Getting on: graduate employment and its influence on UK higher education

Rachel Hewitt
With a Foreword by Bob Gilworth
About the author

Rachel joined HEPI as Director of Policy and Advocacy in November 2018 and has written about a wide variety of HE policy issues, including data ethics, funding and wellbeing. Prior to joining HEPI, Rachel held a number of roles at the Higher Education Statistics Agency (HESA), including leading the review of data on graduate destinations and designed and set up the new Graduate Outcomes survey. Rachel also briefly worked in the careers department at the University of Bath, where she studied as an undergraduate.
Contents

Key terms 4
Foreword 5
Executive summary 9
Introduction 11
1. What has changed? 13
2. What impact have these policy changes had on universities? 31
Conclusion 45
Endnotes 49
Key terms

In order to provide clarity, some key terms / data sources are explained briefly here.

<table>
<thead>
<tr>
<th>Key term</th>
<th>Form</th>
<th>Timing</th>
<th>What is included?</th>
<th>Publication timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Destination of Leavers from Higher Education (DLHE) survey</strong></td>
<td>Survey of graduates carried out by universities</td>
<td>6 months after graduation</td>
<td>Occupation, industry and further study information</td>
<td>1990s - 2018</td>
</tr>
<tr>
<td><strong>Graduate Outcomes survey</strong></td>
<td>Survey of graduates carried out by HESA</td>
<td>15 months after graduation</td>
<td>Occupation, industry and further study information, ‘graduate success’ measures</td>
<td>2020 onwards</td>
</tr>
<tr>
<td><strong>Longitudinal Educational Outcomes dataset</strong></td>
<td>Administrative data source</td>
<td>From graduation onwards</td>
<td>Salary information</td>
<td>2016 onwards</td>
</tr>
</tbody>
</table>
Foreword

Dr Bob Gilworth, President of the Association of Graduate Careers Advisory Services (AGCAS)

The importance of graduate employment outcomes in UK higher education can be seen very clearly in the overall context and the specific policy initiatives referred to in this report. It is important to acknowledge that while the general emphasis on the importance of graduate outcomes is UK-wide, specific initiatives are not uniform across the nations of the UK and some of the responses to the survey of Heads of Careers Services carried out for this report rightly reflect this.

This report is timely, as so many of these policy initiatives have come into play in a relatively short time. As President of the Association of Graduate Careers Advisory Services, I warmly welcome the logic behind this piece of work. The premise is that higher education careers services provide a window into understanding institutional responses to the focus on employment outcomes, because they are likely to be at the heart of it. In general, the survey responses outlined here tend to illustrate this is the case.

This report highlights a generally positive perception of the increased emphasis on graduate employment. This is the view of the overwhelming majority of survey respondents (93%). In 2018, I wrote about the ‘Organisational Responses to the Employability Agenda’. That piece was an update on a study that I carried out in 2011/12. The direction of travel for higher education careers services from centralised to embedded and perhaps from ‘periphery’ to ‘core’ was under way then
and this report shows that trend to be strongly established and continuing. This is a very important and useful message for all concerned, but especially for policymakers who may hold outdated views about the role and position of higher education careers services.

Higher visibility usually comes with greater accountability and the need to comply with measures of success, which are often metrics driven. Student, institutional and regulatory expectations have increased, and this report shows this has translated into increased resourcing in just under half of the services responding to the survey. Where this is the case, there are suggestions that in some cases increased resources are insufficient to meet demand. Either way, this survey can only show glimpses of the innovation and ingenuity of AGCAS members in balancing resourcing and expectations. My own view is that this particular aspect is worthy of some follow-up work.

The report also shows some of the ambiguities and challenges raised by specific initiatives. For example, one thread running through the survey responses is concern about the spirit and appropriateness of a particular way of interpreting and measuring ‘success’, namely graduate salary information through the Longitudinal Educational Outcomes (LEO) data. The policy context part of the report mentions the enthusiasm for LEO on the part of government as a means of seeing an association between graduates and courses and the paying back of student loans. It also highlights the influence that the availability of LEO data has on the idea of ‘low-value degrees’. The survey responses show careers services do not share this enthusiasm. Instead, they are concerned about the reductive
nature of this measure of graduate success, which relies solely on pay. This is compounded by concerns about regional contextualisation. The relative impact of LEO may shift depending on its prominence in the broader employability narrative. For the moment, this survey placed it fourth on the list of policy initiatives with the greatest impact, behind Graduate Outcomes, the Teaching Excellence and Student Outcomes Framework (TEF) and the Office for Students’ Access and Participation Agreements.

The report refers to student views of career success related to values and personal fulfilment rather than to salary. In this regard, the survey responses suggest the typical careers service view is closer to the student view than to that of some other stakeholders. At the same time, responses show that higher education careers service leaders are practical realists who are well aware that they are managers within their institutions, with a responsibility to deliver institutional success in this area, against metrics, which are real if sometimes flawed.

Careers services know that a ‘Graduate Outcomes’ metric can only arise from real graduates’ outcomes, the career journeys of many thousands of individual former students. In this regard, the survey shows that lagging indicators – like the Destination of Leavers from Higher Education (DLHE) / Graduate Outcomes surveys and Longitudinal Educational Outcomes data – will remain important, especially in league tables and TEF metrics. So careers services are increasingly taking a proactive data-informed approach to engaging with students on their journey, using real-time indicators such as careers registration and engagement data. The survey shows greater and earlier student engagement. I would suggest that this is not simply
or even predominantly, a function of students independently responding to the dominant ‘return-on-investment’ discourse. It is due in no small measure, to the proactive, evidence-based action of AGCAS member services.

