



West Midlands
Regional
Observatory



Graduate retention attraction &
employment study 2008

Synthesis report



West Midlands
**Regional
Observatory**

Graduate retention attraction and employment study 2008: key findings

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Table of contents

TABLE OF CONTENTS	3
1 INTRODUCTION	4
1.1 Rationale for the project	4
1.2 Key research questions and components of the research.....	5
2 KEY HEADLINES	7
2.1 The demand for higher level skills	7
2.2 Graduate retention	7
2.3 The potential demand for higher level skills	8
2.4 Improving graduate retention and attraction	10
2.5 Conclusions	11
3 THE DEMAND FOR GRADUATE AND HIGHER LEVEL SKILLS	12
4 GRADUATE RETENTION	14
4.1 Graduate employment destinations by region	14
4.2 Graduate employment destinations by sector	16
4.3 Graduate employment destinations by subject area	20
5 THE POTENTIAL DEMAND FOR HIGHER LEVEL SKILLS AND KEY ISSUES	21
5.1 Recruitment problems.....	22
5.1.1 Skill gaps and deficiencies	23
5.2 The role of work placements.....	25
5.3 Deficiencies in ‘softer’ inter-personal skills.....	28
5.4 Investment in training and development.....	29
6 IMPROVING GRADUATE RETENTION AND ATTRACTION	31
6.1 Key influences on graduates career decisions.....	31
6.2 Graduates’ perceptions of the region as a place to live and work	31
6.3 The role of careers information, advice and guidance	34
7 CONCLUSIONS	36
8 FULL DOCUMENT INFORMATION	38

1 Introduction

1.1 Rationale for the project

The successful retention, attraction and utilisation of graduates is a key component of a number of key regional plans and strategies:

The West Midlands Economic Strategy states that: *‘The West Midlands must compete more effectively on the basis of its skills, ingenuity and know-how. The region needs to encourage greater numbers of the graduates produced by our universities to stay and work in the West Midlands and to stimulate a stronger flow of graduate level skills from within the workforce. There is evidence to suggest that the region doesn’t currently make best use of the graduates it does retain and the skills they have; there is a noticeable presence of graduates in relatively low value added sectors such as hospitality, rather than in sectors such as manufacturing that need to increase the value-added components of their activity.’*

Key plans that flow from this strategy include:

- A framework developed by the West Midlands Regional Skills Partnership to increase the number of people with higher level skills in the workforce, particularly in the private sector
- A three year Skills Action Plan, developed by AWM, the LSC and a range of other key regional partners which prioritises the need for a step change in the number of people progressing to NVQ level 4 and above and the number of graduates recruited by the region’s employers

The West Midlands Higher Education Association, working collaboratively with the Observatory, the LSC, AWM and Foundation Degree Forward, was asked to design a programme of research that can inform the development of appropriate interventions to increase graduate retention, attraction and employment. The Observatory was then commissioned to manage and deliver the research, which involves consultation with:

- Graduates who currently live or work in the West Midlands or who studied at university here, to include recent graduates, those a number of years into their careers and those with Foundation Degrees and post graduate qualifications
- Employers, including those who have recently recruited graduates

1.2 Key research questions and components of the research

The objectives of this research project were to explore the issues that affect graduate retention, attraction and employment in the West Midlands and specifically to address the following key research questions:

What is the extent of demand for graduate and other higher level skills in the region, notably from higher value added private sector industries? What issues and factors are impacting on the nature and extent of this demand?

Where do graduates find employment, in terms of geography, sector and occupation?

What are the key influences on graduates' career choices?

What are graduates' perceptions of the West Midlands as a place to live and work?

What is the impact of interventions to promote graduate retention, attraction and employment?

These questions have been addressed using the following approaches:

- A series of activities commissioned by the Observatory from Ipsos MORI, namely:
 - Desk research to review existing published evidence, notably on perceptions of the West Midlands as a place to live and work and good practice from elsewhere in promoting on graduate retention, attraction and employment
 - Five graduate and five employer focus groups
 - A telephone survey of a representative sample of more than 300 employers who have recently recruited graduates
 - An on-line survey of graduates recruited via university alumni associations and research panels
 - Follow up focus groups with graduates
- This research was supplemented by activity delivered by the Observatory, notably:
 - a further on-line survey of a random sample of nearly 100 employers in collaboration with the region's Chambers of Commerce
 - A further on-line survey of more graduates from Warwick University
 - Analysis, interpretation and reporting

This report draws together the key findings of each element of the research process and their policy implications and is structured around the key questions that underpinned the project.

2 Key headlines

2.1 The demand for higher level skills

Demand for higher level skills in the West Midlands is below the national average reflecting a less well developed 'knowledge economy'. Less than 24% of those working in private sector industries in the region had higher level skills and qualifications, well below the England average of 28%¹. To close the gap the region's private sector firms would need to recruit an additional 70,000 highly skilled staff

2.2 Graduate retention

This low level of demand for high level skills has a significant impact on graduate retention. While 60% of graduates overall and 86% of those who lived in the region before entering higher education find their first job within the region the other 40% have left the region to secure their first job, predominantly to go to London (12%) and the South East (8%).

