

**COMPETENCE-BASED EDUCATION AND ITS IMPACT ON LEARNERS'
TRANSITION FROM SCHOOL TO THE LABOR MARKET IN UGANDA: A
SYSTEMATIC LITERATURE REVIEW**

BY

Beinomugisha Mary

Phd In Business Administration And Management

Bishop Stuart University (Bsu)

Faculty Of Business, Economics And Governance

Business And Entrepreneurship

Email: marycog1@yahoo.com

Abstract:

Competence-Based Education (CBE) aims to enhance employability by equipping learners with practical skills rather than just theoretical knowledge. However, graduates often experience difficulties transitioning from school to the labor market due to persistent mismatches between the competencies acquired and those required by employers, leading to underemployment and skill redundancy. This systematic literature review, grounded in Human Capital Theory, synthesizes findings from over fifty studies across various contexts. It highlights that Competence-Based Education can improve employment readiness when curricula align with industry needs, instructional methods focus on performance-based learning, and assessments prioritize demonstrable outcomes. Nonetheless, challenges such as weak institutional capacity, limited employer collaboration, and insufficient teacher preparation hinder the effectiveness of Competence-Based Education. The review emphasizes the need for stronger policy frameworks, teacher competence enhancement, and robust partnerships between educational institutions and the private sector. Ultimately, effective Competence-Based Education can support a successful transition from education to employment by aligning competencies with labor market realities.

Keywords: Competence-Based Education, Employability, Labor Market Transition, Human Capital Theory, Skills Development, Systematic Literature Review.

1.Introduction

The transition from education to work significantly influences an individual's career, national economic performance, and social contributions. Globally, higher education institutions face increasing pressure to ensure that graduates acquire the knowledge, skills, and attitudes required in the workforce (Albelha , et al, 2020) . Traditional teaching methodologies often emphasize theoretical knowledge, which research has shown frequently fails to equip students with the practical skills employer's demand. These include technical competencies, interpersonal abilities, and problem-solving skills relevant to job requirements (Vargas & Gonzalez, 2025) . Competence-Based Education (CBE) aims to address these issues by focusing on the development of specific competencies such as technical expertise, teamwork, and problem solving that align closely with labor market expectations (Blokker, & de Grip, 2023) . Competence-Based Education characterized by curricula aligned with competencies, structured work-based learning (WBL) opportunities, and ongoing assessment of learners' job-relevant skills (Scheuring,& Smith, 2025). By prioritizing learning outcomes over mere teaching inputs, Competence-Based Education strengthens the connection between education and employment, preparing graduates to effectively enter complex labor markets.

Studies suggests that Competence-Based Education improves employability when there are supportive institutional structures, strong industry involvement, and qualified educators who provide practical learning experiences (Hartini & Sari, 2025). However, its success varies across contexts. Inadequate teacher training, limited employer participation in curriculum development, and poor-quality work-based learning experiences hinder effective competency translation into employability (Villegas & Montoya, 2024). Additionally, rapid shifts in labor market needs may render certain competencies obsolete, contributing to persistent gaps between education and employment (Mezghani & Turki, 2025).

This study synthesizes literature published between 2020 and 2025 to provide an in-depth understanding of how Competence-Based Education influences learners' transitions from school to the workforce. It examines theoretical and empirical evidence to identify mechanisms that enhance employability, barriers to effectiveness, and areas requiring further research. The review contributes to broader discussions on educational innovation, labor market alignment, and skills development in contemporary society.

2. Justification and Significance

The importance of examining Competence-Based Education in relation to school-to-work transitions arises from global concerns regarding graduate employability and workforce readiness. According to the Organization for Economic Co-operation and Development (OECD, 2025), the gap between skills acquired in formal education and those demanded by employers remains a critical issue in both developed and developing economies. This gap delays graduates' entry into the workforce, limits economic productivity, and affects personal career development. By emphasizing competency development, Competence-Based Education directly addresses these gaps (Blokker, & de Grip, 2023). This study is therefore significant because it provides policymakers with evidence-based insights into how Competence-Based Education initiatives can enhance workforce readiness. Policy frameworks increasingly emphasize curriculum alignment with competencies, work-integrated learning, and continuous assessment strategies (OECD, 2025). This review consolidates empirical findings to guide the design of effective Competence-Based Education programs that respond to labor market dynamics.

The study also contributes to theoretical understanding by integrating frameworks related to competency-based learning, employability, and labor market adaptation. Despite increasing adoption of Competence-Based Education globally, gaps remain regarding contextual influences such as sectoral requirements, geographic diversity, and socioeconomic barriers (Villegas & Montoya, 2024). Highlighting these issues provides scholars with structured insights into Competence-Based Education effectiveness and areas for future research.

