

Institutional Exclusion and Credential Recognition: A Qualitative Study on the Labor Market Experiences of Vocational Education Graduates

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Abstract: This paper examines the employment challenges faced by vocational education graduates in China's labor market, employing qualitative research methods to analyze the impacts of institutional exclusion and credential recognition. The study identifies several institutional barriers, including employment restrictions stemming from the household registration system, a misalignment between academic programs and market demands, as well as biases related to academic credentials and other policy-based thresholds. Moreover, vocational graduates often suffer from insufficient recognition of their professional qualifications and skills. In many instances, qualifications are assessed based more on diplomas than on actual competencies, reinforcing a "credentials-over-capability" paradigm. In light of these findings, this paper advocates shifting the focus from distributive justice to recognition justice. It also emphasizes the need to establish a more comprehensive support system, encompassing institutional reforms, an improved qualification certification framework, deeper industry-education integration, and a shift in societal perceptions. Only through such measures can the labor market outcomes for vocational education graduates be substantially enhanced.

Keywords: Institutional Exclusion, Credential Recognition, Vocational Education Graduates, Labor Market, Recognition Justice

0. Introduction

With the continuous advancement of industrial upgrading and economic transformation in China, technical and skilled personnel are growing increasingly vital, serving as a key force driving industrial change. As vocational education is the primary channel for cultivating such talent, the employment outcomes of vocational education graduates directly impact the development of the nation's human resources and, consequently, its socioeconomic progress.

However, despite the expanding scale of vocational education, its graduates continue to face numerous challenges in the job market. Statistics indicate that while the overall employment rate for vocational college graduates is relatively high, the quality of employment varies significantly, and structural imbalances remain pronounced. Compared to graduates of general higher education, vocational graduates still show noticeable gaps in job stability, degree-job match, salary levels, and other aspects.

Underlying these issues are two main factors: institutional exclusion and insufficient credential recognition. Institutional exclusion refers to the difficulty some individuals face in accessing mainstream resources due to institutional or policy barriers. In the context of vocational education, common forms of such exclusion include household registration (*hukou*) restrictions, a mismatch between program offerings and industry needs, and academic credential prejudice. Simultaneously, the vocational qualifications and skills acquired by these graduates often receive inadequate recognition in the labor market, leading to their frequent undervaluation. This, in turn, further marginalizes vocational education graduates.

Most existing studies discuss the development of vocational education from the perspectives of educational equity or resource allocation. However, the issues of institutional exclusion and credential recognition faced by vocational education graduates in the labor market remain underexplored. Therefore, this study employs qualitative research methods, utilizing in-depth interviews and data analysis to reveal the actual employment situation of vocational education graduates. It further examines how institutional exclusion and credential recognition jointly shape their labor-market outcomes. This paper aims to provide theoretical insights and practical suggestions for improving the employment environment for vocational education graduates and fostering a more equitable development of vocational education.

1. Theoretical Framework: The Dual Dimensions of Institutional Exclusion and Credential Recognition

1.1 An Analytical Perspective on Institutional Exclusion

The theory of institutional exclusion originates from research on social exclusion. Its core premise is that systems or policies may appear neutral in design, yet in practice, they can systematically deny certain groups long-term access to resources, rights, and social participation. When applied to the fields of education and resource allocation, institutional exclusion typically manifests in three forms.

(1)Closed Systems: This occurs when unreasonable thresholds are established, preventing some individuals from entering a system and accessing its resources. For example, vocational college graduates are often automatically disqualified from applying for civil service or public institution positions due to not meeting the required academic credentials.

(2)Policy Distortion: Here, a system is implemented in a way that deviates from its original intent, leading to distributional outcomes contrary to its initial goals. For instance, while policies may encourage enterprise participation in school-enterprise cooperation, the lack of concrete incentives and support mechanisms often results in superficial partnerships that fail to be meaningfully implemented.