Retention rates vary widely by institution. While those from the University of Wolverhampton, Newman University College and Coventry University are most likely to find employment in the region less than half of those from Aston University and Staffordshire University, 35% of those from the University of Keele and less than 30% of those Harper Adams University College and the University of Warwick did so.

Nearly 40% of those finding employment elsewhere work in higher paying and higher value added private sector activities, notably in high technology industries such as engineering, construction & utilities and 'knowledge based services' such as banking & finance, telecommunications & IT and business & professional services compared to just over 30% of those who stayed in the region.

¹ This report can be downloaded from the Observatory's website http://www.wmro.org/resources/res.aspx?p=/CmsResource/resourceFilename/891/Cross-Cutting-Issues-knowledge-economy-key-findings_D7.0_report_AP.pdf

More than 45% of those who found their first job in the West Midlands, meanwhile, are in public sector activities such as education, health & social care and public administration compared to 30% of those who have left the region. Many have remained in the region in order to retain their support network of family and friends. They are prepared if necessary to take short term 'stop gap' jobs to earn money while looking for opportunities that fit with longer term career plans. Some 70% of those choosing to do this are female graduates.

The exception is graduates who obtained foundation degrees, of which 12% found employment in high technology industries compared with 9% of all graduates surveyed and 61% found employment in higher level managerial, professional or associate professional & technical occupations compared with 49% of all graduates surveyed.

Graduates in mathematics & computer science, business & administrative studies, law, biological sciences, physical sciences and architecture & planning were most likely to leave the region to secure jobs in higher value added private sector industries. However while a significant proportion of graduates in engineering and technologies also found employment in higher value added private sector industries they were more likely to secure a job in the West Midlands. A particularly significant proportion of graduates in these subjects have taken part in work placement activity. The majority felt that this was an important or essential factor in gaining employment, with many ending up working for their placement company.

2.3 The potential demand for higher level skills

Our research suggests that there may be additional *potential* demand for graduate and higher level skills in the region. A quarter of our random sample of employers and 60% of our sample of employers who have recently recruited graduates indicate that graduate and other higher level skills could be critical to future business success. Of the graduate employers 70% of those from higher value added private sector industries and 68% of small and micro businesses were of this view. If this potential is to be unlocked and converted into real and tangible demand, however, a range of issues and barriers need to be addressed.

A significant proportion of the region's graduate employers struggle to recruit people with the skills they need. While 22% cite problems in recruiting new graduates nearly half cite problems in recruiting those with a number of years experience. The most common recruitment problem (highlighted by 24% of graduate employers) relates to difficulties meeting graduates' salary expectations.

The other key barrier to recruitment cited by employers was skill gaps and deficiencies among graduates. 20% of our random sample of employers perceive that graduates lack the work-based and industry and business-specific skills they require and the figure is 17% for employers that have recently recruited graduates. This creates a 'catch 22' situation for many graduates who have not had the opportunity to develop these skills.

'Softer' employability skills are also seen as vital to successfully securing a job - by graduates and employers alike. Many employers perceive that graduates tend to lack some of these skills, notably communication (more than half of our random sample) and the ability to work in a team (more than a third). However this view was shared by very few of those who have recently recruited graduates (7% and 2% respectively), suggesting that perceptions may not always match reality.

A further contributory factor is limited investment by employers in training and development. This is important to both addressing any skill deficiencies graduates may have when seeking employment and offering an attractive package of benefits to attract graduates. Only 28% of all graduate employers, 14% of those in higher value added private sector industries and 20% of small and micro businesses offer any formal or systematic training. Many are deterred by the prohibitive cost and time involved in organising and running training.

Work placements are already proving successful in addressing these issues. 20% of graduates surveyed had benefited from a work placement and of these more than 75% felt that their placement was an important or essential factor helping them to secure employment.

Placements work particularly well, with graduates highly likely to both participate in a placement and to feel that this has helped them find employment, in STEM subjects such as mathematics & computer science, engineering and technologies and business & administration. In others such as social studies, biological sciences and creative arts & design a lower proportion of graduates participate in placements but a high proportion of those that do felt that it helped them find a job.

There is potential to encourage increased engagement in work placements among higher value added private sector industries where take up is much lower (60% of graduate employers) than in the public sector (nearly 90%), and among small and micro businesses (62% offer placements). There is a need, however, for action to address the barriers cited by firms, and notably small and micro businesses, such as a lack of time and expertise to offer placements.

2.4 Improving graduate retention and attraction

If efforts to unlock the potential demand for higher level skills are successful it will be important to ensure that sufficient graduates are retained and attracted to the region to meet it.

To this end it will be important to promote a positive image of the region as a place to live and work. Currently graduates' perceptions of the West Midlands as a place to live and work are highly polarised.

Encouragingly graduates who have elected to remain here after completing their studies tend to hold very positive views (two thirds feel that the region is an attractive place to work and 70% would seek work here in the future) - even more so than those who originated from the region (of which 58% feel that the West Midlands is an attractive place to work and 74% would seek work here in the future).