The study benefits educational institutions, vocational training centers, and employers. Institutions gain insights into curriculum and assessment design, employers' benefit from graduates with relevant competencies, and students gain clearer pathways to acquiring employability-enhancing skills (Hartini & Sari, 2025).

Furthermore, the review is timely, considering significant changes between 2020 and 2025, including technological advancement and the impact of COVID-19, which accelerated hybrid and digital learning. Systematically examining these developments clarifies how contemporary Competence-Based Education practices influence employability (Mezghani & Turki, 2025).

3.Methodology

This study employed a systematic literature review to explore the impact of Competence-Based Education on learners' transition from school to the job market guided by PRISMA principles to enhance transparency and methodological rigor. A systematic review approach was appropriate because it synthesizes empirical studies, theoretical analyses, and policy reports while minimizing bias (Albelha , et al, 2020).

3.1 Research Approach and Paradigm

The study followed a qualitative interpretivist approach, focusing on understanding educational practices, competency development, and labor market dynamics within context (Villegas & Montoya, 2024) .This approach enables detailed examination of how Competence-Based Education interventions are implemented and perceived across different environments.

3.2. Research Design

A narrative synthesis approach within the systematic review framework was used, integrating findings from quantitative and qualitative studies as well as policy analyses and theoretical publications (Blokker & de Grip, 2023).

3.3. Data Sources

Data were obtained from peer-reviewed journals, policy documents indexed in Web of Science, PubMed, Scopus, and the Education Resources Information Center (ERIC). Search strings combined keywords such as “Competence-Based Education,” “school-to-work transition,” “work-based learning,” and “skills development,”

3.4. Inclusion criteria

The review included studies published between 2020 and 2025 focusing on Competence-Based Education, work-based learning, vocational education, competency development, employability, and school-to-work transitions.

3.5 Data Extraction and Synthesis

Information was extracted using a standardized extraction template capturing study context, Competence-Based Education practices, outcomes, barriers, and recommendations. Thematic analysis guided synthesis, allowing identification of patterns, contrasts, and research gaps (Scheuring,& Smith, 2025).

3.6. Ethical Considerations

The study relied exclusively on secondary sources; therefore, ethical approval was not required. All sources were acknowledged to maintain academic integrity.

4. Theoretical Framework

The theoretical framework for this study combines Competence-Based Education theory, transition to work theory, and human capital theory, providing a solid basis for analyzing employment outcomes for learners.

4.1. Competency-Based Education Theory

Competence-Based Education theory states that learning should focus on gaining and demonstrating specific competencies rather than simply completing courses or earning credit hours (Tahirsylaj, 2025) . Competencies encompass technical, cognitive, and socio-emotional skills required for effective job performance. The theory emphasizes learning outcomes, formative and cumulative assessments, and practical experiences that allow learners to demonstrate mastery. In the context of the school-to-work transition, Competence-Based Education ensures that students acquire relevant competencies aligned with labor market needs, boosting their employability (Vargas & Gonzalez, 2025)

4.2. Human Capital Theory

Human Capital Theory (Becker, 1993) explains the economic value of acquiring education and skills, arguing that investment in learning enhances productivity and employability. Within Competence-Based Education, this theory underscores the importance of competency

development as an investment yielding economic and social benefits (Villegas, 2024) . By focusing on job market-relevant skills, Competence-Based Education maximizes the economic benefits of education for individuals and society.

4.3. Transition-to-Work Theory

Transition-to-work theory examines how learners move into employment, highlighting the importance of preparedness, labor market signals, and institutional support (Blokker, 2025). This theory highlights the importance of career guidance, institutional support, and work-based learning opportunities in facilitating smooth transitions. Competence-Based Education places this theory into practice by incorporating structured work-based learning, internships, and industry-aligned curricula, all of which help bridge the skills gap and enhance readiness for the job market.

4.4. Integration of Theories

Together, these theories explain how Competence-Based Education supports employability: Competence-Based Education Theory structures competency development; Human Capital Theory clarifies its economic relevance; and Transition-To-Work Theory contextualizes employability outcomes.

4.5. Relevance to Current Study

This framework allows the study to investigate not just if Competence-Based Education enhances employability but also how and why it succeeds. By connecting empirical findings to these theories, the study pinpoints factors that contribute to successful school-to-work transitions, clarifies variations in outcomes across different contexts, and establishes a basis for policy and institutional recommendations.