(3)Intergenerational Persistence: The effects of exclusion are transmitted across generations, creating a self-perpetuating cycle. For example, many vocational education graduates come from rural or low-income family backgrounds. Consequently, their children may continue to face inequitable access to educational opportunities.

The perspective of institutional exclusion has been employed in studies on urban subsistence allowances (dibao) and the social security of migrant workers to explain the mechanisms behind the marginalization of vulnerable groups. Applying this analytical lens to vocational education helps reveal that many challenges faced by its graduates in the labor market are, in essence, structural barriers.

1.2 The Theoretical Connotation of Credential Recognition

Credential Recognition Theory holds that a person's identity, skills, and contributions need to be recognized in social relations. It is easier for such a person to gain a sense of value and maintain dignity. Fraser and Honneth argue that "recognitive justice" can supplement "distributive justice". If only resources are allocated, but there is a lack of recognition, it may also cause psychological harm and even make people feel that they are not regarded as "full persons". In the context of vocational education, credential recognition mainly includes three aspects:

(1)Cultural recognition: The value and social status of vocational education require public acknowledgment. Currently, social prejudice against it remains prevalent, with many still viewing general education as more "valuable".

(2) Institutional recognition: Professional qualifications should be accorded equal status to academic credentials in employment and advancement. In practice, however, many systems continue to prioritize academic qualifications, leading to insufficient institutional recognition of professional ones.

(3) Individual recognition: The skills and contributions of vocational education graduates deserve respect at work. Surveys show that many graduates feel their competencies are not adequately acknowledged, negatively impacting their job satisfaction and subsequent development.

1.3 The Interaction of Dual Dimensions

Institutional exclusion and insufficient credential recognition jointly affect the position of vocational education graduates in the labor market. Institutional exclusion primarily denies graduates access to certain resources through policy thresholds. The lack of credential recognition mainly undermines their social status through cultural contempt and identity denial. The combination of the two causes vocational education graduates to face a dual challenge: they become marginalized in terms of employment opportunities and resources, while simultaneously feeling diminished psychologically and in their identity. This dynamic is illustrated in the following table.

Table 1. Institutional Exclusion and Credential Recognition in the Labor Market for Vocational Education Graduates

Dimensions	Manifestations	Impacts
Institutional Exclusion	Household registration restrictions, academic credential discrimination, and a mismatch between program offerings and market demands.	Limited employment opportunities, low wages, and narrow career advancement paths.
Credential Recognition	Lack of emphasis on professional certification, undervaluation of skills, and deep-seated social prejudice.	Low professional identity, poor job satisfaction, and marginalized social status.

This theoretical framework provides a comprehensive perspective for analyzing the labor market situation of vocational education graduates and lays the foundation for subsequent qualitative research.

2. Research Methodology and Design

This study adopts qualitative research methods by exploring the real experiences and feelings of vocational education graduates in the labor market through in-depth interviews and text analysis. This approach focuses on understanding phenomena from the participants' perspective and is suitable for exploring complex social issues such as institutional exclusion and credential recognition.

2.1 Research Participants

In this study, 30 vocational education graduates from diverse regions, industries, and professional backgrounds were selected as interviewees using purposive sampling. The sample characteristics are as follows:

- (1) Educational Level: Secondary vocational and higher vocational graduates;
- (2) Professional Fields: Including manufacturing, services, information technology, finance, trade, and other industries;
- (3) Work Experience: Ranging from fresh graduates to those with substantial work experience.

Furthermore, interviews were conducted with five enterprise human resources managers and three

vocational education teachers to obtain multi-perspective information. The demographic details of these interviewees are presented in Table 2.

Table 2. Demographic Profile of Interviewees

Category	Number of Participants	Description
Vocational Education Graduates	30	15 from secondary vocational programs and 15 from higher vocational programs; employed in manufacturing, services, information technology, and other industries.
Corporate Human Resources (HR) Managers	5	From small/medium-sized and large enterprises; responsible for recruitment.
Vocational Education Teachers	3	With over 5 years of teaching experience in vocational education.