Those that have left to work elsewhere, however, are much more negative about the region with only 40% feel that the region is an attractive place to work and just 30% feel that they would seek work here in the future. Issues such as the standard of living, salary levels, crime & safety and the extent to which Birmingham has the 'buzz' of places like Manchester or Edinburgh. It may be, however, that these perceptions are becoming increasingly outdated as initiatives to regenerate the region (e.g. the renaissance of Birmingham and investment in high technology business) begin to have an impact. Indeed our survey reveals that those that have returned now have very positive perceptions of the region with some 60% feeling that the region is an attractive place to work and nearly 70% feeling that they would seek work here in the future.

It will also be important to ensure that effective careers information, advice and guidance (IAG) is available for graduates. While the proportion varies widely by institution overall only a quarter of graduates surveyed utilised the careers services offered by their university. Again while this varies widely by institution only 25% of graduates felt that the HEI careers services they utilised were effective. Case study evidence highlights the perceived weaknesses of HEI careers services that need to be addressed:

- Services are too generic with a lack of specialist knowledge and information that can be tailored to the needs of the individual - for example relating to the subject of study or a particular career path
- The range of information, advice and guidance offered is too narrow in terms of the range of career pathways available - advice is often still mostly centred on the traditional 'milk round' and graduate training schemes available from the large Plcs and multinationals

2.5 Conclusions

It is clear from the research that while the demand for graduate and higher level skills lags behind that in many other regions there may be potential, notably among employers in higher value added private sector industries and small and micro businesses. There are a range of issues that need to be addressed in order to unlock this potential:

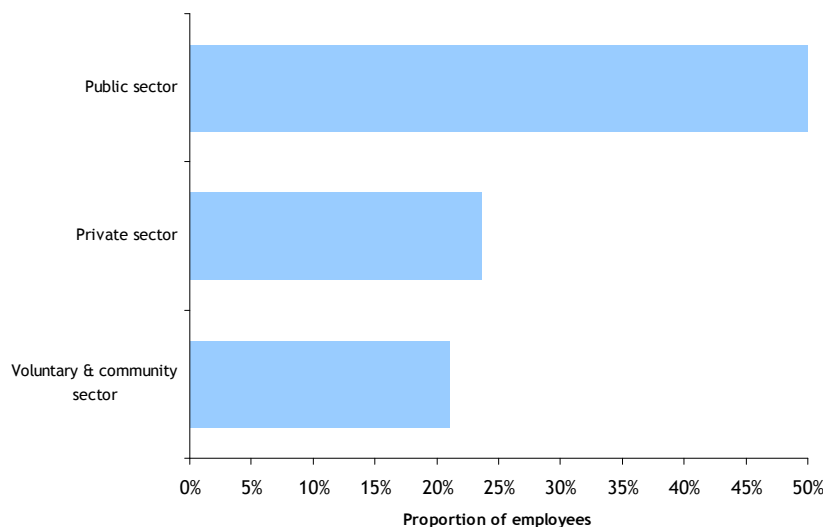
- Addressing graduates' actual and perceived deficiencies in work based skills via a further expansion of work placement activity
- Addressing employers' negative perceptions about the softer skills and attributes of graduates
- Encouraging more recognition of the softer skills graduates acquire via part time work and other off campus activity
- Encouraging additional employer investment in graduate training
- Promoting a positive image of the West Midlands as a place to live and work
- Providing effective careers information, advice and guidance (IAG)

3 The demand for graduate and higher level skills

Previous research, notably the Observatory’s cross-cutting report on the knowledge economy produced on behalf of the Regional Skills Partnership in 2006, indicates that demand for higher level skills in the West Midlands is below the national average reflecting a less well developed ‘knowledge economy’.

- Half of people working in the region’s public sector organisations were qualified to level 4 or above in 2007, which is in line with national trends
- However less than 24% of those working in private sector industries in the region had higher level skills and qualifications, well below the England average of 28%². To close the gap the region’s private sector firms would need to recruit an additional 70,000 highly skilled staff

