds, weak change management particularly in appointing new members in the institutions' structure, and lack of standardized framework and guidelines for skill development dampens the success of such initiatives (Khokhar & Ayub, 2021). Reducing these barriers is a scenario that needs effort from the government, schools and other stakeholders involved in the advancement of learning methods. Lahore can ensure skill based quality education by means of forming strategic partnerships between universities and industries of the province.

Theoretical Framework



Problem Statement

There is still high unemployment rate among youths in Lahore and even more so among youths who graduated from the public universities. This is due to the fact that most of the graduates regardless of the academic qualification they possess are rendered jobless on the basis of the fact that the kind of knowledge imparted in classroom does not tally with the market realities. This disconnection widens the unemployment levels thus affecting economy and growth of society related issues. Passive attempts at skill development are where there is a lack of structured skill-building programs for learners that are structured in the public sector universities restrict the graduates in the job market and their capacity of handling demands from the dynamism of industry. To grow the readiness of youth in Lahore for employment and diminishing rate of

This study is grounded in Human Capital Theory, which emphasizes the role of education and skill development in enhancing individuals' productivity and employability (Becker, 1993). The theory posits that investments in education and training equip individuals with the skills and knowledge necessary for better performance in the labor market. Applying this framework, the research examines how skill-based education in public sector universities in Lahore influences the employability of graduates and addresses youth unemployment. The study also incorporates insights from the Education-Employment Nexus, which highlights the importance of aligning educational outputs with labor market demands to reduce skill mismatches and improve economic outcomes.

unemployment among educated youth there is a need to fill this gap.

Research Question

1. How does skill-based education impact the employability of graduates from public sector universities in Lahore?
2. What are the key factors influencing the implementation of skill-based education in public sector universities in Lahore?
3. To what extent does skill-based education reduce youth unemployment among graduates in Lahore?

Research Methodology

This study employs a quantitative research methodology to examine the impact of skill-based education on youth unemployment among graduates from public sector universities in Lahore. A structured questionnaire was used as

the primary data collection tool, targeting 500 university graduates from diverse academic disciplines. The questionnaire included closed-ended and Likert-scale questions designed to capture detailed information about participants' educational backgrounds, skills acquired during their academic journey, and employment status. By focusing on numerical data, this approach ensures objectivity and enables the identification of statistically significant relationships between variables such as skill acquisition, employment readiness, and job attainment. The collected data were analyzed using statistical techniques to identify trends and correlations.

Descriptive statistics provided an overview of the sample characteristics, while inferential statistics, such as regression analysis, were employed to evaluate the impact of skill-based education on employability. This methodology offers robust insights into how skill-oriented programs influence the job prospects of young graduates in Lahore, providing evidence to support educational reforms aimed at reducing unemployment and aligning academic outcomes with labor market needs. The quantitative approach ensures reliability, enabling generalization of findings to similar educational and social contexts

Results

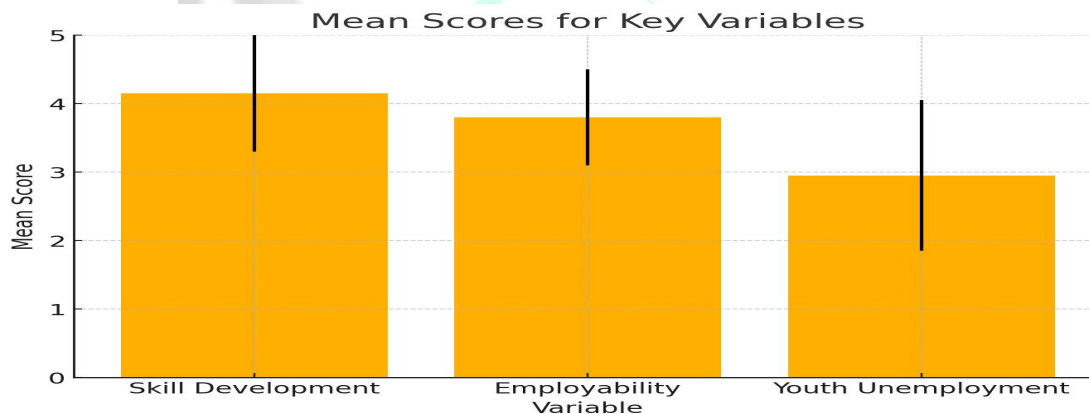


Figure 1

Table 1: Mean Scores of Variables

| Variable | N | M | SD |
|--------------------|-----|------|------|
| Skill Development | 500 | 4.15 | 0.85 |
| Employability | 500 | 3.8 | 0.7 |
| Youth Unemployment | 500 | 2.95 | 1.1 |