The *Graduate Outcomes* survey comes top in the policy initiatives seen to be having the most impact. It is an initiative with direct operational impact, despite the strategic concerns about the volume and nature of the data, which will continue to feature in TEF, league tables and employability conversations within institutions. The TEF itself was third in the table of most impactful policy initiatives.

Access and Participation Agreements come second in the list of policy initiatives with the greatest impact. This will be no surprise to insiders. This is a policy area in which there is a high level of congruence between the intention of the policy and the ethos, which drives careers services and the people in them. The now ubiquitous notion of ‘getting in and getting on’ has always been central to the higher education careers service philosophy. This is also true of the idea of directing effort and resources to where they will make the most difference and the data-informed approaches reported in the survey reflect this, along with some caveats about the balance between targeting and perceived equity of service.

Overall, this report seeks to understand the impact of policy on student / graduate employability, from the perspective of the professionals who are at the sharp end of this every day. This seems to me to be an eminently sensible and useful approach. I commend the report and hope that you enjoy reading it.
Executive summary

• Recent years have seen significant policy changes related to graduate outcomes and employability, including the introduction of the Longitudinal Educational Outcomes dataset tracking graduates earnings, the Teaching Excellence Framework and Access and Participation Plans which place greater focus on students transitions out of university. The new regulator in England, the Office for Students, lists outcomes that ‘enrich [students’] lives and careers’ as one of its four key objectives.2

• These changes have been influenced by policymakers who are seeking to improve productivity in the workforce, and reduce the cost of higher education by better understanding which graduates pay back their student loans.

• It has also been influenced by students, who enter university focused on what their future career path will be. They have high expectations that higher education will help them to develop professional skills and gain experience relevant to their future employment.

• Employers share some of the influence and remain keen to employ graduates, despite continued complaints that students leave university not ready for the workplace.

• Some criticism has been made of the increased focus on employability, largely by academics who believe it is taking away from the purpose of the university and having unintended consequences on the way universities operate.

• The results from a survey of Heads of Careers Services have shown these policy initiatives have led to changes in the
way universities operate. Careers services within universities have largely seen this as a positive change, although different policies have had different levels of impact.

• What is classified as graduate success is defined differently between careers services, universities and students, particularly when it comes to the use of metrics or broader measures.

• Careers services have become more embedded in the strategic role of the university, but this is often not accompanied by increased resources.

• Students are getting involved with the careers service earlier during their studies and are more likely to actively seek out the support of the careers service.
Introduction

Never before has there been more focus on the role that universities have in getting students into graduate jobs. As the saying goes, coined by Shakira Martin, former President of the NUS, it is not just about ‘getting in, it’s about getting on’.  

Universities are judged in league tables and the Teaching Excellence Framework by their ability to get graduates into high-paying jobs. The new Graduate Outcomes survey extends the point of judgement from six months, used for the old Destinations of Leavers from Higher Education (DLHE) survey, to 15 months after students finish their studies, when they will be surveyed about what they are doing. This means universities cannot rely on getting graduates into short term employment to boost their employment statistics.

The Longitudinal Educational Outcomes (LEO) data, which links tax and benefits data to education data, providing graduate salaries across their lifetime, has excited policymakers and changed the way we talk about the returns gained from higher education.

How did we get here, and how has this change in policy focus impacted universities? This report will explore the changes in the policy environment and present new research on the impact these changes have had on the way universities operate.
1. What has changed?

Labour market conditions

Before examining how the policy focus has shifted onto the employment of graduates, it is worth considering the labour market conditions recent graduates are entering. Data from the Department for Education’s Graduate Labour Market Statistics shows the current graduate employment rate is 87.7%, compared to 71.6% for non-graduates. 4

As Charlie Ball, Head of Higher Education Intelligence at the Higher Education Careers Services Unit (HECSU), cites from the Annual Population Survey, between 2006 and 2016, around 2.5 million new jobs were added to the UK economy in the categories of ‘managerial, professional and associate professional occupations’, which are often classified as ‘graduate level jobs’. 5 Comparatively, ‘non-graduate jobs’ only grew by 45,100. It is clear there is significant demand for graduates in the economy. It is also worth noting that professions increasingly require employees to have a degree: since 2013 new nurses are required to obtain a degree and, from 2020, all new police officers will be educated to degree level. 6

However, the labour market that graduates enter, and universities prepare them for, is not simple. It is not the case that graduates choose to enter jobs which neatly align with gaps in the labour market. The under-employment rate for graduates is around 31%, described as where graduates have a higher level of education than required for the job. 7 Meanwhile, skills shortages persist with one-in-five UK employers having vacancies and one-third of vacancies described as hard to fill. 8
In some sectors, like IT, skills shortages and graduate under-employment exist in the same area. This is due to a range of factors, including regional distribution of roles and recruitment challenges faced by small and medium-sized enterprises (SMEs).

There is much speculation about the ways in which the labour market will develop in the future. Graduates leaving university today will be working for much longer than their parents’ generation and therefore require transferable skills to use across their working life. In their report, *The Future of Work: Jobs and skills in 2030*, the UK Centre For Employment and Skills (UKCES) listed artificial intelligence and robots as one of the disruptors with the potential to impact on future jobs and skills, alongside climate disasters, geographically alternative centres of excellence and increased workforce casualisation.

The election of a majority Conservative Government led to us leave the European Union on 31 January 2020, after almost four years of uncertainty. But how this plays out beyond the transition period, and the impact on the economy, will inevitably affect graduate labour market conditions in years to come. Recent research by the Institute for Student Employers found that employers were taking a cautious approach to recruiting graduates, planning to increase graduate recruitment by less than 3% in 2020 compared to 18% in 2019.