Proportion of employees with NVQ4+ in WM by sector, 2007

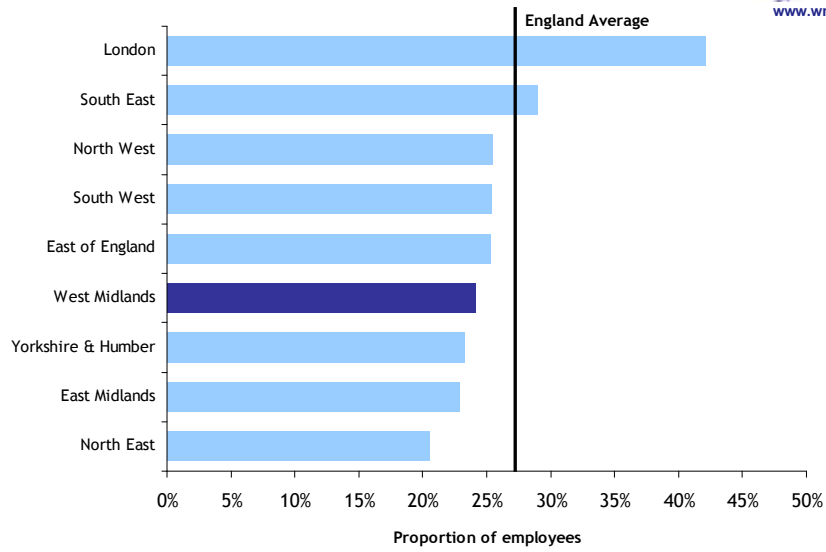


Source: LFS

West Midlands Regional Observatory 2007 1

² This report can be downloaded from the Observatory’s website http://www.wmro.org/resources/res.aspx?p=/CmsResource/resourceFilename/891/Cross-Cutting-Issues-knowledge-economy-key-findings_D7.0_report_AP.pdf

Proportion of private sector employees with NVQ4+, 2007



Source: LFS

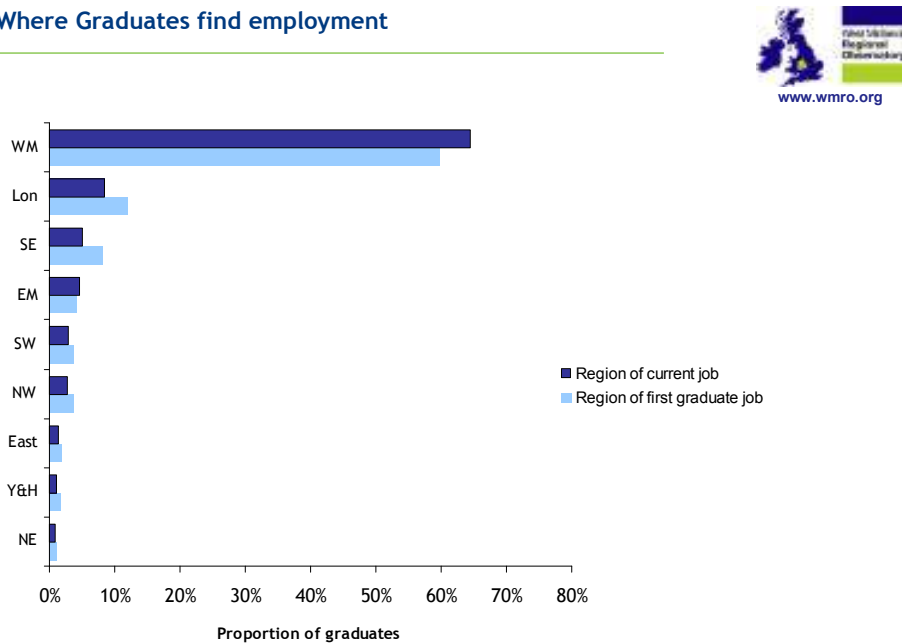
West Midlands Regional Observatory 2008 2

4 Graduate retention

4.1 Graduate employment destinations by region

This low level of demand for high level skills has a significant impact on graduate retention. While 60% of graduates overall and 86% of those who lived in the region before entering higher education find their first job within the region the other 40% have left the region to secure their first job, predominantly to go to London (12%) and the South East (8%).

Where Graduates find employment



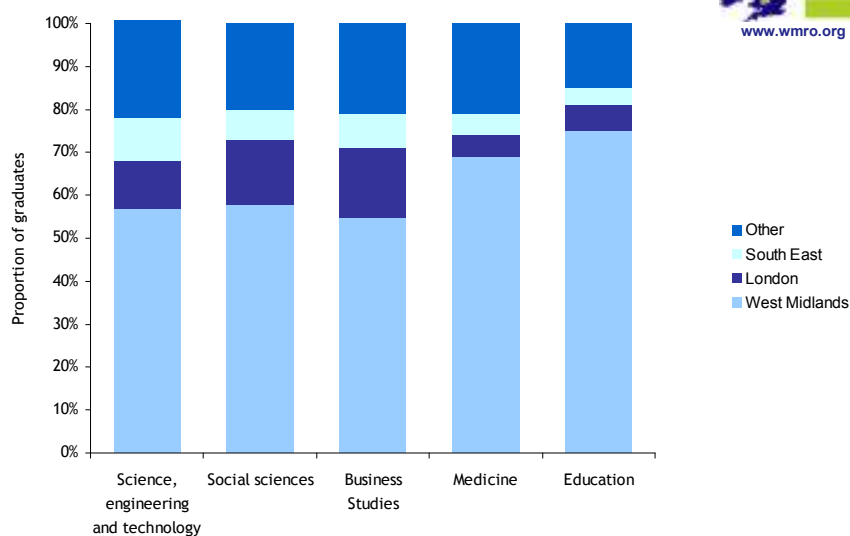
Source: Ipsos MORI/WMRO survey of graduates (sample size 3,527)

West Midlands Regional Observatory 2008 3

The first employment destinations of graduates vary widely by institution. Those from the University of Wolverhampton, Newman University College and Coventry University are most likely to find employment in the region. A much lower proportion of graduates from Aston University, Staffordshire University, the University of Keele, Harper Adams University College and the University of Warwick found employment in the region. A significant proportion of graduates from the University of Warwick, the Birmingham College of Food, Tourism & Creative Studies and the University of Keele found employment in London.

