

## **THE GAP BETWEEN EMPLOYERS AND UNEMPLOYED, CHALLENGES FOR EMPLOYABILITY IN GUANACASTE PROVINCE OF COSTA RICA**

**Héctor Andrés Canossa Montes de Oca (MBA)**

*Universidad Técnica Nacional de Costa Rica*

---

**ABSTRACT:** *The purpose of this research is to analyze the challenges for employability in Guanacaste through the discussion of variables that influence job offers and the conditions of job seekers, with a focus on the relevance of employment for economic development of the country and the relationship of higher education with obtaining employment. The methodology includes a descriptive research, with a quantitative approach, which studies guanacastecans in unemployment, applying a survey to a sample of 76 university students. The results show that people feel prepared and with the necessary competences for employment, but perceive little support from local governments, institutions and even the universities to open employment opportunities. The experience barrier is relevant, looked by employers; among the competences that increase the possibilities of employment are the soft skills, English language management, as well as the updating in technological tools. Considering conclusions, communication between universities, local governments and other institutions should improve with business sectors, to generate a clear picture and increase employment options. Together with efforts such as more job fairs and intermediation offices, the unemployed will have a link to find employment and employers can have a clear profile of the people who seek a job. In short, the challenges are diverse and requires efforts from various parties, from the unemployed who must develop adequate skills, to employers who value human talent in Guanacaste.*

**KEYWORDS:** employability, unemployment, education, skills, economic development.

---

### **INTRODUCCIÓN**

From a broad point of view, it is necessary to generate a discussion that promotes concrete and quantifiable actions to improve the employability of Costa Ricans and in this case in particular the guanacastecans, considering the centralization of political and economic activities in the Great Metropolitan Area of the country.

It is necessary in the current situation of Costa Rica to seek greater competitiveness and economic development in the different geographical areas of the country, seeking for competitive advantages, for example, in sectors such as tourism, in benefit of improvements in the economy of the country.

Study economy at first sight may seem very broad, deep topic and that only with many hours of reading can be learned about it, it should not be seen in this way since its effects are evident in all the citizens of a country, the economy as the etymological origin of the word clearly shows, is the administration of the house, in a more known sense the administration of a country with its decisions.

The direct relationship of economic analysis with the use of resources, scarcity and wealth that a society can generate, should have a focus on social welfare, although a focus not so much on the development of social welfare is notable throughout history, but rather as a measure of

economic growth; proof of this is the use of GDP to measure the economic growth of a country, leaving in the background components that affect inequality and other points that do not necessarily contribute to social welfare .

In the economy, a factor of production is the work generated by the resource and talent human, which in turn, between higher qualified of employment obtain a person, more likely a greater satisfaction of their needs and welfare.

In Costa Rica, specifically Guanacaste, it is necessary to analyze several variables that allow improving employability, recognizing the necessary competences to develop in the current competitive environment and where education acquires a preponderant role.

This article intends as a general objective to analyze the challenges for employability in Guanacaste, through the reflection of variables that influence job offers and the conditions of job seekers. Specifically study pretends to identify factors that generate the gap between education and job offers in the area, recognize skills needed for employability in the current competitive environment and generate criteria by recognizing actions needed to improve the employability situation in the area looking for the generation of economic development.

## **LITERATURE REVIEW**

### **Employability for economic development**

For a country employment is a pillar for economic development, many organizations around the world raise this relevance and indicate the importance that countries set objectives and policies for the generation of more and better sources of employment, as stated by the International Labor Office (2015):

The basis for promoting prosperity, inclusion and social cohesion in a sustainable and growing way is to have a sufficient supply of jobs. When the scarcity of jobs or available livelihoods keeps households in poverty, there is less growth, less security and less human and economic development "(p.1).

Employment undoubtedly generates income for households and thus can meet their needs, what is important is also that this generation of employment is qualified and that people have not only the possibility of employment, but through education improve their opportunities to find employment with better conditions, where their income is higher and increase their chances of having greater welfare.

From the point of view of the employer, it is clear that he needs human talent and capital that contributes and adds value to his processes and the development of the company. When this value is achieve, generates an optimum cohesion between company and employee, in relation to this Mathis, Jackson and Valentine (2014) express that "human capital is not only people in organizations, but also what those people contribute to success (...) is the collective value of skills, knowledge, skills, life experiences, and the motivation of a workforce "(p. 6).

For its part, the educational sector with emphasis on technical and higher education, with institutions such as the National Learning Institute of Costa Rica and public universities has increased its presence and offer of training in Guanacaste in recent years, but it is essential that not only generate more opportunities for training and education but these graduates can find employment in the area, for this is important political measures that encourage the creation of

companies and that the area is attractive for companies established in other geographical areas can position operations in Guanacaste .

