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THE IMPACT OF ACADEMIC VERSUS NON-ACADEMIC PERFORMANCE ON THE UNDERGRADUATE PROSPECTS OF THE FIRST EMPLOYMENT: THE CASE OF SSE RIGA

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Abstract

The purpose of this Bachelor Thesis is to explore the first employment prospects of Stockholm School of Economics in Riga graduates by looking at their academic performance, other academic and extracurricular activities pursued while studying. The motivation behind the research scope of one university is that this university is perceived to be different in the market, as it accepts students from all three Baltic countries and the language of instruction is English.

Authors surveyed graduates of period 2008 - 2011, and gained additional insights from five top-employing companies of Stockholm School of Economics in Riga graduates via in-depth semi-structured interviews. The authors obtained data on academic performance from the university's database. Regression analysis allowed measuring effects on the starting salary and the level of position (high, medium, or low) of SSE Riga graduates, while interview findings helped to look for rationales behind these findings.

Five hypotheses are examined, and the main results indicate that career fair organizers seem to receive higher initial salaries, while those with previous work experience receive lower starting remuneration. Academic performance and academic involvement does not seem to significantly affect the level of position obtained and initial salary, but some companies might explicitly consider only top-performers.

Keywords: Academic performance, extracurricular activities, initial salary, initial work position, Stockholm School of Economics in Riga

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2

Table of Contents

1.	Introduction	4
2.	Literature Review	6
	2.1. Employability skills of graduates	6
	2.2. What HR managers are and should be looking for when recruiting	8
	2.3. Empirical evidence on graduate entry positions and salary determinants	9
	2.4. Empirical evidence in the setting of Latvia	11
3.	Hypotheses	
4.	Methodology	
	4.1. Survey of graduates and school's database	14
	4.1.1. Sample	14
	4.1.2. Data collection method & process	14
	4.1.3. Regression analysis	15
	4.2. Interviews with human resource managers	17
	4.2.1. Sample	17
	4.2.2. Data collection method and process	17
	4.2.3. Employability skills analysis	
5.	Empirical Results	
	5.1. Descriptive statistics	
	5.2. Regression results for salary	
	5.3. Regression results for position	23
	5.4. Results from interviews with HR representatives	25
	5.5. Skills	
6.	Discussion	
7.	Suggestions for further research	
8.	Conclusions	
	8.1. Implications	
A	ppendices	

1. Introduction

In the course of last several decades the world and the labour market have changed significantly. Trends such as globalization, integration of markets, economic cycles, technology development, increasing numbers of university graduates, and others are observed (Potter, 2002). Each one of these shapes the labour market, its expectations and requirements in terms of prior experience and skills. Thus it directly influences any employed individual including novices in the labour market and their job prospects, be it either a recent high-school graduate or university alumnus.

<u>The Scope of the Study</u>. Students studying in business schools are often motivated by a statement that a good academic performance will lead to a better professional career. Others at the same time emphasize the importance of involvement in extracurricular activities (such as student associations, societies and clubs, sports, etc.). This is also prevalent in Stockholm School of Economics in Riga (SSE Riga), since the non-academic life of students is very lively. Despite the competitive academic environment students still extensively engage in extracurricular activities.

The authors have observed cases when highly demanded job positions are taken by not necessarily top academic performers, which makes the authors wonder whether and to what extent academic results in school, other academic experience and extracurricular performance (such as membership in organizations, international studying experience, teaching assistant experience, etc.) influence the quality of the first employment. No one really knows if greater investment of time and effort will provide the highest return in terms of prestige of profession or salary range. Thus the authors propose a research question: How important are the academic performance and various extracurricular involvements of SSE Riga graduates for getting a better first employment? By testing several hypotheses and thus examining this research question the authors will try to demonstrate how academic and extracurricular performance contributes to the quality of the first employment. This paper will attempt to show what employers take into consideration the most when employing a recent graduate of SSE Riga. This might serve as a reference point for current students of SSE Riga when determining which activities to pursue, hopefully increase the overall popularity of the activities and serve as a motivation to excel academically.

<u>Delimitations</u>. The authors have identified several delimitations for this study. Firstly, the authors focus on a case of SSE Riga, thus the sample will consist of recent SSE Riga graduates. The motivation behind is that SSE Riga has been perceived as a unique player in local higher institution market (Stockholm School of Economics Riga [SSE Riga], n.d., a), as studies have been held in English since establishment in 1994, students are accepted from all three Baltic countries (currently the intake is expanded also to Belarus, Moldova, Ukraine, etc.) (SSE Riga, n.d., b), and they are selected using various methods (SSE Riga, n.d., c), thus ensuring the best of the best candidates are accepted. This has lead to a different perception of SSE Riga graduates by employers that are often alumni of the same university (B. Trifsika, personal communication, January 30, 2012). This may still be present nowadays, thus SSE Riga is selected for the scope of this study.

Secondly, the authors turn to graduates that have graduated in the last four years (from 2008 until 2011) to study the most recent tendencies and to lessen the impact coming from recent financial boom and bust. Thirdly, the authors will consider the first paid employment that a graduate has obtained as a result from studies in SSE Riga and take into account all positions. Lastly, graduates who pursued other studies immediately after graduating from SSE Riga and did not start working at least part-time are excluded from the sample to avoid effects from holding another degree on first permanent employment.

The authors define better first employment in terms of two parameters. The first is higher gross salary and the second is a level of job position, as ranked by International Standard Classification of Occupations (ISCO-08) (2007). In this research, the first permanent employment is of interest and is defined as a position that has been attained or kept after the graduation of SSE Riga.

During this study the following definitions for academic performance and extracurricular involvement will be adopted. Academic performance is student performance in terms of weighted grade point average (GPA) (Wise, 1975), as well as several other academic activities (such as international study experience and teaching assistant record). Extracurricular activities are defined as activities that are not related to studies. Examples of such activities include involvement in student unions, charity or leisure activities (culture, arts, sports), as well as previous work experience.

<u>Outline</u>. The structure of the paper is as follows. To begin with, previous literature on employability skills, human resource (HR) manager recruitment methods, worldwide and local evidence on salary determinants and entry positions for recent undergraduates is reviewed. Then based on findings in the literature the authors propose hypotheses to be

tested. Further, in the methodology section the authors develop a framework of the study and describe data collection and analysis processes. Methodology section is followed by a presentation of empirical results, after which implications are discussed. Lastly, suggestions for further research are made and conclusions are drawn.

2. Literature Review

This chapter is divided in four subchapters that correspond to four research areas: first the authors review employability skills of graduates, continuing with studying human resource manager actions and considerations when recruiting, then turning to empirical evidence regarding the first employment of graduates worldwide, and finishing with research evidence on salary determinants in Latvia.

2.1. Employability skills of graduates

Numerous researchers (Shah, Pell, & Brooke (2004); Cleary, Flynn, Thomasson, Alexander, & McDonald, 2007; Rae, 2007; Nettleton, Litchfield, & Taylor, 2008; Salas-Velasco, 2006) point out that for graduates to be favourable job applicants, they have to possess various skills that result not only from academic achievement, but also from engagement in other activities. As Rae (2007) expresses, employability is a consequence of mounting academic knowledge through courses in university and personal growth through a variety of experiences (such as a job experience, extracurricular activities, community involvement, etc.).

The Australian Government Department of Education, Science and Training (2004) defines employability skills as skills that are essential not solely to obtain a job, but also to be a part of a company and evolve in it to reach one's capacity. This emphasizes the importance of possessing such skills, as they are of great value throughout one's career. Shah et al. (2004) carry out a longitudinal research trying to find skills that are the most important for a successful career development. They find that the most important are self-motivation, personal organization, subject knowledge, oral communication, written communication and teamwork. Similarly, Nettleton et al. (2008) explore important qualities and skills graduates must possess to be a successful applicant for a job in Australia and state that work-readiness is of great significance. Work-readiness incorporates possession of the following skills: application of knowledge, communication, critical thinking and creative problem solving, global perspective, teamwork. Nettleton et al. (2008) stress the importance of contextualizing skills, meaning adaption of professional work-ready skills to specific professions. The more professions a skill is useful for, the more valuable it is to posses such a skill. Litchfield,

Frawley, & Nettleton (2010) carry out a similar research in Australia that addresses the issue of context: the study contextualizes work-ready skills by a profession and incorporates them into a university's curriculum, thus enhancing graduate qualities. In this study 11 key attributes of graduates are identified: five from the previous study (except the application of knowledge) plus information literacy and management, initiative and creativity, planning and organizing, research, self-management and life-long learning, and technology literacy (Litchfield et al., 2010). Lanning, Martin, & Smith (2008) published a similar research in the setting of the United Kingdom, and find that only 13.8% employers believe it is possible to find a graduate with the necessary employability skills for a particular business. The employers think that graduates do not possess a sufficient level of numeracy, literacy, enthusiasm, commitment, and time keeping skills (Lanning et al., 2008).

Cleary et al. (2007) investigate closer how universities generate and incorporate employability skills in their curricula, as well as ways of teaching and assessing skills. Similarly as other studies, Clearly et al. (2007) concludes that students often have a strong knowledge base, but lack knowledge application ability in work. Employers often want to cooperate more with universities than they do to enhance student employability. The study finds that universities develop skills via support of professional staff, , skill incorporation into a curriculum and course plan, a work position offer and professional setting experience, career services, clubs and societies. Additionally, most students develop skills through parttime jobs, volunteer work and community participation.

Potter (2002) provides an economic insight into the differences between current and past features of employability skills, and states that nowadays one must possess a much wider spectrum of skills in order to get a higher paying job comparing to how it was 30-40 years back. This occurs due to a higher proportion of white- to blue-collar jobs, shift to a service economy, new jobs (especially international), and high growth in the number of college degree holders, which in turn reflects the effect of technology development, globalization, and competition (Potter, 2002). Potter (2002) argues that in future demand for high-level skill and education jobs will exceed supply, thus increasing the income gap. This reemphasizes the importance of employability skills possession for recent graduates.

Most of the studies reviewed argue it is the university's job to equip graduates sufficiently with skills that are considered to be important for one to succeed in the first employment and continue a successful career path. However, research displays that universities often fail to do so, and that employability skill possession is often a result from students' own choices (such as part-time jobs and involvement in extracurricular activities).

2.2. What HR managers are and should be looking for when recruiting

This subchapter reviews previous studies that examine methods used by recruiters (Keenan, 1995), as well as characteristics, previous experience, and performance HR managers claim to be searching for in applicants (Thoms, McMasters, Roberts, & Dombkowski 1999; Chia, 2005; Armstrong, 2006).

According to Armstrong (2006), HR professionals are responsible for people resourcing: assuring an organization obtains, employs productively and is able to retain human capital, which coincides with its strategic and operational needs. It is also important to find employees that match the company in terms of behaviour and beliefs. Thus peopleresourcing is an essential part of HR management process. In theory three stages of recruitment and selection exist: defining requirements, attracting applicants and selecting candidates (Armstrong, 2006).

Keenan (1995) also examines graduate recruitment methods and finds that employee selection process consists of several stages. Keenan (1995) finds that for pre-screening a bit more than half of companies visit universities to carry out so called screening interviews and for graduate pre-selection majority uses application forms. Reference letters are often considered but usually reviewed in later selection stages (e.g. after the first interview or the offer) and the referee is rarely contacted. About 44% of companies use assessment centres as part of graduate recruitment and almost everyone uses interviews as means of employee selection. In assessment centres, interviews are vital for final decision-making. Other activities in order of importance are aptitude tests, personality tests, group discussions, case studies, presentations to audiences and in-tray exercises (simulated work situations).

Equivalently to Keenan (1995), Thoms et al. (1999) acknowledge the importance of screening process, thus also the significance of content presented in application forms and resumes. Thoms et al. (1999) find that if the length of resume does not exceed one page, specific objective is stated, grade point average (GPA) is included and coursework and accomplishments are listed, then for graduates with little or no professional experience the odds of being chosen for an interview are significantly enhanced. Furthermore, inclusion of coursework and accomplishments in resume is considered as a proof of knowledge gained and skills obtained prior applying for the position in a company (Toms et al., 1999). In the setting of professional service companies Chia (2005) studied how stating involvement in extracurricular activities (activities not related to curriculum) and academic performance

8

(objective variables) affect the outcomes of potential interviewing activities and the amount of job offers received. Chia (2005) also introduced and examined the influence of student emotional intelligence (ability to control emotions when managing stressful tasks within interviews or solving problems; proxy for benefits attained from being involved in extracurricular activities). Results suggest that during the recruitment process emphasis is put on checking for soft skills that are correlated with emotional intelligence. As soft skills greatly affect suitability for a job position (in terms of expected performance level), usually senior managers evaluate them in later stages of interviews (Chia, 2005). This practice, however, opposes Armstrong's (2006) theory, because this indicates that an HR professional is not the main person involved in a recruitment process and exercising decision rights on whom to employ. On the other hand, this aligns with Keenan's (1995) findings that performance in an interview is crucial for success.

In sum, it can be concluded that before deciding on which candidate to offer a position recruiters take into consideration both academic and non-academic performance, the way it is communicated, and mastery of skills demonstrated during the selection process.

2.3. Empirical evidence on graduate entry positions and salary determinants

This subsection reviews previous studies that have addressed factors determining starting salaries of newly employed graduates (Roth & Clarke, 1996; Sandvig, Tyron, & Ross, 2005), salaries in general (Wise, 1975; Roth &Clarke, 1996), and a successful job placement (Keenan & Scott, 1985; Chia, 2005; Tchibozo, 2007).

