

Graduate Market Trends



In Brief

Recession watch: West Midlands Warwick Institute for Employment Research (IER)

The IER discusses who are the most likely to be affected by the crisis, and what might be done to mitigate this. Finally it takes a longer term perspective, drawing on the findings of IER's most recent *Working Futures* employment projections.

Some key observations are that job losses are being concentrated in areas which have a more vulnerable industrial base (i.e. a concentration of activity in those sectors suffering a long-run decline in employment); and it is the less skilled and qualified who are most at risk of being unemployed. More highly skilled people who lose their jobs still stand a better chance of finding work, probably at the expense of those who are less highly qualified and skilled.

Go to the website for more information and take a look at the IER Bulletin no. 91 www2.warwick.ac.uk/fac/soc/ier/recession/ www2.warwick.ac.uk/fac/soc/ier/publications/bulletins/ier91.pdf

Work experience on offer for graduates

Website connecting graduates and employers launched

Graduate Talent Pool, a Government initiative, went live on Wednesday 29 July with more than 2,000 internships available to graduates from employers and businesses. The Graduate Talent Pool will operate through a one-stop Graduate Talent Pool website, offering information and guidance and a matching service for employers and graduates. This is part of a broader offer for graduates that also features postgraduate study, volunteering,

self-employment, mini Knowledge Transfer Partnerships (KTPs) and additional Teach First places.

These are the first of more than 6,000 graduate internships already pledged by employers to come on stream over the next few weeks. In addition, the government has announced support for a further 10,000 graduate internships – including thousands of graduate internships with small businesses. The types of internship offered vary depending upon the needs of the recruiting organisation, but the majority are for around three months.

Website <http://graduatetalentpool.direct.gov.uk>

Optimism for small businesses Open University survey suggests that the recession has levelled out for small businesses

Small businesses are now more optimistic about their immediate sales prospects, according to the latest Quarterly Survey of Small Business in Britain by The Open University Business School in association with Barclays Bank and ACCA. While 49% of small firms reported that sales were down over the year, most notably in manufacturing and construction, fewer firms now expect to cut employment, and 62% of small firms have not changed employment levels over this past year.

The survey of 848 small business respondents was carried out by the enterprise research team at the Open University Business School with sponsorship by Barclays Bank and ACCA (Association of Chartered Certified Accountants). It was based on questionnaires and interviews with SMEs in the second quarter of 2009. www3.open.ac.uk/media/fullstory.aspx?id=16485

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Research careers of UK doctoral graduates

Promoting the UK doctorate: opportunities and challenges

A new research report published by Universities UK examines current provision and future challenges of the UK doctorate. The report outlines three themes as key to the continued success of the UK's doctoral provision: the promotion of the UK doctorate, both within the UK and internationally; ensuring the sustainability of the doctoral provision, including improving the researcher experience; and working to improve the employability and impact of doctoral graduates. In the section on employability, the research finds that employment rates for UK-domiciled doctoral graduates are good compared to those for other graduates from higher education. Outcomes as shown by first destination data collected six months after graduation have been stable in terms of overall employment and unemployment rates over the period 2002/03–2005/06. Direct salary comparison with other groups is difficult but the median salary for doctoral graduates has consistently been slightly higher than for Masters' graduates, at £27,000 as opposed to £26,000, six months after graduation in 2006. There is no comparative data on the employment destinations of non-EU researchers.

The publication is available from www.universitiesuk.ac.uk/publications/Pages/Default.aspx

Direct link to PDF
www.universitiesuk.ac.uk/Publications/Documents/research_report_doctorate.pdf

Career aspirations still linked to socio-economic background

Unleashing aspirations - the final report of the panel on fair access to the professions.

The chair, Alan Milburn, highlighted that: *"One in two children with parents who are professionals want to pursue a professional career. Only one in six children from average family income backgrounds want to do the same. Of course not everyone can be a doctor or a lawyer – and not everyone will want to be – but those with ability and aptitude need a fair crack of the whip to realise their aspirations"*

The Panel on Fair Access to the Professions was established by the Prime Minister to advise on how to make a professional career genuinely open to as wide a pool of talent as possible
http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/21_07_09_fair_access.pdf

Disabled Students and Higher Education

Higher Educational Analysis by the Department for Innovation, Universities and Skills (DIUS now BIS)

In 2006/07, there were 31,065 (8%) UK-domiciled, first year, full-time undergraduates, who had declared a disability, on the HESA record. Some of the findings highlighted in the research report are that disabled people in HE

tend to be older than those without disabilities and that when comparing the immediate post-HE experiences of disabled and non-disabled graduates from Higher Education, qualifiers reporting a disability have marginally poorer labour market outcomes six months after qualifying – but larger differences are observed between the different types of disabilities reported.

www.dius.gov.uk/~media/publications/D/DIUS_RR_09_06

Gender pay gap persists Careers advice and guidance to break down occupational gender stereotyping

Women are still paid, on average, 22.6 per cent less than men. The commission reports that DCSF has made some headway in trying to break down gender stereotyping, particularly for the 14–19 age group, through careers advice and guidance and also via the apprenticeship programme. However, efforts have been small scale and sporadic – particularly for those children under the age of 14. However, the report highlights that more effort needs to be made with this age group. The authors conclude that gender equality issues are not yet a key consideration across all DCSF policies, and as a result progress is not being made fast enough. www.equalities.gov.uk/pdf/297158_WWC_Report_acc.pdf

Editor's notes



Welcome to the autumn edition of GMT where, apart from the usual roundup of graduate labour market surveys, we present a HECSU survey of higher education careers services exploring how they are experiencing the recession. A really big thank you to all the careers advisers who participated in the survey and offered their really useful top tips for students graduating in 2009.

In this edition, we are happy to have Arti Kumar outlining the SOAR (Self, Opportunity, Aspirations and Results) model and how employability can be part of this approach, Trevor Hart and Paul Barratt presenting research into graduate employment in SMEs and Professor Jenny Bimrose writing about a study set out to evaluate the effectiveness of face-to-face guidance interviews.

For more up-to-date news on the graduate labour market follow the HECSU blog.

I hope you enjoy this edition.

Kathrine Jensen

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The Higher Education Careers Services Unit (HECSU) is a registered charity that supports the work of higher education careers services in the UK and the Republic of Ireland and funds major research projects that benefit the higher education careers sector. Its commercial arm, Graduate Prospects, publishes the Prospects series of graduate recruitment and postgraduate study publications and provides online information via the UK's official graduate recruitment site, Prospects.ac.uk

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Summary

In July 2009 HECSU launched a short online survey asking university careers services how they think the recession has affected graduate vacancies and what kinds of strategies they have seen final year students adopting in response to the recession. The findings suggest that careers services are experiencing the recession in different ways and that one adviser's experience of the graduate labour market is not necessarily the same as another's. However, overall it would appear that vacancies are down and that careers services are actively seeking to mitigate the effect this has on students by targeting 'non-traditional' graduate employers instead. The survey also suggests that final years students are responding to the recession in one of three ways: some students are actively trying to 'make themselves more employable', some students are looking for ways of 'riding out the storm', and some students are giving up finding a job altogether. Most participants feel the media coverage is - at worst - distorting the reality and - at best - de-motivating graduates at exactly the time when graduates need all the ideas, encouragement and alternatives they can get. It is also worth considering how the definition of a 'graduate job' can itself be a barrier to finding employment, as some students take the view that anything other than a place on a graduate training scheme is tantamount to failure.

Introduction and methodology

According to the media, job prospects for students graduating in 2009 are unremittingly bleak. However, a survey of the heads of university careers services conducted by AGCAS in early 2009 suggested that this coverage might not be entirely accurate. As a result, the Higher Education Careers Services Unit (HECSU) set out to explore two issues: firstly, how accurate careers advisers feel the media coverage of the graduate labour market is, and secondly, how recent graduates are responding to what are undoubtedly difficult labour market conditions.

A HECSU Survey: How are Higher Education Career Services Experiencing the Recession?

3

In July 2009 HECSU launched a short online survey asking university careers services how they think the recession has affected graduate vacancies and what kinds of strategies they have seen final year students adopting in response to the recession. The survey comprised seven questions, four of which were open-ended to enable participants to respond 'in their own words'. It was sent to 526 careers advisers and heads of careers services via HECSU's contact database. The survey closed in August 2009 and achieved a response rate of 17% (92 respondents).

Please note that the survey was designed to explore these issues rather than to provide an analysis of any variations between different sectors or regions within the graduate labour market, and consequently that the views

of participants are illustrative rather than representative.

Changes in vacancies and employers

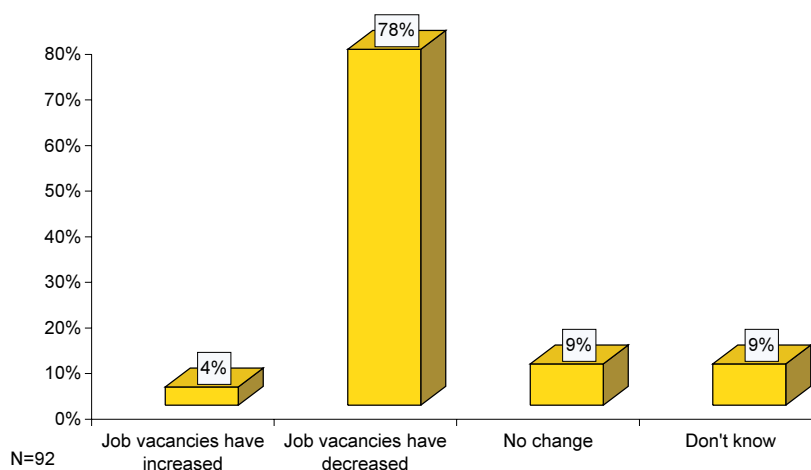
Overall, 78% of the careers advisers say that the number of job vacancies that they are advertising has decreased due to the recession. About 9% say there has been no change and 4% say that job vacancies have increased (figure 1).

