

Graduate Employability Priorities

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Universities: Improving the UK's productivity

- ▶ Universities drive productivity and growth and are vital to the UK economy
- ▶ They support innovation, work alongside industry, support local and regional growth and jobs
- ▶ Universities generate more than **£73 billion a year** in output for the British economy, contribute to nearly 3% of UK GDP, and generate for than **750,000 jobs**.



The Government's Industrial Strategy

The industrial strategy mentions universities 97 times, and shows how universities are central to all of the 5 foundations of productivity:

- ▶ Ideas — how we make the UK the world's most innovative economy
- ▶ People — how we build a successful, high-calibre workforce, now and in the future, ensuring good jobs and greater earning power for all
- ▶ Business Environment — how we secure the UK's position as the best place to start and grow a business
- ▶ Infrastructure — how we drive improvement to the country's connections, delivering a major upgrade to the UK's infrastructure
- ▶ Places — how we put our national strategy on a local level, creating prosperous communities across the UK

Graduate Employability is a major issue for the HE Sector

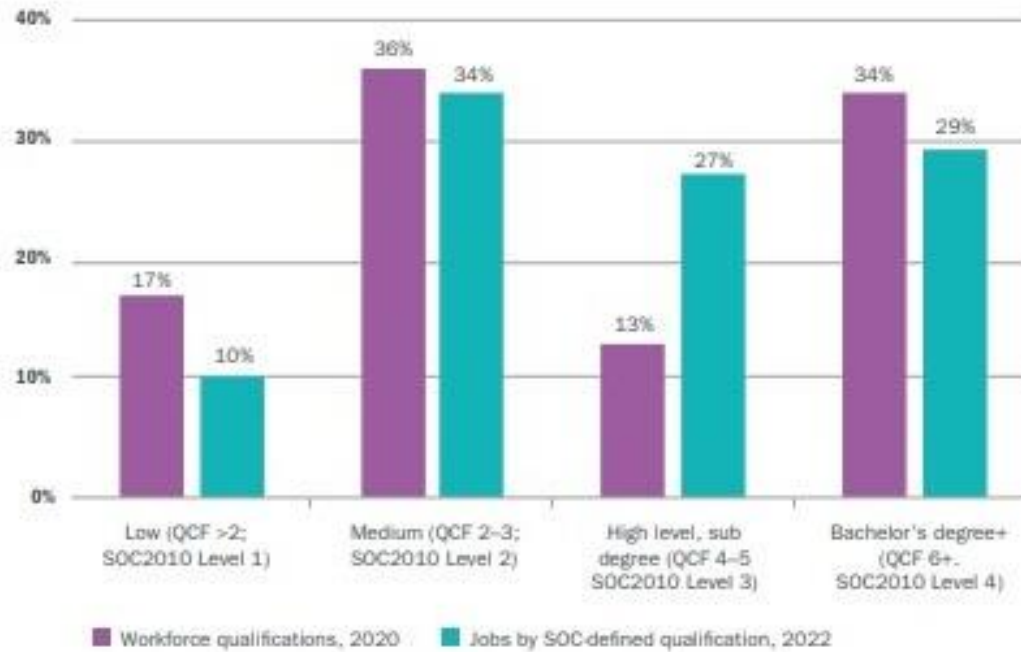
- ▶ It is one of the four objectives of the OFS:
- ▶ Are supported to access, succeed in, and progress from, higher education.
- ▶ Receive a high quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure.
- ▶ Are able to progress into employment or further study, and their qualifications hold their value over time.
- ▶ Receive value for money.

The demand for higher level skills

- ▶ November 2018 the annual CBI/Pearson Education and Skills survey showed **79% expect an increase** demand for higher level skills;
- ▶ **66% members** of the CBI expressed a lack of confidence about their ability to access higher level skills in the future;



Share of UK jobs by SOC 2010 qualification requirements, 2022



Source: Author calculation from Bosworth and Leach 2015, Wilson et al 2014, SOC 2010

An analysis of the Office of National Statistics (ONS) Labour Force Survey published quarterly by the Department for Business, Innovation and Skills (BIS), categorises the labour force into 'non-graduate', 'graduate' and 'postgraduate', and tracks their progress according to a binary jobs classification: high-skilled or non-high-skilled. High-skilled jobs are those in SOC 2010 major categories 1-3 (managerial, professional and associate professional). Using this occupation-qualification framework, we see that when we aggregate all high-skilled working age persons into one category (QCF4+), the proportion of jobs requiring these skills is larger than the proportion of working age people with these qualifications; the reverse exists for non-high skilled jobs, as classified by BIS.