Wise (1975) studied how biographic characteristics of graduates (high school and university attended, GPA, involvement in non-academic activities while in college, employment experience within a company) affect their productivity (as approximated by salary) when employed by large organizations. Wise (1975) finds the correlation between college quality ranking, grades earned, and job performance to be significant. University student selectivity measures and differences in GPA did not affect the starting salary; however, higher performance (GPA) had a significant positive impact on the speed and rate of increase in salary, thus also productivity. Non-academic attributes had the same positive impact. Wise (1975) also found that leadership affects performance (salary) positively, and starting salaries were higher for those who at the time of employment had completed studies than for those who had not. Contrary to Wise (1975), Roth & Clarke (1996) discover that GPA is a significant starting salary determinant. It is also found that significant determinants of salary include an academic major, individual student attributes (communication skills, performance in terms of GPA and internship experience), as well as job market and employer characteristics (the size of demand in the market and the size of the employing company in terms of employees here and thereafter) (Roth & Clarke, 1996).

Sandvig et al. (2005) researched what effect GPA, experience gained during internships and job market conditions (economic upturn or downturn) have on the initial salaries of management information systems program graduates. They discover that more extensive internship experience (here refers to all work experience during the course of studies) has a positive effect on the initial salary. It is also a more significant determinant of receiving a higher salary at weak market conditions. Similarly to Roth & Clarke (1996), Sandvig et al. (2005) find that higher GPA, better market conditions, and bigger companies indicate a higher starting salary. Furthermore, large companies are more likely to sharply decrease the number of placements during a bust period, but graduates with a higher GPA are more likely to see a smaller percentage decrease in wages at the time of economic downturn (Sandvig et al., 2005).

Keenan & Scott (1985) examined how the manner of preparing for interviews, interview tactics when answering questions, and biographic information (academic performance, types of extracurricular activities pursued and university attended, etc.) affect the likelihood of being recruited. Results suggest that for graduates time spent on reading employer related material is positively correlated with the number of subsequent interviews and job offers received (when considered relative to the number of initial interviews attended). GPA ranking is the only academic performance variable significantly correlated with success. Moreover, vacation work experience (both profession related and non-related) is positively correlated with success in getting a job (Keenan & Scott, 1985). In this study non-working extracurricular activities seem to contribute close to nothing to the chances of receiving a job placement offer.

As reviewed in the previous subsection, Chia (2005) studied how student emotional intelligence, involvement in extracurricular activities and academic performance affect the outcomes of potential interviews and the amount of job offers received. Research results prove that prospects of being selected for initial interviews are determined by involvement in extracurricular activities and academic performance. Emotional intelligence and number of initial interviews determine the quantity of subsequent interviews. Regression results indicate

that emotional intelligence together with the number of both initial and subsequent interviews affect the quantity of job offers received (Chia, 2005). Contrary to Keenan & Scott (1985), Chia (2005) does not find academic performance to be a significant determinant of final offers received.

Tchibozo (2007) examined the effects of graduate engagement in extracurricular activities (student unions, charity or leisure activities not related to employment) on the transition to the labour market. Results indicate that involvement in these activities significantly and positively affects the transition process from a university to labour market mainly because it can be seen as a productivity predictor. Tchibozo (2007) finds that higher involvement in extracurricular activities allows attaining the first employment position of a higher occupational status, but it takes more time to find the position. Furthermore, when looking at the most often pursued extracurricular activities, a pattern of two distinctive groups of students can be observed: one showing higher and another showing lower job performance than the average. Those not involved in extracurricular activities seem to be more likely to end up in positions of lower occupational status. Similarly to Chia (2005), Tchibozo (2007) finds that it is of great importance for graduates to emphasize their leadership and citizenship experiences in a resume in order to increase the odds of success.

Previous research displays different significance regarding determinants of placement and salary, such as GPA, major, involvement in extracurricular activities, internship experience, work experience, emotional intelligence, labour market conditions and company size. This provides an insight that in various environments dissimilar factors might be of importance for graduates when seeking the first employment and thus also first salaries.

2.4. Empirical evidence in the setting of Latvia

The authors did not come across any research trying to examine the determinants of the quality of work positions in Latvia, but found research papers on determinants of employee salaries (Hazans, 2003; Hazans, 2005; Zepa, Hazans, & Žabko, 2006). The focus is on general population, thus none is specific to determinants of initial salary or novices in the labour market.

Previous research in Latvia employs regression analysis on large samples of employees. Education is found to be a significant determinant of salary (Hazans, 2003; Hazans, 2005; Zepa et al., 2006). However, education and experience gained during the times of the Soviet Union seem to be less valued than the ones obtained after the collapse (Hazans, 2003; Hazans, 2005). Hazans (2003) concludes that such skills as an appropriate use of foreign languages, computer literacy and such characteristics as an ability to learn quickly, flexibility and market orientation have become more important determinants of salary than ever before. Zepa (2006) finds that in Latvia the higher degree a person holds, the higher remuneration is received and employees having received at least a Bachelor's degree usually hold higher position within companies and receive higher remuneration than others. Hazans (2005) finds that when not controlling for profession and gender, people holding at least a Bachelor's Degree earn approximately 50% higher net remuneration than those with high-school education and 80% higher than those with secondary school education.

When the effects of company specific factors on salaries are examined, Hazans (2003) finds that larger company size significantly and positively influences the wages of employees. This is later supported by Zepa's (2006) study, where she concludes that the larger is the employing company in Latvia, the more likely that a person receives a higher salary. Zepa (2006) also finds that other company specific factors like industry, region, financial indicators and a private or government owned company are significant determinants, but have much smaller effects. Hazans (2003) discovers that there exists a 20% gender gap for wages. Later on Hazans (2005) concludes that when compared to 2003 the gender wage gap in general has a tendency to increase.

The only graduate specific finding is that unemployed recent graduates have higher chances of being employed within one-year period than do other unemployed people (Hazans, 2005).

Despite the fact that none of the papers reviewed focuses on recent graduates first employment or first salary determinants in Latvia, the results of local studies align with foreign studies: education, experience, skills possessed, as well as the region of the employer and company size are all among the most important determinants of employee remuneration and partially position obtained.

3. Hypotheses

The authors form hypotheses based on other authors' findings that academic performance and extra-curricular involvement can be positively related to starting salary of recent graduates.

Hypothesis 1: Academic performance (GPA, international study experience, teaching assistant position) positively affects starting salary of SSE Riga graduates.

Hypothesis 2: Specific extracurricular involvement positively affects starting salary of SSE Riga graduates.

As the authors use another dependent variable (position attained), three more hypotheses are tested. The variable specifically for this study has been divided in three categories: low-, medium-, and high-level positions (more elaborate explanation will follow in the methodology section).

Hypothesis 3: Higher academic performance (GPA) significantly changes the probability of obtaining a particular level position for the first permanent employment.

Hypothesis 4: Involvement in a specific academic activity (international study and/or teaching assistant experience) significantly changes the probability of obtaining a particular level position for the first permanent employment.

Hypothesis 5: Specific extracurricular involvement significantly changes the probability of obtaining a particular level position for the first permanent employment

4. Methodology

This chapter will first address the general design of this research, further describing each part of the empirical study in the following sequence: first sample, then data collection process and methods, concluding with the method of analysis.

The authors aim to answer the following research question: "How important are the academic performance and various extracurricular involvements of SSE Riga graduates for getting a better first employment?" In this paper a better first employment is defined in terms of gross starting salary and a rank of the first position taken. These two measures are going to be looked at separately. The authors build the methodology on similar studies described in the Literature Review section.

The authors apply three types of data collection methods in order to achieve data triangulation that is an effective approach to foster data validity via cross-examination from more than two sources (Bogdan & Biklen, 2006). Specifically, it applies to use and combination of various methodologies to study the same phenomenon (Bogdan & Biklen, 2006). First, a quantitative survey with graduates of SSE Riga was carried out to obtain information about their first permanent employment, various activities pursued while studying in the university, employability skill improvement as a result from studies in SSE Riga, as well as demographics. Secondly, the authors retrieved SSE Riga database to get data on academic performance of graduates. Thirdly, the authors conducted semi-structured interviews with HR managers of five top employing companies to explore what they see as the main success determinants.

The empirical study presented has a mixed method design, as it employs both quantitative and qualitative analyses within one case study. According to Yin (2009), a mixed method design shares the same research question, gathers supportive data and carries out additional analysis. This allows assembling more ample and strong range of evidence on the issue examined (Yin, 2009).

4.1. Survey of graduates and school's database

4.1.1. Sample

The population of interest is SSE Riga graduates of the last four years in order to represent the most recent tendencies. Moreover, the choice of this period was made to minimize economic boom and bust effects. By using the internal communication system of SSE Riga, the database of Alumni Association, and personal communication via social networks, the authors tried to address all individuals that have graduated within period from 2008 till 2011. 415 students have graduated within the period of interest, and the authors gathered responses from 180 graduates. Five observations had to be excluded because the survey was not filled sufficiently (unfinished or no identification provided). The final sample consists of 175 respondents. Since the sample of this study may be characterized as convenience sample, respondents may be on average more active people, which might introduce a sample selection bias to the results. However, the response rate was around 45% of the population of interest, thus demonstrating that different types of people should be present in the sample, lessening threats to validity.

4.1.2. Data collection method & process

The authors developed a survey that was sent to the graduates of SSE Riga in order to obtain information about their first employment and university experiences. The survey consists of four parts: 1) questions regarding the first permanent employment (timing, previous job experience (if any), gross salary, position taken, company size in the terms of employees); 2) inquiries about academic and non-academic activities pursued while studying in SSE Riga (participation in organizations, sports, exchange semester experience, teaching assistant experience, or involvement in an organization outside school); 3) assessment of improvement of various employability skills as a result of studies in SSE Riga; 4) personal information and demographics (age at graduation, country of origin, graduation year, identification). Before launching the survey on Google Docs platform, the authors carried out a pilot survey by questioning five at the time current third year students that were already employed. The survey was changed and improved following their feedback. The period of

surveying was from January 19, 2012 till February 6, 2012. The final survey is available in Appendix 1.

Simultaneously the authors accessed SSE Riga's database in order to retrieve graduates' academic performance (weighted GPA ranking at the time of graduation).

In order to link the data obtained from the two sources, each graduate needed to identify him- or her-self in the survey. However, entries in a dataset are anonymous and identification served only as a matching tool for first employment and experiences with academic performance. After the dataset creation the file with person identification was destroyed.

Due to sensitivity of the topic and the need of respondent identification for dataset creation purposes, problems of self-reporting may arise. However, the great response rate and extensive interest received from individual respondents lead the authors to assume that data reported are precise. Moreover, people who did not want to expose their personal data, most likely did not submit the survey.

4.1.3. Regression analysis

The framework of quantitative study is developed by the authors and is based on specific features of research done by Sandvig et al. (2005), Tchibozo (2007), and Zepa et al. (2006).

Regressions are modelled similar to Sandvig's et al. (2005) model in the study of starting salary determinants of management information systems students but modified for the specific need of this research paper. For regression analysis the authors use data analysis software program STATA and the following model specification:

$Y_i = \alpha + \beta_1 A_i + \beta_2 D_{2 \text{ to } n} + \beta_{n+1} C_{n+1 \text{ to } N}$

Where Y_i refers to two dependent variables: initial gross salary (in EUR monthly per full-time workload) and position ranking according to ISCO-08 (2007). A_i is graduate's overall academic performance (in terms of GPA) at the time of graduation. D_{2 to n} denotes dummy variables representing engagements in academic and extracurricular activities while studying. C_{n+1 to N} represents control variables: age at graduation, company size in terms of employees, gender, the country of origin, and the year of graduation.

<u>Dependent variables.</u> To avoid the bias that could arise due to differences in taxation systems in the countries where SSE Riga graduates are employed, the authors examine gross salaries (in EUR monthly per full-time workload). The authors use numerical value of gross salary, as after exclusion of several severe outliers it approximately follows normal distribution.

Position ranking dependent variable was defined following ISCO-08 (2007) ranking. As this ranking follows a hierarchical layout, the authors identified three ordinal position categories: 1) associate professionals (associates, junior specialists, trainees), under this study referred to as low-level positions; 2) professionals (analysts, consultants, advisors, economists, teachers, etc.) as medium-level positions; 3) managers (brand managers, chief executive officers (CEOs), etc.) as high-level positions.

<u>Independent variables.</u> Firstly, it is the academic performance in terms of weighted grade point average at the time of graduation of an individual. The authors use continuous weighted GPA values.

Secondly, dummy variables included in the regression represent additional academic experiences (teaching assistant position, exchange semester abroad), extracurricular activities within main organizations of SSE Riga (such as involvement in the board of Student Association, Investment Fund, Leif Muten Society and the organizing team of Peak Time, Days of Opportunities, etc.). See Appendix 2 Table 2 for short descriptions of the main organizations present in SSE Riga. Involvement in the organizations included is divided into being in the board/organizing team and associate positions, as one's effort dedicated to the activity differs a lot depending on the role within an organization. Another two dummy variables account for participation in SSE Riga choir and sports activities. Furthermore, one dummy variable is assigned to other involvements in extra-curricular activities within SSE Riga, while another considers involvements outside SSE Riga (such as European Youth Parliament, AIESEC organization, etc.). The last dummy variable accounts for a job experience that has occurred prior the first permanent employment but is not related to mandatory internships. Additionally, these activities must be demonstrated in graduate's CV, cover letter, interview or through any other means when contacting with an employer prior being offered a job position.

Control variables include: gender, age at graduation, the country of origin, company size in terms of employees, where cut points for the latter are determined following Zepa et al. (2006): an enterprise is micro (1 - 9 employees), small (10 - 49), medium (50 - 249), or large (250 and more).

The authors employ ordinary least squares (OLS) type regression on salary to examine if higher academic performance and more extensive involvement in academic and extracurricular activities leads to a higher starting salary for a graduate of SSE Riga (the first two hypothesis are tested). The authors use ordinal logit type regression on position ranking, thus exploring the probability of attaining a higher position controlling for academic performance, as well as other academic and extracurricular activities (3rd, 4th and 5th hypotheses are tested).

A full list of variables used may be seen in Appendix 2.

The authors acknowledge that omitted variable bias may exist because non-observable variables like personal preferences, contacts etc. are not included in the regressions. This threat is usually addressed by instrumental variables or random experiments, but due to a limited research scope they are not used. Similarly, a degrees-of-freedom issue may arise, since the longest regression includes 34 variables (24 independent and 10 control variables), but the authors believe that the sample sizes of 171 and 175 observations are sufficient.