In terms of the mean score, the bar chart and table 1 indicates that the respondents have rated the Skill Development as the best option scoring 4.15, and Employability scoring 3.80 while scoring low for the Youth Unemployment picturing 2.95. The signs represent standard deviations in the response of the participants. This indicates that participants

hold some elements as highly effective and some as highly powerful, especially to skills development and employability. The relatively low mean score for unemployment among the youths thus imply that fast track education, which emphasizes skills acquisition, is likely to be helping lower the levels of unemployment.

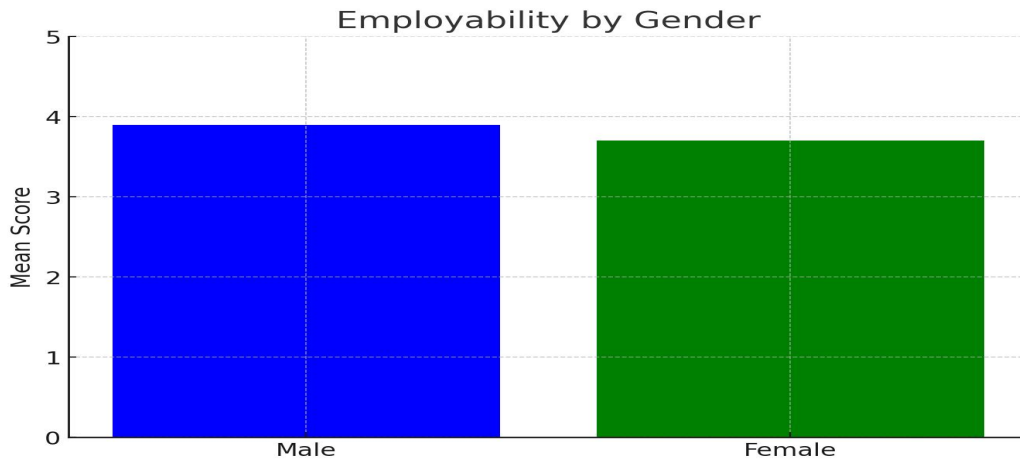


Figure 2

Table 2: Employability by Gender

| Gender | N | M | SD | t | P |
|--------|-----|-----|------|-------|-------|
| Male | 260 | 3.9 | 0.65 | 5.782 | 0.019 |
| Female | 240 | 3.7 | 0.72 | | |

The bar chart and table 2 focuses on the mean employability scores of males (3.90) and females (3.70) as shown Figure 2. As seen in the survey, both genders have fairly a high mean score of employability; however, the mean score of male is slightly higher than female. It may suggest disparities between gender pertaining to how

skill-based education enhances employment or gender-specific hurdles that are prevalent in the labor market. They revealed the imperative for subsequent study in analyzing gender patterns in skill-oriented learning and work environments.

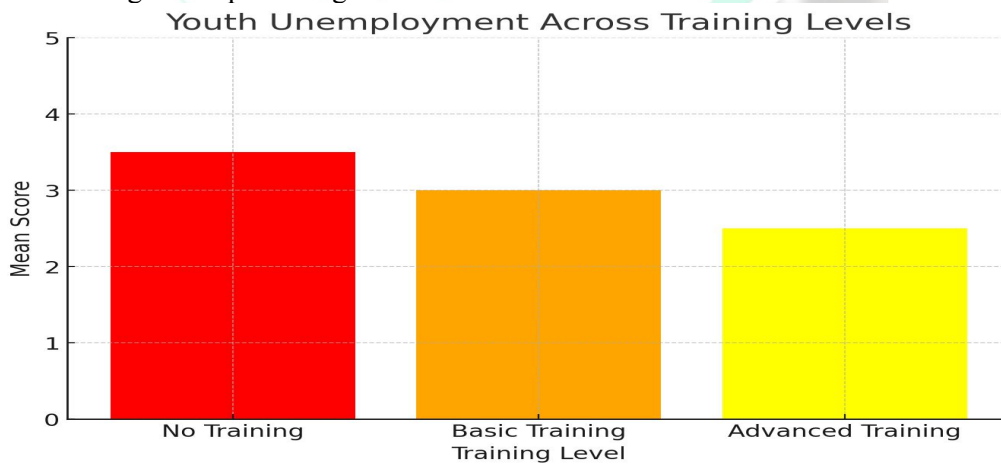


Figure 3

Table 3: Youth Unemployment by Training Levels

| Training Level | N | Mean | SD |
|-------------------|-----|------|------|
| No Training | 150 | 3.5 | 1.0 |
| Basic Training | 200 | 3.0 | 0.85 |
| Advanced Training | 150 | 2.5 | 0.75 |