2.2 Data Collection and Analysis

Data were primarily collected through semi-structured interviews. The interview protocol was guided by the following topics: the employment experiences and career development paths of vocational education graduates; institutional obstacles encountered in the labor market; the extent to which their professional qualifications and skills are recognized by employers and society; and their comments and suggestions on current vocational education and labor market policies.

Each interview lasted between 40 and 90 minutes. All interviews were audio-recorded and subsequently transcribed verbatim, yielding approximately 200,000 words of textual data for analysis.

The data were analyzed using thematic analysis. Following a three-step coding process—open coding, axial coding, and selective coding—core themes such as systemic exclusion and credential recognition were identified. The research team was involved in the entire coding process, and coding reliability was ensured through iterative discussions and consensus-building.

2.3 Research Ethics

This study was conducted in strict adherence to research ethics. All interviewees were fully informed about the study's purposes and provided their consent, specifically agreeing to the anonymization of any personally identifiable information. The collected data are used solely for academic research purposes, ensuring the protection of all participants' rights.

3. Findings: A Qualitative Analysis of Vocational Education Graduates' Experiences in the Labor Market

3.1 Institutional Exclusion: The Structural Barriers Faced by Vocational Education Graduates

The analysis of interview data shows that vocational education graduates face multi-dimensional institutional exclusion in the labor market. This exclusion manifests as policy barriers, unfair resource allocation, and restrictions on rights, which collectively seriously affect their employment quality and career development.

3.1.1 Household Registration Segmentation and Employment Restrictions

The institutional divide created by the household registration system is one of the most common forms of institutional restriction encountered by vocational education graduates. Those without local household registration are often significantly disadvantaged in job searching, accessing social security benefits, and obtaining public services.

As one higher vocational graduate from a rural area stated: "I found a job in the city, but because my hukou is not local, I am ineligible for many public-sector positions. Even after entering a company, I face disparities compared to my local-registered colleagues in matters like social security contributions and my children's access to education."

This institutional barrier makes it easier for vocational education graduates to be disadvantaged in the labor market and hinders their true integration into urban life and work. The study also found that even after many children of migrant workers enter the labor market through vocational education, the household registration issue continues to impede their upward mobility.

3.1.2 Disconnect Between Program Specializations and Labor Market Demands

A mismatch between the curricula of vocational education and market demands constitutes another form of institutional barrier. Many vocational colleges are slow to update their program offerings and thus fail to keep pace with the new skill demands generated by industrial transformation.

As one information technology graduate remarked: "The programming languages I learned in school are already outdated. I had to relearn everything after joining the company. For emerging fields like artificial intelligence and big data analytics, the school offered no relevant courses at all."

This disconnection results in a gap between graduates' skills and employer requirements, diminishing their competitiveness in the job market. The findings also reveal that, for instance, some modern chemical enterprises face a shortage of skilled technicians, while local vocational colleges do not train enough graduates in related specialties to meet this demand. Consequently, a persistent structural imbalance exists: graduates struggle to find suitable employment, while employers cannot recruit the workers they need.

3.1.3 Credential Discrimination and the Career Development Ceiling

Credential (or diploma) discrimination constitutes a common institutional barrier for vocational education graduates. Many employers explicitly require a bachelor's degree or higher in job postings, which directly screens out a large number of vocational graduates. As one corporate HR manager explained:

"Company policy mandates that management positions be filled by candidates with a full-time bachelor's degree or above. Even highly capable vocational college graduates cannot clear this hurdle."

This educational threshold limits the career development space and narrows the promotion pathways for vocational graduates. The study finds that many are concentrated in entry-level positions and find it difficult to advance into managerial or key technical roles. This overemphasis on formal credentials not only hinders individual career progression but also leads to a waste of skilled talent.

3.2 Credential Recognition: The Symbolic Violence Experienced by Vocational Education Graduates

Beyond institutional exclusion, vocational education graduates encounter inadequate recognition of their qualifications in the labor market, where their skills, professional identity, and contributions are often undervalued and lack due respect. This form of symbolic violence further exacerbates their marginalization.