It is important to recognize the situation of unemployment in Costa Rica to understand the need for actions promoting employability; unemployment always implies an analysis of the economic context, in a country there is normally talk of an unemployment rate and as indicated by Dornbusch, Fischer and Start (2015):

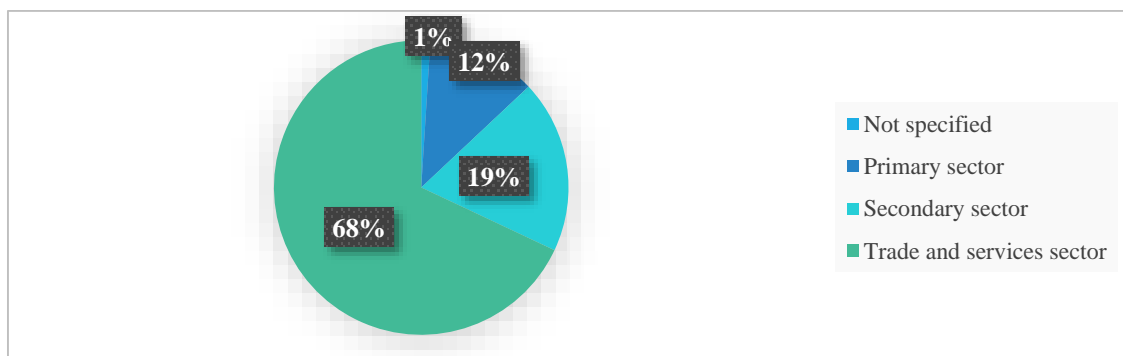
It measures the fraction of the labor force that does not have a job, but looks for a job or expects to be called after a layoff (...) It is sometimes said that official unemployment figures underestimate real unemployment. "On the other hand, it is stated that the main cost of unemployment is lost production: people who do not work do not produce goods or services (p.30).

Considering that the official data will not always reflect the real situation, it is enough to visit a university classroom and ask a group if they are looking for a job, probably many will raise their hand, and most will affirm that cannot find a job. In addition, many people work in the informal sector, and this has effects on unemployment measurements. For this, is important to consider the types of unemployment:

Unemployment due to friction arising from the normal rotation of work, that is, from people entering and leaving the labor force and the creation and daily destruction of work sources, secondly, the structural unemployment that arises when Changes in technology or international competition change the skills needed to perform jobs or change the location of jobs. The structural usually lasts longer than the friction because workers usually have to retrain and possibly locate elsewhere to find a job. Third, cyclical unemployment that fluctuates during the economic cycle increases during a recession and decreases during an expansion (pp. 148-149).

Costa Rica had an unemployment of 11.95%, according to the Continuous Employment Survey of National Institute of Statistics and Census (2019) for the fourth quarter of 2018. This data with a population of 5,022,311 people and a workforce of 2,459,237, so 2,165,323 of people have employment and 293,914 are unemployed.

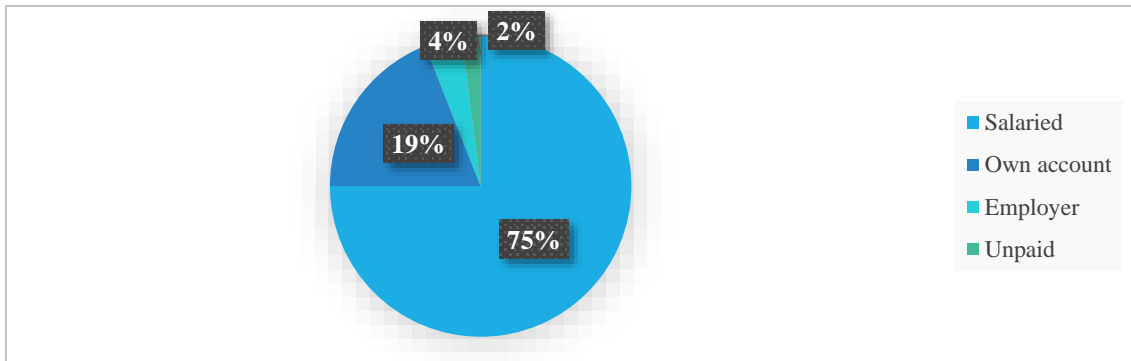
In the country of these 2,165,323 with employment as shown in figure 1, the predominant sector of employment is trade and services with 68%.



**Figure 1.** Percentages of 2,165,323 people with employment in Costa Rica by economic sector. Source: Own elaboration according to Continuous Employment Survey, interannual

comparison of employed population according to employment characteristics, National Institute of Statistics and Census, 2019

In addition, in the country 75% of people in employment are salaried as shown in figure 2.



**Figure 2.** Percentages of people with employment in Costa Rica according to position in the main job. Source: Own elaboration according to Continuous Employment Survey, interannual comparison of employed population according to employment characteristics, National Institute of Statistics and Census, 2019

About Guanacaste, from the last census (latest available data), the X National Population Census and Housing VI 2011, at that time the labor force was 1,729,470 and unemployed 58,838 for a surprising figure of only 3.4% at the country level, and considering that census in Guanacaste, there was a workforce of 114,297 people and only 4,838 unemployed people for a rate that was better than the rate at the national level, again surprising at 4.23% (National Institute of Statistics and Census, 2011, p.47, 58).

Considering the economic situation in Guanacaste in the document *Analysis of the socioeconomic situation of the Chorotega region and approach results in poverty in 2015 and 2016*, interesting aspects are indicated as unemployment in Guanacaste is 10%, poverty 23.6%, extreme poverty 8.6%, in addition, when it refers to higher education, 14.3% of people have undergraduate or undergraduate degrees, compared to 20.1% of the Central region.