By subject areas graduates in education (75%) and medicine (69%) were more likely to find employment in the region than those in social sciences (58%), science, engineering & technology (57%) and business & administrative studies (55%).

Where Graduates find employment by subject area



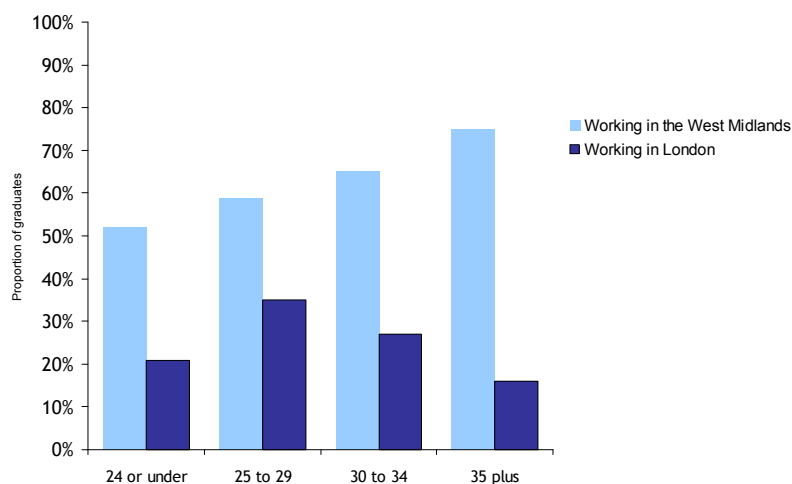
Source: Ipsos MORI/WMRO survey of graduates (sample size 2,389)

West Midlands Regional Observatory 2008 4

Nevertheless to an extent graduates do gravitate back to the West Midlands over time:

- While 40% of graduates found their first job outside the region, 35% continue to work there
- While 52% of those aged 24 or under work in the region 75% of those aged 35 work here
- While 13% of those aged 24 or under work in London only 4% of those aged 35 work there

Where graduates work by region and age



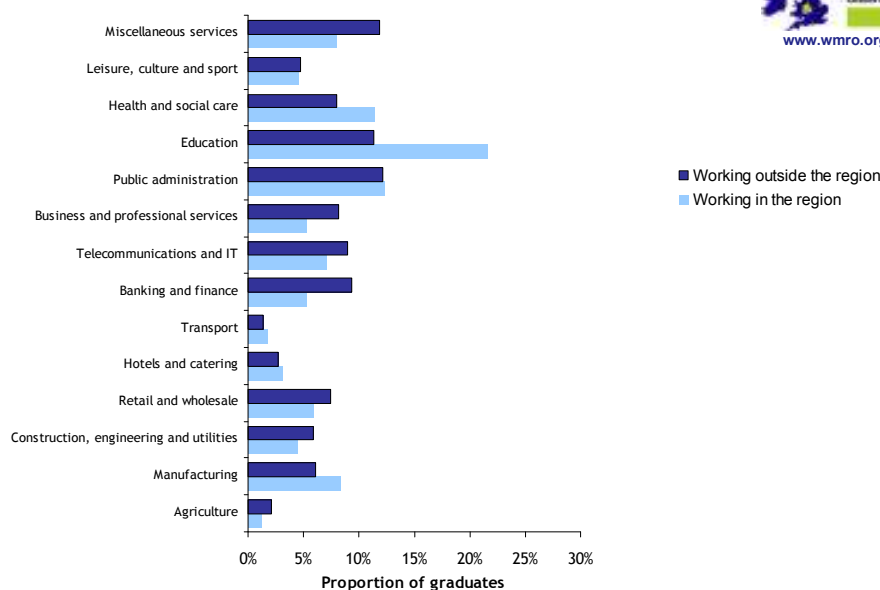
Source: Ipsos MORI/WMRO survey of graduates (sample size 3,527)

West Midlands Regional Observatory 2008 5

4.2 Graduate employment destinations by sector

This relatively low demand for higher level skills from the region's private sector businesses is also reflected in the pattern of graduate employment destinations by sector. Nearly 40% of those who found employment elsewhere work in higher value added private sector activities, notably in high technology industries such as engineering, construction & utilities and 'knowledge based services' such as banking & finance, telecommunications & IT and business & professional services compared to just over 30% of those who stayed in the region. More than 45% of those who found their first job in the West Midlands, meanwhile, work in public sector activities such as education, health & social care and public administration compared to 30% of those who have left the region.