In the words of one careers adviser,

"...one employer who is advertising with us currently had an original target of 300 graduates, but has cut back to 135."

However, on their own these figures do not give us the complete picture. The comments made by careers advisers describing the kinds of employers they are dealing with suggest that there are a number of 'trends' in the kinds of

Figure 1: Do you think the number of graduate job vacancies you are advertising has been affected by the recession?



vacancies being advertised. It also suggests that not all careers advisers are experiencing the impact of the recession on the graduate labour market in the same way.

Observations made by careers advisers included:

1. No change in the kinds of employers advertising but fewer vacancies
2. A change in the size of the employers advertising vacancies or contacting careers services about graduates.
 - Fewer large national employers
 - More small and medium enterprises (SMEs)
3. A change in the kind of employers advertising vacancies or contacting careers services about graduates
 - More community/voluntary organisations
 - More local employers
4. The majority of the careers advisers who had registered a change suggested that the recession was having more of an impact on some sectors than others. Many had seen a decline in the number of vacancies being advertised by firms in banking, finance, law and construction, but reported that other sectors, such as the public sector, social care, education and engineering, were still going strong.

“Some sectors such as investment banking have seen a marked decline in vacancies within the top end of the sector but not so much in the mid tier banks. Some increases in sectors such as insurance, public sector”

However, it is important to bear in mind that the number of vacancies available at any given time will vary within as well as between sectors. For example, some

careers services reported that employers in the science sector were still actively recruiting, while others reported that this was a sector where vacancies had decreased.

It should also be noted that some participants had not yet begun to look for these kinds of trends so it may be too early to get a real sense of what (if any) impact the recession has had on the kinds of employers who are recruiting graduates in 2009.

In response to this decrease in employer vacancies quite a few careers services had been proactive in starting initiatives to target local and smaller employers as graduate employers. For some careers services this was done to cover shortfalls from the usual employers advertising vacancies with careers services. In a few cases careers advisers had themselves been approached by recruitment agencies who were looking for potential employees on behalf of their clients.

“Local SMEs, dormant employers (i.e. those that rarely advertise with us) that we approached and have woken up, many opportunities coming through our alumni networks (people moving up or out of their organisations and creating another vacancy) and jobs overseas (often with organisations we have never heard of)”

This suggests that some careers services are actively seeking to widen the network of employers they work with in order to help students identify alternatives to the ‘traditional’ large graduate employers. However, this strategy often needs someone like a permanent employer liaison officer to facilitate it.

How are final year students using the careers services?

The survey also wanted to explore the kinds of strategies advisers had seen students adopting in response to the recession, and also whether they think the number of final year students using their careers service has gone up or down.

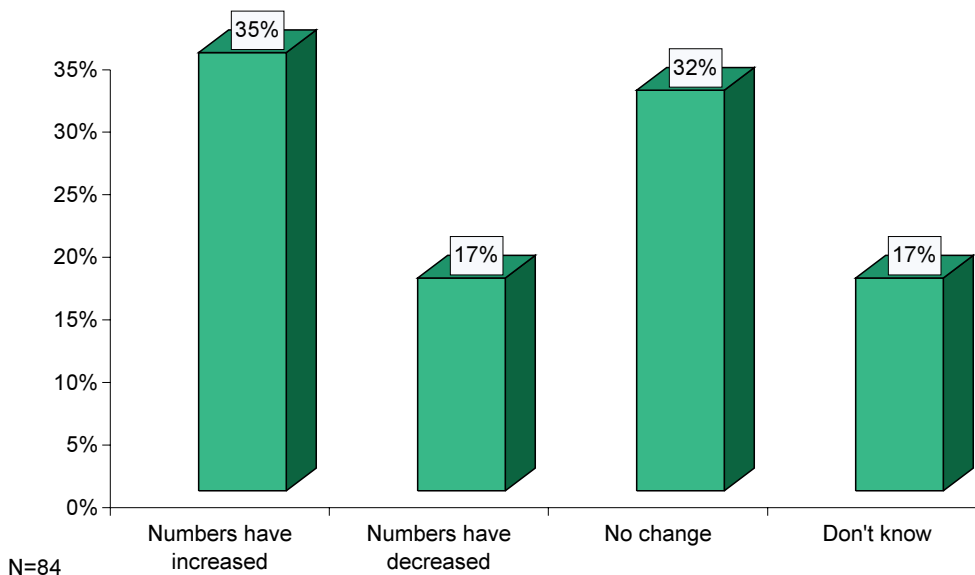
Initially, we expected to find an increase in the number of final year students using the careers service, as we felt that many would be looking for assistance with job applications and advice on how to get a job. Perhaps surprisingly, only a third reported that the number of students had increased. Another third of the careers advisers said it is business as usual with no change in the number of students using the careers services, and 17% felt that there has actually been a decrease as a result of the recession (figure 2).

Student strategies

A number of careers advisers suggested that students graduating in 2009 began to realise that the graduate job market is competitive before they left university, while in previous years many had not discovered this until after they had graduated. The general consensus is that although final year students have not necessarily panicked, many are anxious about the perceived lack of vacancies in the graduate labour market.

“The key step change seems to be that they are taking things far more seriously compared to those who graduated in July 2008, and certainly more seriously than those who graduated in 2005-2006 and 2006-2007”

Figure 2: Do you think the number of final year students using the career services has changed as a result of the recession?



“Enquiries about a whole range of options are up – work and travel and study overseas, placements both in the UK and overseas, opportunities to take up graduate internships, work placements and shadowing. 2nd Years are already beginning to plan and even some 1st years...!!! I think 2009-2010 will see a definite increase in student activity, but for how long that activity is sustained, is perhaps another question.”

Advisers reported that students have tended to respond to the challenging labour market conditions in one of three ways. Some students have actively tried to ‘make themselves more employable’ in an attempt to compete effectively within the existing labour market, some students have tried to find ways of ‘riding out the storm’ in order to postpone finding a job until the economy is less turbulent, and some students have been ‘bewildered at the lack of opportunities’ and have given up any notion of finding a job altogether.

“Student responses to the recession have varied widely. We were probably busier than we have ever been in the autumn semester, with the ‘clued up’ students taking all the help possible, making early applications etc. At the opposite extreme, many students just gave up and took the attitude ‘what’s the point?’”

Those students who have been trying to make themselves more employable have been asking careers advisers to help them to source vacancies and come up with strategies for juggling ‘back up’ job offers. Some advisers also thought students were more receptive to feedback about their CVs, application forms and covering letters than they may have been under different circumstances. Around 63% of advisers reported that students were seeking more work experience and 42% reported that students were seeking voluntary work (figure 3).

“Our students...are coming in [to the careers service] now to increase their ‘long-term’ chances rather than get an immediate job. Those that come in are being more ‘strategic’ and looking at gaining relevant work experience or further qualifications.”

Students seeking to make themselves ‘more employable’

Some careers advisers reported that employer presentations and other events organised by the career service had been poorly attended, while others said they had seen an increase in the number of students participating in these events. One adviser suggested that students had been avoiding extra-curricular activities (such as employer events) in order to concentrate on their studies in the hope that they would get a better degree classification and consequently improve their chances of getting a job. This may also partly explain why only a few advisers (12%) reported that students were planning job applications earlier.

Advisers also felt that final year students were more ‘flexible’ this year, with a greater number prepared to find work outside their preferred location or industry. One participant also reported that this year’s teaching graduates were more likely than their predecessors to accept posts as supply-teachers.

One adviser indicated that some graduates, particularly those hoping to work in IT or business, were considering studying for a vocational qualification which could help them to develop the more practical skills they would need in the workplace.

Graduates attempting to ‘ride out the storm’

Those graduates who were attempting to ‘ride out the storm’ were often looking to study for postgraduate qualifications or to spend an extended period travelling abroad in order to ‘buy themselves time’.

“The negative headlines based on skewed research by Highfliers around Christmas means students have been paralysed by inaction. More seem to be considering going off travelling if they can afford it hoping things will have improved next year.”

Around 81% of advisers had come across students who were considering further study because they didn’t think they would be able to get a job, and many were concerned that these graduates had not really thought through the pros and cons of postgraduate study and would really prefer to be going straight into work. This was demonstrated by the fact that some graduates considered their place on a postgraduate course to provide them with a ‘back up’ should they fail to find paid employment before September 2009.

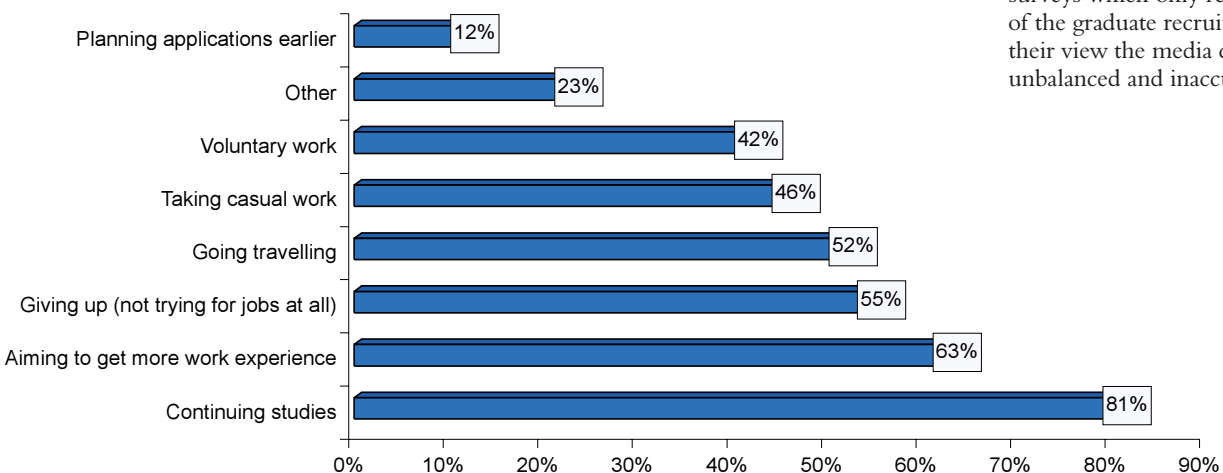
A number of advisers also suggested that graduates are being made more anxious about the lack of jobs by the fact that what is considered to be a ‘graduate job’ is often limited to employment on a graduate training scheme, and that this interpretation is unhelpful to both the graduates seeking work and the employers trying to recruit them.