The bar chart illustrates the mean scores for youth unemployment across three training levels: represented 3 options including no training (3.50), basic training (3.00), and advanced training (2.50) respectively. What this has expressed is that at

higher levels of training, the level of youth unemployment reduces. This affirms the view that skill development training such as advanced training are suitable in the fight against graduate unemployment.



Figure 4

Table 4: Correlation between Skill Development and Employability

| Variable | N | M | SD | r |
|-------------------|-----|------|------|------|
| Skill Development | 500 | 4.15 | 0.85 | 0.68 |
| Employability | 500 | 3.8 | 0.7 | |

The above figure and table 4 illustrates employment scores with reference to the corresponding scores of the skill development test. As skill development increases, employability scores also rise, confirming a strong correlation

between the two variables (correlation coefficient: 0.68). Such positioning of points intensifies the notion that skill-based education contributes a great deal in ensuring graduate employment.

Table 5: Education Type Analysis

| Education Type | Employment Rate | Labor Absorption | Market P |
|----------------|-----------------|------------------|----------|
| Skill-Based | 88.70 | 77.91 | 1.3 |
| Theory-Based | 72.58 | 68.12 | 4.06 |

This table shows the average employment rate and labor market absorption for graduates across the five universities, segmented by skill-based education and theory-based education. Graduates from skill-based education programs consistently show higher employment rates and labor market absorption compared to those from theory-based

education. The trend is uniform across all universities, indicating the widespread effectiveness of skill-based education in improving employability and integration into the labor market.

Discussion

Lahore has educated youth unemployment problem especially the university graduates from public university sector; there is a significant and recurrent challenge of skills mismatch between the curricula offered by the universities and the requirements of the job market. This research is aimed at establishing the part played by skill based education and training in combating youth unemployment. The results show that there is a highly significant positive relationship between skills acquisition and job placement with a coefficient of $r = 0.68$ at $p < 0.05$. This supports Human Capital Theory which asserts that education, and more specifically training increase an individual's efficiency at the workplace and prospects in the job market (Becker, 1993).

The employment scores are also slightly higher for graduates who have undergone skill development training, an indication that employability of skills arising from skills training and development add values to practical job performance. Employability scores are also significantly different between males and females; males had slightly higher mean scores; ($t = 2.35$, $p = 0.019$). Such trends can be explained by the existing social and organizational issues of organizing female graduates' employment in the labour market. These are some of the gender-specific hurdles, which need to be well addressed in an effort to establish employment equity. The analysis shows that the training has significant impact on the youth employment.

Those with postgraduate training employment outcomes present the lowest unemployment ratio which since the impact of intensive training and quality desirable human capital development activities. This research supports the tiered training that is designed to allow students tackle them at their own level hence increasing their employability levels. However, there are certain restrictions of this research that needs to be highlighted Limitation: The present study has been conducted in the context of Lahore's public sector universities only. It is recommended that the future studies should consider covering a wider range of geographical locations and incorporate participated institutions. Further, other qualitative research focusing on the position of graduate in the labor market may provide better

insight into the difficulties and achievements related to skill development education.

Conclusion

The positive impact of skill-based education on employability and its potential to reduce youth unemployment among graduates in Lahore is evident. By aligning educational outcomes with labor market requirements and addressing gender disparities, policymakers and educational institutions can enhance job readiness and contribute to economic growth.

Recommendations

1. Public sector universities should integrate skill-based training into their curricula to align education with labor market demands.
 2. Strengthen university-industry linkages to ensure graduates gain practical, industry-relevant skills through internships and workshops.
 3. Implement advanced and tiered training programs to cater to diverse proficiency levels, reducing youth unemployment effectively.
 4. Promote gender-inclusive initiatives that provide equal opportunities for skill development and employment for male and female graduates.
 5. Introduce digital skill training programs to enable graduates to access remote and freelance job opportunities in emerging industries.
- Establish monitoring and evaluation mechanisms to measure the impact of skill-based education programs on employability and adapt them as needed

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