*From DLHE to Graduate Outcomes*

In the UK, universities have been collecting information on what graduates do after they finish their studies since the early 1990s. The data collection is run by the Higher Education Statistics Agency (HESA) and for a number of years consisted of
the *Destination of Leavers from Higher Education* (DLHE) survey, conducted roughly six months after students leave university and asking questions about graduates’ roles, salary and industry. It also captured information on whether graduates had gone into further study. It was run as a census survey and annually secured responses from around 80% of all graduates from the UK. This survey was supplemented by a smaller longitudinal version, which asked similar questions but was conducted three years after graduates had left their studies. While the DLHE survey was used widely by policymakers, league table providers and higher education providers, the Longitudinal DLHE was not well utilised, largely due to a comparatively small sample size.

In 2015, during my time at HESA, we begun a fundamental review of the data collected about graduate outcomes. The review began due to the increasing focus on graduates’ employment and the introduction of the LEO data. However, it was also related to trust in the existing data. DLHE data was collected by universities conducting surveys of graduates and was plagued by rumours that some universities were gaming the system and even altering the data to seem more favourable, to boost their position in league tables. Accusations included whistle-blowers suggesting that students working as ‘baristas’ were being reclassified as ‘barristers’.

While it has never been proven whether these allegations were accurate, action needed to be taken to restore public trust in the national dataset. The review concluded with the development of the *Graduate Outcomes* survey, which is a single annual centrally run survey of all graduates, carried out 15 months after students leave university. The survey has
recently concluded its first year of operation and the results are expected to be published in April 2020.

As well as continuing to collect details about the job that graduates have gone into, the Graduate Outcomes survey also began collecting graduates’ perspectives on where they were, known as ‘graduate success measures’. These ask the graduate to consider whether what they are doing is:

1. on track with their future career plans;
2. meaningful and important to them; and
3. utilising the skills they learnt through their studies.

These new measures allow graduates to reflect on how they define their own success. For example, a graduate in a low-paid job may deem it a success if they gain experience in the career they wish to undertake in future. On the other hand, research shows that many students say it is important to go into work they deem meaningful.\(^{13}\) It is not yet known what use these new measures will be put to, or whether they will have as prominent a role as graduates’ salary data, but they do offer an opportunity to present a broader view of ‘graduate success’.

The Graduate Outcomes survey has also aimed to better serve graduates who go on to set up their own business or become self-employed. This remains a small part of the cohort with only 4% of 2016/17 graduates choosing these options, compared to around 15% of the total workforce who own their own business or are self-employed.\(^{14}\) However, this group is not currently well understood and will face unique challenges and opportunities in the labour market. Self-employed graduates
are more likely to have studied creative degrees, such as Music or Dramatic Arts, whereas graduates who have business start-ups generally, unsurprisingly, hold degrees in Business Studies. The Graduate Outcomes survey is seeking to capture richer information from these graduates.

The survey aims for high response rates, expecting approximately 60% of UK undergraduate students to complete the survey after they graduate (down from 80% under the previous DLHE survey, due to the survey being conducted longer after graduation). In the first year of the survey, these target response rates were not met, instead achieving around 52%. This still equates to a significant number of responses, with over 360,000 graduates surveyed. However, HESA will need to achieve their target response rates if they are to ensure trust in the rigour of the data and use at both university and course level.

The DLHE data have been criticised for measuring employment outcomes rather than employability. Employability can be defined in many ways, but generally refers to the ability to gain and maintain employment, obtain new employment if required and the quality of the work. Therefore, just because graduates have gained employment six months after they completed their studies it does not necessarily mean they have been equipped with life-long employability skills. The move to graduate outcomes will not address this issue, as it continues to measure only employment outcomes.

If we wish to measure employability, new measures will need to be created. However, the development of measures of these type are not simple. Progress was made by the Careers Registration project, developed as part of the then Higher...
Education Funding Council for England’s Learning Gain project, which ran from 2014 to 2018. However, while outcomes of the project were shared between universities, no national measures of learning gain have been implemented.16

Futuretrack

As well as the annual data collections on what graduates do, some work has been completed with a more longitudinal look. Futuretrack, conducted by Warwick Institute for Employment Research, has taken one cohort of students who entered higher education in 2006 and tracked their higher education experience and its impact on their later life:

• Stage 1, published in 2008, captured students’ views on higher education on their application to university;

• Stage 2, published in 2009, asked first year students to reflect on their higher education experience to date;

• Stage 3, published in 2010, captured information from final year students, including on their skills development and career planning;

• Stage 4, published in 2013, asked the same cohort about their experiences transitioning into the labour market; and

• Stage 5 of the project is currently underway, resurveying students eight to nine years after their graduation.

Policymakers may be limited in the uses they can draw from a single cohort of students and their graduate outcomes, particularly with a shrinking sample size (Stage 1 received over 120,000 responses whereas Stage 4 received around 17,000). Respondents also entered the labour market shortly after the
start of the recession, reducing the generalisability of the data. However, this rich and detailed longitudinal data can fill gaps in our understanding of what influences graduates’ careers, such as the impact of work experience and participating in extracurricular activities as students. It can also offer a longer-term perspective on whether students believe their university experience has been beneficial to their later life and career.\textsuperscript{17}

\textit{Longitudinal Education Outcomes}

Most people who work in higher education would identify the Higher Education Research Act (2017) as the most significant piece of higher education legislation of the last decade. However, two years prior to this the Small Business Employment and Enterprise Act (2015) was quietly passed, enabling Government to link earnings data to a student’s higher education record (which Government had been doing with further education students’ records for a number of years).\textsuperscript{18} This dataset was entitled the Longitudinal Earnings Outcomes (LEO) data.