3.2.1 Systemic Devaluation of Vocational Qualifications and Certifications

Within the current vocational qualification system, vocational certificates are often accorded lower status than academic diplomas, and their social recognition and influence remain limited. As a

graduate holding multiple vocational certificates stated:

"I obtained an advanced CNC certificate, but employers place greater emphasis on academic credentials during recruitment. When it comes to determining salaries and assigning positions, vocational certificates play a very minor role."

This devaluation makes it harder for vocational graduates to convert their skills into market value and undermines their competitive edge in the job market. The study finds that despite policy efforts to promote the "diploma-plus-certificate" model, many enterprises continue to prioritize academic qualifications in both hiring and promotion decisions.

3.2.2 The Undervaluation of Skills by Employers

Within enterprises, the skills of vocational education graduates are frequently overlooked or undervalued. Many companies regard them primarily as low-cost labor rather than skilled professionals. As a graduate working in manufacturing noted:

"We are treated as mere operators, with few opportunities for training or advancement. I've proposed technical improvements, but due to my educational background, these suggestions were dismissed."

This disparagement of skills leads to job dissatisfaction among vocational graduates and hinders the development of a strong professional identity. The study also found a relatively high turnover rate among vocational college graduates. A key contributing factor is the lack of due recognition for their skills and contributions.

3.2.3 Social Bias Against Vocational Education and Its Graduates

Social prejudice against vocational education represents a deeper embodiment of "insufficient recognition." Many regard it as an inferior form of education and hold its graduates in low esteem, often stigmatizing them. One interviewee expressed:

"Many in society believe that those who attend vocational schools do so because of poor academic performance and have bleak prospects. I can feel this prejudice when seeking employment, forming friendships, or even pursuing romantic relationships."

Such bias not only affects the psychological well-being of vocational graduates but also undermines their confidence in engaging fully in social life. Many interviewees reported feeling intense pressure to prove themselves, noting that they often have to exert far greater effort to gain the same recognition as graduates from general academic streams.

4. Discussion: Toward a Support System for Vocational Graduates Guided by the Principle of "Recognitive Justice"

The findings indicate that the predicament faced by vocational education graduates in the labor market originates in both unfair resource distribution and a lack of identity recognition. Addressing this thus requires a paradigm shift from a sole focus on distributive justice to one that incorporates the principle of recognitive justice, leading to the construction of a comprehensive support system.

4.1 Discussion and Recommendations

Historically, many policies addressing the employment challenges of vocational education graduates have focused primarily on resource allocation—for instance, increasing financial investment and creating job opportunities. While these measures are undoubtedly important, they cannot address the psychological harm and social exclusion stemming from "insufficient recognition."

In the current post-distribution phase, the pursuit of educational equity must encompass not only

distribution but also recognition. This shift in focus is particularly critical in vocational education, as the challenges graduates face extend beyond a mere scarcity of material resources to include a profound lack of recognition for their professional identity and skill contributions.

4.2 Policy Implications and Recommendations: Toward a Dual–Integration Support System

4.2.1 Institutional Reconstruction: Dismantling Exclusionary Policy Barriers

Firstly, to promote the integration of education and industry, a dynamic mechanism for adjusting academic programs based on market demand must be established. The government should take the lead in constructing school–enterprise cooperation platforms, guiding vocational colleges to develop programs that align with local industrial needs. A professional early–warning mechanism could also be implemented; for programs with persistently low graduate employment rates, enrollment should be reduced or the program discontinued. Conversely, greater investment should be directed toward programs that align with key industrial trends, ensuring that graduates possess relevant skills and enabling institutions to anticipate future workforce demands.

Secondly, academic discrimination must be reduced by adopting competency–based employment policies. Government agencies and state–owned enterprises should take the lead in eliminating degree requirements from recruitment criteria and prioritizing professional competence as the primary evaluation standard. Concurrently, it is essential to advance the development of a national qualifications framework to ensure that vocational certificates are recognized as equivalent to academic diplomas.