To reduce the number of independent variables, the authors tried to combine the variables by creating two dummy variables, one for being the main organizer or board member of at least one organization and another one for being an associate of at least one. In this case multicollinearity problems arose, so the results of this regression are not reported. For other regressions, multicollinearity problems are not observed.

4.2. Interviews with human resource managers

The authors conducted five semi-structured interviews with HR managers of companies that employ graduates from SSE Riga the most to get a deeper insight what employers are looking for in a recent graduate.

4.2.1. Sample

The authors approached companies that at the time are the top employing companies of SSE Riga graduates according to the database of Alumni Association (Alumni Association, n.d.). The authors addressed six companies, five of which responded positively. Interviews were conducted with the following companies: KPMG, Ernst &Young Baltic, PricewaterhouseCoopers, SEB, and Swedbank. These companies are international or independent entities operating under an international brand. The authors conducted interviews with Latvian branches. Although companies interviewed represent mainly two industries, the authors intended to get opinions from the top employing companies.

4.2.2. Data collection method and process

Semi-structured interview protocol was developed incorporating some of the issues included in Keenan's (1995) survey for HR managers when researching firm recruiting practices. Anonymity was offered; however, all company representatives agreed that their name is used in this paper. Three interviews were voice-recorded, and two interviews were

recorded by taking notes. See Appendix 3 for a complete interview protocol and Appendix 4 for names and positions of company representatives interviewed.

The interviews serve as a support material for quantitative analysis, and they are used to confirm and/or explain the outcomes of quantitative analysis. This helps the authors to draw the main conclusions for this study.

4.2.3. Employability skills analysis

Many employers together with academics believe that involvement in various activities while studying in a university develop the skills necessary for further employment (Cleary et al., 2007; David Rae, 2007; Nettleton, Litchfield, & Taylor, 2008; Salas-Velasco, 2006) and various groups of graduate respondents (grouped by academic performance, other academic and extra-curricular variables) are believed to improve their skills differently than others (Rae, 2007). Furthermore, in order to attain a specific position within companies, graduates might be tested for what type and level skills they possess. Likewise, employers may derive perceptions about one's skills from activities a recent graduate has pursued (Rae, 2007). Thus the survey designed for this research also inquired about improvement in skills as a result of studies in SSE Riga (via both academic and extra-curricular activities). This improvement was measured with a Likert scale ranging from 1 to 7 that is considered highly reliable (Nunnally, 1978). Number '1' refers to no improvement and number '7' to very high improvement. Skills used in this research include: oral communication, critical analysis, ethics, written communication, teamwork, ability to apply knowledge, problem solving, managing people, decision making, personal organization, self-motivation, data gathering, handling, interpretation, and evaluation, and project management (adopted from Shah et al. (2004) and Litchfield et al. (2010)).

Data on skills are analysed with SPSS statistical software. First, they are tested for normality and if necessary, data transformations of results (e.g. square root or power of two) are used. Further independent samples T-tests are used to find out whether there are significant differences in the improvement of skills when sorting different groups of graduates depending on involvement in specific activities or academic performance.

5. Empirical Results

In this section the authors will describe the results obtained. First, descriptive statistics about the sample are presented. Then the regression results for salary and positions are described. Further on company interview results are reviewed. Finally improvements of employability skills are demonstrated.

5.1. Descriptive statistics

The sample consists of 175 or 42.16% of 415 graduates that have finished SSE Riga from 2008 until 2011. 103 of respondents were male, and 72 were female. 26 respondents have origins in Estonia, while 111 in Latvia, and 38 in Lithuania. 36 respondents are graduates of year 2008, 30 of year 2009, 40 of year 2010, and 69 respondents graduated in 2011. More detailed information is available in Appendix 5 Table 5.

The sample in terms of graduate academic performance includes all groups of performers (top scorers, median performers and bottom performers). When the graduate academic performance is divided in deciles of a particular graduation year, then number of respondents in each decile varies from 13 to 23 (for more detailed information see Appendix 5 Table 6).

Other academic activities include international study experience that 71 (40.57%) graduates have taken advantage of, as well as teaching assistant position that 88 graduates (50.29%) have pursued.

80 graduates (45.71% of respondents) have taken part in a board or organizing team of at least one of the following organizations within SSE Riga: Days of Opportunities (25 individuals), Student Association (20), Investment Fund (19), Peak Time (15), Debate Society (14), Leif Muten Society (12), Je Joue (5), Charity Club (4). As most of these organizations require involvement of many people, 114 graduates (65.14%) have been associates in at least one of the organizations listed above. Furthermore, 14 respondents were members of SSE Riga choir and 70 graduates were involved in at least one of the sport activities available in SSE Riga. Additionally, 52 respondents have participated in other extracurricular activities within SSE Riga, while 53 of respondents have engaged in other activities unrelated to SSE Riga (such as European Youth Parliament, AIESEC, etc.). 92 respondents (52.57%) have had a previous job experience (mostly part- or full-time, but also some project-based) before obtaining the first permanent employment. More detailed information about the engagement in various extracurricular activities of respondents may be seen in Appendix 5 Table 5.

As for employability skills, when looking at average improvement in all skills listed for all respondents, the mean value is 5.18 in a 7-point Likert scale. Skills with highest perceived improvement include teamwork, critical analysis, as well as data gathering, handling, interpretation, and evaluation. More detailed information about skill descriptive statistics may be seen in Appendix 5 Table 7. First permanent employment gross salary values vary from 200 EUR up to 3200 EUR with the mean value of 895.99 EUR and a standard deviation of 365.56 EUR (Appendix 5 Table 5). 49 graduates obtained low-level positions (associate, junior professionals), while 98 held medium- (professionals) and 28 high-level positions (managers). Higher Education Statistics Agency suggests that these three groups of professions to which all respondents belong are appropriate for people holding a graduate diploma (as cited in Shah et al., 2004, p. 9). Average monthly gross starting salary for low-level positions is 886.14 EUR, while for medium-level positions it is 953.5 EUR and for high-level positions it is 711.6 EUR (see Appendix 5 Table 8).

27 respondents had their first permanent employment in a micro type company (1-9 employees) and majority of them had high-level initial positions. 45 respondents worked in small companies (10-49 employees) and 26 of them obtained medium-level positions. 46 and 57 graduates obtained their first permanent employment in medium (50-249 employees) and large (>250 employees) companies, respectively. Majority of those employed by medium and large companies obtained medium-level positions (28 and 33 respectively) (for more detailed statistics about type of position obtained when accounting for company size see Appendix 5 Table 9). For 126 graduates (72.00%) private companies were the first permanent employers. Another 11 were employed by partnerships and 21 by publicly listed companies (for more detailed information see Appendix 5 Table 5).

5.2. Regression results for salary

Salary is the dependent variable in the OLS regressions. The authors use absolute numeric values, as they are the closest to being normally distributed. The authors excluded four outlier observations from the sample not to influence the results, leaving 171 observations for each regression. The authors did not adjust salary to consumer price index, as they did not want to put pressure on already sensitive survey by including questions about exact date and country where the job was obtained. To tackle this issue, the authors included a control variable for graduation year.

Four regression specifications are reported in Appendix 6 Table 10. In the first step control variables (company size, country of origin, age, gender, and graduation year) were included as one set for the regression. Next regression was made only with independent variables (those concern academic and extracurricular activities). Further the authors combined the first two regressions, but excluded graduation year control variables. In last regression all independent and control variables were included.

The first OLS regression reported in Appendix 6 Table 10 looked at the influence of control variables on the gross starting salary. R^2 for this regression is 0.21. Results suggest that large companies (with more than 250 employees) pay on average higher gross salaries by 196.81 EUR per month to new employees than do micro companies (up to 9 employees). Meanwhile small and medium companies pay insignificantly higher salaries than do micro companies. Graduates with Latvian origins receive insignificantly higher salaries than those with Lithuanian origins. But those with Estonian origins receive 191.22 EUR more per month (significant at 1%).

In the second regression only independent variables are included and this leads to a lower R^2 (0.19) and higher standard error of regression. From the eight main organizations within SSE Riga, only Days of Opportunities organizing team members turn out to have significantly higher starting monthly salary than others (by 171.02 EUR on average). On the contrary, Peak Time organizing team members receive by 135.22 EUR significantly lower starting monthly salaries and Leif Muten Society associates receive significantly lower starting monthly salary (by 162.83 EUR and 238.72 EUR, respectively). However, the latter two results may occur due to a small sub-sample. Lastly, graduates with previous work-experience other than mandatory internships receive significantly lower starting monthly salaries (by 154.07 EUR less).

For the third regression control variables such as company size, country of origin, age and gender are added to independent variables. R² for this specification increases to 0.35. Negative effect of having previous job experience is now 184.85 EUR. Beta on organizing team of Days of Opportunities is now 127.86. Negative effects from being a Peak Time organizer and JeJoue board member decrease to 98.30 EUR and 74.30 EUR per month respectively and become insignificant. Beta value for Days of Opportunities associates increases to 110.64 and becomes significant, suggesting that these associates receive by 100.64 EUR higher gross monthly salaries on average than others. Beta value for Leif Muten Society associates suggests that these respondents receive on average by 316.18 EUR lower monthly salaries than others. The coefficient on activities pursued outside SSE Riga becomes significant suggesting that respondents pursuing such activities receive on average by 80.08 EUR higher monthly gross starting salary than others.

When looking at control variables large companies continue to pay significantly higher starting salaries than micro companies (beta of 191.41). Also graduates with Estonian and Latvian origins receive significantly higher salaries than Lithuanians. When comparing

this regression to the one where only control variables are included, gender difference in starting salaries becomes insignificant.

For the last regression the authors add the graduation year as a control variable. This specification has the highest R^2 (0.37) and the smallest standard error of regression, thus the authors assume this to be the model of best fit. Similarly to the two other regressions that include independent variables, the effect from previous work experience has a significant negative effect, now of 166.28 EUR. Beta value for Days of Opportunities organizing team members decreases to 84.36 and becomes insignificant, while the effect for associates continues to be significant and positive. The coefficient for Leif Muten Society associates increases to -287.33 and remains significant when compared to the third regression specification. In comparison with the previous beta value for activities pursued outside SSE Riga decreases to 67.42 and becomes insignificant. Beta on control variable for large companies continues to suggest significantly higher entry salaries, but the positive effect decreases to 173.50 EUR. Estonian or Latvian origins still have a significant positive impact on starting salaries as compared to Lithuanian and beta values are 271.41 and 105.02 respectively. The coefficient on gender indicates that males on average have higher starting salaries than females, but the difference is insignificant. When compared to the first regression (where only control variables are included), the graduates of 2010 and 2011 continue to have significantly lower starting salaries than the graduates of 2008.

Throughout all regressions reported that include independent variables, increase in academic performance (weighted grade point average) or being a teaching assistant in at least one of the courses in SSE Riga leads to positive, but insignificant increase in the starting salary. Exchange semester has a continuously insignificant negative. The same applies to the members of SSE Riga choir and Peak Time associates, those involved in sports or in any other than the eight largest organizations within SSE Riga. Being a member of the board or organizing team in such organizations as Student Association, Investment Fund, Leif Muten Society, Debate Society has an insignificant positive effect. The same result in the sample is for associates of Student Association, Charity Club and Debate Society. The sign of insignificant beta value for Charity Club board members, Investment Fund and JeJoue associates' changes depending on what control variables are included in the regression specification.

5.3. Regression results for position

The first permanent employment position is the dependent variable in ordinal logit regressions. The authors sorted positions according to ISCO-08 (2007), and split them in three hierarchical groups. The authors use ordinal logit regressions, as they are rather suitable for dependent variable with several categories when order is important. Further the authors examine probabilities of each of the three cases occurring when a particular dummy variable is assigned a value. For example, one can examine what is the probability that a respondent has obtained low/medium/high rank position if he or she has been on an exchange semester and compare the results with a case when a respondent has not pursued an exchange semester. One can define a very specific profile of a respondent by assigning each variable a specific value, but in the scope of this research the authors are examining probabilities when assigning a value for one variable at a time. As there were no outliers, for these regressions 175 observations were used.

The authors used the same regression specification as for OLS regressions, but the dependent variable was changed. However, only one regression (the one with most variables) is reported in Appendix 6 Table 11, since most of the other regression specifications with one or a couple of independent variables included were not significant. This may have occurred because ordinal logit regressions usually require more observations than OLS regressions to become significant (UCLA Academic Technology Services, n.d). The reported regression includes all independent and control variables except for age.

Pseudo R^2 (almost equivalent to R^2 in OLS regressions) for the reported regression is 0.18. To begin with, the respondents that have been in Days of Opportunities organizing team tend to obtain mostly medium level positions, meaning they instantly become professionals like analysts, economists, etc. However, the probability of obtaining a low-level position (an associate, trainee, junior position) for these respondents is higher (0.37) than others (0.20). The probability of obtaining a high-level position (e.g. brand managers, CEO's) for these respondents is lower (0.05) when compared to others (0.11). Associates of Student Association tend to obtain significantly more high-level (managerial type) positions (probability of 0.20) when compared to others (probability of 0.09), but most of the respondents still work in medium-level positions (probabilities of 0.67 and 0.69). Interestingly, for associates of Student Association it is less likely to start working in lowlevel positions (probability of 0.11) when compared to others (probability of 0.24). A similar pattern can be observed for Investment Fund associates: probability of obtaining a low-level position is lower (0.13) than for others (0.26). Investment Fund associates are more likely to obtain high-level positions (0.18) than others (0.08), while medium-level position probability stays approximately the same (0.66 and 0.69). Debate Society associate respondents have a higher probability (0.42) of obtaining low-level jobs when compared to others (0.20). Probability of obtaining a medium-level job for these associates is lower (0.54) when compared to others (0.69). Similarly, probability of Debate Society associates to obtain a high-level job is lower (0.04) than others (0.11). People with a previous job experience have a higher probability of obtaining high-level jobs (0.13) than others (0.07). They also have a higher probability of getting medium-level positions (0.70) when compared to others (0.64). However, it is less likely that these particular respondents would have obtained low-level jobs (0.17) when compared to others (0.29).

