FUTURE TALENT COUNCIL

Future Talent Insight Brief

The Entry-Level Paradox: Preparing Young Workers for a Skills-Based Job Market

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Introduction: Understanding the Entry-level Paradox

The transition from education to employment has become increasingly complex for recent graduates, with growing evidence of a global decline in entry-level job opportunities. Despite higher levels of tertiary education and credential attainment, many graduates are struggling to secure meaningful employment, revealing unalignment between what education systems provide and what labour markets now require (Lightcast, 2024).

There has been a global shift in hiring practices, with employers increasingly prioritising experience, adaptability and capability over formal qualifications. This has contributed to what is now referred to as the "entry-level paradox", where roles labelled as entry-level often still require experience alongside education. The labour market is evolving its skill requirements faster than education systems can adapt, creating a mismatch between graduate preparation and employer expectations.

This issue matters globally because opportunities of employment directly influence the economic status, mental health, and future career growth of graduates. Job insecurity can lead to high unemployment rates and potential talent migration. People should care about this issue because today's students are tomorrow's workforce, and if education systems fail to prepare graduates for modern employment realities, the gap between education and opportunity will continue to grow

Shifts in Entry-Level Labour Markets

Entry-level jobs are shifting away from structured training pathways and towards experience- based hiring as rapid skill changes and AI automation reduces traditional junior roles.

Lightcast analysed global job postings and found that the average job has gone through about 33% skill change within recent three-year periods. One in four jobs saw up to 75% skill change in just three years (Lightcast, 2024). Table 1 shows that the average skill change between 2021 and 2025 has stayed consistently high. This means a student's education can become outdated by the time they graduate, especially given the slow adaptation of curriculums.

Period	Average Skill Change	Time Span
2016–2021	37%	5 years
2021–2024	32%	3 years
2022–2025	33%	3 years

Table 1: Lightcast data showing that average job skill requirements have shifted by roughly one-third within recent three-year windows (Lightcast, 2024).

AI is the main driver of labour market acceleration, with AI and Machine Learning being the fastest-growing technical skill subcategory globally, with growth of 48% between 2022 and 2025. This fundamentally changes entry-level work, requiring more skills and practical experience as routine tasks are increasingly automated.

Growing employer concern about graduate readiness

With around 42% of global employers facing difficulty in recruiting skilled employees, it is clear to see that Graduate readiness is a key issue for organizations (Tushar & Sooraksa, 2023). A General Assembly survey of 651 company leaders and 2,361 employees found that only 22% of leaders and 38% of workers viewed entry-level employees as well prepared in 2025. 56% of leaders identified weak soft skills as the main issue (General Assembly, 2025) (Figure 2). The problem is not purely technical. Employers are reporting gaps in communication, adaptability, and workplace judgement, which are capabilities that frequently develop through exposure to professional environments rather than through coursework.

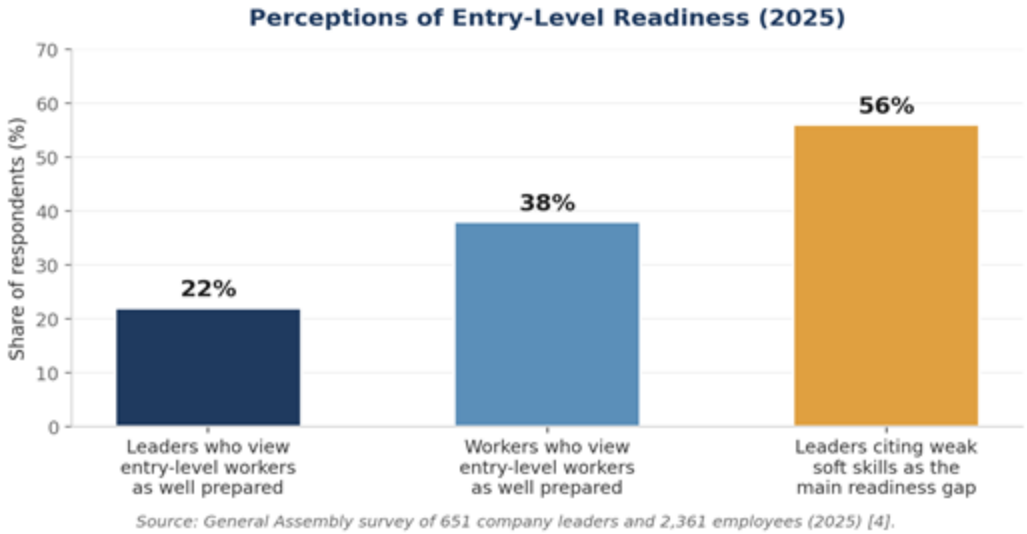

Figure 2: Perceptions of entry-level readiness among leaders and workers (General Assembly, 2025).

Work-based learning improved employability outcomes

Eurostat finds that medium-educated EU youth with at least one month of work experience during their studies were 20.8% more likely to report a strong match between their field of study and their job (Eurostat, 2025). Recent EU VET graduates with structured work-based learning reached an employment rate of 84.8%, compared to 71.5% for those without it, a gap of 13.3% (Eurostat, 2025). When practical exposure is built into the degree itself rather than left for students to find on their own, the link between study and work gets noticeably stronger. These signals suggest that the entry-level labour market is not collapsing, but

transforming. Employers are raising the bar because the work itself has changed. This raises a critical question: how are students themselves responding to these shifts, and are their preparation strategies keeping pace?