The data were initially released as experimental statistics and the Department for Education has been regularly publishing updated versions to take into account different characteristics. The dataset has received significant criticism in the higher education sector, particularly for its lack of consideration of regional differences (something the Department for Education have addressed in recent versions), its limited information on self-employed graduates and for reducing the impact of higher education to salaries.\textsuperscript{19} It has also been criticised for having limited comparability to the current graduate labour market, as it relies on data from people who left university up to 10 years ago.
The Department for Education say they are committed to using the LEO data responsibly. During his time as Minister for Universities and Science, Chris Skidmore set up the Data Advisory Committee to advise on use of higher education statistics. The first meeting was dominated by discussion of the LEO data.

The impact that the availability of LEO data have had is radical. The Treasury can now, for the first time, properly measure which courses or graduates pay back their loans and how quickly. This comes at a time when the upfront cost of student loans has started to appear much more expensive to Government, due to accounting changes in the treatment of student loans as part of the public finances. This has led to discussion about which courses should be classed as low value. In January 2019, the right-leaning think tank Onward published a report which proposed radically overhauling the student funding system and reducing access to courses that deliver low economic value. The report and recommendations were based entirely on analysis of LEO data. Discussion of how to crack down on ‘low quality’ or ‘low value’ courses continues to appear in the Conservative Government’s rhetoric about universities. It is clear that the availability of the LEO data also impacted on the Augar review. The report from the independent panel makes multiple references to the returns graduates receive, and to ‘bearing down on low value’ degrees.

Teaching Excellence (and Student Outcomes) Framework

One of the most significant policy initiatives in recent years has been the introduction of the Teaching Excellence Framework (TEF). The Teaching Excellence Framework is designed to ‘hold universities to account for the teaching and
outcomes they deliver for students' From its inception, the Teaching Excellence Framework included measures of student outcomes, namely the results of the DLHE survey.

The inclusion of these measures were seen as controversial by many, who questioned whether students’ employment outcomes represent the quality of their teaching. However, these measures remain a prominent part of the Framework, and the full name has been amended to incorporate them: The Teaching Excellence and Student Outcomes Framework.

The Framework now also includes the use of graduates’ salaries, through LEO data. The Framework is still undergoing development, with the potential of a subject-level version on the horizon and an independent review underway led by Dame Shirley Pearce. However, it seems that student outcomes are likely to remain a critical part of the TEF, in whatever form it continues.

Office for Students

The Higher Education Research Act (2017) brought about the Office for Students (OfS), fundamentally changing the way the higher education sector is regulated. The legislation set 'outcomes' as one of the four regulatory objectives for the OfS (the others being participation, experience and value for money). Their interventions to date have largely focused on their other objectives, but they will undoubtedly be watching closely for the results from the first Graduate Outcomes survey.

The 2017 Act also led to the Office for Fair Access being merged into the regulator, meaning access and participation is now handled by the Office for Students. The OfS have been radical in their interventions in this space, setting high targets
Regulated higher education institutions must submit Access and Participation Plans to the Director for Fair Access and Participation. The guidance for these Plans goes beyond getting students from disadvantaged backgrounds into higher education and ensuring their participation and makes many references to ‘progression’. Universities are now required to report on their success in getting students into good employment once they have completed their studies.

Policy divergence across the UK

It is worth noting that higher education policy is a devolved matter and therefore the policy initiatives above do not apply universally across the UK. It is optional for Welsh, Scottish and Northern Irish higher education institutions to enter the Teaching Excellence Framework. While LEO data exists across the UK, the Scottish and Welsh governments have made less use of it than the Department for Education. In Northern Ireland, there has not yet been any publication of LEO data, due to data protection concerns. Approaches to widening participation also vary across the UK. For example, in Scotland substantial targets were set after the 2016 report of the Commission on Widening Access. Therefore, while universities across the UK are being pushed to focus on graduate outcomes, not least as it is a rising priority for students, the precise policy drivers are different around the UK.

Is this new?

Students’ outcomes from higher education are not an entirely new area of policy focus. HESA has been collecting data on what graduates do since the early 1990s, which has been used by league tables consistently for many years. The 2010 Browne
review linked employment outcomes to student choice and the Wilson review (2012) considered university / business collaboration. However, while it is not a wholly new issue, it is clear that recent policy initiatives have focused attention on this area in a new way.

The drivers of change

Policymakers

As discussed above, many policy changes have been implemented in higher education that focus on graduate employment. However, one of the drivers of change is government policy.

In recent years one of the key challenges the Government has been seeking to address is low levels of productivity as well as an uneven distribution across the UK. In 2017 the Conservative Government launched its Industrial Strategy, seeking to address these challenges and aiming to ‘transform our levels of productivity and our earning power’ to become the world’s most innovative economy by 2030. Within this, explicit mention was made of the role of the newly designed Office for Students:

*By encouraging innovation and a focus on student outcomes, the OfS will drive improvements in productivity and support the wider economic needs of the country.*

In October 2018, the Office for Students launched their ‘Challenge Competition’, offering funding for projects which support graduates in highly-skilled employment in their home region, in order to support the industrial strategy focus on retaining graduates' skills within these regions. It is clear
that policymakers see universities as playing a key role in the development of the country’s economic growth.