Emerging Issues

- 1) The potential mismatch between what employers need and skills acquired.
- 2) Students from the most disadvantaged groups are entering professional jobs at lower levels, which begs the question how students from disadvantaged backgrounds can fare better but we also know that students from disadvantaged backgrounds benefit the most from universities?
- 3) Regional disparities between levels of employment. Graduates who are mobile are most likely to be successful, but 50% of students study at home and seek employment in their home region. For further information see Homeward Bound: Defining, understanding and aiding 'commuter students' (David Maguire and David Morris - 13 December 2018)

Figure 16a: Graduates¹ across areas of Great Britain

July to June 2017

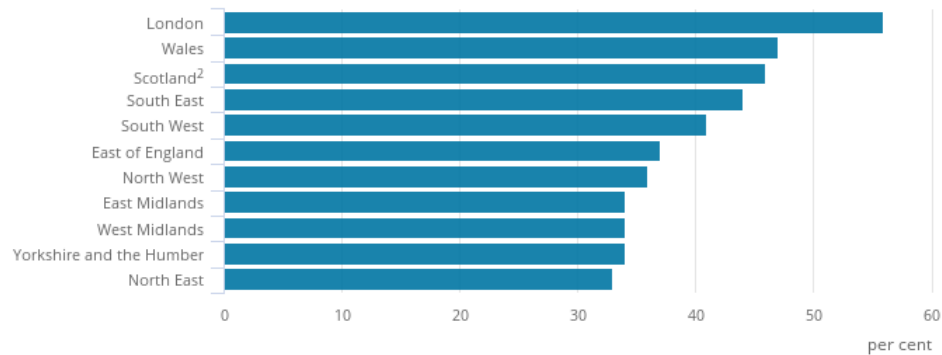
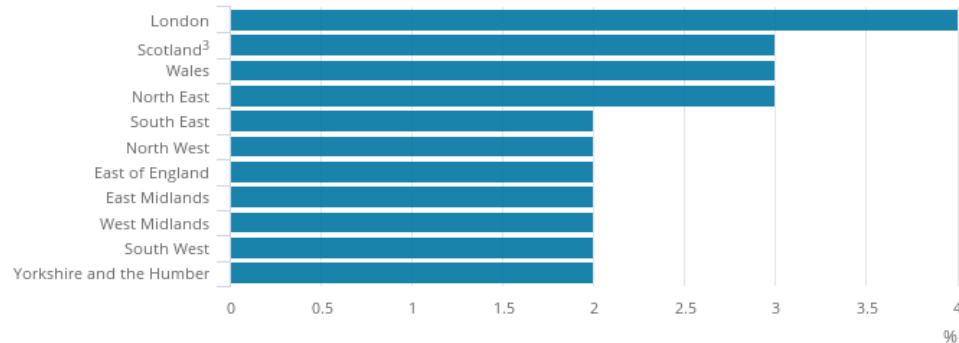


Figure 16b: Unemployment rates¹ for graduates² across areas of Great Britain

July to June 2017



Source: Annual Population Survey

4) Degree apprenticeships - availability varies across regions

5) Internships and networking opportunities mostly assist professions

6) Opportunities for placements and work experience also heavily reliant on social class and access to networks.

7) Gender disparities in employment outcomes



Figure 13a: Employment rates¹ for male and female graduates²

July to September 2017, UK

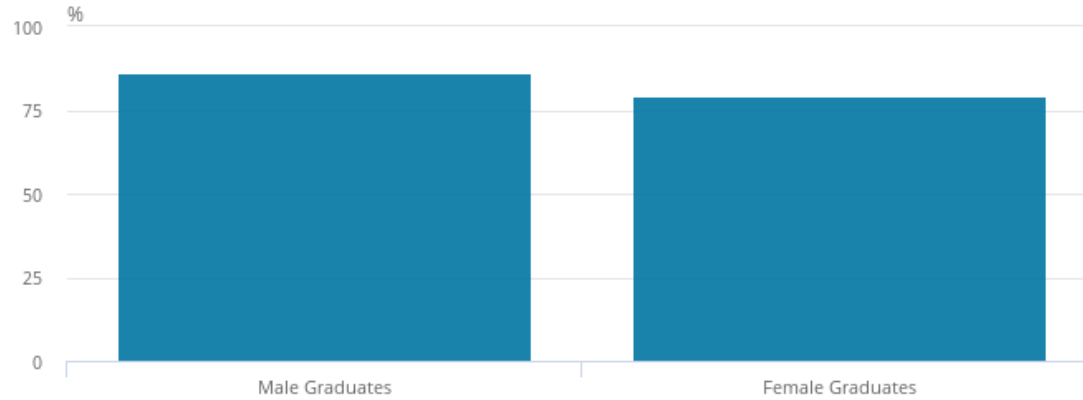
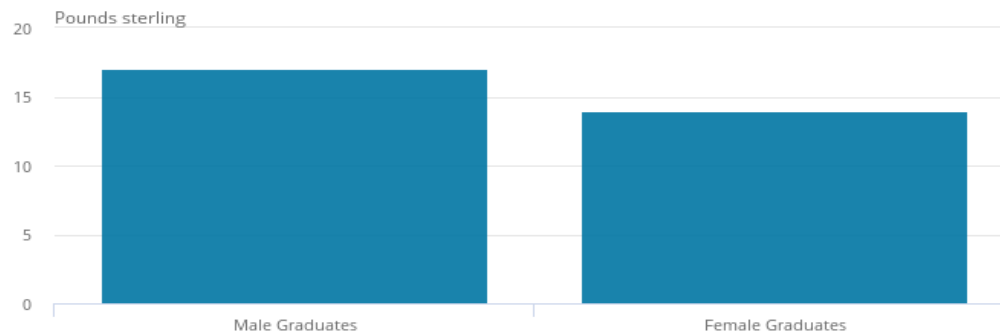