“I have also noticed that lots of students (in particular internationals, but increasingly UK students) think that they ‘should’ or ‘must’ get A Graduate Job (i.e. a training scheme) and believe that this is an easy option, designed purely to benefit them... The fact that information about graduate jobs focuses on the big name international companies seems to encourage narrow thinking about what is appropriate. The very term ‘graduate job’ is becoming problematic, as so many think it’s that or nothing at all.”

What do careers advisers think of the media coverage?

A few careers advisers thought that the recent media coverage of the graduate labour market was an accurate reflection of the current situation. However, the majority thought that the media coverage was too focused on a small number of surveys which only represented a fraction of the graduate recruitment market. In their view the media coverage was unbalanced and inaccurate.

Figure 3: What strategies have you seen final year students adopting in response to recession? (multiple choice)



“Not very helpful. All doom and gloom and no prospects. It depresses students and keeps them on the sofa watching the cricket. Statistics have, by and large, focused on data from fewer than 250 employers (OK, it is the larger ones) but we have 3,500 employers recruiting from us.”

All careers advisers acknowledged that it would be harder for graduates to get a job this year, but most felt that there were a number of alternative paths to graduate employment for final year students and that these were being ignored by the media.

“It has all been very negative and doesn’t necessarily reflect regional differences and also that there are still plenty of job opportunities out there for graduates but they might not have a specific title of ‘graduate job’. The media needs to focus on how graduates can make the best of the current market and become more proactive and creative in their job search. Even if they cannot find their ideal job straight away they can see each job as a stepping stone onto something better.”

“[The coverage is] sensationalist. They use one source, AGR, as a representation of graduate recruiters which is so very distorted as only 7% of all grads actually achieve a job with these employers. We have been approached by local journalists looking for doom and gloom stories and are not interested in graduate successes of which there are many. They are not interested in publishing those! The majority of our grads go into the public sector and have done really well in securing grad jobs. We have a large local SME and whilst we have seen a reduction in vacancies they are still coming through at the higher level.”

Most careers advisers also commented that the media coverage was too gloomy and was demoralising to new graduates, while a few participants suggested that

the media coverage was putting graduates off applying for the few vacancies which are actually available. Many thought the media was only looking for bad news stories and most would like to see success stories being given more publicity.

“The media coverage has been consistently gloomy and negative and has created an impression that the graduate jobs market has collapsed which is untrue. Clearly the public and students will be influenced by what they see and hear in the media. Some employers have commented that applications are down as a result with the implication that some students have perhaps changed their plans and/or are not bothering to apply believing the situation to be far worse than it is.”

“Most of it does not help as it creates the impression that the situation is even worse than it really is. Our university communications office has been working with a big PR agency to get good news stories into the media, but it can be an uphill struggle as too many journalists and broadcasters are looking for a bad news story to go along with rising unemployment figures. We also tried to combat this by giving our Principal for his graduation speeches some positive data about the number of vacancies which the Careers Service has advertised and assurance that they have a lifelong service from the Careers Service.”

On the other hand, there were a few participants that thought the media coverage was accurate and felt that to say otherwise was to mislead graduates. One participant even argued that the reality of the current job market was far worse than has been reported by the media.

“It has given graduates a misleading impression of the current job market. The reality is far worse than most news stories. It’s not just that large recruiters often give a misleading impression (stating that they are still recruiting when in fact they often aren’t or at a far lower level than previously) and that this is then reported as ‘truth’, but that recession is affecting all levels of employers- and when the big cuts in govt expenditure kick in it looks like recruitment into Health, Education, etc (both massive recruiters of graduates) things are going to get much worse. I am shocked to hear fellow career professionals give the view that things aren’t that bad - they are for our leavers.”

Conclusion

The findings suggest that careers services are experiencing the recession in different ways and that one adviser’s experience of the graduate labour market is not necessarily the same as another’s. However, overall it would appear that vacancies are down and that careers services are actively seeking to mitigate the effect this has on students by targeting ‘non-traditional’ graduate employers instead.

The survey also suggests that final years students are responding to the recession in one of three ways: some students are actively trying to ‘make themselves more employable’, some students are looking for ways of ‘riding out the storm’, and some students are giving up finding a job altogether.

Most participants feel the media coverage is - at worst - distorting the reality and - at best - de-motivating graduates at exactly the time when graduates need all the ideas, encouragement and alternatives they can get.

It is also worth considering how the definition of a ‘graduate job’ can itself be a barrier to finding employment, as some students take the view that anything other than a place on a graduate training scheme is tantamount to failure.

Further information

You can access PDF versions of the research report and the top tips on the HECSU website. www.hecsu.ac.uk

Top Tips for Students Graduating in 2009

We also asked participants to give us their 'top tips' for students who are graduating in 2009 and their suggestions were extremely useful.

Sourcing vacancies

- Don't take a scattergun approach – target the jobs you really want - one well written application is worth 100 rushed ones.
- Make finding paid employment your full-time job – plan, be organised, be systematic, be focused and be professional – focus on the quality of your applications rather than the quantity.
- Be clear about your objectives – you cannot be equally qualified for all jobs in all organisations.
- Network – think about your own network (friends, family members, tutors, careers advisers, ex-work colleagues, professional bodies, local/community organisations) and use every contact you have to find vacancies.
- Consider going to conferences or professional events to meet people, make contacts, and find out more about the area you are interesting in work in.
- If there is a professional body attached to your discipline, join it and become active at a local/regional level so you can mix with professionals working in your area.
- Be flexible and mobile – if you are willing to work anywhere in the country you will have a larger pool of jobs to apply to.
- Take advantage of recruitment events which will enable you to meet employers and get to know the graduate employees who are currently working for them.
- Apply for jobs that interest you even if the specification does not require you to be educated to degree level – entry level jobs allow you to gain experience, prove your ability and secure promotions – don't dismiss the idea of starting in a more basic role because they think you will be languishing there forever – you won't be.
- Keep looking for jobs – sourcing vacancies takes time and it is easy to lose your motivation – use your Careers Service, family and friends for support, and remember you only need one application to succeed.
- Think about setting up a support group with any friends you are in the same position as you to broaden your network – coordinate your searches so you can recommend suitable vacancies to one another.

- Use speculative approaches to identify job opportunities at small and medium-sized employers – don't just rely on advertised vacancies or restrict your applications to multi-national employers or companies who are already household names – approaching the company yourself shows initiative.
- Keep your eyes and ears open for opportunities before they are advertised e.g. new firms moving into your local area.
- Do your research into the industry or profession you are interested in to ensure that you are aware of the full range of employers you can approach.
- If you are interested in graduate training schemes make sure you know when companies begin the recruitment process to ensure you are prepared for the next round – identify which opportunities will become available in autumn 2009 and remember that opportunities which may arise in spring 2010 are only six months away.

Applications and interviews

- Make sure your CV and cover letters are professional – check you are using language which is appropriate for a business letter, check your spelling and your grammar, and ask someone at your Careers Service to proof read them.
- Always tailor your application to the job role – a general CV and cover letter won't get you anywhere – carefully consider every element of the job specification and give evidence of your ability to fulfil the criteria.
- Make sure your enthusiasm for the job comes across in your application and at your interview – you'll need to demonstrate your motivation and commitment to the role and the company – this is easier if you have a genuine interest in the role or the sector.
- If you are invited for an interview redouble your efforts to research the organisation and the job role – think about what the employer might ask you and ask your careers service for a practice interview to try out your technique.
- Follow up unsuccessful applications to get some feedback if you can.
- Identify your unique selling points and make sure you are marketing yourself effectively to potential employers.

Building your CV

- Take action to fill gaps in your experience - any work experience (paid or unpaid) looks better on your CV than unemployment – the experience will also give you something to draw on in subsequent job interviews.
- If you can't secure a work experience placement, ask if you can 'shadow' someone for a day instead.
- Do something with your time – volunteering is impressive on any CV.
- Remember that voluntary/temporary work might even lead to a permanent paid position.
- Use any free time to develop your knowledge and skills so you are ready to take advantage of the upturn when the economy starts to improve.
- Use your careers adviser to help you identify which activities or courses the employers you are interested in are most likely to value.
- Travelling can be a great experience – but remember that if you are away for too long you will end up competing with the students who will be graduating in 2010 when you begin to apply for jobs on your return.
- Don't stay in education unless you have a real purpose for doing so and can articulate what you plan to get out of it.

Planning your career

- See your career as a journey – identify what you want to achieve and work out how you can do this – you need an action plan so in six months' time you have achieved something and made some progress.
- You are responsible for your career and you need to start managing your career now – have a structured career development plan – think about where you want to be in five years and how you plan to get there.
- Have short-term, medium-term, and long-term career goals and plan steps for your progression – even if you don't land your dream job straight away you will know you are working towards it by gaining the relevant skills and experience.
- Remember that the process of deciding what you want to do is not fundamentally changed by the recession – it just might take you a little longer to get there.



Summary

In this article, **Arti Kumar** outlines the SOAR (Self, Opportunity, Aspirations and Results) model and the way it can be used to enable students to identify, appreciate and develop behavioural competencies that are effective for learning, work and life in general. A key aspect of SOAR is that it is up to each student to discover, develop and promote his or her unique mix of strengths, interests and development needs.