Policymakers across Government, including in the Treasury, are also focused on the cost of higher education, using the aforementioned LEO data to better understand graduates’ repayments of their student loans, and the distribution of this across universities and courses. This led Damien Hinds, during his time as the Secretary of State for Education, to call for action against ‘low value low quality courses’ in the interests of the taxpayer.29

**Students**

Evidence shows students are focusing far more on what their higher education experience will do for their career than ever before. Almost half (47%) of students who report getting good value for money relate this to their likelihood of getting a good job, when asked as part of the 2019 HEPI / Advance HE Student Academic Experience Survey. Similarly, when asked what the most reasonable uses of their tuition fees are, 46% of students select careers services. This is one of the highest selected options, below only teaching, campus development and student support services and ahead of research and sport / social facilities.30

Similar results were found in the 2019 HEPI / Unite Students report *The New Realists*, which demonstrates that what students’ are looking to gain from higher education experience is stability. When asked what they want to achieve in life, the top priorities are ‘A job I’m passionate about’ and ‘Being financially stable’. Only 13% of students rate being wealthy as an important characteristic, which should be noted in the use of the LEO data.31
The research also surveyed applicants to understand their perceptions of university. When asked what their biggest motivations were for going to university, the top three options were:

- to gain a higher level of education;
- interest in my chosen subject; and
- I need a degree to get the job I want.

Students also rank developing professional skills and networking for their future career as important aspects of a successful student experience.
Similar trends have been seen across the world. A study of American students found that Generation Z students (born between 1995-2012) are focused on using their higher education experience to get them into a career that will provide them with financial stability. This focus on careers and stability is found to be related to having grown up during the Great Recession.32

Equally, international students who come to study in the UK have high expectations of what higher education will bring them in terms of employability. Research by Universities UK International found that 86% of universities surveyed reported high or very high demand for careers services by international students, with only 28% feeling able to meet current demand.33 It is likely that this will increase in years to come, after the Government’s commitment to reintroduce the post-study work visa, allowing international students to stay and work in
the UK after they finish their studies.\textsuperscript{34}

It is important to note that, while most undergraduate students will not have previously experienced sustained full-time employment, some students (for example mature students) will have significant experience in the labour market and will be using higher education to gain additional skills. Therefore, approaches focused on getting students into work for the first time will not apply to all students.

Some students also work during their studies, whether to fund their studies or to obtain additional experience. However, this can have knock-on effects to their studies. The 2018 HEPI / Advance HE \textit{Student Academic Experience Survey} found that students who did not work during their studies, or who worked a maximum of nine hours a week, were more likely to perceive themselves as getting a higher level of value and learning more than those who worked 10 or more hours a week.\textsuperscript{35}
So it is clear what students want is employability – to improve their employment options and related skills – rather than employment, as most students do not enter university with a single job in mind. This can be at odds with existing metrics which measure levels of employment, rather than employability.

**Employers**

Not yet discussed is the role and view of employers, who recruit the graduates that universities produce. Employers have complained consistently for many years that universities do not equip students with the skills they need for the workplace. According to research by Pearson Business School, nearly a fifth of graduates are not workplace ready by the time they leave university.\(^{36}\) However, employers may sometimes have unrealistic expectations of the graduate workforce. It is not clear whether universities are failing to prepare students for the workplace, or whether employers are relying on universities to avoid the costs associated with training new employees.

Furthermore, research by the Confederation of British Industry and Pearson shows employers overwhelmingly value graduates holding attitudes and aptitudes for work (67%) over the subject studied (11%), degree result (7%) or even relevant work experience / industrial placements (8%).\(^{37}\) From employers’ perspective, universities should be focused on ensuring students have the skills associated with ‘work-readiness’, including time management, team working and problem-solving.

Some employers, particularly those running large graduate schemes, have historically been criticised for recruiting from a limited pool of universities, often those at the top of league tables. *The Graduate Market in 2019* report found 42% of the 100 top graduate employers targeted fewer than 20
universities in their graduate recruitment. However, some employers are now using ‘blind-recruitment’ approaches, where characteristics that could introduce unconscious bias are removed from the application process. This can include names, gender and in some cases, university names. Both public and private sector organisations, such as Deloitte and the Civil Service, have had blind-recruitment processes since 2015, having signed up to a pledge set by the Prime Minister at the time, David Cameron.

Increasingly, universities are focused on strengthening their links with industry. On the DiscoverUni website, over 9,000 placement courses are offered across 156 universities. Placements, where students spend up to a year working away from university, allows employers to offer experience to students. This can be beneficial for employers, who often go on to employ the student once they graduate. It also offers students the chance to familiarise them with a sector, which can help them decide which career path they want to follow. Currently data are not collected on how many students undertake placements, although HESA intends to start collecting this information as part of their Data Futures project.

Universities are also diversifying the type of employment experience offered to students beyond the traditional placement offer, including shorter work experience opportunities. While employers are not a new driver of the focus on graduate outcomes, perhaps the related changes have led to their voices becoming better heard.

Academic criticisms

It is clear that there has been a huge amount of focus on the outcomes of graduates in recent years, but there is not
universal consensus that this should be the case. There are three main arguments, made mostly by academics (although not all academics), against the ‘employability agenda’:

1. It is not the role of a university to focus on the employment of their students. Universities should be focused entirely on academic excellence. Stefan Collini argues the focus on graduate outcomes through metrics threatens the purpose of higher education for ‘conserving, understanding, extending and handing on to subsequent generations the intellectual, scientific, and artistic heritage of mankind’.41 Some have criticised the recent closure of a number of humanities courses at the University of Sunderland in favour of more careers-focused degrees on this basis.42

2. The focus on getting students into employment infantilises students, who should take on the responsibility for securing a graduate role. Academics involvement in employability can raise ethical concerns, through conflict about the careers that graduates may choose to follow and the employers that universities partner with.43

3. Policymakers overestimate the influence universities have on students’ employment prospects. Students from the most advantaged backgrounds go on to earn the highest salaries and utilise their social capital to get into the career of their choice.

Yet, it is hard to argue that universities should not take on greater responsibility when both students and policymakers are increasingly interested in students’ employability. However, the third point highlights the importance of not penalising universities that recruit the most disadvantaged students in the metrics.
2. What impact have these policy changes had on universities?