When looking at control variables, respondents working for small companies (10 to 49 employees) have higher chances to obtain a low-level job (0.60) when compared to others (0.14) and lower probabilities to get a medium- or high-level job (0.38 and 0.02 respectively). Similar pattern may be observed when looking at respondents working for medium (50 to 249 employees) and large (>250 employees) companies. Another significant found is that women are more likely to obtain low-level jobs (0.33) than their male counterparts (0.16). At the same time, men have higher probabilities to obtain medium- or high-level jobs (0.70 and 0.14, respectively) when compared to women (0.61 and 0.06).

As for insignificant variables, respondents whose GPA performance is in the first 50% have a higher probability to obtain medium- and high-level jobs (0.70 and 0.13 respectively) than the other 50% (0.65 and 0.08). Consequently, it is less likely that top 50% work in low-level positions (0.17) when compared to other 50% (0.27). Respondents that have been on exchange program have a slightly higher probability of obtaining medium- and high-level jobs and a lower probability to get a low-level position. Respondents with teaching assistant, Student Association board, Investment Fund board, Je Joue board or associate, Leif Muten Society board, Sports and other activity outside SSE Riga experience have only slightly differing probabilities of obtaining a job position within each category when compared to respondents that have not participated in the respective activities. The same insignificant change in probability of obtaining employment in a particular category refers to graduates having origins in Latvia and those that have graduated in years 2009 and 2011. Respondents that have been Peak Time organizers or associates, Charity Club board members, Days of Opportunities associates, Leif Muten Society associates, and SSE Riga choir singers have higher chances to obtain high-level positions and lower probabilities to get

a low-level position. At the same time respondents who have been on the board of Debate Society, associates of Charity Club and participated in other activities within SSE Riga have higher probabilities to obtain low-level jobs and lower chances to attain high-level positions. The same refers to graduates coming from Estonia and the ones that have graduated in 2010.

5.4. Results from interviews with HR representatives

As mentioned previously, five top employing companies of SSE Riga graduates agreed to semi-structured face-to-face interviews. In total six interviews were carried out. The list of interviewees and positions taken within each company can be found in Appendix 4.

Ernst & Young Baltic. For this company SSE Riga is one of the target universities when they are searching for new recruits. In the eyes of Ernst & Young Baltic SSE Riga graduates used to have an advantage over other university graduates in terms of English knowledge, better teamwork and presentation skills, but the difference is no longer significant as other universities are catching up. Candidate selection criteria in the Ernst & Young Baltic company suggest that initially they target students/graduates with high academic performance, because it shows that a person has a wish to excel and has developed a set of skills the company is searching for (especially positive attitude to work, precision, accuracy, communication skills). International study experience if motivated by wish to improve oneself is also considered as a plus. Teaching assistant experience is noticed, but would become relevant only after being recruited. Extra-curricular involvement is an advantage if the motivation to get involved is enthusiasm or the activity is related to the particular department (e.g. Investment Fund member if applying for a position in the transactions department).

By using tests the company evaluates practical knowledge and within two to three interviews recruiters evaluate soft skills, as well as person's fit to the company. Entry position in each department for new graduates is the same and the starting salary is. Final call of offering a position is usually made by the partner in the particular department. However, the company is not searching for those who excel in everything, because it is important that a person would be able to cope with the fact that he/she might no longer be the best (M. Dobele, personal communication, February 1, 2012).

<u>KPMG</u>. For KPMG SSE Riga is one of the most important sources of talent for many years in a row. What distinguish SSE Riga students/graduates from other university students/graduates are the quality of education, exposure to international environment, and the level of English language skills (O. Fikrle, personal communication, January 30, 2012).

All candidates have to take web-based tests that are used to check logic, analytical thinking, ability to absorb large amount of information, language, management, etc. skills. Further on in interviews with a function manager they evaluate understanding of the subject and check the motivation. In the border cases the decision is made based on performance in the interviews. Academic performance is important, but if one applicant has a better academic performance and another better interview and test results, the latter would be chosen. Furthermore, international study experience is very important because it allows people to develop different perspective in how quickly they learn to settle down and get established. Through this experience global mobility skills are developed. As pointed out by S. Vilsone, teaching assistant experience is an important advantage, because later on while working in the company it may be a valuable experience of how to share internal knowledge (personal communication, January 30, 2012). Extra-curricular involvement is also important, because KPMG needs people who are able to communicate well. Meanwhile, a very active person might not be focused enough on audit and choose more creative positions in a short while. Entry positions for students/graduates are assistant positions with predetermined initial salary. When asked to evaluate if academic performance and extra-curricular involvement affect prospects of being offered a final position, representatives answered that both do, but academic performance would be evaluated first (S. Vilsone, personal communication, January 30, 2012).

PricewaterhouseCoopers. The representative revealed that before applying for a position SSE Riga students/graduates already know well how to work in teams, usually have a strong theoretical background and on average a better command of English language than do graduates of other universities (K. Kroniha, personal communication, February 2, 2012). For recent graduates and interns the selection process consists from online application (that tests logic and numerical skills) and several interviews. The company tries not to judge a person by one test, but rather to evaluate one from different perspectives. Ten skills criteria have been developed for this purpose (three of which are teamwork, leadership and organizational skills). The interview process is a bit different from other companies interviewed, as the first interview is more of a group discussion where 5-6 applicants are asked to work together to solve a case at hand and a couple of people from the company observe the behaviour in a particular situation. Only later face-to-face interviews are used.

When asked if the academic performance is a determinant of whether a person will attain a job, K. Kroniha pointed out that it is not a criterion for being selected for next steps in the recruitment process (personal communication, February 2, 2012). However, international

study experience is highly valued as this experience makes a person more mature. It also indicates determination and a wish to reach something more. Teaching assistant experience is also appreciated because there is PricewaterhouseCoopers Academy where a candidate could teach courses to clients. This experience suggests that a person has thought of how to present and make oneself more interesting. Company also has a very welcoming attitude towards students/graduates with extra-curricular experience because these people are interesting and will be liked by colleagues. Decision to offer a place to someone is usually made collectively (by 5-6 people) and the entry-level salary is predetermined. What the company representative suggests is that motivation and open personality are needed, but everything else could be taught. Individuality is what they search for (K. Kroniha, personal communication, February 2, 2012).

SEB. The company representative revealed that what distinguishes SSE Riga students/graduates from others is that they usually demonstrate a better command of foreign languages, better development of all types of analytical skills and use of analytical tools (e.g. Excel, Access), high initiative, motivation, and they are eager to participate in international projects. Self-motivation is one of the skills highly valued as a determinant of successful transition from studies to labour market. The problem is that many graduates evaluate themselves incomparably high with the market situation in Latvia.

SEB creates a candidate profile and for entry positions (that are suitable for recent graduates) academic knowledge is more important than previous work experience. As compared to other companies whose representatives were interviewed, SEB carries out short telephone interviews. The main purpose of them is to find out if a person understands what the bank expects from an employee and whether the person has a valuable experience. Then at least one face-to-face interview with a couple of company representatives is carried out. SEB would not inquire about academic performance, but could ask how quickly a person learns and is able to follow new things. Meanwhile, international study experience would be an advantage because it indicates that a person is mobile and has improved one's language knowledge. When asked about extra-curricular involvement, A. Barkāne suggests that it could have a positive effect for positions that are creative because improved communication skills may be value adding, but it could also have a negative aspect if a person applies for a position where no creativity is needed (personal communication, February 1, 2012). The decision whether to offer a position is usually made by the department managers. When a question about the salary determinants was raised, SEB representative emphasized that there are 13 groups of positions in the bank sorted by difficulty, duties, etc. There is a pre-set salary structure in the bank with some deviations, thus the main determinant of the initial salary in SEB is the position itself. A higher salary can be expected if the position requires a very specific knowledge (A. Barkāne, personal communication, February 1, 2012).

<u>Swedbank</u>. Similarly to other interviewees, the representative of Swedbank emphasizes that cooperation with SSE Riga graduates has been positive. Some department managers often indicate that they would primarily like to attract SSE Riga students/graduates. Experience reveals that SSE Riga graduates have high abilities, as well as nice personal characteristics. Applicants from SSE Riga are more practically oriented, thus can apply more than just a theoretical knowledge and with logical thinking come up with practical solutions. A negative aspect is too high expectations because there are some applicants who believe that straight after graduation without any job experience they are ready to be in leading managerial positions, thus apply for positions that actually require significant job experience. SSE Riga graduates usually are recruited as analysts or particular project managers.

As opposed to other companies, Swedbank representative emphasized the importance of motivation letters, because they show how a person can present oneself and how much effort is put into the particular letter. Further on when the candidates are asked for a meeting, their knowledge, precision, attention and logic are tested. It is often done by analysing a case study and conducting interviews with several company representatives. Academic performance is never asked for, because in experience of Swedbank it shows no effect. At the same time, the company appreciates international study experience because it indicates that a person is goal oriented and is able to move outside a comfort zone. Regarding extracurricular involvement, it can have both a positive and negative effect. Decision about offering a position is made by the HR recruitment project manager and a direct manager/supervisor of the position. As for the salary, there are particular salary intervals for each position. The bank expects people to follow its core values (open, simple, caring) (Swedbank, n.d.) and to be honest, responsible, communicable, and self-motivated (B. Trifsika, personal communication, January 30, 2012).

5.5. Skills

As mentioned previously, before testing for significant differences in skills improvement among various groups of respondents, tests for normality were made and necessary data transformations were used. See Appendix 7 Table 12 for data transformations and Appendix 7 Table 13 for mean comparison T-test results. <u>Mean comparisons for academic variables.</u> Drawn sample's results of independent samples T-test show that graduates who have been among top 10% performers (in terms of weighted GPA) have significantly lower perceived improvement in oral communication than 10% weakest performers. When top 50% academic performers are compared to other 50%, then top 50% show significantly lower perceived improvement in self-motivation and data gathering, handling, interpretation and evaluation skills.

Graduates who have been teaching assistants for at least one course in SSE Riga have significantly higher perceived development in written communication skills than other graduates. Those students who went on exchange program show significantly lower perceived improvement in data gathering, handling and evaluation skills. For more detailed results see Appendix 7 Table 13.

Mean comparisons for extra-curricular activities. Main organizers or members of the board of at least one of the largest organizations in SSE have higher perceived improvement in project management skills than other respondents. Taken separately, Student Association and Leif Muten Society board members do not show significantly different improvement in any of the skills when compared to other graduates. Days of Opportunities organizers have higher perceived improvement in project management skills, while Peak Time organizers have lower perceived improvement in data gathering, handling, interpretation and evaluation skills. Investment Fund board members show higher perceived improvement in oral communication, teamwork, personal organization, self-motivation and people management skills than others. As reported previously, there are only 5 people in the sample representing JeJoue board, thus the authors of this paper are cautious with the result that these people have higher perceived improvement of self-motivation skills. Four Charity Club board members report lower perceived development of teamwork skills and higher perceived improvement of data gathering, handling, interpretation, and evaluation skills. For Charity Club board members improvement in oral communication was lower than for others. Lastly, Debate Society leaders report higher perceived improvement in critical analysis skills.

Associates of at least one of the large organizations as a group show no significant differences in the skills improvement when compared to other graduates in the sample. Associates of particular organizations, such as Student Association, Peak Time, JeJoue, Charity Club and Debate Society show no significant differences in skills improvement when compared to non-associates. However, Days of Opportunities associates report lower perceived improvement in ability to apply knowledge and Investment Fund associates higher improvement in oral communication. There are only six Leif Muten Society associates and they report higher perceived improvement in ability to apply knowledge, problem solving, managing people and decision making skills.

<u>Mean comparisons for previous work experience</u>. Graduates who reported part- or full-time work experience prior the first permanent employment related to studies (position obtained or kept after graduation from SSE Riga), have higher perceived improvement in self-motivation and data gathering, handling, interpretation and evaluation.

6. Discussion

In this section the authors try to find commonalities and explanations for the main results obtained from regressions, T-tests and interviews, as well as to look at the extent to which the findings of this paper align with previous research in the field.

Even though the companies included in the research represent only two industries and are large by size in terms of employees, relevant insights for this research and explanations for quantitative results can be drawn. All of the companies included in the sample emphasized at least one of the employability skills used for this study that they are searching for in potential candidates. Most of them agree that to some extent participation in extracurricular activities or academic performance can be an indicator of how well some skills have been developed. Empirical results approve this, as depending on academic performance, academic and extracurricular activities pursued the improvement of specific skills is significantly different.

When looking at the average perceived improvement in particular skills, it can be seen that diverse experiences at SSE Riga facilitate development of data gathering, handling, interpretation and evaluation, critical analysis, problem solving, teamwork, oral communication, and written communication skills the most. Significance of the latter three skills as the most important career success facilitators is also emphasized by Shah et al. (2004) research. The high improvement of particularly this skill-set can be explained by the general nature of activities pursued, as most of them require extensive research-based teamwork in order to meet coursework requirements or to succeed in extra-curricular activities. The fact that the lowest perceived improvement is for people management skills implies that on average there could be too little necessity for individuals to act as managers of others. This can partially explain why a little proportion of graduates starts careers in managerial type of positions and suggests that SSE Riga curriculum might be slightly altered to improve management skills.

It is also acknowledged by employers that extensive extracurricular involvement can have diverse effect on the prospects of obtaining a particular position depending on whether the position is monotonous or creative. This implies that the position itself predetermines what type of activities the candidate should pursue prior the first permanent employment. Moreover, extracurricular involvement in activities that are to some extent related to the position that a person is trying to obtain is considered positively, as it indicates understanding of the field and that the motivation to obtain the specific position has some deeper grounds.