On the other hand, Rodríguez (2016) contributes that for the Chorotega region that bet to the agriculture and to the tourism to excel, these future activities seem as insufficient engines to continue growing and it adds:

Although the legislation created explicit benefits for the installation of projects outside the Great Metropolitan Area, these have not been sufficient to motivate more companies to invest since companies within the free zone regime of the province only contributed 3% of the total benefit that the country receives from the companies in that regime (p.3).

These contributions are relevant because for a region to be more competitive it must have various income opportunities and employment generation, the services sector has shown to generate higher quality jobs at least compared to the agricultural sector, so it is clear the importance of attracting companies of different types and looking with greater focus on services.

In Guanacaste are displayed advances to attract business, proof of this is the upcoming opening of a Coca Cola plant, other established companies include Ad Astra Rocket, Continuum Datacenter, Solarium, Invenio, University, Avantica, among others. This is important since these companies leave precedents that also generate that others are encouraged to invest in the area and each new company generates more employment options.

For Guanacaste, a report from the Ministry of National Planning and Economic Policy, which presents the monitoring of the goals of the National Development Plan, shows that during the period 2015-2018, 48 regional goals were achieved, of which 8 of them corresponded to Guanacaste, affirming:

The province obtained great benefits not only in the dynamism of its economy, but also in the improvement of the quality of life of its inhabitants. These projects included water supply, the Wholesale Market Project, hectares of irrigation, works in the Hospital of the Annexation in Nicoya, extending the stretch Cañas-Liberia, improving roads Nosara-Samara, as well as improvements in the Airport Daniel Oduber Quirós (Sanabria, 2019, p. 5-11).

In these efforts, although no project specified directly on employment, it has indirect effects since it generates better infrastructure conditions for citizens and in turn can improve the attractiveness for companies. In addition, there are institutions that together with educational institutions such as the Mixed Institute of Social Assistance provide financing and training for new businesses, as well as the Ministry of Labor through the “Empleate” program aimed at people whom neither study nor work.

These efforts should look for how to improve the situation with the types of unemployment that affect the region, for example, recognize that in Guanacaste the tourism sector is given cyclical unemployment, suggesting steps that companies can take in this sector, Quesada (2017) indicates that the tasks at the hotels can be diversified, make a shift to the tourist profile that attracts the business, take advantage of the boom in medical tourism and offer discounts for low season accommodation.

These contributions are interesting and require a clear disposition of the companies, where they must consider their productivity and apply strategies mainly of marketing to reduce the turnover of personnel.

In general, to improve employability requires a set of factors from the skills of those who seek it and their adequate training to increase opportunities, also the responsibility of employers to value people and promote their well-being with fair conditions, until the effect of political decisions to encourage production and competitiveness.

## **METHODOLOGY**

The research method indicates how data were collected, then the interpretation and discussion of these; this establishes the type of research, approach, population and sample, as well as the instrument and technique to collect the data.

Initially an investigation of secondary sources of information and literary review is made as it was showed in the previous section, as a secondary source it is also used statistical data of

entities such as the Labor Observatory of Professions of the National Council of Rectors of Costa Rica.

As a primary source, the type of study presented in this research is descriptive; according to Hernández, Fernandez and Baptiste (2014) these descriptive studies "seek to specify properties and important characteristics of any phenomenon that is analyzed. Describe trends of a group or population "(p.92).

The approach considered is quantitative, since it seeks to focus and delimit the topic, which allows a clearer analysis of the information, Hernández et al. (2014) state that

The quantitative approach (which represents, as we said, a set of processes) is sequential and probative. Each stage precedes the next and cannot jump or evade steps. The order is rigorous, although of course, we can redefine some phase. Part of an idea that is limited and, once delimited, research objectives and questions are derived, the literature is revised and a theoretical framework or perspective is constructed. (p.4)

The population considered is finite and composed of unemployed people from the Guanacaste area of Costa Rica, Hernández et al. (2014) define the population as "the set of all the cases that agree with certain specifications". On the other hand, the sample is the "subgroup of the universe or population from which the data is collected and which should be representative of it" (p.173-174).

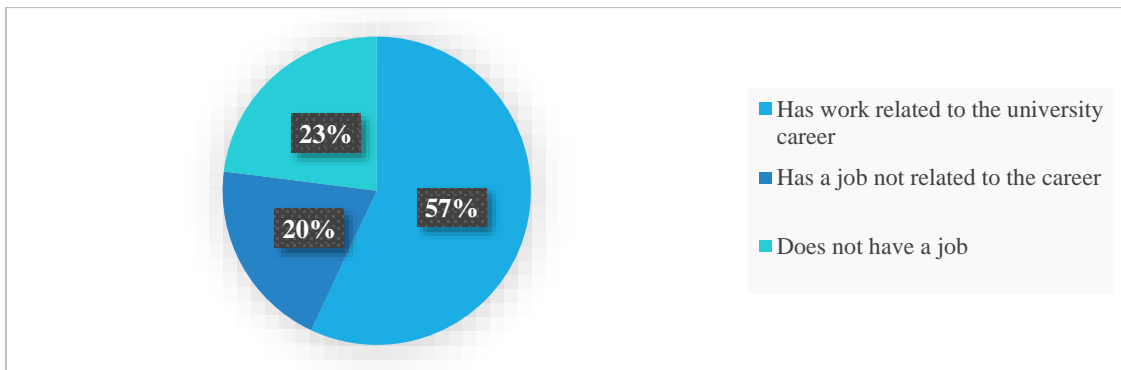
The selected sample is 76 guanacastecan university students who are looking for a job at the time of the research; it is a kind of non-probabilistic sample and for convenience. Hernández et al. (2014) explains that this type of sample "supposes a selection procedure guided by the characteristics of the research, rather than by a statistical criterion of generalization" (page 189). On the other hand, convenience samples are "formed by the available cases to which we have access" (Battaglia, cited by Hernández et al., 2014, page 390).