In order to understand the impact these policy changes have on universities, HEPI and AGCAS surveyed leaders of careers services from universities across the UK. With 48 respondents and responses only sought from universities who are AGCAS members, I do not claim that the survey sample represents the entirety of careers services across UK higher education. However, the responses provide insights to learn from. To encourage open responses, all individuals and institutions have been kept anonymous.

Different parts of a university might have different perspectives on the impact that these policy changes have had. Here, we focus on the view of those who are most regularly handling the changes – directors of careers services. By surveying heads of university careers services, we can understand the impact of the policy changes from those who are directly involved. It is also important to recognise that careers service provision outside of universities has declined in recent years. Since 2010, responsibility for careers guidance education has passed from local authorities to schools and concerns have been raised about the level and quality of guidance provided by schools. University careers services therefore may be filling gaps in schools careers education, which is particularly important given the increased levels of participation in higher education. This can be used to broaden the horizons of all students and, in particular, attempt to level the playing field for students from disadvantaged backgrounds who may not have access to the same social capital as other students.
Firstly, respondents were asked to reflect on the impact the increased focus on graduate employment has had on the role and position of university careers services. Overwhelmingly, respondents said the impact had been positive (93%), compared to only 5% who said it had been neither positive nor negative and 2% who said it had been slightly negative.

**How do you view the impact of increased policy focus on graduate employment/outcomes on the role and position of university careers services?**

![Pie chart showing the distribution of responses](chart.png)

The accompanying commentary contained a number of caveats, including the need for policymakers to determine wider measures of graduate success than are currently in use.

When asked about the impact that the availability of the graduate salary data will have on careers support, 17% said it would have a significant impact. Around three quarters (76%) said it would have a moderate or slight effect, and only 6% said it would have no impact.
In the accompanying narrative, respondents stated that the increased use of LEO was due to its inclusion in the TEF and there was still not full understanding of how LEO can be used or influenced in guidance to students. A number of respondents also highlighted it would have greater use if it were to include regional weighting.

**Impact of policy interventions**

Respondents were asked to rate which policy change had the greatest impact on the way they worked. The majority of respondents (69%) said the *Graduate Outcomes* survey was having the biggest impact on how they operate, with another 19% rating it second. This can be explained, at least in part, by universities no longer having to conduct the *Graduate Outcomes* survey themselves, as they did for the *Destination of Leavers from Higher Education* survey. HESA now conducts the survey on their behalf.
Which of the following is having the greatest impact on the nature of your work? Rank the following options 1-5, where 1 indicates the greatest impact.

The policy intervention with the next greatest impact is Access and Participation Plans. Around one-fifth (19%) of respondents say these are having the biggest impact on their practice, with a further third (33%) citing them as the second most important factor.

The next policy intervention that respondents identified as having a significant impact was the Teaching Excellence Framework. Only 10% of respondents identify it as having the greatest impact, but another third (33%) say it is having the second greatest impact.

Only 2% of respondents identified LEO data as having the biggest impact on their way of operating to date and another 2% cited something else as having the greatest impact.
When asked to identify other important policy initiatives, internationalisation and Brexit come up, as well as regional industrial strategy. Comments also referred to the likelihood that the impact of Access and Participation Plans would grow in coming years.

We also asked respondents what they believe the main challenges are in the new policy landscape. Many responses related to the LEO data confining the value of higher education to economic productivity. Concerns were also highlighted from universities in the North of England about the salaries their graduates are able to attract compared to those at London universities, as well as from universities whose graduates largely go on to work in the public sector.

For Scottish institutions, there were other challenges, as identified by this respondent:

| As a Scottish institution these policies feel very far removed from the landscape we face. We have had funding cut in real terms over the past few years and do not have the money to invest in the activities that our English counterparts have had. The Careers Service has been reduced in size and financially, while still trying to deliver the support required to meet all the policy objectives from the UK and Scottish Governments. |
| Small Scottish university |

General uncertainty was also raised as a challenge, with Brexit, the (at the time of the survey) upcoming General Election and the bedding-in of the Office for Students. Respondents also raised concerns about how they support widening participation students into their careers, overcoming existing barriers.
**Defining success**

Many commentators on higher education, and respondents to this survey, say our current metric-focused approach to measuring successful outcomes from higher education is not fit for purpose. However, policymakers continue to take a data-driven approach to assessing higher education (and other aspects of public policy). This is unlikely to change, particularly with the Prime Minister’s adviser, Dominic Cummings, seeking to recruit more data scientists to the civil service. Therefore, respondents were asked to reflect on how they want their university to be judged or measured nationally on graduate employment.

Responses include: measuring added value; getting students into careers that they want; how universities develop graduate employability rather than employment outcomes; feedback from employers; how institutions support students into lifelong careers; and graduate satisfaction.

Graduates have and realise ambitions beyond what would have been available without going to university. ‘Highly Skilled’ metrics are probably best but I would like longitudinal data to focus more on the graduates’ capacity to evolve and continue learning and developing.

*Small English university*

Some respondents reflected on the concern about the level of impact they are able to have:

A broad research base has shown that Universities do little to alter the societal factors which determine graduate employment. I would prefer to focus on the activities we undertake to level the playing field while students are with us - such as numbers in placements or other work-related activities and learning gained from these.

*Medium-sized Scottish university*
Respondents were also asked how they would define graduate success as a careers service, how their university defines success and how they believe their students / graduates define success.

From the perspective of the careers service, success was judged as getting students into jobs that were meaningful and that they wanted to undertake. They also used *Graduate Outcomes* and LEO data to define success.

Graduate success is defined, in this service, as students finding and securing the one or range of opportunities that they aspire to. Having secured their first graduate role, successfully managing their career as they move into second and subsequent roles.