Students Perspectives on Employability and Readiness

Data collected from the Future Talent Council Emerging Leader Ecosystem Survey with 96 responses has been used to identify student trends and perspectives on perceived career readiness. Graduate employability is a key priority for students, however, students remain uncertain about their career prospects in light of the labor market shifts (Holmes, 2013). Only 1 in 3 students surveyed rate their job confidence a 5/5 with another 1 in 3 rating their career confidence a 3/5 or below (FTC Emerging Leader Ecosystem Survey, 2026). This demonstrates that students do not have confidence that traditional education will align with market demands.

Students are seeking to increase their employability in three main ways:

Firstly, participation in industry such as employment, volunteering, or internships is a key way for students to gain practical experience of workplaces and industry (Jackson et al., 2024), *"University programs can guarantee jobs for you, I initially went to university with this pre-conceived notion - it has become quite obvious that this mindset is not true anymore"* (Chalmers University, Sweden).

Secondly, engaging with professional networking through professional associations, LinkedIn or conferences is a way students can gain an understanding of the industry and build connections (Jackson et al., 2024). *"Conversations with industry professionals provided insights that extended far beyond the classroom and helped shape my career interests. Over time, I built a strong network of mentors and peers, which has become an important source of guidance and opportunity."* (American University of Sharjah)

Thirdly, students are upskilling in order to gain additional education, experiences, and qualifications that build skillsets, experiences and inter-disciplinary knowledge (Jackson et al., 2024). *"I realised that broadening my skills across multiple areas is just as important as hands-on projects, self-directed learning and industry exposure."* (Botswana International University of Science and Technology)

Students face multiple barriers to employability development, including financial, health, and cultural pressures, competing life commitments, institutional constraints, and low confidence or awareness (Jackson et al, 2025). As a result, students with greater resources are better positioned to engage in these opportunities. Institutions must better support students to navigate these shifts to ensure employability opportunities are equitable and accessible.

Insights: Highlighting the Structural Mismatch

1. The entry-level market is structurally changing faster than education systems can adapt.

The entry-level labour market is being reshaped by skill-based hiring, automation, and the growing integration of AI, which has accelerated demand for adaptability, technological literacy, and advanced interpersonal skills. Entry-level roles are increasingly shifting away from structured training pathways, as employers prioritise candidates who already possess workplace-ready capabilities. As a result, traditional education models are not keeping pace with workforce demands..

2. There is a growing "readiness gap" between university education and employer expectations.

There is a widening gap between what universities provide and what employers expect, with many graduates lacking the practical experience and soft skills required in modern workplaces. Even amongst motivated students, students remain somewhat uncertain about prospects of employment, highlighting the disconnect between education and market expectations and a lack of certainty about how academic learning translates into real workforces. This reflects the "entry-level paradox," where graduates are expected to already possess job-ready skills despite entry-level roles historically being designed to provide training and workplace induction.

3. Students are attempting to adapt, but structural issues hold students back.

Students are independently responding to labour market changes by seeking work experience, networking opportunities, and additional upskilling to build employability. However, access to these opportunities is uneven due to financial, institutional, and personal barriers. Universities must integrate these industry needs within their degrees in order to ensure equal access to skills and employability.

Recommendations to Integrate Education and Industry

In response to these insights, several key recommendations emerged to enable better integration of student education and developing to industry expectations.

Recommendation	Operationalised examples
Embed work-integrated learning across all degree program	1. Require all students to complete one industry placement or internship 2. Develop capstone units co-designed and assessed by industry partners where students solve real organizational problems
Co-design curriculum with industry partners	1. Establish Industry Advisory Boards to review curriculum relevance 2. Use labour market analytics to inform curriculum development
Implement flexible credit-recognition for external and alternative learning	1. Allow students to replace elective subjects with accredited certifications 2. Universities should pre-approve alternative learning certifications to enable easy access for students
Embed AI literacy, digital capacity, and soft skills development	1. Introduce assignments designed to develop student's soft skills (e.g creative problem solving, adaptability) 2. Integrate critical AI engagement into assignments, requiring evaluation of AI outputs
Implement professional identity development and employability readiness programs	1. Host regular industry engagement networking sessions 2. Integrate career readiness modules covering CV writing, interview technique, and workplace communication

These recommendations have the ability to re-shape how education systems prepare students for employment. The key issue facing graduates is that the labour markets are evolving faster than traditional pathways can evolve, leaving graduates behind when they graduate. Addressing these issues develops shared responsibilities between government, universities, industry, and students to create a more adaptable, inclusive, and future-oriented professional development.

Entry-level job markets are rapidly transforming into a skills and experience driven environment, where adaptability, practical experience, and transferable skills are prized above traditional education. In order to effectively respond to this, education must reform to prioritise these skills. Today's students are tomorrow's workforce, and investing in quality education that builds students capacities beyond traditional theoretical education will empower students to innovate, adapt and succeed in a future where graduates are defined by their skills rather than qualifications.

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