As perceived by employers in the sample, many of SSE Riga graduates are actually applying for positions that require rather extensive prior work experience or expect salary that might be adequate only to similar positions in Western Europe (for an approximate illustration of the existing differences see the divergences between GDP per capita in the Baltic states and the average in the European Union in Appendix 8). This indicates that education obtained in SSE Riga is not a substitute for a real work experience and graduates should not expect very high remuneration straight after graduation. This is also approved by the regression results that indicate much lower probabilities of obtaining medium- or high-level positions in large organizations. This trend is to lesser extent but also true for small and medium companies, indicating that high-level positions are relatively easier to obtain in smaller companies, especially micro companies. The wish to obtain a high-level position (under the definition of this paper) straight after graduation often means pursuing entrepreneurial activities and being a CEO or manager in your own start-up company or an existing micro company (50.00% of respondents in high-level positions are employed by micro-sized companies).

When obtaining a position in one of the top employing companies of SSE Riga graduates, the initial position is usually of low-level type (associate, trainee, etc.) and the initial salary is predetermined. The latter indicates that the demand for positions in these companies is high possibly due to their reputation. The rationale behind the high demand can also be the perception of SSE Riga students and graduates that it is a good placement in terms of prospects for experience and further employment. This is the case of present value of growth opportunities where the value of the position is estimated based on future prospects that it might provide. As indicated by mean salaries in the sample, these low-level positions (often in larger organizations) on average are actually better paid than high-level (managerial) positions that frequently are in much smaller companies. This can be explained by the fact that the position of manager not necessarily means higher income. For instance, graduates

pursuing entrepreneurial initiatives initially cannot afford awarding themselves with so high remuneration as entry-level employees receive in large, established companies.

As indicated by salary regressions, academic performance has a small positive, but insignificant effect. Interview results show that this might be due to academic excellence not necessarily predetermining excellence at work, thus it is not additionally rewarded at the time of obtaining a position. Rather as found by Wise (1975) and suggested by some company representatives, academic performance can have a significant positive effect on the rate of increase in salary because high academic performance often denotes a wish to excel that carries on in further work life. Consequently it leads to high productivity, which in previous research papers has been approximated by the salary (Wise, 1975). Meanwhile, some companies may openly advertise a desire to select potential candidates with higher than average academic performance, thus setting a precondition for application that might prohibit graduates with weaker academic performance from even being considered for a particular position. This agrees with Toms et al. (1999) who state that including coursework and accomplishments in resume is an indicator of knowledge obtained and skills gained before applying for a position. It also aligns with Chia (2005) that found academic performance to be an important factor to receive an initial interview. At the same time, there are companies that see no correlation between academic performance and performance at work. For them the main point for an applicant is to have an undergraduate diploma. Then the competition for a position is based on other attributes and performance in company-specific tests and/or interviews. As for positions, graduates performing among top 50% are more likely to work in medium- and high-level positions, but the effect is insignificant, thus the third hypothesis that higher GPA significantly changes the probability of obtaining a particular level position is rejected with caution. Furthermore, the authors reject the first hypothesis for academic performance with caution, as the effect on the initial salary is positive but insignificant.

Meanwhile, as pointed out by one of the interviewees, due to the past positive experience with SSE Riga graduates as employees, some department managers emphasize a wish to attract a new employee exactly from SSE Riga. This suggests that the university name on the diploma actually gives some competitive advantage to SSE Riga graduates when compared to the ones of other universities. Thus there exists a positive value of perceived prestige disregards of the academic or extracurricular involvement.

Students who have pursued an exchange semester abroad have an insignificant negative effect on starting salaries. As can be observed from position regression, these people have insignificantly increased chance of obtaining high-level position, one of managerial type. As viewed by the companies, this experience is very valuable for developing flexibility and interpersonal communication skills that might be especially important for managerial positions. At the same time students of SSE Riga that pursue exchange studies miss out on specialization courses that might be more important for professional and associate professional positions (referred to as low- and medium-level positions in this paper). This idea is supported by the fact that graduates who went on exchange studies report significantly lower improvement in data gathering, handling, interpretations and evaluation skills. Thus the authors reject the second hypothesis for exchange semester with caution, as pursuing exchange semester negatively affects the starting salary, but the effect is not significant. Additionally, the authors reject with caution the fourth hypothesis that exchange semester significantly changes the probability of obtaining a position of a particular level.

As for teaching assistant position, company representatives pointed out that this experience is rarely mentioned during the selection process. It is mostly useful in later stages of a career path when some internal training sessions take place. The fact that these people report higher improvement in written communication skills appears due to the specifics of the experience, since most of the material and information has to be presented to students by writing. Usefulness of this activity in later employment stages explains why the effect on initial salary is not significant and this experience does not significantly change the probabilities of obtaining any of the particular types of positions. Thus the authors reject the first hypothesis for teaching assistant experience with caution since the effect on salary is insignificantly positive. The authors reject the fourth hypothesis that this experience significantly changes the probability of obtaining a particular-level position with caution.

Work experience that has been obtained prior the first permanent employment has a consistently significant negative impact on starting salary. This finding in a way contradicts with Sandvig et al. (2005) who found that all previous work experience leads to a higher starting salary. In this study the particular result can be explained by the fact that these people have significantly higher probability of obtaining a high-level position than do others (here high-level positions have the lowest average gross salary). This implies that people with prior work experience may have diverse insights and experience allowing them to aim for managerial type positions or pursue entrepreneurial initiatives. This insight is supported by the fact that those with previous work experience report higher improvements in self-motivation and data gathering, handling, interpretation and evaluation skills, latter of which implies more practical experience. Moreover, as suggested by companies, for entry positions in large companies they prefer people with no prior work experience due to the fact that it is

easier to teach people new things than to change existing insights and practices. Furthermore, this also explains why there is a smaller probability for graduates with prior work experience to obtain low-level positions that actually are better paying than high-level positions.

When individual results for extracurricular activities are looked at, many of the results are insignificant. This may be due to employer perceptions that involvements in organizations are not very divergent. The main thing noticed is the fact that a person is active and engages in extracurricular activities and based on that opinions about candidate are formed. The main significant positive effect from extracurricular activities that can be observed in two out of three regression specifications is that being in the organizing team of Days of Opportunities positively affects the starting salary. These respondents have higher chances of obtaining low-level positions, which are often provided by companies that are among main employers of SSE Riga graduates and also participate in Days of Opportunities career fair. Similarly Days of Opportunities associates tend to have a higher initial monthly salary. This may result from the fact that both groups of these respondents have had prior communication with potential employers and the likelihood of being employed by them might increase. Furthermore, they might have left a good impression and because of that possess some slight negotiation power when it comes to initial gross salary.

The effect on initial salary for Peak Time organizers is negative and in one regression specification the coefficient is significant. Increased probability of obtaining a high-level position (even though insignificant) could explain the negative effect on salary and indicates that people engaging in this activity might be more business and management oriented. The fact that Leif Muten Society associates and JeJoue board members receive significantly lower initial salaries and report significantly higher or lower skills improvements could be a coincidence due to few observations and no major conclusions can be drawn. Student Association associates have significantly higher probability of obtaining a high-level position. This implies that people who help out with different event organization within SSE Riga or take care of the student life may have gained different perspectives or are simply oriented to more managerial type positions. Another organization worth discussing is Debate Society. Main members report significantly higher improvement in critical analysis skills and significantly increased probability of obtaining a low-level position. This could be explained by the specifics of Debate Society where strong analytical mind is required that may be helpful for an associate, junior analyst, economist, etc, positions. This could also have a lot to do with the value of growth opportunities that many of these associate positions ensure, but that are impossible to measure without a longitudinal analysis.

Involvement in extra-curricular activities outside SSE Riga shows positive and in the third regression specification significant effect on the starting salary. Meanwhile, this involvement does not change the probabilities of obtaining a particular level position and no significant differences in skills improvement can be observed, thus no particular conclusions may be drawn.

In general findings about extracurricular activities follow the previous literature reviewed. As found by Chia (2005) and approved by company representatives in the interviews, extracurricular involvement is often a predetermining factor for being selected for initial interviews. Tchibozo (2007) discovers and interviewees admit that these extracurricular activities affect transition process to labour market, as they can be viewed as productivity predictors.

Consequently, the authors accept the second hypothesis (that specific extracurricular involvement positively affects starting salary) with caution for involvement in Days of Opportunities (as a member of organizing team or an associate) and activities pursued outside SSE Riga, and strongly reject it for previous work experience. For other extracurricular involvements this hypothesis is rejected with caution. Additionally, the authors accept the fifth hypothesis (that specific extracurricular involvement significantly changes the probability of obtaining a particular level position) for graduates with previous work experience, Days of Opportunities organizing team, associates of Student Association, Investment Fund and Debate Society, but reject it with caution for other activities.

Similarly to Hazans (2003), Sandvig et al. (2005), and Roth et al. (1996) the authors find that large companies pay significantly higher starting salaries than smaller ones. This may result from the fact that larger companies might have higher recruitment standards, expectations, as well as available funds for remuneration per employee. Thus they also provide a higher salary as an incentive when the position itself might be of a lower rank.

Gender also plays a role: female graduates are more likely to start their career in lowlevel positions (associate, junior professionals), while males tend to occupy professional or managerial positions. This implies that women might be more traditional career oriented when applying for positions in organizations and males are more opportunistic and risk taking, thus might try to get professional or managerial positions straight after graduation. When only control variables are regressed, males also have significantly higher initial salary that implies a possible initial wage gap between female and male graduates. This is not a surprise, as in the setting of the Baltics Hazans (2003) finds 20% gender wage gap. Respondents with origins in Latvia and Estonia earn significantly higher initial salaries than graduates with origins in Lithuania. Most of the graduates return to their home countries for the first permanent employment and among countries there often exist income differences for similar positions. This argument is supported by differences in GDP per capita in each of the countries, where it is the highest in Estonia, followed by Latvia and is the lowest in Lithuania (for detailed data see Appendix 8) (Eurostat, 2012). Lastly, significant negative effects on initial salaries for graduates of 2010 and 2011 as compared to graduates of 2008 most likely are a result of financial crisis, thus reduced salary levels in many industries. This argument is also supported by the fact that the Baltic countries in 2009, 2010 and 2011 have experienced lower GDP per capita than in year 2008 (Eurostat, 2012).

7. Suggestions for further research

In Latvia this research paper is the first attempt to explore employment prospects or recent graduates, thus it opens many potential opportunities for further research.

One interesting field of research could be to expand the setting to a country level, thus increasing the sample size and the scope of the study. Methodology would have to be adjusted, since currently it is SSE Riga-specific. The authors assume that this might add valuable insights to current findings, as other university graduates would be included in the sample, adding diversity, data richness and result generalization possibilities.

Another area of exploration might be focused specifically on HR managers, namely quantitative study surveying numerous employers in the country. In-depth interviews made for this study already revealed interesting insights; therefore it might be worth investigating this phenomenon quantitatively with HR staff, as that is the supply side of employment. Results might serve for specific universities to revise their curricula in order to increase graduate competitiveness in the labour market.

Lastly, longitudinal studies about the path of a career depending on the academic and non-academic activities pursued while studying in university might reveal interesting results, as often added value of skills obtained during study period can be reassured only after some time has been spent in the labour market. Thus the rate of salary and/or career growth might substantially differ from the initial levels.

These are just some of the possible directions of further research in the field.

8. Conclusions

The purpose of this study was to explore how academic and extracurricular performance contributes to the quality of the first employment, as approximated by the

starting salary and a level of position obtained. By using a quantitative research method the authors test five hypotheses and with the help of qualitative interviews look for possible explanations behind the results obtained. Thus the authors examine the research question: How important are the academic performance and various extracurricular involvements of SSE Riga graduates for getting a better first employment?

To answer the stated research question, the authors conclude that GPA, other academic and extracurricular activities are important for obtaining a better first employment, but are not the only success determinants. Success depends also on a particular position, company the student applies for, and performance in internal selection steps (tests, interviews, etc.).

There is no unique recipe for the highest salary or position. Unobservable factors like selfmotivation, ability, and contacts also play a role. Employers highly appreciate that a student has pursued an exchange semester, even though this is not reflected in higher starting salaries. Extracurricular involvement is a plus for creative and interactive positions, but carefully considered for monotonous and accurate positions with strict requirements and rules. The fact that all outlier observations with the highest gross salaries (in range from 1876 to 3200 EUR per month) had above average academic performance and extensive extra-curricular involvement indicates the importance of excelling in various areas. Thus a graduate must be both academically successful and socially active to reach the individual goals set for the first permanent employment.

8.1. Implications

Although this study did not manage to prove it with quantitative method, the authors believe that it is important to excel academically, as it indicates that a person has high self-motivation and wish to excel that many employers desire.

Graduates should communicate more their teaching assistant experience and students should pursue this activity because it results in improved communication skills, which are of great value in further professional careers. Students should also pursue an exchange semester abroad, as that shows their flexibility, ability to adapt to unfamiliar environment, maturity, and motivation. However, this choice should be motivated by a wish to expand one's academic, cultural and networking perspectives.

When it comes to extracurricular involvement, it is beneficial if a student knows one's desirable sphere of future job before pursuing activities. Then one can link these activities with future goals, increasing chances of being liked by the prospective employer. However,

one should not hesitate to participate in activities if future prospects are not clear yet. Any social involvement develops particular skills that are later tested by prospective employers. Organizing or assisting for Days of Opportunities, which involves extensive contact with company representatives before starting a career, awards graduates with higher initial salaries.

When it comes to positions, scoring a high-level position right after graduation might have to deal with factors not researched under the scope of this study (such as acquaintances, having an internship in the same company, etc.). However, as indicated by the results, if there is a wish to obtain a high-level position (one of managerial type), previous job experience not related to internship and specific extracurricular experience (here associate of Student Association and Investment Fund) is very useful. On the contrary, graduates may choose to start with entry-positions themselves, because there may be future growth opportunities associated with this choice. There also exists some competitive advantage in the job market due to holding a Bachelor's diploma obtained particularly in SSE Riga.