Why SOAR for employability?

Developing employability skills has direct connections with high quality learning, but it seems to raise many contentious issues for staff in higher education (HE). How is it possible to articulate HE programmes with industry needs when the components of employability are so difficult to define, measure, assess and transfer – when ‘skills’ mean different things to employers, educators, students and graduates – in the changing environments of HE and the world of work? How can staff make room for ‘employability’ when they perceive Career Management Skills, Work based Learning and Personal Development Planning (PDP) as unrelated entities all vying for space in subject curricula?

The SOAR model, with its associated concepts and pedagogic practice, was developed to address such dilemmas (Kumar, 2007) and is being implemented within the revised curriculum at the University of Bedfordshire as an integral process of personal, social, academic and career development. It has been customised to suit subject disciplines as varied as Accountancy, Psychology and Tourism, and is personalised by individuals. Although SOAR is informed by PDP as a UK national agenda (QAA, 2001; 2008) and other macro-economic and meso-level recommendations, it is essentially concerned with providing benefits at the micro-level of the individual. It appeals to the innate universal need of students for personal development and self actualisation. (Maslow, 1970)

In this article I outline some *SOARing* to success approaches that staff can use to

Engaging Students in SOARing for Employability

enable students to identify, appreciate and develop behavioural competencies that are useful both for immediate study and future careers of lifelong learning.

‘Soaring’ creates a positive impression of progress towards end-goals and SOAR is also packaged mainly as the acronym for *Self, Opportunity, Aspirations* and *Results*. Focusing attention on the dynamic interplay between these elements creates synergy and patterns that are universal and archetypal even as they are unique and particular to each *self*. Therefore SOAR can be presented as a universal meta-model, but in its particulars it can be applied at several levels of granularity.

Empirical evidence shows that a range of attributes are enhanced when the inner world of *self* interacts more intentionally and developmentally with the outer world of *opportunity*. Personal strengths and development needs are identified and one can ‘start with the end in mind’ when *self* is informed about the *results* that need to be achieved for effective functioning in any specific *opportunity*. Through such interactions more realistic *aspirations* are generated, tested, modified or implemented. The lessons learned and *results* achieved can be articulated, evaluated and recorded as reflective writing assignments in (e)-portfolios, and provide material for CVs, job applications, interviews and assessment centres while also enhancing personal effectiveness in study, work and life in general.

SOAR is underpinned by an eclectic mix of concepts, but is most closely related to career theories (Watts et al, 1996), the philosophy of Appreciative Inquiry (Watkins & Cooperrider, 2000) and principles of constructive alignment (Biggs, 2003). While PDP is a relatively recent UK phenomenon and is still in search of an evidence base, career theories and practices have evolved over the past century. These are interpreted and presented as enabling tools and exercises, best facilitated and prompted through suggested curriculum approaches and resources. Due to space constraints the key definers mentioned here are indicatively outlined, but they are unpacked more fully elsewhere – see references at the end of this article.

Implementing SOARing approaches – some key definers

Self-awareness is at the heart of SOARing, enabling students to understand the distinctive characteristics that define who they are and who they want to be. The way in which this is presented to students can make all the difference – for instance it is not about navel-gazing, soft skills, psychobabble or self-seeking opportunism. In the words of Peter Drucker:

“Companies today aren’t managing their employees’ careers; knowledge workers must, effectively, be their own chief executive officers. It’s up to you to carve out your place, to know when to change course, and to keep yourself engaged and productive during a work life that may span some 50 years. To do those things well, you’ll need to cultivate a deep understanding of yourself – not only what your strengths and weaknesses are but also how you learn, how you work with others, what your values are, and where you can make the greatest contribution. Because only when you operate from strengths can you achieve true excellence.” (‘Managing Oneself’ reproduced in the Best of Harvard Business Review, Jan. 2005)

Self-MAPping

SOAR provides various tools but puts the onus on each student to discover, develop and promote his or her unique mix of strengths, interests and development needs. In learning, work and life activities, students need to reflect and be(come) aware of prior experiences, the strengths they bring to a given task, and what they want or need to achieve. I call this process Self-MAPping, recognising that personal strengths derive holistically from **Motivation, Ability and Personality** (see Figure 1).

Student development critically depends on the MAPs they apply to learning tasks, in the form of subconscious beliefs and attitudes that drive their performance and behaviour. The aspirations students generate and the results they achieve are largely determined by the self-MAP they map onto the opportunities that are differentially available to them. ‘Assessing the extent to which my MAP fits with a chosen opportunity’ can form a supported

job project or report. Such assignments are useful as they encourage reflective writing and critical analysis; they require students to research and evaluate options using a variety of information sources to make the connections between their current MAP and the extent to which it might transfer into an option or occupation. When the MAP is used both as a map to navigate immediate HE territory as well as a compass to gain future direction and sense of destination in the longer term lifelong journey, it can help to generate realistic aspirations, make soundly-informed decisions and plans, and implement them through convincing self-promotions (see Figure 1).

Self-audit: part of a process

SOAR provides constructivist self-audits as tools for self-MAPPING, but these are not effective unless they are incorporated within a mixed-methods developmental process. A self-audit administered as a one-off, bolt-on, tick-box exercise does not help students to realistically assess, evidence or articulate their level of confidence and ability in particular skills. Self-ratings are often unreliable, as 'strengths' are perceived in different ways: "something I do best" (a personal strength); "what I do better than others" (a comparative strength); "something I do better than others which few others are good at" (a distinct and competitive advantage). In a competitive job market applicants must be more analytical to identify and promote their distinctive and competitive MAP qualities *aligned with* those needed by the job, employer organisation or training need. Both strengths and

development needs must therefore be evaluated in context – that is, the reflective-active dynamics around *self* and *opportunity* should be informed by external frames of reference derived from tutors, employers and peers. Staff can encourage, guide and facilitate a scaffolded, spiral process of self-assessment and reflective practice tempered by real-life evidence, discussion, peer/tutor feedback and recording achievements in (e)-portfolios.

Self-audits should be embedded into a meaningful process of development, delivered as diagnostic activity in the first instance and then returned to after a period of time to evaluate personal change. If skills-development is encouraged in the spirit of Appreciative Inquiry it creates a can-do attitude and enhances self-efficacy beliefs for navigating the journey through HE and beyond, with added value, greater intention and sense of direction. While Appreciative Inquiry emphasises strengths and 'what works well' it can be equally successful in getting students to reflect and learn from mistakes, view failure as simply the raw material for success, and use feedback constructively in addressing their development needs (see Figure 2).

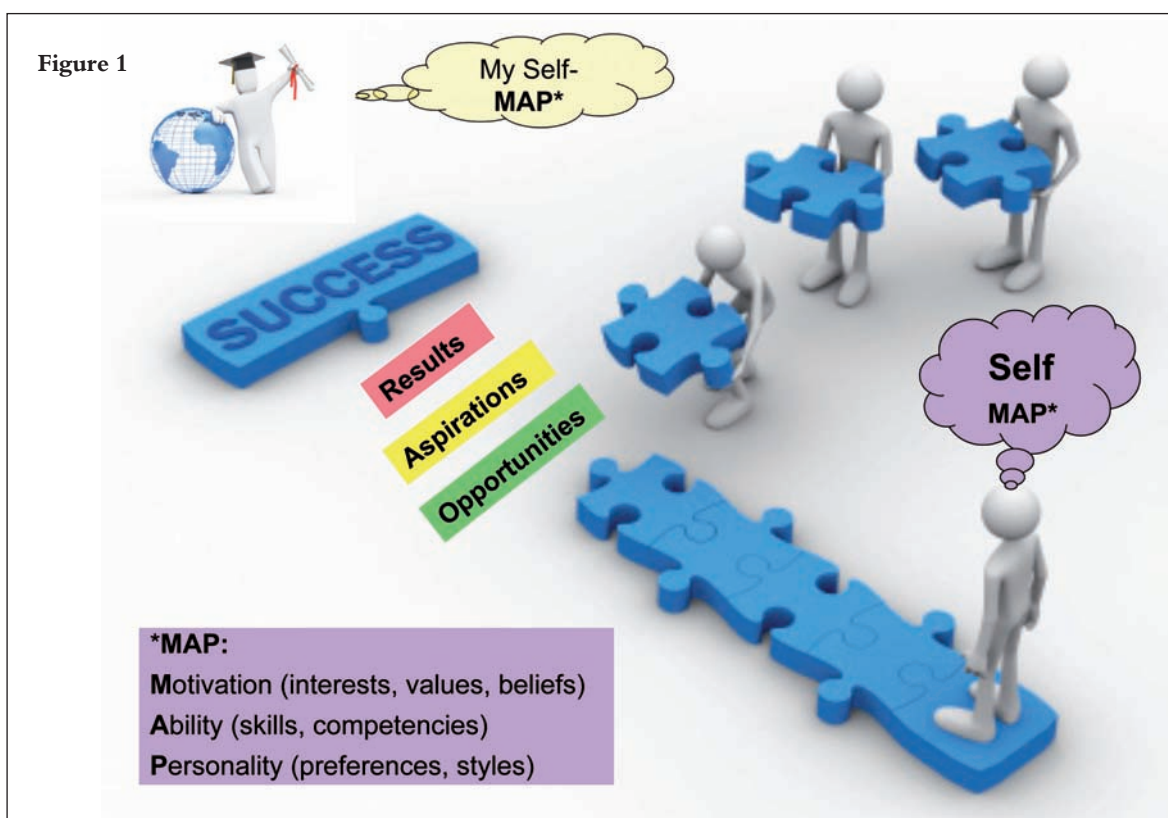
Start with the end in mind

The importance of 'starting with the end in mind' - creating a sense of direction and destination - is often underestimated. Students can move progressively to graduate and professional identity *if* they are sufficiently motivated and challenged by the demands of real-life options and

opportunities, which then translate into relevant end-goals and results they want to achieve. In HE it is normal for results to be expressed in the form of knowledge learning outcomes – but some learning outcomes could additionally be expressed in terms of employability skills and attributes. Interestingly and reassuringly this is worthwhile but not that difficult, as UK surveys reveal that employers' *generic* skill requirements remain broadly consistent across occupations, job levels and industry sectors (e.g. CBI & UUK, 2009; UKCES, 2009; AGR, 2008; CIHE, 2008), and even show more similarities than differences when comparisons are made over the past decade and across national boundaries.