Finally, in the method the data collection instrument is a questionnaire applying the survey technique. The questionnaire consists of 10 questions, two questions are subdivided into affirmations and competences, using the Likert scale method to know the level of agreement or disagreement of the respondents, as well as level of competence, the instrument is applied in a 15 minutes duration for each participant. "In social phenomena, perhaps the most used instrument to collect the data is the questionnaire. A questionnaire consists of a set of questions regarding one or more variables to be measured "(Chasteauneuf, 2009 cited by Hernández et al., 2014, page 217).

What is intended through this research method is to provide validity to the research, seeking the fulfillment of the objectives and the generation of knowledge.

## **DISCUSSION OF RESULTS**

Considering the results of the studies of the Labor Observatory of Professions from the National Council of Rectors stands that if the national unemployment of 9.5% is compared with professional unemployment, the latter is reduced to 5.6%. In addition, as shown in figure 3, at the time of graduation 57% already had a job related to the career. Another fact to note is that the average time to find the first job is 1 year and 2 months and that the university sector is made up of 27% public sector and 73% private (National Council of Rectors, 2019).



**Figure 3.** Employment status at the time of graduation in Costa Rica. Source: Own elaboration according to the National Council of Rectors, 2019.

It is important refer in relation to skills sought by employers, Labor Observatory of Professions makes an assessment by competences and area of knowledge, which highlights the following competencies analyzed by this entity.

**Table 2.** Competencies assessed by the Labor Observatory of Professions in Employers Study.

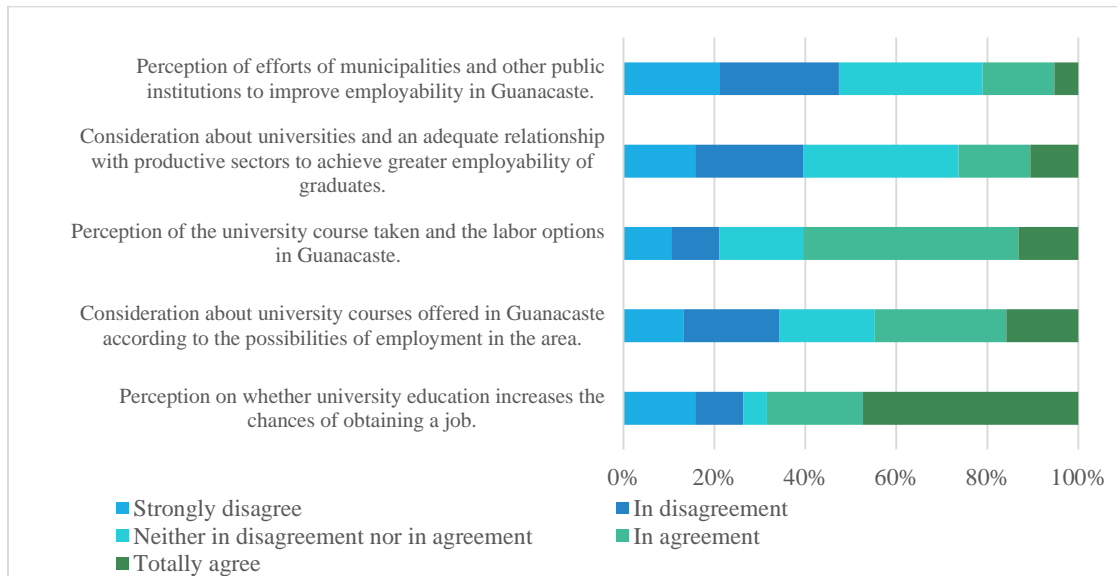
Theoretical knowledge of the discipline	Management of computer programs specific to their discipline
Ability to apply knowledge in practice	English management
Ability to investigate in their discipline	Capacity for teamwork
Ability to identify, formulate and solve problems	Ethical commitment and honesty
Capacity for analysis and synthesis	Ability to work and organize time
Written communication	Commitment to quality
Verbal communication	Creative and innovative capacity
Ability to make decisions	Ability to formulate and manage projects
Ability to learn and update	Ability to adapt to new situations
Ability to work autonomously	Ability to analyze data and convert it into information
Management of basic office computer programs	

Source: Labor Observatory of Professions. Employers Study, 2013.