There is still some suspicion about the gender wage gap, but no strict implications may be drawn. However, males tend to have higher probabilities of attaining a high-level employment. Aiming for a position in large companies is rewarded with higher salaries than in smaller ones. However, if a graduate has a wish to obtain a managerial type position, then one should set-up own company or stand for such positions in micro or smaller companies. Additionally, Estonians are better off in terms of initial salaries, followed by Latvians, then Lithuanians, which may be explained by differences in GDP per capita.

This research has shed light on determinants of the initial salary and position for SSE Riga graduates and explored in depth what academic and non-academic activities matter when it comes to the first employment prospects. The authors hope this paper will promote further research in the Baltic region about this phenomenon.

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Appendix 1. Survey for graduates

Undergraduate Prospects of First Employment: Case of SSE Riga

We, Liene Ozola and Māra Aļeksējeva, are writing a Bachelor Thesis about the influence of academic performance and extracurricular experiences on first employment quality of SSE Riga graduates.

We would appreciate if you could devote a couple of minutes of your time to answer this survey.

No person specific data will be exposed to third parties or used for other purposes other than creation of the data set.

If you pursued master's studies right after graduation from SSE Riga and were employed parallel to studies, please refer to that employment regarding questions about "First Permanent Employment". If you were not employed parallel master's studies, you may skip this survey. We apologize for any inconveniences caused. *Required

First Permanent Employment

 When did you obtain your first permanent employment related to the degree acquired in SSE Riga?*

IMPORTANT NOTE: Employment that you either found or were still employed AFTER your graduation. Mandatory SSE Riga internship does NOT count.

- $\circ \quad \text{During first or second year of studies}$
- During third year of studies
- After graduating from SSE Riga
- 2. Have you had any official work experience/employment before obtaining the first permanent employment?*

Mandatory SSE Riga internship does NOT count.

- o Yes
- o No
- 3. What was the workload for this employment (i.e. employment that occurred before the first permanent employment)?

Mandatory SSE Riga internship does NOT count. If you have had more than one experience, answer regarding the latest experience.

- Full-time
- o Part-time
- Other: ____
- (Question 3 visible only for those that answered with "yes" in question 2)
- 4. What kind of company you are/were employed by as your first permanent employment?*
 - o Private
 - o Publicly listed
 - o State owned
 - o Partnership
 - o I became an entrepreneur
 - o I became self-employed
 - o Other: _____
- 5. What is/was your entry position held, regarding your first permanent employment?* E.g. management consultant, analyst, project manager, etc.
- 6. Do/did you have people working under your supervision in your first permanent employment?* In case of changes over the course of time, please refer to the initial situation.
 - o Yes

o No

7. How many people are/were working under your supervision in your first permanent employment? Please denote the number of people. In case of changes over the course of time, please refer to the initial situation.

(Question 7 visible only for those that answered with "yes" in question 6)

8. Under what level manager's supervision are/were you working in your first permanent employment?*

High, medium, or low level manager (e.g., CEO would be high, division manager would be medium, etc.). If you have/had been promoted, please refer to the first position.

- o High
- o Medium
- o Low
- 9. How big is the company (in terms of employees) you have/had your first permanent employment in?*

In case of international company/partnership, consider the whole company, not a division.

- 1-9 employees
- o 10-49 employees
- o 50-249 employees
- \circ >250 employees
- 10. Please denote the range in which your initial gross salary is/was for your first permanent employment in EUR (monthly per full time workload).*

We assure that this information will be used only for creating the data set.

- <300
 301-350
 351-400
 401-450
 [...]
 1901-1950
 1951-2000
 Other: ______
- 11.If possible, please state the exact gross salary for your first permanent employment in EUR (monthly per full time workload).

Activities pursued while studying in SSE Riga

Please denote only those activities, about which information was available to employer during the recruitment process (e.g., via CV, cover letter, mentioned in the interview).

- 12. In which organizations you have taken part as a member of board or organizing team?* More than one answer is possible.
 - □ Student Association
 - Days of Opportunities
 - □ Peak Time
 - □ Investment Fund
 - □ Je Joue
 - Leif Muten Society
 - □ Charity Club
 - Debate Society
- ☐ I haven't been a member of board or organizing team in any of the listed organizations 13. In which organizations you have taken part as an associate?*
 - More than one answer is possible. Associate refers to contributing to the work of an organization by helping the board/organizing team.
 - \Box Student Association
 - □ Days of Opportunities

- □ Peak Time
- □ Investment Fund
- \Box Je Joue
- □ Leif Muten Society
- □ Charity Club
- Debate Society
- ☐ I haven't been a member of board or organizing team in any of the listed organizations 14. Please mark whether you were involved in activities listed below within SSE Riga.*
 - E.g. represented school's sports team in championship, participated in choir concerts as a singer.

	Yes	No
Choir	0	0
Sports (any)	0	0

- 15. Did you become a teaching assistant for any of the courses in SSE Riga?*
 - o Yes
 - o No
- 16. Did you study abroad within an exchange program during your studies in SSE Riga?*
 - o Yes
 - o No
- 17. Please denote if you participated in any other organizations/activities, within SSE Riga. Specify the organization and activity.
- 18. Did you pursue any extracurricular activities outside SSE Riga, but undertaken during the study years?

Please list an organization and the activity. E.g., membership in European Youth Parliament, volunteering in Red Cross, etc.

<u>Skills</u>

In this section please evaluate the level of improvement in mastering the following skills as a result of studies and experiences in SSE Riga from 1 to 7 where:

- a) 1 is no improvement as a result from studies & experiences in SSE Riga; and
- b) 7 is high improvement as a result from studies & experiences in SSE Riga
- 19. Oral communication*
- 20. Written communication*
- 21. Teamwork*
- 22. Critical analysis*
- 23. Problem solving*
- 24. Ability to apply knowledge*
- 25. Managing people*
- 26. Decision making*
- 27. Ethics*
- 28. Personal organization*
- 29. Self motivation*
- 30. Data gathering, handling, interpretation, and evaluation*
- 31. Project management*

Personal Information and Demographics

32. Please identify yourself via your name and surname OR student ID code used while studying in SSE Riga.*

This specific information is only necessary to link information obtained from this survey to a particular academic performance, thus creating a data set. Entries in data set will be made anonymous, and after creating data set the results of this survey will be deleted. As mentioned before, no person specific data will be exposed to any third parties.

33. What is your country of origin?*

Country where you lived prior to studies in SSE Riga.

- \circ Estonia
- o Latvia
- o Lithuania
- Other: _
- 34. When did you graduate from SSE Riga?*
 - o 2008
 - o 2009
 - o 2010
 - o 2011
- 35. How old were you when graduating from SSE Riga?* Age in full years at the time of graduation.

Thank you very much for your participation!

Appendix 2. List of variables

 Table 1 List of dependent variables

Variable	Notes
Starting salary	Numerical value of gross starting salary in EUR
Job position	Ranked according to ISCO (2011), then encoded in high/medium/low rank positions (high – managerial positions; medium – professional positions; low – associate, trainee or junior professional positions)

Source: created by the authors

Table 2 List and description of independent variables

Variable	Coding	Notes for activities and organizations
GPA ranking	In regressions numerical value of weighted grade point average (GPA)	5
Exchange semester	1 if a graduate has pursued exchange semester, 0 otherwise	
Teaching assistant (in any of the courses)	1 if a graduate has been a teaching assistant, 0 otherwise	Excellent students can become teachers to younger students (e.g., lead seminars).
Previous work experience (other than mandatory SSE Riga internship)	1 if a graduate has had work experience prior first permanent employment, 0 otherwise	
Board member of at least one of the 8 big organizations in SSE Riga	1 if a graduates has been a board member in at least one of the biggest 8 organizations in SSE Riga, 0 otherwise	
Associate for at least one of the big 8 organizations in SSE Riga	1 if a graduates has been an associate in at least one of the biggest 8 organization in SSE Riga, 0 otherwise	
Student Association's board	1 if a graduate has been a member of Student Association's board, 0 otherwise	Student Association board is the main body responsible for organizing student life in SSE Riga.
Student Association s	I II a graduate has been an associate of	

Variable	Coding	Notes for activities and
		organizations
associate	Student Association, 0 otherwise	
Days of Opportunities	1 if a graduate has been a main	Days of Opportunities is
organizer	organizer of Days of Opportunities, 0	the annual SSE Riga career
	otherwise	fair.
Days of Opportunities	1 if a graduate has been an associate of	
associate	Days of Opportunities, 0 otherwise	
Peak Time organizer	1 if a graduate has been a main	Peak Time is the annual
	organizer of Peak Time, 0 otherwise	international Business
		competition.
Peak Time associate	I if a graduate has been an associate of	
Investment Fund board	1 if a graduate has been a member of	Investment Fund organizes
Investment Fund board	Investment Fund's board 0 otherwise	annual trading game and
	investment i und s board, o otherwise	prepares market
		analysis/reviews.
Investment Fund	1 if a graduate has been an associate of	
associate	Investment Fund, 0 otherwise	
Leif Muten Society	1 if a graduate has been a member of	Leif Muten Society awards
board	Leif Muten Society's board, 0 otherwise	funding to academically
		excellent students and
		supports academic
		initiatives.
Leif Muten Society	1 if a graduate has been an associate of	
associate	Leif Muten Society, 0 otherwise	x x · · 1
Je Joue organizer	1 if a graduate has been a main	Je Joue organizes and
	organizer of je joue, 0 otherwise	initiatives
Ie Joue associate	1 if a graduate has been an associate of	
	Je Joue, 0 otherwise	
Charity Club board	1 if a graduate has been a member of	Charity Club organizes
	Charity Club's board, 0 otherwise	events for less fortunate
		and Blood Donor Days in
		SSE Riga.
Charity Club associate	1 if a graduate has been an associate of	
	Charity Club's board, 0 otherwise	
Debate Society member	1 if a graduate has been a member of	Debate Society organizes
	Debate Society, 0 otherwise	tournaments and
		participates in both local
		and international
Dabata Society	1 if a graduate has been an associate of	competitions.
associate	Debate Society 0 otherwise	
Sports activities	1 if a graduate has pursued any sport	
member	activity in SSE Riga. 0 otherwise	
Choir member	1 if a graduate has sang in SSE Riga	
	choir, 0 otherwise	
Other activity (within	1 if a graduate has been involved in any	Other activities include
SSE Riga)	other organization in SSE Riga, 0	Drama Club, Cheer
	otherwise	Leaders, etc.
Other activity (outside	1 if a graduate has been involved in any	Membership in
SSE Riga)	other organization outside SSE Riga, 0	organizations like AIESEC,
	otherwise	European Youth

Variable	Coding	Notes for activities and organizations
		Parliament, etc.

Source: created by the authors Table 3 List of control variables

Gender	1 if male, 0 if female
Age at graduation	Numeric value
Country of origin	2 dummy variables, denoting 3 countries
Size of employing the company	In terms of employees: micro (1-9 employees), small (10-49), medium (50-249), or large (250 and above). 3 dummy variables, denoting 4 company sizes
Year of graduation	3 dummy variables, denoting 4 years of graduation (2008 – 2011)

Source: created by the authors

Appendix 3. Interview Protocol

Thank you for agreeing to meet with us and answer to our questions

We are Stockholm School of Economics in Riga Year 3 students, writing a Bachelor Thesis. We are studying what are the determinants of SSE Riga graduates starting salary, position attained and what determines the overall quality of the first employment. The main variables considered are academic performance and extracurricular involvement. To find out the view of several SSE Riga graduate employer companies, we have approached you. Your answers to the following questions will be used to assess if the results obtained from quantitative analysis are consistent with what the employers believe are the main determinants of successful attainment of a good quality working position for SSE Riga graduate. If you want your employing company to stay anonymous in the research, it can be ensured.

The interview will be semi-structured, meaning that some specific questions might arise following your answers to the general questions. In total it should not take more than 40 minutes of your time.

Do you mind if we record the interview? Name of the interviewee: Organization: Position: Date:

- 1. Could you briefly describe the employee selection process in your company?
- 2. What is the importance of information that a student has given in his/her, please rate in scale from 1 to 7 (and give reasoning if possible):
 - CV
 - Application form (if your company uses such)
 - Motivation/cover letter (if your company demands it)
 - Reference letters (if your company uses them)
 - Interview(s) (if your company carries them out)
 - Tests (if your company uses them)
- 3. What is your experience with recruiting students or graduates from SSE Riga?
- 4. Are there any differences observed between the graduates of SSE Riga and those of other universities?
- 5. How much do you pay attention to the academic performance as an important determinant for increasing chances to be recruited by your company and why?
- 6. How much do you pay attention to international study experience (exchange semester in another country) as an important determinant for increasing chances to be recruited by your company and why?

- 7. How much do you pay attention to teaching assistant position as an important determinant for increasing chances to be recruited by your company and why?
- 8. How much do you pay attention to involvement in various extracurricular activities as an important determinant for increasing chances to be recruited by your company and why?
- 9. Are you the person in the company that exerts the decision power of whom to offer a placement and who to reject?
- 10. If a person is recruited, what factors determine the entry salary?
- 11. In your opinion, possession of which skills are facilitators for a successful transition to a job market for a recent graduate?
- 12. Is there anything we did not ask, but you can tell as in regard to employ university graduates?
- 13. Thank you very much for your time!

Appendix 4. Interview details

Table 4 Details about interviews conducted

No.	Name, Surname	Position held	Company	Date of the interview
1.	Sandra Vilsone	HR Manager	KPMG Baltics	30.01.2012.
2.	Ondrej Fikrle	Partner	KPMG Baltics	30.01.2012.
3.	Bella Trifsika	HR Consultant	Swedbank	30.01.2012.
4.	Maija Dobele	HR Country leader	Ernst & Young Baltic	01.02.2012.
5.	Anna Barkāne	HR Consultant	SEB	01.02.2012.
6.	Kitija Kroniha	HR Assistant Manager	PricewaterhouseCoopers	02.02.2012.