*Medium-sized English university*

When asked about how their university defines success, the theme of the responses was predominantly on existing metrics, such as *Graduate Outcomes* and LEO. This was largely related to the influence they have on league table positioning and therefore universities ability to recruit. However, mention was also made of getting students into the kind of career / further study they want.

Professional / graduate level employment or further study. This is due to the pressure of doing well in league tables, TEF and the Office for Students’ targets.

*Small English university*
Respondents believe that students’ definition of graduate success relates to feeling responsible for their choices and getting into the career path of their choosing. There were mixed views about the importance of salaries to graduates’ idea of success. What was also seen as important to graduates was the ability to give back in the career they go into.

Having a job they are happy with, that makes them fulfilled, aligns to their moral values, has progression opportunities and pays them sufficiently to cover their living costs with a bit extra.

Large English university

Universities’ strategic approaches

Universities were asked to provide details of how their strategic approach to employability has changed in the last three years. Responses include: more focus from senior stakeholders; focus on greater links between centralised careers services and faculties; curriculum development; and employability as part of the increased focus on the student experience. A number of responses also highlighted diversifying the careers experience beyond placements. However, the increased strategic profile can have knock-on consequences for engagement from other staff, as this respondent identified:

(Our approach) hasn't really changed in that Careers has always been important to our university, and we won the argument over 8 years ago that employability is the responsibility of all staff and not just Careers. However staff are now beginning to rail against this as it does not feel like enabling and developing our students but more like having to reach targets for TEF and Graduate Outcomes rather than being about the student / graduate.

Medium-sized English university
Respondents were asked what approach their university took to employability, whether it was embedded throughout the university, centralised – for example, through the careers service – or a combination. The majority of respondents (83%) said their institution took a combined approach, 9% took an embedded approach and 9% a centralised approach.

This relates to universities’ employability approach, which has been defined as having either an ‘employability added’ or an ‘employability intrinsic’ identity. Those who are employability intrinsic tend to class professional or vocational education as critical to what they do, including significant levels of work experience during students’ studies.

**What is your university's approach to employability?**

![Pie chart showing the distribution of responses: 83% for A combination of embedded and centralised, 9% for Embedded, 9% for Centralised.]

For most respondents, a combined approach means having a central careers service for all students, but also embedding employability within the curriculum. For many this has been a slow shift over recent years. Respondents highlighted the benefits of the embedded approach.
Thinking about a university’s wider strategy, respondents were asked whether their employability strategy was embedded within the wider institutional strategy or separate from it. Three-quarters of respondents (73%) said it was either included within, or linked to, the broader strategy. Nearly one-fifth (18%) said they did not have an employability strategy and 9% said that it was separate from their wider strategy.

Is your university's employability strategy included within, linked to or separate from the wider institutional strategy?

Many of the text responses indicated there was a move to include employability as part of the wider institutional strategy. Those without a formal written strategy said they were looking to create one.
Our Employability Strategy IS the Institutional strategy. Employability is one of the University's 4 strategic pillars in its overall strategy too.

*Small English university*

**Careers service resources and responsibilities**

Respondents were asked whether increased demands from new policy initiatives and greater strategic priority of careers had come with associated rises in spending and / or resources. Over half (55%) had received no increase in spending / resources, compared to 45% who had.

**Have increased demands on careers services come with increased spending/resources that cover the demands of service delivery?**

![Pie chart showing 55% yes and 45% no](chart.png)

Respondents noted that most increases in spending had been associated with particular projects. A number of universities had experienced cuts in staff and those with an increase in spending often said this was not in keeping with demand.
We innovate our own solutions to the issues that arise from the policy landscape. So rather than directly responding, we determine the best way to tackle the underlying issues. For example, improving graduate outcomes is about ensuring more students are aware of their own career readiness, rather than throwing resource at final year UGs. A student who knows where they are on their career journey is more likely to engage effectively and appropriately and make progress.

*Large English university*

When asked how they were adapting their service delivery to handle the changes in the policy environment, respondents highlighted increased digital resources and use of technology, taking a data-driven approach and reorienting the service.

*Small English university*

In terms of the expectations placed on them as heads of career services, most respondents highlighted the responsibility to improve graduate outcomes data and close the progression gap for widening participation students.

Respondents were also asked about how they measure the impact and effectiveness of careers and employability interventions. The results show there is a focus on using data from the DLHE and *Graduate Outcomes* surveys, as well as from universities' own internal surveys, including careers registration data.
Student engagement

When asked whether student engagement with the careers service has changed over the last three years, three-quarters (76%) of respondents said it had, compared to 24% who said it had not.

Have patterns of student engagement with the careers service changed over the last three years?

The accompanying free text responses reveal these changes include increased engagement by students and at an earlier stage in their higher education experience. The past trend of students only engaging in higher education in their final year appears to be changing, with more students now using the careers service in their first and second years. Demand continues to increase for one-to-one interactions for most respondents.
Students appear to be far more switched on and are keen to engage with the careers and placement service. They are no longer leaving it until the final year to engage with us and are now seeking us out. This may be due to the fact we are so embedded in the curriculum and have a very visible presence throughout the university.

*Small English university*
Conclusion

It is clear that the changing policy environment places much greater responsibility on universities to prepare students for the labour market. While some question the legitimacy of the focus on the associated metrics, universities have a responsibility to meet the needs of students who have a much greater focus on their life post-graduation. In recent years the model has changed, from a small number of universities making employability their niche, to strong employment outcomes becoming a universal necessity for universities. However, there needs to be a balance to ensure the focus remains on the individual; decisions should not be made for students on the basis of the metrics.

A previous publication focused entirely on graduate outcomes and employability was last published by HEPI in 2015 and authored by Johnny Rich. He identified six problems that were not yet being addressed in this area.