First Graduate jobs by industry and region



Source: Ipsos MORI/WMRO survey of graduates (sample size 3,527)

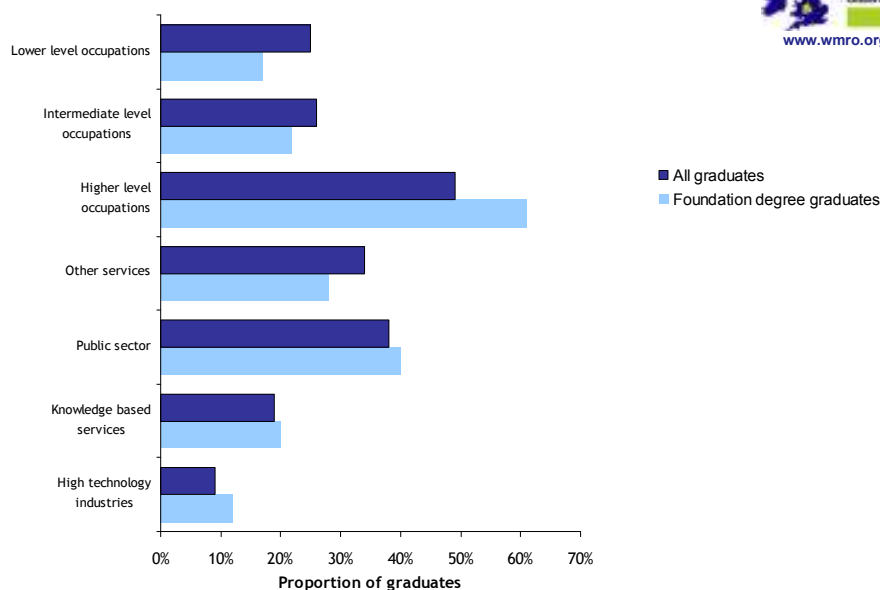
West Midlands Regional Observatory 2008 6

The exception is graduates who obtained foundation degrees³:

- 12% found employment in high technology industries compared with 9% of all graduates surveyed
- Some 61% found employment in higher level managerial, professional or associate professional & technical occupations compared with 49% of all graduates surveyed

³ It should be noted that the number of graduates with foundation degrees in the sample was small and that these findings should be viewed as broad estimates of likely patterns of employment

First jobs of foundation degree graduates



Source: Ipsos MORI/WMRO survey of graduates (sample size 3,527)

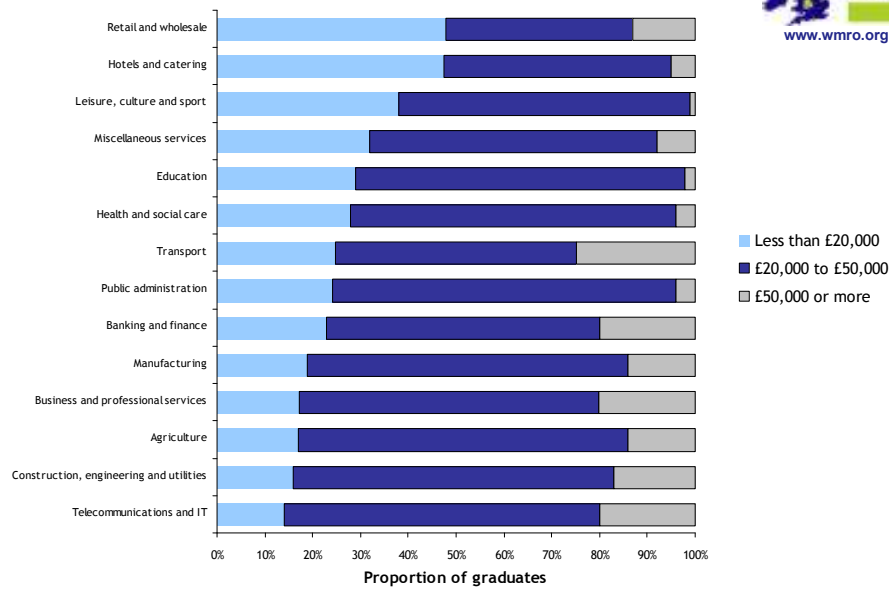
West Midlands Regional Observatory 2008 7

Those working in higher value added private sector activities are likely to command much higher salaries. For example:

- 20% of those working in banking & finance, business & professional services and IT & telecommunications and 17% of those working in construction, engineering & utilities earn £50,000 or more per annum⁴
- This compares with compared with just 4% of those working in health & social care and public administration and only 2% of those working in education

⁴ It should be notes that the sample includes graduates a number of years into their careers as well as recent graduates