Figure 15a: Average¹ gross hourly pay² for male and female graduates³

July to September 2017, UK

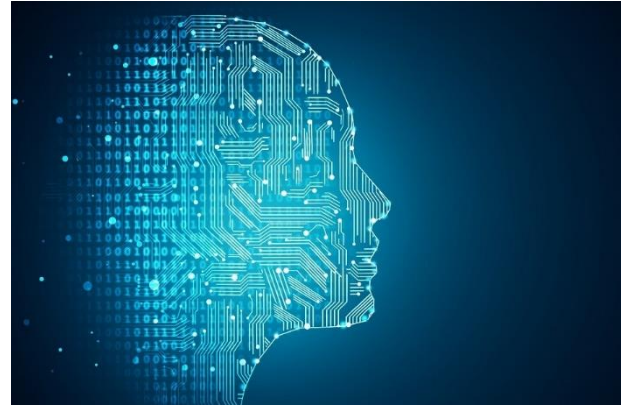


What the skills are, how they match to the 4th Industrial Revolution and concur with the industrial strategy

- ▶ Technological changes such as automation and artificial intelligence are expected to transform the employment landscape and it is imperative the university system keeps up with this.
- ▶ Universities UK has found that **automation, robotics, AI, digital technology** (and of course Brexit and the ageing population) are creating a rising demand for university level qualifications
- ▶ But we know it is not just technical skills that are essential to keep up. **Soft skills** are also important: **Judgement** and **decision making**, conducting **analysis** and **evaluation** are vital and Google now cites **leadership, communication, problem solving** and **critical thinking** as the company's top characteristics of success



The 'Grand' Challenges (how they produce demands for higher level skills)



- ▶ Artificial Intelligence and data
 - ▶ Ageing society
 - ▶ Clean growth
 - ▶ Future of mobility
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- ▶ Universities need to equip students with the skills they need to succeed in a changing jobs market, the midst of the 4th Industrial Revolution and the threats of future skills gaps
 - ▶ Ultimately, with the uncertainty of Brexit and the Fourth Industrial Revolution and the need to take advantage of any new global or technological opportunities, the increasing importance of securing economic success has never been more important

A Changing Environment

UUK also found:

- ▶ **65%** of children entering primary schools today will work in jobs that don't currently exist
- ▶ **50% of subject knowledge** acquired during the first year of a four year technical degree is outdated by the time students graduate.
- ▶ By 2030 it is estimated that there will be a UK talent **deficit of between 600,000 to 1.2 million workers** in the financial, business, technology, media and telecommunications sector.



Going back to our issues

- ▶ Many universities have taken this on board teaching students skills such as critical thinking, but it is yet to be tackled across the entire education system so that when a student reaches university they understand the importance of developing ‘soft’ skills. Critically, ironing out regional, social and gender disparities in terms of employment outcomes needs to be addressed.
- ▶ Universities are now heavily engaged in liaising with industry and other partners to make university education more employment facing, but more needs to be done.
- ▶ Government has started to address the need for universities to extend access to work based employment opportunities and networks, but more needs to be done.

- ▶ Over 30 universities and colleges are being funded (initially through HEFCE's Catalyst Fund, with ongoing investment from the OfS) to deliver new or enhanced HE courses in conjunction with industry - from advanced engineering to data analytics, and from artificial intelligence to bioscience.

Lead institution	Partner institution(s)	Catalyst funding	Project
Bath College	University of Gloucestershire	£90,000	The FAR Project (Flexible & Accelerated Routes (FAR) in Computing and Civil Engineering HND/Cs)
Newcastle University		£126,486	Addressing the national data analytics skills shortage: co-creation of an industry-led Data Science programme

Fusion between hard and soft skills whilst the emphasis has been placed on STEM

- ▶ Much emphasis has been placed on STEM
- ▶ But the future of work is showing that we need teams of people with a range of skills. So we are moving to world not of STEM, but of STEAM, where the A stands for arts because future employment opportunities will lie in those jobs that bring creativity skills together with more technical skills.
- ▶ I'm not sure Government policy has kept up with the need for graduates in humanities, arts and social sciences to also be in the frame as essential for future job development.

Regardless of the challenges of Brexit, if our economy is going to survive we are going to need a highly skilled population.