Thirdly, the household registration system requires reform to guarantee equal employment rights. This involves gradually decoupling household registration status from access to social welfare benefits, thereby ensuring that non–local vocational graduates enjoy equal rights in employment and social security.

4.2.2 Optimizing the Recognition System: Enhancing the Social Status of Vocational Education

First, a robust professional qualification recognition mechanism must be established to elevate the status of skilled professionals. This involves refining the vocational qualification certification system and ensuring that these qualifications are explicitly linked to salary scales and career advancement pathways. Regularly organizing vocational skill competitions to commend outstanding talents can also enhance the pride and visibility of vocational education graduates.

Second, corporate culture needs to shift towards greater appreciation for skilled talent. Enterprises should be encouraged to create clear promotion channels and incentive schemes for such personnel—for instance, through initiatives like “Skills Master” awards—so that the contributions of vocational graduates are tangibly recognized in both remuneration and honor.

Third, public opinion guidance must be strengthened to mitigate social prejudice. The media should increase coverage of vocational success stories, highlighting the critical role skilled professionals play in economic and social development. This will help foster a social ethos that “values skills and respects craftsmanship.”

4.3 Dual Integration: The Synergy Between Institutional Reconstruction and the Recognition System

Institutional reconstruction and the optimization of the recognition system are not separate endeavors; rather, they mutually influence and reinforce each other. On the one hand, institutional reforms provide the necessary policy foundation for an effective recognition system. On the other hand, enhancing recognition grants greater social legitimacy to institutional changes and helps foster a more supportive societal environment.

It is only through the integrated advancement of both dimensions that the labor market outcomes

for vocational education graduates can be substantially and sustainably improved. The proposed framework for this dual integration is illustrated in the table 3.

Table 3. The Dual–Integration Support System for Vocational Education Graduates

Level of Intervention	Institutional Reconstruction	Recognition System Optimization
Policy Level	Eliminate Credential–Based Discrimination and Deepen Industry–Education Integration	Establish a Vocational Credential Recognition Mechanism and Refine the Qualifications Framework
Enterprise / Corporate Level	Enforce Strictly the Policy of Equal Opportunity in Employment	Foster a Culture of Skill Valuation and Establish Clear Skill–Based Career Ladders
Societal Level	Reform the Household Registration System to Guarantee Equal Rights	Strengthen Media Guidance to Transform Societal Bias Against Vocational Education

This dual–integration support system is designed to address the dual challenges of institutional exclusion and insufficient credential recognition faced by vocational education graduates, thereby bringing about a substantive improvement in their labor market outcomes.

5. Conclusion and Prospects

This study employs qualitative methods to examine the institutional exclusion and inadequate credential recognition faced by vocational education graduates in the labor market. The findings reveal that these graduates encounter multiple institutional barriers, including structural thresholds such as household registration segmentation, a misalignment between program offerings and market demands, and credential–based discrimination. Simultaneously, their professional qualifications and skills suffer from insufficient recognition, manifested through systemic devaluation, employer underestimation, and pervasive social bias. The convergence of these issues significantly heightens their risk of marginalization.

Based on these insights, this paper argues for a paradigm shift from a narrow focus on distribution to one that equally prioritizes recognition, advocating for the establishment of a more comprehensive support system. This proposed system integrates two key dimensions: institutional reconstruction and the optimization of the recognition framework. Substantive improvement in the employment prospects and career development of vocational graduates can only be achieved through synchronized policy reforms and shifts in societal perceptions.

Enhancing the situation for vocational graduates is a long–term endeavor requiring concerted efforts from the government, educational institutions, enterprises, and society at large to form a sustainable support coalition.

In conclusion, this is not merely an issue of educational equity but also one of effective human resource utilization and high–quality economic development. By reducing institutional barriers and enhancing the recognition of skills and qualifications, vocational education graduates can be empowered to play a more vital role in industrial upgrading and economic transformation.

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