Skills as behavioural competencies

One way of demonstrating the connections and creating shared understanding is to express 'skills' as 'behavioural competencies', in the way that graduate recruiters do for the purpose of observing and assessing performance in Assessment Centre (AC) activities. For example, at University of Bedfordshire we have an AC project in which we make key attributes visible and comprehensible by showing staff and students the *Assessment Centre Video* or DVD (AGCAS, 2000; updated 2009). The DVD shows graduate recruiters briefing and assessing a range of typical tasks set up to assess applicants for general management positions open to graduates of any discipline. Some learning, teaching and assessment approaches can then be adapted for students to experience similar tasks,



Articles

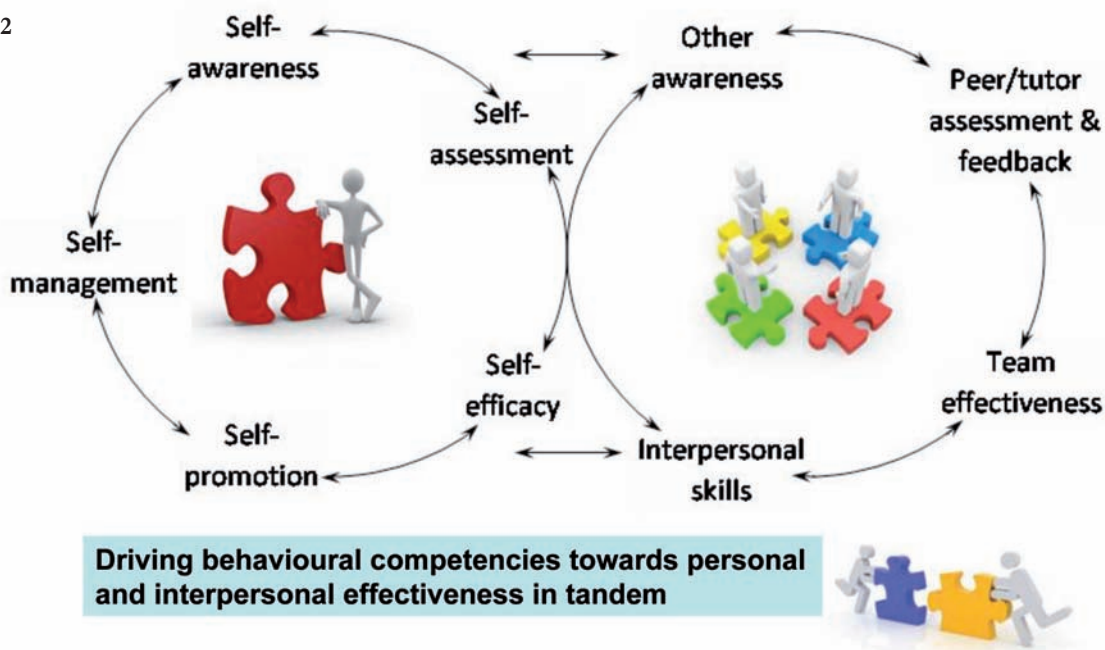
understand, receive (and give) feedback against the behavioural descriptors and assessment criteria, and thus develop the competencies (see Kumar, 2009). Even if students never attend an AC, the same competencies are effective for learning, work and life in general.

The self-audits associated with SOARing also take their rationale from employability and are expressed in terms of behavioural competencies against which students can reflect and evaluate the extent to which they behave or act in particular ways. For example, the one on Teamwork is central to appreciating one's actions in relation to the values and requirements of working effectively with others and contributing positively to group projects. If AC-related exercises are appropriately informed and facilitated, students become more self-regulated in their behaviours through cycles of diagnostic and evaluative self-assessment and peer-assessment (see Figure 2). While feedback from staff and students so far indicates that SOAR has the potential to empower students to learn more effectively for employability, the approaches will benefit further from being subjected to robust action research.

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Figure 2





Summary

Professor Jenny Bimrose presents a study that set out to evaluate the effectiveness of face-to-face guidance interviews, over time and across five different delivery contexts: higher education; further education; adult guidance organisations; the voluntary, charity sector; and the private sector. Three distinct student strategies are identified in making career transitions at different stages: testing out options; buying time; and clarifying values. Four transitioning styles also emerged from the study and they support the growing body of evidence that suggests that not all individuals behave rationally in their career behaviour. The styles are: evaluative; strategic; aspirational and opportunistic. The authors conclude that the support available to students, through the employability and careers agenda in higher education, has a tendency to assume a rationale approach to career decision-making. Perhaps this is not always relevant for all individuals at all stages. Some recognition of the impact of the contexts in which individuals make their way, together with their transitioning styles and strategies, is potentially of value in achieving the overall objective of gainful graduate employment.

Introduction

The fluid labour market context in which higher education is delivered ensures that a wide range of factors influence the career-related behaviour of prospective students, students and graduates. The implications for the need to deliver efficient, effective and economical careers education, information, advice and guidance services to support graduates are profound, with a modernising agenda for such services identified and the quality assurance of the services prioritised (CBI, 2009; Dearing, 1997; DfES, 2003; DfES, 2005, QAA, 2001, Harris, 2001). Perhaps partly because of the fluidity of the labour market, the employability of graduates has come to dominate the careers practice, policy and educational

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landscape (Little, 2005; Knight & York, 2006; Moreland, 2006; Robinson, 2005; York, 2006; York & Mantz, 2006), with the impact of the recent global economic recession serving to emphasise the importance of employability for graduates even further:

“...in the summer of 2009, the UK’s HEIs will produce 400,000 new graduates. They will be entering the labour market at perhaps the worst time in a generation – highly developed employability skills, at the very least, together with experience of the world of work will be key in getting a foot in the door when it comes to securing graduate-level jobs or on the ladder towards one.....”

The international economic downturn has made the acquisition of employability skills both more important and more difficult.”
CBI (2009, p10)

Employability is defined by the Confederation of British Industry (CBI) as: *“a set of attributes, skills and knowledge that all labour market participants should possess to ensure they have the capability of being effective in the workplace – to the benefit of themselves, their employer and the wider economy”*. (CBI, 2007, p.81). The same organisation defines the competencies that make up employability as: self-management; teamworking; problem-solving; application of information technology (IT); communication and literacy; application of numeracy; and business and customer awareness – with a positive attitude emphasised as the most central and pivotal (CBI, 2007, p.81). Student awareness about the importance of employability appears to be increasing, with the results of a recent survey indicating that seventy-eight per cent are now both more confident they understand what employers require and recognising that employability skills are viewed as crucial. Yet only two-fifths accept that it is their responsibility to develop these, with a large proportion feeling that their University has a key

role to play (CBI, 2009, p.14). For example, through stand-alone programmes on employability, internships, work experience and sandwich year placements (CBI, 2009, p.14). Students would also like better information, advice and guidance on careers (DIUS, 2008, p.15).

Despite the high profile of employability and the increased awareness of students about the importance of this issue for their future career prospects, employers are still critical about the employability skills that graduates bring to the workplace (Archer & Davison, 2008). The explanation is unlikely to be simple, but recent longitudinal research into the effectiveness of guidance support provides some powerful insights to the ways in which factors relating to personal agency play a part in the ways in which students navigate their way into, and through, the labour market.

Researching the career behaviours of students and graduates

A qualitative longitudinal case study research has recently been completed (2002 – 2008) by the Institute for Employment Research at the University of Warwick, commissioned by the [then] Department for Education and Skills. It set out to evaluate the effectiveness of face-to-face guidance interviews, over time and across five different delivery contexts: higher education; further education; adult guidance organisations; the voluntary, charity sector; and the private sector. In any such evaluation, it is crucial to establish how ‘effectiveness’ is being defined, when it is evaluated and from whose point of view. In this particular study, effectiveness was evaluated as guidance that was ‘useful’ to the client and it was evaluated from the perspective of clients receiving the service. A key challenge was to capture these data not only immediately after the career guidance interview under scrutiny in the first year of data collection (2003 –

2004), but also in the four years following the career guidance intervention (2004 – 2008). In this way, it was possible to assess whether the impact of career guidance on clients, from their perspective, diminishes, increases or remains the same over time.

The study began with a detailed investigation of 50 in-depth case studies across varied career guidance contexts (2003–2004). Each case study included a detailed examination of a career guidance interview from the perspectives of the client receiving guidance, the practitioner giving the career guidance and an independent third party. The purpose of the four follow-up phases of the research, scheduled over the period 2004–2008, was to track the career progression of clients who were the recipients of vocational career guidance in the original 50 case studies. Details of the research methodology and detailed findings from the five years of the investigation study are discussed elsewhere (Bimrose et al., 2004; Bimrose et al., 2005; Bimrose et al., 2006; Bimrose and Barnes, 2007; Bimrose et al., 2008). One aspect of the findings that is the focus here relates to different ‘transitioning’ strategies and styles used by clients from higher education contexts.

Transitioning strategies

From the longitudinal study, three distinct strategies have been identified that were used by students making career transitions at different stages. These were: testing out options; buying time; and clarifying values.