The same Labor Observatory of Professions concludes that 84% of graduates reside in four central provinces, 46% work in San José, and 58% are fully satisfied with their employment (National Council of Rectors, 2018). This shows an important centralization of employment, since in higher education over the years has generated more career offers outside the Great Metropolitan Area, and the highest percentage of job offers, and remains centralized in the central area of the country.

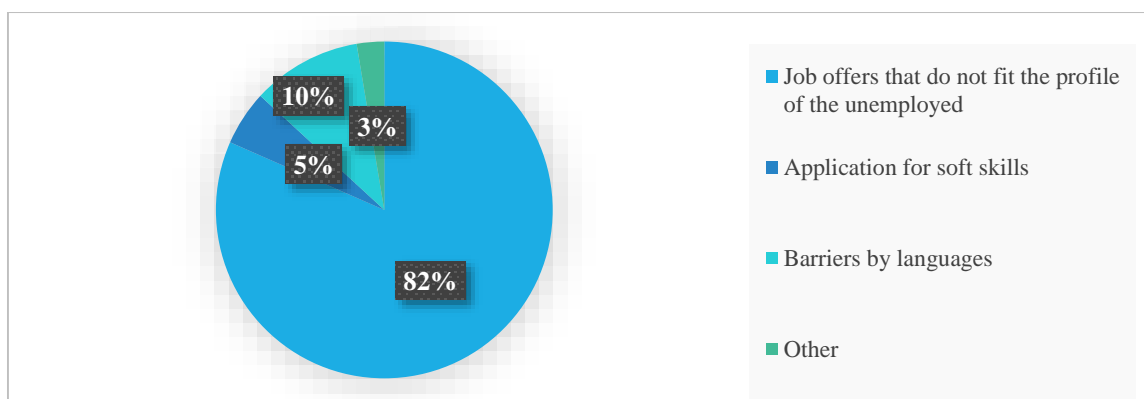
Considering the results of the survey applied, the profile of the respondent was 55% women and 45% men, the majority (66%) with ages between 18 and 25 years, university students of the business management career (84%) and management ecotourism (16%), as important data 63% aspire to have management positions and 3% would like to dedicate themselves to university teaching.

When consulting the respondents about relations of the current university situation and employability in figure 4, they generate the following results where most of them have the perception that higher education increases their employability, but when asking about the role of both universities relating to each other With productive sectors, as well as the efforts of municipalities and other institutions, the majority indicated that they were neither in agreement nor in disagreement and many affirmed to disagree in these aspects.



**Figure 4.** Perception of factors that generate a gap between education and job offers in the area.

On the other hand, as shown in figure 5, the most important factor considered in the generation of a gap between education and job offers in Guanacaste is that job offers do not adjust the profile of the unemployed, for example, that they request work experience that they do not have. This is a piece of information to analyze since it creates a separation between what the university respondent expects when leaving the university and the real employment opportunities.

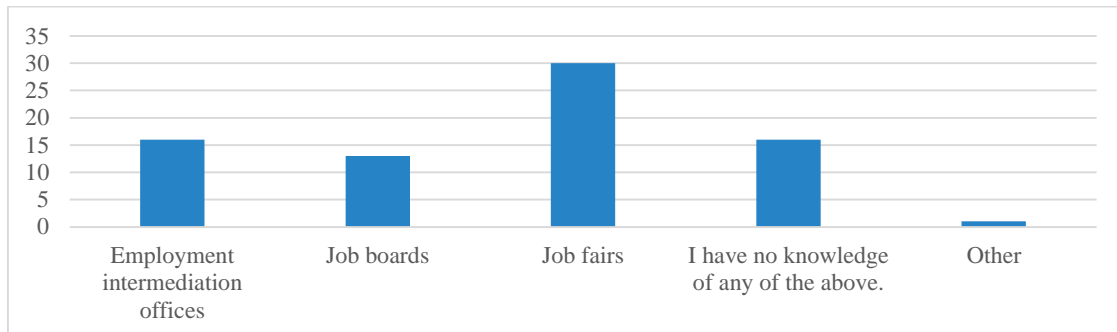


**Figure 5.** Consideration of the most important factors in generating a gap or separation, between the educations received and the job offers in Guanacaste. Source: Own elaboration, 2019.

It should be added that in other factors the respondents indicated that it is relevant to have a driver's license. On the other hand, as shown in figure 6, consulting the respondents if they