Source: created by the authors

Appendix 5. Descriptive statistics

Table 5 Summary statistics of variables

Control variables	Frequencies	Percent of all
		respondents
Micro company	27	15.43 %
Small company	45	25.71 %
Medium company	46	26.29 %
Large company	57	32.57 %
Estonia	26	14.86 %
Latvia	111	63.43 %
Lithuania	38	21.71 %
Graduation year 2008	36	20.57 %
Graduation year 2009	30	17.14 %
Graduation year 2010	40	22.86 %
Graduation year 2011	69	39.43 %
Male	103	58.86 %
Female	72	44.14 %
Age		
20	3	1.71 %
21	62	35.43 %
22	73	41.71 %
23	26	14.86 %
24	8	4.57 %
25	1	0.57 %
26	2	1.14 %
Extra-curricular variables		
Member of board or organizing team of at least	80	45.70 %

Control variables	Frequencies	Percent of all	
		respondents	
one of the 8 largest organizations in SSE Riga			
Student Association board	20	11.40 %	
Days of Opportunities organizing team	25	14.30 %	
Peak Time organizing team	15	8.60 %	
Investment Fund board	19	10.90 %	
JeJoue board	5	2.90 %	
Leif Muten Society board	12	6.90 %	
Charity Club board	4	2.30 %	
Debate Society board	14	8.00 %	
Associate of at least one of the 8 largest listed	114	65.10 %	
organizations in SSE Riga			
Student Association associate	20	11.40 %	
Days of Opportunities associate	32	18.30 %	
Peak Time associate	67	38.30 %	
Investment Fund associate	45	25.70 %	
JeJoue associate	6	3.40 %	
Leif Muten Society associate	6	3.40 %	
Charity Club associate	10	5.70 %	
Debate Society associate	23	13.10 %	
SSE Riga choir	14	8.00 %	
Sports activities within SSE Riga	70	40.00 %	
Other activities within SSE Riga	52	29.70 %	
Other activities outside SSE Riga	53	30.30 %	
Work experience prior first permanent	92	52.60 %	
employment			
Type of company (employer)			
Private	126	72.00 %	
Partnership	11	6.30 %	
Publicly listed	21	12.00 %	
State owned	7	4.00 %	
Became an entrepreneur	3	1.70 %	
Family business	1	0.60 %	
Municipality	1	0.60 %	
Ministry	1	0.60 %	
Became self-employed	1	0.60 %	
NGO	1	0.60 %	
First permanent employment position ranking			
Low level	49	28.00 %	
Medium level	98	56.00 %	
High level	28	16.00 %	

Source: Created by the authors

Table 6 Summary statistics of academic variables

Academic variables	Group	Frequency	Percentage of all
			respondents
Academic	Top 10%	19	10.90 %
performance deciles			
	11-20%	18	10.30 %
	21-30%	23	13.10 %
	31-40%	20	11.40 %

Academic variables	Group	Frequency	Percentage of all
			respondents
	41-50%	13	7.40 %
	51-60%	15	8.60 %
	61-70%	20	11.40 %
	71-80%	19	10.90 %
	81-90%	15	8.60 %
	91-100%	13	7.40 %
Teaching assistant	Yes	88	50.30 %
Exchange program	Yes	71	40.60 %

Source: Created by the authors

Table 7 Descriptive statistics of skills

	N	Min	Max	Mean	Standard deviation
Average value of improvement	175	2.77	7	5.18	0.77
Oral communication	175	2	7	5.34	1.15
Critical analysis	175	3	7	5.70	1.03
Ethics	175	1	7	4.38	1.85
Written communication	175	3	7	5.63	1.08
Teamwork	175	2	7	5.80	1.00
Ability to apply knowledge	175	1	7	5.29	1.16
Problem solving	175	2	7	5.44	1.11
Managing people	175	1	7	4.19	1.47
Decision making	175	1	7	4.88	1.26
Personal organization	175	1	7	4.95	1.48
Self motivation	175	1	7	4.94	1.70
Data gathering, handling,	175	2	7	5.89	1.09
interpretation, and evaluation					
Project management	175	1	7	4.94	1.48

Source: Created by the authors

Table 8 Summary statistics of gross salary in EUR variable

	Salary in the sample	Salary for low-level positions	Salary for medium-level positions	Salary for high-level positions
Observations	175	49	98	28
Mean	895.99	886.14	953.58	711.68
Standard Deviation	365.56	322.77	376.04	347.20
Min	200.00	200.00	376.00	232.00
Max	3200.00	1956.00	3200.00	1426.00

Source: Created by the authors

	Respondents with low-		Responden	ts with	Respondents with	
	level position	0 n	medium-level position		high-level position	
Type of	Number	Percent of	Number Percent of		Number	Percent of
company		resp. in this	resp. in this			resp. in this
		level		level		level
Micro	2	4.08 %	11	11.22 %	14	50.00 %
Small	11	22.45 %	26	26.53 %	8	28.57 %
Medium	15	30.61 %	28	28.57 %	3	10.71 %
Large	21	30.61 %	33	33.67 %	3	10.71 %

						•
Table 0 Summar	w statistics of th	o tuno of	nocitions	obtained	dononding on	a aamnany ciza
Table 7 Summar	v statistics of th		DOSITIONS	optameu	uepenuing on	

Source: Created by the authors

Appendix 6. Regression results

Table 10 Regression results using salary as a dependent variable

Dependent Variable: Salary						
Regressor	(1)	(2)	(3)	(4)		
		1.39	2.21	1.04		
acaa_perf		(2.78)	(3.14)	(3.51)		
1		-30.84	-7.13	-12.70		
exchange		(53.97)	(51.97)	(55.16)		
		30.10	51.66	58.96		
ta		(44.18)	(42.90)	(43.24)		
prev_exp		-154.07***	-184.85***	-166.28***		
		(49.84)	(45.34)	(45.65)		
		29.21	28.24	54.35		
org_sa		(76.33)	(64.36)	(62.68)		
1		171.02**	127.86**	84.36		
org_aoo		(73.46)	(61.32)	(61.96)		
		-135.22*	-98.30	-81.99		
org_pt		(79.65)	(75.84)	(78.04)		
·C 1		53.11	44.68	40.23		
org_ifuna		(76.84)	(90.77)	(91.09)		
		-162.83**	-74.30	-111.83		
org_jejoue		(70.88)	(81.85)	(78.41)		
ana luna		16.46	100.60	72.99		
org_ims		(108.98)	(98.58)	(100.99)		
ana ahanitu		55.35	28.31	-19.46		
org_charity		(104.98)	(109.67)	(118.46)		
ana dahata		25.92	51.85	43.67		
org_aebale		(71.35)	(71.77)	(75.78)		
assoo sa		79.11	33.81	45.08		
assoc_sa		(77.12)	(69.48)	(69.29)		
asson doo		89.46	110.64*	113.35**		
assoc_aoo		(62.39)	(56.79)	(57.35)		
assoc nt		-18.99	-15.62	-20.34		
assoc_pi		(49.13)	(47.65)	(46.84)		
assoc ifund		-1.38	-24.73	0.20		
ussoc_ijuna		(53.25)	(59.49)	(60.12)		
asson inique		-40.83	7.78	6.44		
ussoc_jejoue		(141.61)	(138.31)	(135.98)		
assoc_lms		-238.72*	-316.18**	-287.33**		

Regressor (1) (2) (3) (4) (130.67) (138.78) (142.55) assoc_charity (81.01) (95.69) (98.79) assoc_debate 11.45 17.22 29.64 (57.38) (56.47) (55.19) choir -95.72 -78.31 -77.41 (box -14.78 -27.56 -32.26 sports -14.78 -27.56 -32.26 other_within -17.26 -31.25 -44.75 (56.69) (52.59) (54.29) other_outside (56.69) other_outside 70.92 80.08* 67.42 (66.73) (68.86) (79.65) comp_small 62.31 (66.73) (68.08) (79.65) comp_small 66.84) (77.29) (4.7.39) country_est 191.22*** 271.92*** 271.41*** 173.50** country_est 191.22*** 277.92*** 271.41*** 173.00 grad_2009 -5.96 -151.0 -1	Dependent Variat	ole: Salary		-					
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Regressor	(1)	(2)	(3)	(4)				
assoc_charity 58,76 (81.01) 45,69 (95,69) 36,11 (98,79) assoc_debate 11,45 (57,38) 17,22 (56,47) 29,64 (55,19) choir -95,72 (96,59) -78,31 (84,10) -77,41 (81,63) sports -14,78 (49,75) -27,56 (47,70) -32,26 (48,00) other_within -17,26 (56,69) -31,25 (54,29) -44,75 (54,29) other_outside 70,92 (50,89) 80,08* (47,39) 67,42 (47,49) comp_small 62,31 (66,73) 97,07 (80,86) 69,83 (79,65) comp_small 62,64 (66,64) -77,29 (77,29) -74,47,49) comp_small 62,61 (66,67) -80,6 (77,29) -74,47,83 country_est 191,22*** 271,27,92*** 271,41*** country_est 191,22*** 277,92*** 271,41*** country_lv 69,53 111,75** 105,02* (21,44) (27,47) (27,30) 274,44 (21,44) (27,47) (27,30) ged -5,96 -15,10 -11,50 (21,44) (27,47) (27			(130.67)	(138.78)	(142.55)				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	assoc charity		58.76	45.69	36.11				
assoc_debate 11.45 17.22 29.64 choir (57.38) (56.47) (55.19) choir '95.72 -78.31 -77.41 (96.59) (84.10) (81.63) sports '14.78 -27.56 -32.26 other_within '17.26 -31.25 -44.75 (56.69) (52.95) (54.29) (47.39) other_outside '70.92 80.08* 67.42 (comp_small 62.31 '97.07 69.83 (comp_small (66.73) (80.86) (79.65) comp_med 21.61 -8.06 -3.38 (contry_est) 191.21*** 191.41** 173.50** country_est 191.22** 277.92*** 271.41*** (70.67) '72.07* '73.141*** (70.67) '72.77 '73.10) country_lv 69.53 111.75** 105.02* (51.69) '65.150 155.50) 39 aged -5.96 -15.10 <td< td=""><td>ussoc_cnanty</td><td></td><td>(81.01)</td><td>(95.69)</td><td>(98.79)</td></td<>	ussoc_cnanty		(81.01)	(95.69)	(98.79)				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	assoc debate		11.45	17.22	29.64				
choir -95.72 -78.31 -77.41 (96.59) (84.10) (81.63) sports -14.78 -27.56 -32.26 other_within -17.26 -31.25 -44.75 other_outside 70.92 80.08* 67.42 other_outside (66.73) (80.86) (79.65) comp_small 62.31 97.07 69.83 (66.73) (80.86) (79.65) (74.53) comp_med 21.61 -8.06 -3.38 comp_large 196.81*** 191.41** 173.50** (64.06) (80.71) (78.78) 271.41*** country_est 191.22*** 277.92*** 271.41*** (70.67) (72.77) (73.10) 115.02* country_lv 69.53 111.75** 105.02* gender 72.07* 74.66 60.40 (42.85) (48.16) (48.20) 115.0 grad_2009 -6.89 -12.49 (69.25) grad_2011	ussoc_aedate		(57.38)	(56.47)	(55.19)				
$\begin{array}{c ccccc} (96.59) & (84.10) & (81.63) \\ \hline (96.59) & (47.70) & (46.80) \\ \hline (49.75) & (47.70) & (46.80) \\ \hline (49.75) & (47.70) & (46.80) \\ \hline (49.75) & (47.70) & (46.80) \\ \hline (40.75) & (47.70) & (46.80) \\ \hline (56.69) & (52.95) & (54.29) \\ \hline (56.69) & (52.95) & (54.29) \\ \hline (66.73) & (50.89) & (47.39) & (47.49) \\ \hline (66.73) & (80.86) & (79.65) \\ \hline (66.84) & (77.29) & (74.53) \\ \hline (66.84) & (77.29) & (74.53) \\ \hline (70.67) & (72.77) & (73.10) \\ \hline (70.67) & (72.73) & (60.33) \\ \hline (70.68) & 897.64^{*} & 714.72^{*} & 692.91 & 874.34 \\ \hline (462.16) & (380.37) & (883.32) & (937.52) \\ \hline (883.32) & (937.52) \\ \hline (88.32) & (937.52) \\ \hline (88.32) & (937.52) \\ \hline (88.32) & (937.52) \\ \hline (88.80) & (5.65) \\ \hline (88.80) & ($	ahoir		-95.72	-78.31	-77.41				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	choir		(96.59)	(84.10)	(81.63)				
sports (49.75) (47.70) (46.80) other_within -17.26 -31.25 -44.75 (56.69) (52.95) (54.29) other_outside 70.92 80.08* 67.42 (50.89) (47.39) (47.49) comp_small 62.31 97.07 69.83 (66.73) (80.86) (79.65) comp_med 21.61 -8.06 -3.38 (66.84) (77.29) (74.53) country_est 191.22*** 277.92*** 271.41*** (70.67) (72.77) (73.10) 05.02* country_est 191.22*** 277.792*** 105.02* (51.69) (56.15) (55.50) 3.38 gender 72.07* 74.66 60.40 (42.85) (48.16) (48.20) 3.38* (64.48) (72.35) 3.38 3.32 grad_2009 -6.89 -12.49 3.32 3.32 grad_2011 -159.75*** 3.30 3.32	sports		-14.78	-27.56	-32.26				
other_within -17.26 (56.69) -31.25 (52.95) -44.75 (54.29) other_outside 70.92 80.08* 67.42 comp_small 62.31 97.07 69.83 (66.73) (80.86) (79.65) comp_med 21.61 -8.06 -3.38 (66.84) (77.29) (74.53) comp_large 196.81*** 191.41** 173.50** (64.06) (80.71) (78.78) country_est 191.22*** 277.92*** 271.41*** (70.67) (72.77) (73.10) country_lv 69.53 111.75** 105.02* (51.69) (56.15) (55.50) 30 gender 72.07* 74.66 60.40 (42.85) (48.16) (48.20) 33 grad_2009 -6.89 -12.49 (69.25) grad_2011 -159.75*** -110.23* (62.03) _cons 897.64* 714.72* 692.91 874.34 (64.216) (380.37)	spons		(49.75)	(47.70)	(46.80)				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	other within		-17.26	-31.25	-44.75				
other_outside 70.92 (50.89) 80.08^* (47.39) 67.42 (47.49) comp_small 62.31 (66.73) 97.07 (80.86) 69.83 (80.86) comp_med 21.61 (66.84) -8.06 (77.29) -3.38 (74.53) comp_large 196.81*** (64.06) 191.41** (77.29) 174.53) country_est 191.22*** (70.67) 277.92** (73.10) 271.41*** (73.10) country_lv 69.53 (51.69) 111.75** (55.50) 105.02* (55.50) age -5.96 (21.44) -15.10 (27.47) -11.50 (27.30) gender 72.07* (21.44) 274.74) (27.30) grad_2009 -6.89 (69.84) -12.49 (69.25) -12.49 (69.25) grad_2010 -160.14** (57.39) -110.23* (57.39) -110.23* (52.03) _cons 897.64* (714.72* (57.39) 714.72* (57.39) 692.91 (72.35) 874.34 (62.03) _cons 897.64* (462.16) 714.72* (380.37) 692.91 (383.32) 874.34 (62.03) _cons 897.64* (462.16) 714.72* (380.37) 692.91 (383.32) 874.34 (62.03) _cons 897.64* (462.16) 714.72* (380.37) <td>oiner_wilnin</td> <td></td> <td>(56.69)</td> <td>(52.95)</td> <td>(54.29)</td>	oiner_wilnin		(56.69)	(52.95)	(54.29)				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	other outside		70.92	80.08*	67.42				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	omer_ouiside		(50.89)	(47.39)	(47.49)				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	comp_small	62.31		97.07	69.83				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$		(66.73)		(80.86)	(79.65)				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	comp_med	21.61		-8.06	-3.38				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$		(66.84)		(77.29)	(74.53)				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	comp_large	196.81***		191.41**	173.50**				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$		(64.06)		(80.71)	(78.78)				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	country_est	191.22***		277.92***	271.41***				
$\begin{array}{c cccc} country_lv & 69.53 \\ (51.69) & (56.15) & (55.50) \\ \hline age & -5.96 & -15.10 & -11.50 \\ (21.44) & (27.47) & (27.30) \\ \hline gender & 72.07* & 74.66 & 60.40 \\ (42.85) & (48.16) & (48.20) \\ \hline grad_2009 & -6.89 & -12.49 \\ (69.84) & (69.25) \\ \hline grad_2010 & -160.14^{**} & -134.83^{*} \\ (64.48) & (72.35) \\ \hline grad_2011 & -159.75^{***} & -110.23^{*} \\ (57.39) & (62.03) \\ _cons & 897.64^{*} & 714.72^{*} & 692.91 \\ (462.16) & (380.37) & (883.32) \\ \hline N & 171 & 171 & 171 \\ \hline R2 & 0.21 & 0.19 & 0.35 & 0.37 \\ \hline R2 adjusted & 0.16 & 0.06 & 0.20 & 0.22 \\ \hline SER & 269.5 & 285.23 & 263.12 & 260.44 \\ \hline F & 5.34 & 5.64 & 8.06 & 6.56 \\ \hline \end{array}$		(70.67)		(72.77)	(73.10)				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	country_lv	69.53		111.75**	105.02*				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		(51.69)		(56.15)	(55.50)				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	age	-5.96		-15.10	-11.50				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		(21.44)		(27.47)	(27.30)				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	gender	72.07*		74.66	60.40				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		(42.85)		(48.16)	(48.20)				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	grad_2009	-6.89			-12.49				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		(69.84)			(69.25)				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	grad_2010	-160.14**			-134.83*				
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		(64.48)			(72.35)				
$\begin{array}{c ccccc} (57.39) & (62.03) \\ \hline \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$	grad_2011	-159.75***			-110.23*				
_cons 897.64* (462.16) 714.72* (380.37) 692.91 (883.32) 874.34 (937.52) N 171 171 171 171 R2 0.21 0.19 0.35 0.37 R2 adjusted 0.16 0.06 0.20 0.22 SER 269.5 285.23 263.12 260.44 F 5.34 5.64 8.06 6.56		(57.39)			(62.03)				
(462.16) (380.37) (883.32) (937.52) N 171 171 171 171 R2 0.21 0.19 0.35 0.37 R2 adjusted 0.16 0.06 0.20 0.22 SER 269.5 285.23 263.12 260.44 F 5.34 5.64 8.06 6.56	_cons	897.64*	714.72*	692.91	874.34				
N 171 171 171 171 R2 0.21 0.19 0.35 0.37 R2 adjusted 0.16 0.06 0.20 0.22 SER 269.5 285.23 263.12 260.44 F 5.34 5.64 8.06 6.56		(462.16)	(380.37)	(883.32)	(937.52)				
N171171171171R20.210.190.350.37R2 adjusted0.160.060.200.22SER269.5285.23263.12260.44F5.345.648.066.56									
R20.210.190.350.37R2 adjusted0.160.060.200.22SER269.5285.23263.12260.44F5.345.648.066.56	Ν	171	171	171	171				
R2 adjusted0.160.060.200.22SER269.5285.23263.12260.44F5.345.648.066.56	R2	0.21	0.19	0.35	0.37				
SER269.5285.23263.12260.44F5.345.648.066.56	R2 adjusted	0.16	0.06	0.20	0.22				
F 5.34 5.64 8.06 6.56	SER	269.5	285.23	263.12	260.44				
	F	5.34	5.64	8.06	6.56				