Graduate salaries by sector of current job

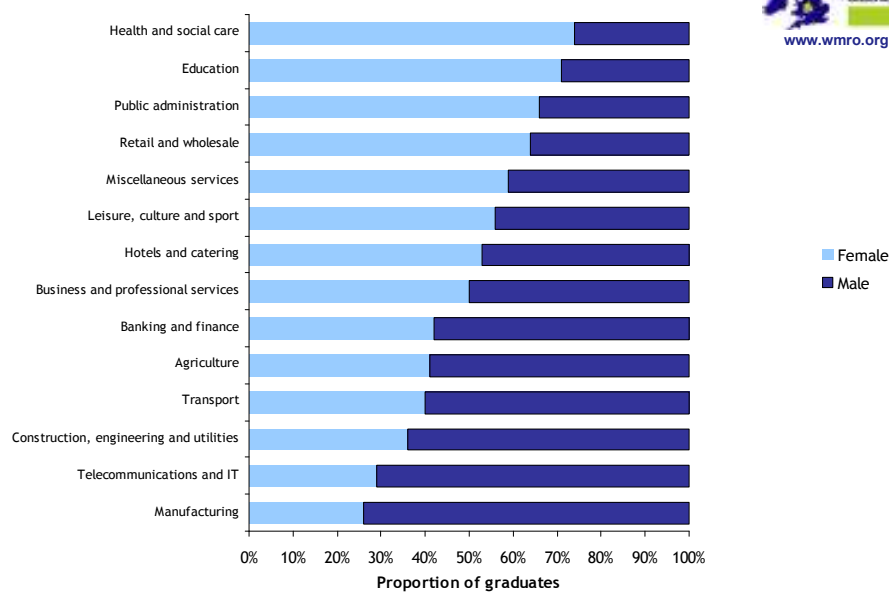


Source: Ipsos MORI/WMRO survey of graduates (sample size 2,275)

West Midlands Regional Observatory 2008 8

Indeed evidence from our case studies and focus groups indicates that many of the graduates who choose to remain in the region do so in order to retain their support network of family and friends. They are prepared if necessary to take short term 'stop gap' jobs to earn money while looking for opportunities that fit with longer term career plans. A significant proportion of those choosing to do this are female graduates. More than 70% of graduates who their first job in education or health & social care and two thirds of those who found their first job in public administration are women.

First Graduate jobs by industry and gender



Source: Ipsos MORI/WMRO survey of graduates (sample size 2,275)

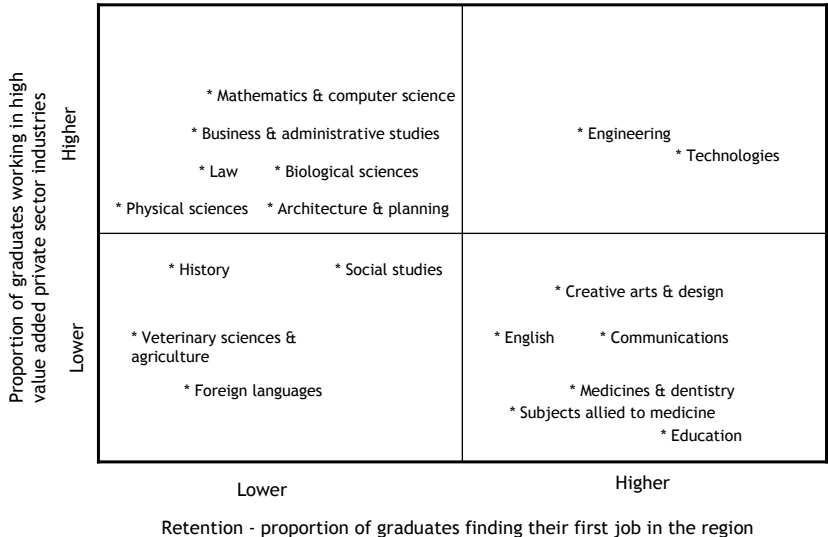
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4.3 Graduate employment destinations by subject area

Analysis by subject area shows that:

- Graduates in mathematics & computer science, business & administrative studies, law, biological sciences, physical sciences and architecture & planning were most likely to leave the region to secure jobs in higher value added private sector industries
- However while a significant proportion of graduates in engineering and technologies also found employment in higher value added private sector industries they were more likely to secure a job in the West Midlands. As highlighted later in section 2.3.2 a particularly significant proportion of graduates in these subjects have taken part in work placement activity. The majority felt that this was an important or essential factor in gaining employment, with many ending up working for their placement company.
- A significant proportion of graduates in medicines & dentistry, subjects allied to medicine, education, English, communications and creative arts & design also found employment in the region, but predominantly in public sector activities such as public administration, education and health & social care

First graduate jobs by subject of study, region and industry

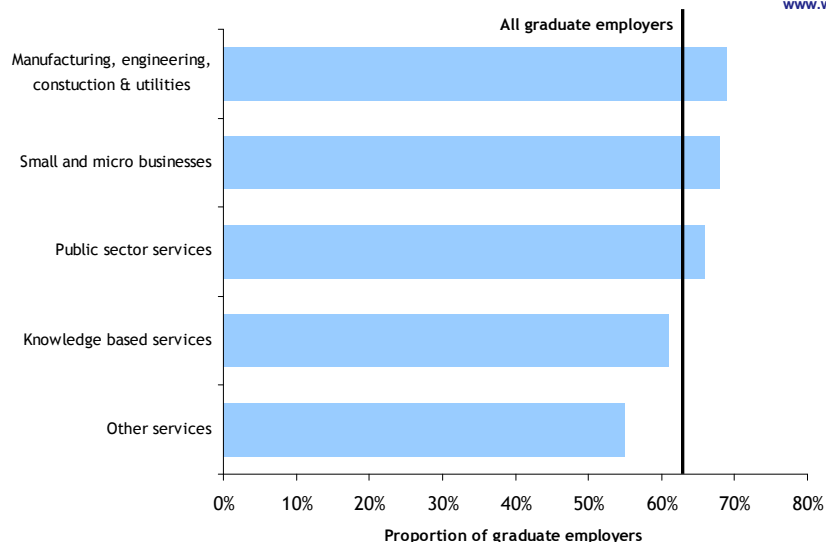


Source: Ipsos MORI/WMRO survey of graduates (sample size 3,527)