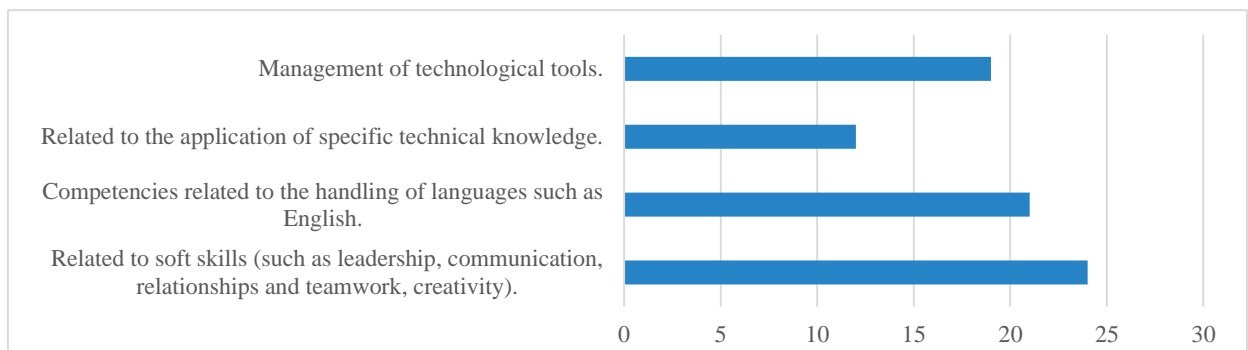


know about efforts in Guanacaste to improve the possibilities of obtaining employment, the majority of the respondents, 39% said they knew about job fairs, as an important fact 21 % indicated that they did not know about any of these aspects.



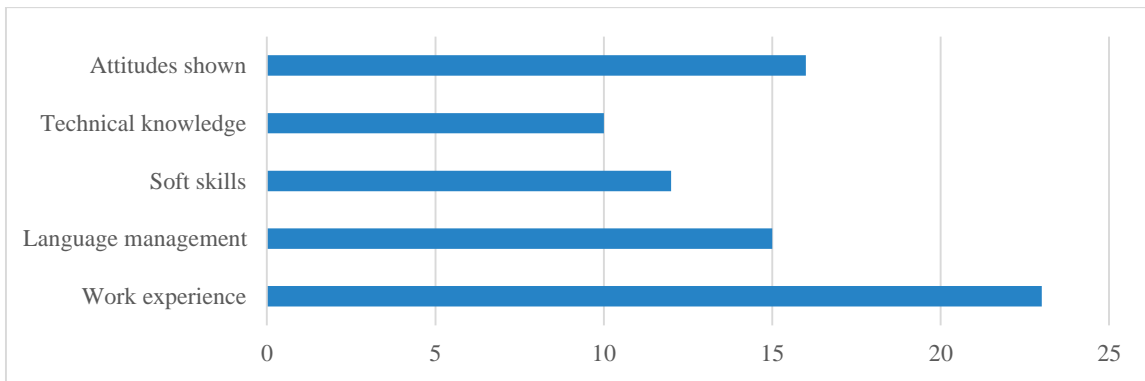
**Figure 6.** Knowledge about efforts that improve the chances of obtaining employment in the Guanacaste area.

In the figure 7, as objective of the research with the intention of recognizing competences necessary for employability in the current competitive environment. Respondents are asked which ones they consider most relevant for obtaining employment, 35% of them indicated that the main competences are oriented to soft skills, such as leadership, communication, relationships, teamwork and creativity; 28% consider very important the handling of the English language and as a relevant data, the one that had less qualification with 16% were those related to the application of specific technical knowledge.



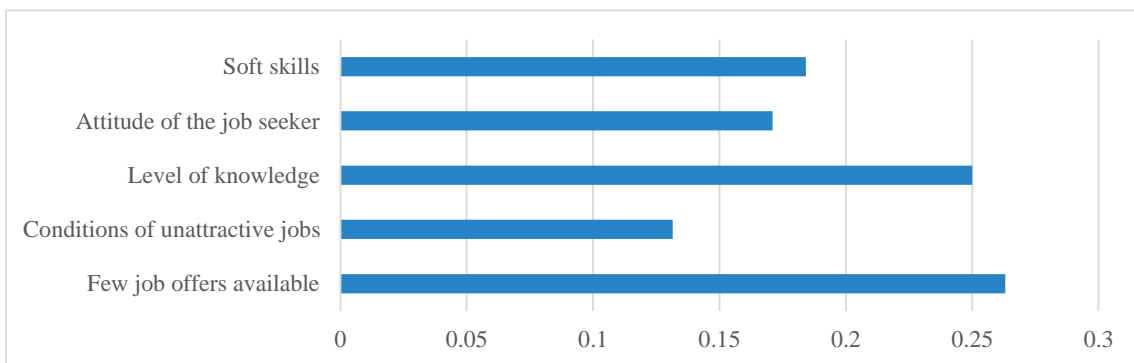
**Figure 7.** Competencies considered most relevant for obtaining employment. Source: Own elaboration, 2019.

About the perception of employers and the aspects considered by job seekers who are the most sought by them at the time of recruitment, as shown in figure 8 the majority of respondents in their conditions were inclined to indicate that work experience is the most important aspect, sought by employers, also the least sought component is technical knowledge.