Source: created by the authors

Note: All regressions incorporate an intercept. Heteroskedasticity robust standard errors are provided in parentheses below estimated coefficients. Coefficients are significant at * 10%, ** 5%, and *** 1% significance level.

Regressor	Low position	Medium	High position
Acadamia nonformanca (law/high)	0.27/0.17	$\frac{\text{position}}{0.65 \times 0.70}$	0.08/0.12
Academic performance (low/mgn) Evaluation of the second	0.27/0.17	0.65 / 0.70	0.08/0.13
Exchange semester (no/yes)	0.27/0.10	0.05 / 0.70	0.08/0.14
President (no/yes)	0.21/0.23	0.08 / 0.07	0.11/0.10
Previous job experience (no/yes)	0.29/0.1/*	0.64 / 0.70 *	0.07/0.13*
Student Association board (no/yes)	0.22/0.21	0.67/0.68	0.10/0.11
Days of Opportunities organizing team	0.20/0.3/*	0.69/0.5/*	0.11 / 0.05 *
(no/yes)	0.02 / 0.15	0.00.070	0.10/0.15
Peak Time organizing team (no/yes)	0.23/0.15	0.68 / 0.70	0.10/0.15
Investment Fund board (no/yes)	0.22/0.23	0.68 / 0.67	0.10/0.09
Je Joue organizing team (no/yes)	0.22 / 0.21	0.68 / 0.68	0.10/0.11
Leif Muten Society board (no/yes)	0.22 / 0.21	0.67 / 0.68	0.10/0.11
Charity club board (no/yes)	0.22 / 0.12	0.68 / 0.69	0.10/0.18
Debate society board (no/yes)	0.21 / 0.34	0.68 / 0.60	0.11 / 0.06
Student Association associate (no/yes)	0.24 / 0.11 *	0.67 / 0.69 *	0.09 / 0.20 *
Days of Opportunities associate (no/yes)	0.23 / 0.18	0.67 / 0.69	0.10/0.13
Peak Time associate (no/yes)	0.23 / 0.20	0.67 / 0.69	0.09 / 0.11
Investment Fund associate (no/yes)	0.26 / 0.13 *	0.66 / 0.69 *	0.08 / 0.18 *
Je Joue associate (no/yes)	0.22 / 0.25	0.68 / 0.66	0.10 / 0.09
Leif Muten Society associate (no/yes)	0.23 / 0.08	0.67 / 0.65	0.10 / 0.27
Charity club associate (no/yes)	0.21 / 0.35	0.68 / 0.59	0.10 / 0.06
Debate society associate (no/yes)	0.20 / 0.42 *	0.69 / 0.54 *	0.11 / 0.04 *
Choir (no/yes)	0.23 / 0.14	0.68 / 0.70	0.10/0.16
Sports (no/yes)	0.22 / 0.22	0.68 / 0.68	0.10 / 0.10
Other activities within SSE Riga (no/yes)	0.19 / 0.29	0.69 / 0.64	0.12 / 0.07
Other activities outside SSE Riga (no/yes)	0.21 / 0.23	0.68 / 0.67	0.10 / 0.09
Small company (no/yes)	0.14 / 0.60 ***	0.70 / 0.38 ***	0.17 / 0.02 ***
Medium company (no/yes)	0.13 / 0.63 ***	0.69 / 0.36 ***	0.18 / 0.02 ***
Large company (no/yes)	0.10/0.67 ***	0.68 / 0.32 ***	0.22 / 0.02 ***
Estonia (no/yes)	0.21 / 0.29	0.68 / 0.63	0.11 / 0.07
Latvia (no/yes)	0.21 / 0.23	0.69 / 0.67	0.11 / 0.10
Gender (female/male)	0.33 / 0.16 ***	0.61 / 0.70 ***	0.06 / 0.14 ***
Graduation year 2009 (no/yes)	0.21 / 0.26	0.68 / 0.65	0.11 /0.08
Graduation year 2010 (no/yes)	0.19/0.32	0.69 / 0.61	0.12/0.06
Graduation year 2011 (no/yes)	0.21 / 0.24	0.68 / 0.67	0.11/0.09
Pseudo \mathbb{R}^2	0.18		
SER	61.05		

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I able I I Regressi	on results usin	g position as a	i dependent variable
Table II Regressi	on results usin	5 Position as a	acpendent fur labre

Source: created by the authors.

Note: numbers reported are the probabilities of an event (low/medium/high-level job) given the circumstances. Probabilities are reported for coefficients significant at * 10%, ** 5%, *** 1% significance level.

Appendix 7. Skills results

Table 12 Transformations made for skills variables

Skill	Type of transformation used
Oral communication	In the power of two
Critical analysis	In the power of two
Written communication	In the power of two
Teamwork	In the power of two
Ability to apply knowledge	In the power of two
Problem solving	In the power of two
Data gathering, handling, interpretation and	In the power of two
evaluation	
Ethics	Square root of the values

Source: created by the authors

Table 13 Skills mean comparison analysis results

	Skill that shows significant difference	Mean value first group	Mean value second group	Signif. higher/ lower	Means different at following significance level
Academic grouping va	riable				
Top 10% performers vs. worst 10%	Oral communication	30.16	36.46	Lower	10.00 %
Top 50% performers	Self-motivation	4.74	5.17	Lower	10.00 %
vs. other 50%	Data gathering, handling, interpretation and evaluation	33.70	38.12	Lower	5.00 %
Teaching Assistants vs. others	Written communication	34.47	31.20	Higher	10.00 %
Exchange semester vs. others	Data gathering, handling, interpretation and evaluation	33.07	37.69	Lower	1.00%
Extra-curricular grou	ping variable				
Main organizers and board members vs. others	Project management	5.20	4.73	Higher	5.00 %
Days of Opportunities organizing team members vs. others	Project management	5.44	4.86	Higher	5.00 %
Peak Time organizing team members vs. others	Data gathering, handling, interpretation and evaluation	29.33	36.43	Lower	5.00 %
Investment Fund	Oral communication	34.53	29.22	Higher	10.00 %
Board members vs.	Teamwork	39.16	34.08	Higher	10.00 %
others	Personal organization	5.53	4.88	Higher	10.00 %
	Self-motivation	5.58	4.87	Higher	10.00 %
	Managing people	4.89	4.11	Higher	5.00 %
JeJoue Board members vs. others	Self-motivation	6.20	4.91	Higher	10.00 %
Charity Club Board	Teamwork	25.50	34.85	Lower	10.00 %
members vs. others	Data gathering, handling,	45.75	35.58	Higher	10.00 %

	Skill that shows significant difference	Mean value first group	Mean value second group	Signif. higher/ lower	Means different at following significance level	
	interpretation and evaluation					
	Oral communication	22.75	29.96	Lower	5.00 %	
Debate Society main members vs. others	Critical analysis	38.43	33.16	Higher	10.00 %	
Days of Opportunities associates vs. others	Ability to apply knowledge	26.13	29.98	Lower	10.00 %	
Investment Fund associates vs. others	Oral communication	32.42	28.88	Higher	10.00 %	
Leif Muten Society associates (members)	Ability to apply knowledge	38.50	28.95	Higher	5.00 %	
vs. others	Problem solving	38.50	30.54	Higher	10.00 %	
	Managing people	5.33	4.15	Higher	10.00 %	
	Decision making	5.83	4.85	Higher	10.00 %	
SSE Riga choir	Oral communication	25.71	30.15	Lower	10.00 %	
members vs. others	Critical analysis	37.21	33.26	Higher	10.00 %	
Previous work experience grouping variable						
Those with part or	Self-motivation	5.22	4.64	Higher	5.00 %	
full-time work	Data gathering, handling,	37.45	34.01	Higher	10.00 %	
experience prior first	interpretation and					
permament	evaluation					
employment vs. others						

Source: created by the authors

Appendix 8. GDP per capita in the Baltic countries

Table 14 Data on GDP per capita in EUR in the Baltic countries

	2008	2009	2010	2011
European Union (27	25 000	23 500	24 400	
countries)				
Estonia	12 200	10 300	10 700	11 900
Latvia	10 100	8 200	8 300	9 700
Lithuania	9 700	8 000	8 400	9 500

Source: created by the authors using data from Eurostat (2012)

Appendix 9. Abbreviations

CEO - chief executive officer

 $GDP-gross \ domestic \ product$

GPA – grade point average

HR – human resource

ISCO - International Standard Classification of Occupations

OLS – ordinary least squares

SSE Riga - Stockholm School of Economics in Riga