5. Literature Review

5.1 Competence-Based Education and Employability

Evidence shows that Competence-Based Education promotes employability by emphasizing relevant skill acquisition, work-based learning, and competency assessment (Albelha , et al,

2020) . Competence-Based Education curricula aligned with industry needs help students develop applicable skills. Work-based learning, such as internships and apprenticeships, enables students to apply and use their skills in real world environments, enhancing job readiness (Hartini & Sari, 2025) . Research indicates that assessing competencies is crucial for employability, with (Scheuring,& Smith, 2025) noting that ongoing formative and summative assessments allow students to track their skill growth. These assessments also provide employers with reliable indicators of competence. Nonetheless, existing literature points out continued quality gaps in assessments, often resulting in graduates whose skills do not fully meet labor market expectations (Vargas & Gonzalez, 2025).

5.2 Employer Engagement and Institutional Frameworks

Employer engagement is vital for the effectiveness of Competence-Based Education. Programs that involve industry partners in curriculum design, work-based learning placement, and competency assessment tend to yield better results (Blokker, & de Grip, 2023) . Conversely, limited employer involvement can bring about skill mismatches and reduced employability (Cappelli, 2024). Institutional frameworks, including supportive policies, funding for work-based learning programs, and teacher training, are also important for the success of Competence-Based Education (Villegas & Montoya, 2024).

5.3 Challenges in Implementation

Despite the merits of Competence-Based Education, several factors hinder its success. Teachers have inadequate training that diminishes the quality of competency delivery (Mezghani & Turki, 2025) . Poor quality work-based learning placements that lack clear objectives, supervision, mentorship, and assessment can weaken skill development (Hartini & Sari, 2025) Additionally, rapid changes in the job market complicate efforts to keep curricula aligned with new industry needs (Blokker, 2025).

5.4 Policy and Global Context

Countries implementing Competence-Based Education alongside labor market policies experience smoother school to work transitions. Policies that promote competency alignment,

apprenticeship programs, and vocational education integration significantly enhance employability outcomes. The COVID-19 pandemic has accelerated the shift toward hybrid and digital Competence Based Education models, emphasizing the need for flexible, technology enabled learning approaches (Vargas & Gonzalez, 2025).

5.5 Gaps in Existing Research

While literature demonstrates the effectiveness of Competence-Based Education, gaps exist in long-term studies, sector-specific evaluations, and research considering socioeconomic, cultural, and geographic factors. Additionally, few studies incorporate employer perspectives when assessing the readiness of Competence-Based Education graduates, limiting understanding of how the labor market perceives these graduates (Blokker, & de Grip, 2023).

6. Research Findings and Discussion

6.1 Mechanisms Enhancing Transition to Labor Market

Aligning curricula with industry needs helps learners acquire skills relevant to their desired jobs (Albelha , et al, 2020). Work based learning, such as structured internships and apprenticeships, provides real world experiences that reinforce classroom learning (Hartini & Sari, 2025) . Competency assessment frameworks, including portfolios and performance evaluations, enable learners to prove their skills, creating credible signals for potential employers (Scheuring,& Smith, 2025).

6.2 Impact on Learner Outcomes

Evidence shows that students in Competence-Based Education programs report better confidence, enhanced technical and soft skills, and quicker job placements than those in traditional education (Villegas & Montoya, 2024) He further finds that students in industry-linked programs demonstrate better problem-solving, teamwork, and communication skills, which are highly valued in the workplace.

6.3 Barriers and Constraints

Despite these positive outcomes, significant barriers limit the effectiveness of Competence-Based Education. Low employer engagement reduces opportunities for practical skill application and alignment with job market needs (Varsik, 2025). The quality of work-based learning programs varies considerably. Poor mentorship and evaluation processes hinder effective learning (Varsik, 2025). Teacher skills remain a challenge, as many instructors lack the practical experience and specialized training needed to deliver competency focused education (Mezghani & Turki, 2025) . The quality of work-based learning programs varies considerably. Poor mentorship and evaluation processes hinder effective learning (Hartini & Sari, 2025) . Furthermore, rapid changes in labor market demands can create gaps between the skills taught and those required by employers, particularly in tech heavy fields (Blokker, 2025).

6.4 Contextual Variation

The outcomes of Competence-Based Education interventions differ by context. High-income countries with effective educational systems, supportive policies, and active industry partnerships tend to see higher success rates in employability (OECD, 2025) . In contrast, low- and middle-income countries encounter structural challenges like funding shortages, limited industry involvement, and teacher shortages, which hinder Competence-Based Education effectiveness (Villegas & Montoya, 2024).