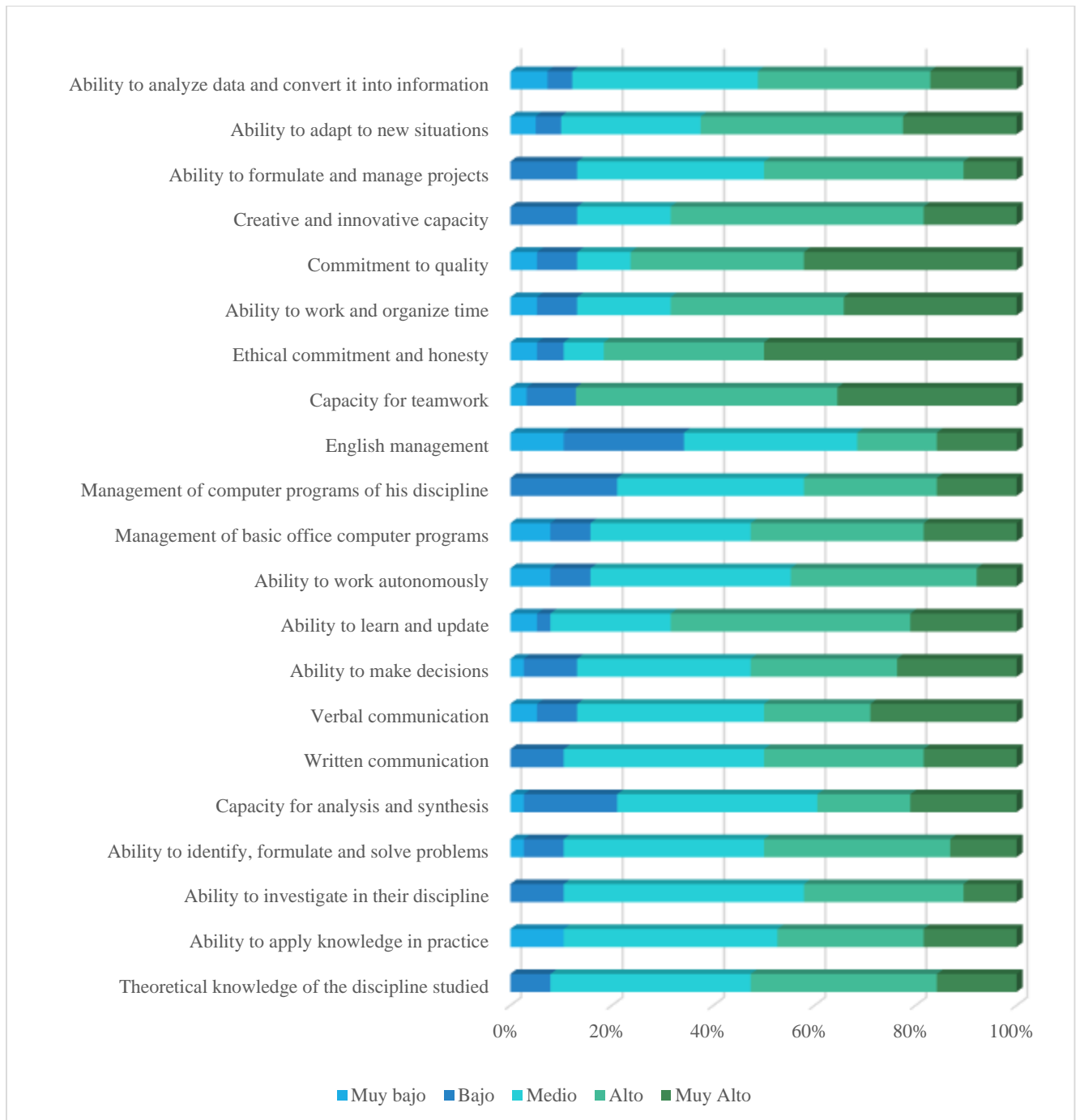
**Figure 8.** Perception of competencies sought by employers.

Making the query on the level of importance of the reasons considered that makes difficult to find employment, in figure 9 the majority (20 respondents) indicated that the main reason are the few job offers, the second reason indicated was the level of knowledge. This is an interesting fact since previously they had indicated that this was one of the aspects least sought by employers.



**Figure 9.** Knowledge about efforts that improve the chances of obtaining employment in the Guanacaste area. Source: Own elaboration, 2019.

In addition, respondents were asked about their competency development, considering the 21 competencies valued by the Labor Observatory of Professions in Employers Study. As shown in Figure 10, 26% answered in all that they have developed these skills at a medium and high level, with some exceptions as in the component of ethical commitment and honesty, as well as in the commitment to quality where it was indicated that they have a very high level.



**Figure 10.** Consideration of the respondents about their own competence development and the level reached.

Subsequently, with the objective of generating criteria through the recognition of actions necessary to improve the employability situation in the area seeking the generation of economic development, respondents are asked to contribute ideas for actions that can be done in Guanacaste to people can find jobs more easily. The proposals include that companies are willing to train and accept people without work experience, more language training, more job fairs, adjust university careers with job offers, and attract more companies.

As a perception of the respondents, other proposals to make Guanacaste more attractive to companies, include that could be created free zones, improve infrastructure in the area, more training focused on languages and soft skills, as well as the creation of alliances between universities and private companies.

Finally, the respondents indicated that on the types of companies that positioning themselves in Guanacaste could improve the economic development and well-being of people, they indicated that related to tourism by the quality of attractions, they also refer to industrial parks, service companies such as call centers, as well as companies related to technology and electrical generation.

## **CONCLUSION AND RECOMMENDATIONS**

The challenges for employability in Guanacaste imply various variables that influence job offers and the conditions of job seekers, where it is considered that there is a gap between education and job offers, due to lack of communication between academia and productive sectors. As well as that job offers do not fit properly to the profile of graduates, proof of this that the Labor Observatory of Professions concludes that 84% of the graduates in the country (including Guanacaste graduates) reside in the Great Metropolitan Area.