Testing out options:

For some, the journey through higher education represented an opportunity to test out options, which could result in re-directing their career trajectory. One example was where one student realised that a fundamentally wrong degree course choice had been made:

“...I just gradually got more and more disillusioned with my degree... And I was questioning why I was at [University] and, you know, just where I was going in my life basically. So I did go back and I remember going into the careers office one afternoon, when I was really upset. And they were brilliant with me, like just helped me sort out my options and gave me some advice...”

Buying time:

Some who were unable to make a career decision by the end of their degree course adopted strategies that delayed entry to the labour market and bought them more time to resolve their indecision – like travel:

“I just decided to go abroad. I’d been offered this job in Greece for six months over the summer season..... my friend’s doing a postgrad 2 years in nursing..... that

appeals to me, but then everything appeals to me – nutrition, sports science again – I don’t know! I want to go to New Zealand and Australia and other places as well. I know I’ve got to get some money first and get a job, you know, at least before that...”

Clarifying values:

A third strategy was where students engaged in a purposeful process of research into career possibilities, which enabled personal values to be clarified and career objectives to be re-defined: *“...after looking into it [job choice] further and also speaking to quite a few friends from University, who I found that had applied - after they’d sort of been through the first bit of it... gone through to the assessment and then failed... it really just basically dissuaded me from carrying the application form any further.... and also finding more out about it and realising that it would have been a 100% desk job as well.... sort of put me off a bit.”*

Transitioning styles:

In addition to varied transitioning strategies, four different transitioning styles emerged strongly from the data, over the five-year period of the study. Research into the ways that individuals make successful transitions into and through the labour market indicate a distinct movement away from the rational decision-making model that lies at the heart of the so-called ‘matching’ approach to guidance (Skills Commission, 2008). For example, the cultural dimensions of career decision-making difficulties have been explored by Wei-Cheng (2004); the role of values in the career decision-making process has been examined by Colozzi (2003); the role of relationships in career decision-making has been examined by Hargrove, Creagh and Burgess (2002) and also Phillips, Christopher-Sisk and Gravino (2001). Indeed, the four transitioning styles which emerged from this study support the growing body of evidence that suggests that not all individuals behave rationally in their career behaviour. The styles are: evaluative; strategic; aspirational and opportunistic – briefly described below.

Evaluative

Some clients had engaged with a process of self-reflective evaluation that epitomised their approach to managing transitions. Typically this comprised a period (sometimes prolonged) of review, evaluation and reflection, eventually culminating in a decision that contributed potentially to a longer term career goal; though with a characteristic degree of uncertainty and ambiguity built into the process. One graduate who had been employed for three years in administration with a small company had become very disillusioned with his job. A process of

reflection brought him to the decision that he wanted to change his career. Weighing all his constraints and options carefully, he eventually identified teaching as a possible option. After a further process of research, he concluded it was, indeed, financially and practically feasible. He therefore applied for teacher training and was accepted onto a course. However, a few months into the course, and after still further reflection, he decided that teaching had not been the right career choice for him after all. He, therefore, left before completing and returned to work in the sector in which he had been employed.

“I’m always thinking, ‘Ooh, if I do this, then that’ll happen and that’ll happen’. I think in some ways I’d be better if I was a lot more spontaneous with issues like that...”

In the longer term, he remains somewhat vague about his ultimate career goal.

Strategic

In contrast with this rather open-ended, self-reflective, evaluative style, other clients had engaged proactively with a more focused and strategic approach. Here, clients had identified their ultimate career goal and were making conscious, strategic decisions related to formal employment and their private lives, which were designed to contribute to that long-term objective. For instance, one had approached various companies speculatively at a careers fair for graduate employment, arranged interviews and accepted one of the three job offers. She regarded this employment experience as a necessary preparation for realising her ultimate ambition of running her own business:

“It sort of came down to looking for what I wanted out of a job, which was to be fairly autonomous, to sort of have the ability to progress quickly and to earn a lot of income, to develop clients... It’s almost like running your own business in a way, which is what I would like to do eventually...”

This group of clients approached their career development in a logical and rational manner, taking time and care to weigh up the advantages and disadvantages of each decision, which were all designed to contribute to achieving a clear career goal. This group were, however, a small proportion of the participants in this study.

Aspirational

The third transitioning style is aspirational, based on focused, but distant career goals. Unlike clients engaged in strategic career decision-making, interim goals currently being pursued seem almost tangential to the ultimate career aspiration – yet represent essential preparation. These interim goals are not

necessarily related to formal employment; rather they often relate to personal circumstances. One client, established in a highly successful career, had become dissatisfied and determined to change direction. However, before she was ready to re-train for her aspirational career goal, other important issues in her life needed resolution - like securing her financial future and starting a family:

"I just thought, you know, I'm only in my early 20s, work, work, work, you know... so we got the house and financially we're a lot better off now, because of working last year and putting our noses to the grindstone... I feel like at the moment I'm sort of at a turning point where if I step back, if you wait a couple of years, you have a child and then maybe sort of tackle something completely different."

Opportunistic

The final transitioning style included those clients whose choices and direction have been based on the opportunities available to them. Their approach was 'opportunistic' in the sense that if something interesting came along, they simply seized the moment. One client completed a degree in complementary therapies, but was still unsure of her career direction. She had spent some time travelling, then she had accepted both full-time and part-time jobs – taking each and every opportunity available to train and/or gain work experience. Whilst she had several ideas about what she would eventually like to do at the end of the five-year study, she was still unsure of how to proceed. She was unconcerned about the uncertainty and was waiting to see if a better opportunity presented itself:

"I'm not very happy and my routine job... don't really know where I'm going at the moment..... I've decided to have more of a challenge. It's just very monotonous, that's all, but we'll see."

Conclusion

The employability agenda in higher education has been far reaching and influential in terms of its impact on policy and practice. Despite this, employers continue to be critical about the skills graduates bring to the labour market. The reasons are likely to be complex, but recent research provides insights into the ways in which graduates operate at a purely personal level, which is not always rational. For some, the styles and strategies deployed to navigate transitions into and through the labour market have far-reaching consequences for their short and long-term employment and employability. Support available to students, through the employability and careers agenda in higher education, has a tendency to assume a rational approach to career decision-making. Perhaps this is not

always relevant for all individuals at all stages. Some recognition of the impact of the contexts in which individuals make their way, together with their transitioning styles and strategies, is potentially of value in achieving the overall objective of gainful graduate employment.

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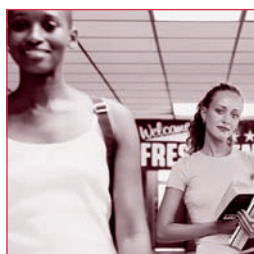
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Summary

Trevor Hart and **Paul Barratt** present the findings of a study exploring graduate employment in SMEs, the motivations and barriers to graduate recruitment by SMEs, and the actual contribution of graduates to the success of businesses. The study found that over 70 per cent of the decision makers in the companies that employed graduates were themselves graduates, but the corresponding figure for companies that do not employ graduates is less than 40 per cent. Firms which did not recruit or employ graduates tended to suffer a number of misconceptions or uncertainties about the graduate labour market, often associated with a lack of experience of higher education.

Introduction

In recent years, small businesses¹ have been identified in both the policy and academic literature as having important roles in providing employment – they employ about four in ten workers – and in driving improvements in innovation and productivity. However, they are seen as operating under a number of constraints, including a lack of skills generally and shortages of the specific skills necessary for advancing technological and market penetration. At the same time, the supply of highly qualified workers in the labour force has been increasing, with the number of graduates in the workforce rising by two million between 1994 and 2004: around a quarter million graduates are added to the total each year. In parallel, the nature of the work that graduates do has been changing.

For the most part, graduates find jobs in larger enterprises and there is a steady increase in the proportion of graduates as firm size increases. This gravitation to large firms is coupled with a bias towards the south of England: over a quarter of all graduates work in the south in large

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enterprises. There is thus, *prima facie*, scope both to meet the skills needs of small businesses and to assist in the achievement of national employment and productivity policy objectives by moving towards a more even distribution of graduates and improving the representation of graduates among the workforce of small businesses.

This article reports on a study which sought to better understand graduate employment in SMEs, the motivations and barriers to graduate recruitment by SMEs, and the actual contribution of graduates to the success of businesses: the latter element may contribute to overcoming any ‘market failure’ stemming from a lack of awareness among SMEs of the returns from employing graduates.

As well as reviewing existing literature and data, the study used a large-scale telephone survey to identify the characteristics of a sample of SMEs employing and not employing graduates. The research questions were then explored through a programme of in-depth interviews with a sub-sample of 80 SMEs, arranged in matched pairs, 40 of which employed graduates and 40 of which did not. The results of this research and some conclusions are set out below. As the research was completed before the current economic downturn, a short postscript considers the contemporary relevance of the findings.

What do we know about graduate employment in SMEs?

While there is a limited amount of research in this area, it is generally recognised that imperfect and distorted knowledge of the benefits that employing graduates may bring is a key factor inhibiting the recruitment of graduates by SMEs. Much of the suspicion and ignorance in the HE/small business

relationship is likely to be caused or compounded by the lack of owner/manager experience of higher education, either directly or because SMEs are less likely to have graduates among their employees. Doubts about employing graduates relate to conceptions of both their cost and value to the business. However, there is seen to be a parallel ignorance of, and sometimes antipathy towards, the small firm sector among graduates. Where graduates are employed in SMEs, there is little research into methods by which they are recruited, although there is evidence of an increasing role being played by employment agencies.

The changing nature of the graduate labour market may also play a part in widening the range of work locations where graduates may be found, including in SMEs. The new classification of graduate employment developed by Purcell and Elias² identified four main categories of graduate employment, distinguishing particularly between: *Traditional graduate occupations*, such as the established professions, and three other categories termed *Modern graduate occupations* (such as management where graduate entry has become the norm); *New graduate occupations* (such as marketing); and *Niche graduate occupations* (such as hospitality and leisure, where most workers do not have degrees but where specialist niches are developing).