- Employability is not employment;
- Academics do not prioritise employability;
- Employers think graduates are not job ready;
- The skills and productivity gaps;
- Students mistake a degree as proof of employability; and
- Employability does not excite students.

In considering how far we have come, I have been reflecting on how close we have come to solving these problems.
Employability is not employment

Our existing metrics continue to measure employment rather than employability. In fact, with the development of LEO our focus has become on one narrow aspect of employment – how much money a graduate earns.

Despite this, we have quite comprehensive metrics on graduate outcomes. I have spoken to higher education experts in Japan, Russia, the USA and other European countries, who envy the long-standing metrics we have in place. In comparison, they are only just beginning to consider collecting full information on their graduates’ employment outcomes. We have data to demonstrate a fairly holistic picture of the early careers of graduates. Whether these should be used to assess universities’ role in improving the employability of graduates can be debated. What may be more important to question is how we assess graduate outcomes as part of the current conversation on the value of higher education. The value to students perhaps should be better measured by data such as the Graduate Outcomes ‘graduate success measures’, allowing graduates to self-reflect on what success means to them. While LEO can also tell us part of this picture, it is far more useful to Government (and taxpayers) who can use it to assess the value of different higher education institutions and courses, in terms of who will repay their loans.

Academics do not prioritise employability

While reluctance remains among some academics about the role that employability should play in the higher education experience, the importance of this is starting to gain acceptance. Our survey results show employability is becoming more embedded within the curriculum and careers services are
working in less of an isolated environment. However, whether this comes from the initiative of academics or pressure from senior leadership differs by institution, and the latter approach may mean academics enter this space reluctantly.

*Employers think graduates are not job ready and there are skills and productivity gaps*

It remains true that employers do not always believe the graduates universities supply them with are ‘job ready’. However, it is clear that as a whole employers value graduates (as shown in the graduate premium they pay) and will only come to need more of them as the labour market continues to change. Evidence shows a more educated population leads to higher levels of productivity and improves the quality of the available workforce for employers.\(^{46}\)

*Students mistake a degree as proof of employability and employability does not excite students*

The evidence points towards this being less true than it might have been in the past. HEPI’s surveys of applicants and students show students enter higher education more focused on their future career path and, as the survey results in this paper show, commit to this by engaging with the careers service earlier in their higher education experience. It is fair to say employability may not yet ‘excite’ students – but it now seems that they may better recognise the value of it.

While we may not be dealing with wholly new issues, the way we discuss graduate outcomes and the level of focus put on them has changed significantly in recent years. With this, universities are responding and changing their ways of operating to place greater focus in supporting students
'getting on’ after graduation. We are yet to see how the results of the first Graduate Outcomes survey, or the evolution of LEO data, will be used by policymakers, but it seems clear that – given an increased student focus – the whole topic is going to remain relevant to higher education policy for some years.
Endnotes


3 Ivan Morris Poxton and Stefania Zeniou, ‘Summary of NUS President Shakira Martin’s Talk at the University of Southampton’, *Wessex Scene*, 31 October 2018 https://www.wessexscene.co.uk/features/2018/10/31/summary-of-nus-president-shakira-martins-talk-at-the-university-of-southampton/


6 ‘Nursing to become graduate entry’, *BBC News*, 12 November 2009 http://news.bbc.co.uk/1/hi/health/8355388.stm
   ‘All new police officers in England and Wales to have degrees’, *BBC News*, 15 December 2016 https://www.bbc.co.uk/news/uk-38319283

8 Mark Winterbotham, David Vivian, Genna Kik, Jessica Huntley Hewitt, Mark Tweddle, Christabel Downing, Dominic Thomson, Naomi Morrice and Sam Stroud, Employer skills survey 2017: Research report, Government Social Research, August 2018


40 HESA, *Data dictionary field: Sandwich* https://www.hesa.ac.uk/collection/student/datafutures/a/sandwich


42 Catherine Fletcher, ‘Ending student quotas has been disastrous for higher education’, *Guardian*, 4 February 2020 https://www.theguardian.com/commentisfree/2020/feb/04/universities-competition-disastrous-lecturers-humanities


45 Dominic Cummings’s Blog, ‘“Two hands are a lot” — we’re hiring data scientists, project managers, policy experts, assorted weirdos…’, 2 January 2020 https://dominiccummings.com/2020/01/02/two-hands-are-a-lot-were-hiring-data-scientists-project-managers-policy-experts-assorted-weirdos/

Trustees
Professor Sir Ivor Crewe (Chair)
Sir David Bell
Professor Sir Peter Scott
Professor Dame Helen Wallace

Advisory Board
Alison Allden OBE
Mary Curnock Cook OBE
Professor Dame Julia Goodfellow
Professor Carl Lygo
Professor David Maguire
Professor Sally Mapstone

President
Bahram Bekhradnia

Partners
Advance HE
BPP University
Ellucian
Elsevier
iQ Student Accommodation
Jisc
JobTeaser
Kaplan
Lloyds Bank
Mills & Reeve LLP
Oracle
Pearson
PwC
Research England
Times Higher Education
Tribal
Unite Students
UPP Group Limited
In recent years there has been an increased focus on students’ transitions out of university and into the workplace. Policy changes have included the development of the Teaching Excellence Framework, the new *Graduate Outcomes* survey and the tracking of graduate salaries through the Longitudinal Educational Outcomes dataset. This report examines what has driven these changes, including the influence of policymakers, students and employers.

The report includes analysis from a new survey of heads of careers services across the UK, which looks at the impact these changes have had on the way universities operate. The results show an increased demand on careers services from both students and senior management, with employability becoming increasingly embedded within university policy.