Some of the factors that generate this gap between education and job offers in the area include that local governments and public institutions have a more evident role and become involved, with clear plans and efforts to measure employability and generate opportunities. For individuals to have more possibilities of access to employment, these efforts may include employment fairs, employment exchanges, clear intermediation processes between companies, institutions and the unemployed.

It is also required that universities have direct relationships and alliances with productive sectors where through professional practices or internships can be generated feedback to these companies have greater openness for university graduates, and that the latter meet the expected requirements in an optimal manner. Since there is a gap between what the job seeker expects and what the employer expects, at this point a greater communication between academia and companies would be very appropriate.

At the end of the research, competences necessary for employability in the current competitive environment are recognized, such as soft skills, as well as the use of a second language, especially English, and the use of technological tools. At this point it is worth noting a challenge and that is that companies expect people with experience and this should be reduced, making them see through the academy and the efforts of institutions that it is necessary to insert graduates to companies and focusing on their advantages, since they can be more moldable people to the culture and functioning of the companies.

An important aspect is that when studying the 21 competencies of the respondents it is identified that they consider that they have medium and high levels in the main competences sought by employers, this indicates that they consider to be prepared for the working environment, which implies that it is required promote more job offers.

As necessary actions to improve the employability situation, more companies should be attracted to the Guanacaste area, promote the use of free zones looking to take advantage of infrastructures such as the Liberia airport, in general a decentralization of the economic

activities of the country, taking advantage of the advantages of the area, promoting tourism and various service activities that can increase the welfare of the population.

Undoubtedly, for the future this research proposes new issues that should be discussed as the effects of the implementation of VAT in Costa Rica, since this increases production costs in companies which could affect employability, another important issue is informal employment and its effects for the country, many people not finding a job must subsist in some way.

Finally, in the economy the issue of employability is very relevant and has many edges, is affected by innumerable decisions from policies to the own decisions of the business sectors and the same people who are looking for a job. Therefore, employability has a great relationship with education, especially higher education; each time these issues must be deepened and concrete actions taken to improve the employability of quality and the welfare of the people.

## REFERENCES

- Dornbusch, R., Fischer, S. and Start, R. (2015). *Macroeconomía* (Duodécima edición). México D.F.: McGRAW-HILL
- Mathis, R. L.; Jackson, J. H. and Valentine, S. R. (2014). *Human Resource Management*. (14 Ed.). Connecticut, USA: Cengage Learning
- Morales, N. and Roman, M. (2016). Analysis of the socioeconomic situation of the Chorotega region as an approximation of its results in poverty in 2015 and 2016. State of the Nation Program, Costa Rica.
- National Council of Rectors (2019). Labor Radiography. Labor. Recovered from <http://radiografia.conare.ac.cr/>
- National Council of Rectors (2018). "Monitoring of the employment status of graduates 2011-2013 of Costa Rican universities." Recovered from <http://olap.conare.ac.cr/proyectos-de-investigacion/seguimiento-de-la-condicion-laboral#archivos2>
- National Council of Rectors (2013). Labor Observatory of Professions. Employers Recovered from <http://olap.conare.ac.cr/proyectos-de-investigacion/empleadores#archivos0>
- National Institute of Statistics and Censuses (2019). Continuous Employment Survey: Year-on-year comparison. Employed population according to employment characteristics. Recovered from <http://www.Institute of Statistics and Census.go.cr/empleo>
- National Institute of Statistics and Census (2011). X National Population Census and Housing VI 2011: Economic Characteristics. Recovered from [http://www.Institute of Statistics and Census.go.cr/sites/default/files/documentos/Institute of Statistics and Census\\_institucional/estadisticas/resultados/reconomcenso2011-08.pdf.pdf](http://www.Institute of Statistics and Census.go.cr/sites/default/files/documentos/Institute of Statistics and Census_institucional/estadisticas/resultados/reconomcenso2011-08.pdf.pdf)
- International Labor Office (2015). The importance of employment and livelihoods in the development agenda after 2015. Recovered from [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/statement/wcms\\_206443.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/statement/wcms_206443.pdf)

- Parkin, M. (2007). *Macroeconomía* (Séptima edición). México: Pearson Educación
- Quesada, S. (23 de octubre, 2017). Four ways to reduce unemployment during the low season in Guanacaste. *La Voz de Guanacaste*. Recovered from <https://vozdeguanacaste.com/cuatro-formas-de-disminuir-el-desempleo-durante-la-temporada-baja-en-guanacaste/>
- Rodríguez, A. (24 de julio, 2016). ¿A qué le debe apostar Guanacaste? *El Financiero*. Recovered from <https://www.elfinancierocr.com/economia-y-politica/a-que-le-debe-apostar-guanacaste/VLHQ7Q4CJBGIBEQFRG2BROYZQM/story/>
- Sanabria, S. (3 de abril, 2019). Targets destined for Guanacaste boost its economy. Newspaper Message. Recovered from <https://www.periodicomensaje.com/guanacaste/3541-metas-destinadas-para-guanacaste-dinamizan-su-economia>