Research findings

Broad patterns

Analysis of the data from the interviews with 80 SMEs did not reveal any simple sectoral or spatial framework for identifying potential graduate employers. It did confirm a previous finding in that over 70 per cent of the decision makers in the companies that employed graduates were themselves graduates, but the corresponding figure for

¹The most widely used definition, and that used by the UK Small Business Service (SBS), considers an SME to be an enterprise with fewer than 250 employees: this is the definition adopted in this research
²Purcell K & Elias P (2004) *Seven years on: graduate careers in a changing labour market* Warwick, IES

companies that do not employ graduates is less than 40 per cent. It also found that most companies that employ graduates gave a realistic figure for a starting salary whereas those not employing graduates consistently over-estimated the cost.

Value added by graduates

In our analysis we focused on three elements: the **qualities** that graduate employees hold as a direct result of taking a degree, the **mechanisms** by which these qualities are utilised within the workplace, and lastly, the positive **outcomes** that result.

A large number of businesses stressed the importance of new employees *“hitting the ground running”* so a degree subject directly relevant to the business, particularly if it was backed up with an element of vocational experience, was a **quality** valued by many SMEs. On the other hand, generic skills held by graduates, acquired formally through study, and informally through personal development while at university, were also seen as valuable by some SMEs. Value was felt to accrue to the business through factors such as ability to learn quickly, to see the ‘bigger picture’, to be able to work independently and to occasionally add an element of innovation: *“graduates bring new ideas and motivation, a business can go stale, you sometimes need some young blood (graduates) to shake things up and get things going in the right direction again”* (manufacturing firm, South of England).

The **mechanisms** through which the benefits of employing graduates were realised included: the application of professional and vocational skills; adding critical or creative thinking to the workforce; adding flexibility, sometimes expressed through undertaking developmental activities, including building roles for themselves; and up-to-date academic and professional linkages which the firm could tap into.

Previous experience of positive, concrete **outcomes** played an important role in the graduate recruitment decision and specific examples were cited of graduates improving business results. These included: gains in productivity (7 of the 40 firms); identifying and introducing processes which resulted in savings (8 firms); and driving sales (38 firms) and growth (6 firms). Less concrete benefits, such as adding prestige to the business and to customer confidence, were seen as helping to increase business competitiveness (9 firms): *“having a wide range of skills is also a selling point for the company, as far as sales and marketing are concerned. When people see that*

we have high profile members of staff, it helps improve the company’s image.” (MD, manufacturing firm, Yorkshire).

However, for such less tangible benefits to become a driver for graduate recruitment, the business needed to be of a certain size. So the FD of a Northern service company with a propensity to recruit graduates identified it as being at a cusp – employing 40 people was not big enough to consider taking on graduates to develop/train as part of a middle management function, but soon it would get there: such graduate positions would not be so driven by the imperative of meeting an immediate need but more by a longer-term strategic purpose.

The 40 businesses which did **not employ graduates** fell into three main groups. First, there were those which lacked knowledge of graduate skills, attributes and potential benefits; generally, they also lacked awareness of how to go about recruiting graduates and the appropriate levels of salary to offer. Second was a group of employers who had negative perceptions of graduates, sometimes amounting to an ‘anti-graduate’ stance, often based on a past ‘bad experience’ or on doubts about the basic suitability of graduates for their business: *“They don’t even have basic office skill and don’t want to get their hands dirty”* (Manufacturing firm, South East). Finally there were firms who took a more rational approach to the question, exemplified by the HR manager of a manufacturing firm in the south of England. She emphasised that graduates would be judged on whether they fitted the ‘person specification’ for the job and this was not demonstrated by a degree alone. She needed to understand their motivation, their practical as well as academic skills, and whether they would fit the company: *“With a smaller business you are far more conscious of the culture of the organisation, far more conscious of the personalities of the people you are with. In a big company with a formal training scheme, you trot around, sort of anonymous, but they’re far more visible here.”*

A typology of graduate recruiters

The analysis suggested a distinction between what we have termed ‘strategic employers’, ‘occasional employers’ and ‘accidental employers’ (see Table). Of these ‘ideal types’ the ‘strategic’ employers are the most likely to recruit graduates but are a minority of firms (20%). The ‘occasional’ employers are the largest group (45%) but are less likely to be systematic recruiters of graduates, while the ‘accidental’ employers (35%) are most likely to have graduates in non-graduate jobs.

Conclusions and possible policy implications

While the research did not reveal any clear spatial or sectoral pattern in graduate employment in SMEs, it did indicate that graduates were more likely to be recruited by firms placing a greater stress on business planning and showing more foresight. These were firms which we termed ‘strategic employers’. Our other categories, of ‘occasional’ or ‘accidental’ employers, had a less focused approach to recruitment and had a much less clear appreciation of the potential contribution of graduates to their business. While the research could not provide a definitive or quantified assessment of the contribution of ‘graduate-ness’ to business success, amongst our sample of SMEs employing graduates were to be found a significant number of positive employer assessments of the value of graduates to their business. The majority of these assessments emphasised developmental benefits, such as aiding growth or facilitating innovation, rather than carrying out existing processes more effectively. Intuitively, it is more likely that such benefits will be perceived and realised by more forward looking – ‘strategic’ – firms.

Firms which did not recruit or employ graduates tended to suffer a number of misconceptions or uncertainties about the graduate labour market, often associated with a lack of experience of higher education. These included: lack of information about salaries and costs; concern over retention; doubts about vocational readiness of graduates; and lack of understanding about what might be a ‘graduate job’. In a number of cases, there was an active presumption *against* recruiting graduates. However, some of these uncertainties were shared by our ‘occasional’ or ‘accidental’ employers. Given the steady increase in the number of graduates it is likely and perhaps necessary that more will find employment in SMEs. Given the continued stress in government policy on improving levels of skills it is important that SMEs play a part in any general ‘up-skilling’ of the workforce, although Leitch³ lacks any specific SME perspective. However, the barriers to more small businesses recognising and realising the benefits of recruiting graduates is in many respects an aspect of generic weaknesses of small business management and as such will not be addressed successfully by initiatives narrowly focused on labour market issues. While the management of businesses in our sample might not be ‘strategically myopic’, most took a functional rather than the developmental

³ Leitch, Lord (2006) *Prosperity for all in the global economy – world class skills*. London, HM Treasury

view of their business that is perhaps necessary to make them active players in the graduate labour market.

However, there are a number of practical barriers to graduate recruitment. Many SMEs in the sample were handicapped by a weak or non-existent human resource/recruitment capability, limiting their ability to reach out to the sometimes unfamiliar graduate labour pool. In part, this prompts a reliance on recruitment agencies, which are becoming an important route into work for graduates. The firms showed a low awareness of the mechanisms that are developing to help them recruit graduates. The inherent difficulty of linking over four million dispersed SMEs with a large number of equally dispersed graduates or lightly resourced university careers departments suggests that these impediments or 'market failures' will not easily be tackled.

A major element of 'market failure' inhibiting graduate recruitment is that of lack of knowledge and appreciation of the return to investment in graduate skills. The research suggests that this is both a product of an absence of evidence perceived as relevant to the small firm and of any mechanisms that can convey such information effectively – particularly ones which will enjoy credibility with

owners and managers of SMEs. While the increase in the number of graduates employed in SMEs, accidentally or deliberately, is likely to lead to a slow diffusion in the appreciation of the potential benefits of employing graduates, positive engagement by the range of players in the graduate recruitment market will be necessary if the process is to be speeded up. However, the barriers to increased graduate employment in SMEs are both cultural and practical: addressing the 'market failure' associated with gaps in information concerning potential benefits of graduate employment or adapting and developing recruitment structures will not, by themselves, be sufficient to drive a radical change in employment patterns in SMEs.

Postscript

Recently (July 20th), the Federation of Small Business called for the Government to 'tackle rising graduate unemployment' (by creating 5,000 internships in SMEs). While this might suggest a growing realisation on the part of SMEs that graduates have something to offer the smaller business, present circumstances are likely to give added emphasis to the tendency, identified in the research, of wanting new graduate employees to 'hit the ground running'.

So, SMEs are likely to be seeking vocational readiness, practically applicable skills and a good cultural fit with their organisation to encourage them to recruit graduates. As the interest in internships by FSB suggests, the attraction of the 'try before you buy' that can be associated with recruitment through agencies might be in greater evidence for some time. However, we found a number of graduates who had built successful and rewarding careers in SMEs by 'getting in at the ground floor' and developing a role and a job through contributing to growing the business: such opportunities no doubt exist in the present challenging circumstances, but require graduates to take a longer view. So, in the current economic climate, perhaps both graduate job seekers and SME recruiters need to examine labour market dynamics, and take a strategic view of the benefits that could be realised.

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A fuller report of the research is available in *People, Place & Policy* Vol.1, 2009, available online at: <http://extra.shu.ac.uk/ppp-online/>

Graduate recruiter typology

Strategic

Description

Commitment to recruiting graduates. Recognition of graduate skills and benefits. Presence of a graduate in the recruitment decision process (73 per cent cases). Strong likelihood that degree would be specified in person spec for position. Graduate recruitment decisions driven by company strategy and skill requirements.

Characteristics

- organised and forward looking; led by business plan
- seeking growth through innovation and investment
- awareness of benefits of employing graduates shaped recruitment strategies
- few 'bad' experiences with graduate staff

Type of graduate recruitment

External requirement, established capacity building, technology transfer

Type of graduate occupation present

Modern graduate and new graduate occupations

Number in graduate employer sample (N=40)

8

Occasional

Description

Recognition of graduate skills and potential benefits. Graduates favoured at short-listing and interview stage. Unlikely that degree would be specified in person spec for position. Graduate recruitment decisions often informed by experience.