6.5 Policy and Institutional Implications

The findings stress the need for solid institutional support. Policies promoting curriculum development, work-based learning placements, and teacher training can enhance Competence-Based Education outcomes (Blokker, & de Grip, 2023) . Collaboration between schools and industry is vital to ensuring programs adapt to changing labor market needs. Digital tools, such as online skill assessments and virtual internships, have also broadened the reach and flexibility of Competence-Based Education (Vargas & Gonzalez, 2025).

6.6 Theoretical Implications

Integrating Competence-Based Education with human capital theory and transition-to-work theory provides a clear framework. Competence-Based Education brings theoretical ideas of skill acquisition and job market signaling to life. Human capital theory supports the idea of investing in these skills, while transition-to-work theory describes how skills lead to job outcomes (Tahirsylaj, 2025).

6.7 Research Gaps and Future Directions

Future studies should explore long term career paths, variations across sectors, and the impact of digital learning tools on skill acquisition. Gathering qualitative insights from employers and graduates can deepen understanding of how Competence-Based Education influences employability (Blokker, 2025)

7. Limitations of the Study

This study has several limitations. First, it does not include a meta-analysis and therefore does not estimate pooled effect sizes. Second, it relies solely on secondary data from published sources, which may lead to bias since notable findings are more likely to be published. Third, the review mainly includes literature in English, potentially overlooking relevant studies in other languages. Fourth, variations in research design, context, and quality among included studies limit how broadly these findings can be applied. Fifth, while the study targets publications from 2020 to 2025 to stay relevant, it may not take into account long term trends or new Competence-Based Education initiatives beyond this timeframe. Despite these limitations, the systematic review offers a thorough synthesis of recent evidence and provides valuable insights into how Competence-Based Education aids learners in transitioning into the labor market and highlights key directions for policy and research.

8. Conclusions and Recommendations

8.1. Conclusions

Competence-Based Education offers a promising way to connect education with employment. By focusing on skill acquisition, work-based learning, and industry aligned curricula, it enhances graduates' employability and facilitates smoother transitions into the job market (Albelha , et al, 2020). The review indicates that Competence Based Education is most effective when supported by strong institutional frameworks, effective assessment strategies, trained teachers, and active employer involvement (Hartini & Sari, 2025) . It fosters practical skills, increases learners' confidence, and signals competence to hiring managers. Work based learning programs, internships, and competency assessments allow learners to apply theoretical knowledge in practical contexts, leading to more effective and successful entry into the workforce (Scheuring,& Smith, 2025). Moreover, Competence-Based Education aligns with human capital theory by demonstrating that investing in skill development results in better economic outcomes for both individuals and society. However, its effectiveness varies across different settings. Challenges such as inadequate teacher skills, low employer engagement, and low-quality work-based learning placements can challenge the success of the program, particularly in resource limited areas (Villegas & Montoya, 2024) . Swift shifts in labor market demands also create potential gaps between the skills taught and those required by employers (Blokker, 2025). These findings underscore the need for adaptable, context-sensitive program designs, continuous evaluation, and improvement of Competence-Based Education.

8.2 Policy Recommendations

- i. Strengthen Employer Engagement by the Governments and other educational institutions. They should foster partnerships with industry to co-design curricula, provide mentorship in WBL programs, and offer feedback on competency relevance.
- ii. Enhance Teacher Capacity through Teacher training programs that emphasize practical competencies, assessment methods, and pedagogical strategies aligned with Competence-Based Education principles. Continuous professional development is essential to ensure instructors can effectively implement competency-based curricula.

- iii. Improve work-based learning quality: Work based learning experiences should include structured objectives, mentorship, and assessment mechanisms. Programs should be regularly evaluated for relevance and effectiveness.
- iv. Align Curricula with Dynamic labor Market Needs: Educational institutions should continuously monitor labor market trends to ensure that competency frameworks remain current and relevant. Integration of technology-driven skills is critical in rapidly evolving industries.
- v. Leverage Digital Learning Tools: Virtual internships, online competency assessments, and blended learning platforms can enhance the reach, flexibility, and scalability of Competence Based Education programs.
- vi. Implement Supportive Policies: Governments should develop policies that incentivize employer participation, fund WBL initiatives, and support competency-based assessment frameworks.

8.3 Directions for Future Research

Future research should focus on:

- a. Longitudinal Studies: Investigate the long-term impact of Competence-Based Education on employment outcomes, career progression, and job satisfaction.
- b. Contextual Analyses: Explore how socio economic, geographic, and sector specific factors influence Competence Based Education effectiveness.
- c. Employer Perspectives: Incorporate qualitative data from employers to better understand alignment between graduate competencies and labor market needs.
- d. Digital Integration: Examine the role of online learning platforms, virtual internships, and competency-tracking tools in enhancing Competence-Based Education outcomes.

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