Characteristics

- no deliberate graduate recruitment policy but positive view of graduates
- existing graduates in key management or R&D positions
- while recognising benefits of graduates, mainly an 'experience focused' recruiter
- mainly smaller firms

Type of graduate recruitment

All types of recruitment present

Type of graduate occupation present

New graduate, niche graduate, and non-graduate occupations

Number in graduate employer sample (N=40)

18

Accidental

Description

No commitment to further graduate recruitment. Mixed views (if any) concerning value/benefit of (potential) graduate employees.

Characteristics

- no graduate policy or ambivalence to their value; existing graduates in one or two key management positions
- other graduates in 'non graduate' jobs but evidence of possibility of progressing to a 'graduate' role.

Type of graduate recruitment

Accidental

Type of graduate occupation present

All types of graduate occupation present. Over representation of graduates employed in non-graduate positions.

Number in graduate employer sample (N=40)

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Summary

Kathrine Jensen (HECSU) looks at a number of reports and surveys dealing with the graduate labour market and employers' responses to the recession. One key point is that there are still differences in how the recession is impacting on sectors and this means that regions will be affected differently. As expected, graduate starting salaries are not set to rise and nor are pay increases on the horizon for most in employment. Reports show that graduate talent remains important to UK employers even though recruitment freezes are in place with the majority of employers surveyed, although some sectors still report increased recruitment. Some reports also indicate that students stay on at university to do a postgraduate course rather than graduate into a recession.

Introduction

The last three-six months have seen a somewhat mixed bag of reports attempting to evaluate the graduate labour market in 2009 as well as forecasting trends for 2010 and beyond. One thing seems clear: graduate starting salaries are not expected to rise and nor are pay increases on the horizon for most in employment. It is again important to underline that there are differences in how the economic downturn is affecting employment sectors, and some public sector organisations are increasing recruitment.

Recruitment and vacancies in 2009

Graduate vacancies in 2009 were expected to fall by 5.4% but actually fell by 24.9% according to the latest *Graduate Recruitment Survey* from the Association of Graduate Recruiters (AGR). The report is based on survey responses from 226 employers – AGR members – between 15th May and 10th June 2009. In order to put these figures into context, it is important to note that the AGR members tend to be large companies and

The Graduate Labour Market in 2009 and Outlook for 2010

organisations rather than small and medium employers and cover sectors that are more affected by the recession, at the moment, such as financial services rather than public sector organisations.

The *Labour Market Outlook* report Spring 09 from the Chartered Institute of Personnel and Development (CIPD), which is based on a sample of 505 employers – not only graduate employers – found that a third of organisations were freezing recruitment. Likewise, in the report *The Graduate Market in 2009* carried out in December 08 by Highfliers, one in three employers reported that their graduate recruitment budget had been cut in the 2008-09 recruitment round, although again this varies depending on employers, with investment banks unsurprisingly recruiting fewer. Here, it is also important to note that the Highfliers research is based on a small sample of 100 employers which means that it only represents a small part of a bigger picture.

A report from the Confederation of British Industry (CBI), *Employment Trends 2009*, based on a sample of 704 respondents, states that two-thirds (38%) of employers have frozen graduate recruitment and 10% are recruiting fewer graduates (Table 1). However, there is good news with one in 20 (5%) companies planning to increase their graduate recruitment and one in six (16%) offering internships and placements.

Table 1 Patterns in graduate numbers (%)

Recruitment Freeze	38
Lower than 2008 level	10
Similar to 2008 level	34
Higher than 2008 level	5
No freeze but level of recruitment not stated	13

Source: CBI Employment Trends 2009

Table 2 Organisations operating a freeze on graduate recruitment – by sector (%)

Banking, finance and insurance	32
Construction	54
Manufacturing	53
Professional services	28
Science/hi-tech/IT	34
Transport and distribution	59
Total	38

Source: CBI Employment Trends 2009

In the CBI survey employers were asked when they expected recruitment to return to 2008 levels with almost a third (32%) saying in the next two years and 19% beyond the next two years. In the Highfliers UK Graduates Careers Survey 2009 it is reported that compared to 2008, the number of finalists who have received a graduate job offer has fallen by one third.

The AGR Summer review found that a majority (62.7%) of organisations are offering fewer vacancies in 2009 compared to last year, although a fifth (20.7%) are increasing recruitment. Of the graduates who were recruited in the 2009 recruitment session, just under a quarter (24.7%) were for positions in accountancy or professional services, about one in seven (13.9%) were in general management, whilst investment banking vacancies fell from 11.9% to 7.8%.

Looking at where graduate vacancies are located, the AGR employers report that almost half (49%) of vacancies were in London, with another one in ten (10.7%) in the South East. The geographical concentration of vacancies amongst AGR employers is a reflection of the business interests of these employers which are biased towards large private sector firms as opposed to public sector employers, as well as companies which are London-based.

Selecting graduates

In the summer review, the AGR asked its members about what criteria they used in selecting candidates. Specific degree courses are required by 26.5% and relevant work experience by 15.2% but top of the list is a 2.1 or above listed with 66.7% of AGR employers using it as application criteria.

Vacancies in 2010

Over half (53.4%) of the AGR employers are anticipating similar vacancy levels for 2010 with a fifth (22.1%) even expecting slightly higher levels of recruitment and around one in ten (11.1%) expecting a slight fall.

The Quarterly Survey of Small Business in Britain carried out by The Open University Business School in association with Barclays Bank and ACCA is showing a more positive picture. Although 49% of small firms reported that sales were down over the year, fewer firms reported expecting to cut employment, and 62% of small firms have not changed employment levels over this past year. Almost half of respondents, especially those employing more than five people, now aim to expand over the next three years. The survey reports that around a third (34%) of this group of employers has seen an increase in sales over the past year showing resistance against the generally poor performance of the economy as a whole. The survey included responses from 848 small businesses and was carried out in the second quarter of 2009. It is difficult to know how this may impact on graduate employment as it depends on the nature of the new employment opportunities created.

Graduate salaries

Starting salaries for graduates vary in the reports. Highfliers UK Graduates Careers Survey 2009 report a slight dip in salaries with an average of £22,300 and the Association of Graduate Recruiters summer review report starting salaries stagnating with the median being £25,000.

It is important to note that the AGR salary figures are mainly from large companies and organisations likely to offer higher salaries. In addition, many of the vacancies are in London where salaries offered tend to be higher than in other UK regions. For example, the mean salary reported for AGR employers for graduates in the law sector was £37,000. In comparison, the salary reported six months after graduation by first degree graduates from 2007/08 in full-time employment in the UK was £20,000.

These figures are based on the *Destinations of Leavers from Higher Education* survey, data and analysis produced by the Higher Education Statistics Agency (HESA).

Graduates delay entry to employment

According to Highfliers *UK Graduates Careers Survey 2009* 26% of current final year students are planning to stay at university to do postgraduate courses and only 36% think they will start a graduate job or look for a graduate job after leaving university. This is only slightly lower than 2008 and 2007 where Highfliers reported that 40% of finalists believed they would either start a graduate job or be looking for a graduate job after graduation.

Good news?

The report from the CBI highlighted the continued importance of graduate talent to UK employers and reports that more than a third (36%) of jobs require graduate level skills and they project this to grow.

Despite graduates having low confidence in the job market, Highfliers *UK Graduates Careers Survey 2009* found that more than 90% of final year students had "enjoyed being at university and would recommend it to others".

Flexible working practices seems to have benefited from the recession as the CBI reports that most firms are increasing the use of flexible working to reduce labour costs. The CBI found that just under half of employers had already increased flexible working (45%), 13% were intending to and 11% were considering it. Of course, from an employee perspective this can be both positive and negative depending on whether you rely on being able to work overtime or, for instance, cannot afford to work fewer hours.

What could be growth sectors?

The July issue of the Institute for Employment Studies (IES) public policy research newsletter includes some employment forecasts about where the new jobs will come from. Jim Hillage, Tom Usher and Annette Cox think that some sectors will see employment growth:

- *hospitality and tourism – especially if Sterling remains competitive and in the build-up to the Olympics*
- *creative and cultural sectors – prioritised by most English regions and the devolved nations as likely growth areas*
- *social care – to meet the needs of an ageing population*

- *other key public services – or at least those that remain untouched by any post-election Comprehensive Spending Review*
- *high-level science, engineering and IT skills – skills shortages in these areas are unlikely to improve quickly during recession due to very long training periods for these occupations and high entry requirements.*

The IES authors also speculate that the trend to move towards a low carbon, resource efficient and sustainable economy may affect the demand for relevant employment and skills, such as engineers to build renewable energy resources and infrastructure and the need for traditional occupations like plumbing to incorporate new skills to adapt to demand for e.g. biomass boilers.

Reports:

AGR Graduate Recruitment Survey summer review 2009 www.agr.org.uk

CBI Employment Trends 2009 – work patterns in the recession. <http://cbi.org.uk/>

CIPD. Labour Market Outlook with a focus on employment policy in a downturn. CIPD Quarterly survey report Spring 2009. www.cipd.co.uk/NR/rdonlyres/12694328-A334-474A-88AD-3CB455AFB635/0/labour_market_outlook_0509.pdf

Employment Studies. The IES Public policy research newsletter, Issue 10, July 2009. www.employment-studies.co.uk/news/articles.php?newsid=policy

HESA Destinations of Leavers from Higher Education in the United Kingdom for the academic year 2007/08 www.hesa.ac.uk/index.php/content/view/1479/161/

Highfliers. The Graduate Market in 2009

Highfliers. The UK Graduate Careers Survey 2009 www.highfliers.co.uk/download/Release09.pdf

Quarterly Survey of Small Business in Britain by The Open University Business School in association with Barclays Bank and ACCA. www3.open.ac.uk/media/fullstory.aspx?id=16485

For more news and updates on the graduate labour market go to the HECSU Blog www.hecsu.blogspot.com/

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