5 The potential demand for higher level skills and key issues

Nevertheless our research suggests that there may be additional *potential* demand for graduate and higher level skills in the region. A quarter of our random sample of employers and 60% of our sample of employers who have recently recruited graduates indicate that graduate and other higher level skills could be critical to future business success. Of the graduate employers 70% of those from higher value added private sector industries (i.e. those in manufacturing, engineering, construction, utilities and knowledge based services⁵) and 68% of small and micro businesses (i.e. those that employ less than 25 people) were of this view.

Proportion of graduate employers that feel that graduates are critical to their business success



Source: Ipsos MORI survey of graduate employers (sample size 304)

West Midlands Regional Observatory 2008 11

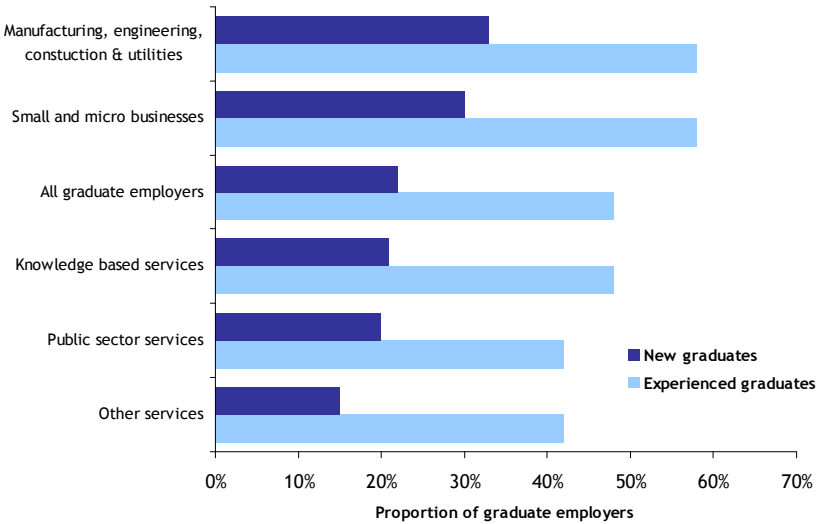
Via our focus groups many employers have highlighted the fresh perspectives graduates can bring and their positive contribution to efforts to become more productive and competitive. If this potential is to be unlocked and converted into real and tangible demand, however, a range of issues and barriers need to be addressed.

⁵ The relatively small sample size (just under 400 employers in total were surveyed) means that we have been restricted to providing analysis for these broad industry groupings

5.1 Recruitment problems

A significant proportion of the region’s graduate employers struggle to recruit people with the skills they need. While 22% cite problems in recruiting new graduates nearly half cite problems in recruiting those with a number of years experience. The most common recruitment problem (highlighted by 24% of graduate employers) relates to difficulties meeting graduates’ salary expectations.

Proportion of graduate employers that have encountered recruitment difficulties



Source: Ipsos MORI survey of graduate employers (sample size 304) West Midlands Regional Observatory 2008 12

It is notable that the gap between graduate salaries in the West Midlands and the national average is significant, especially for those with a first degree. While The median salary of all employees in the region was £22,400, 6% below the UK figure of £23,700⁶:

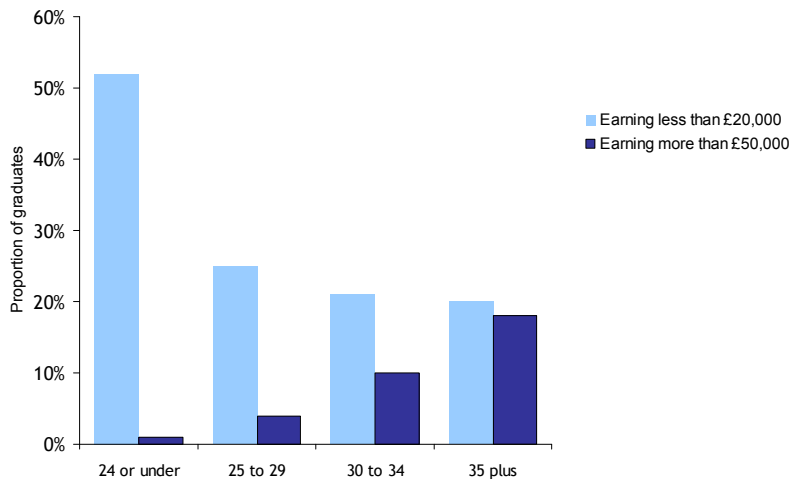
- In 2007 the median salary of a graduate with a first degree was £20,000 in the West Midlands, some 15% below the UK average of £23,000
- The median salary of a graduate with a foundation degree or other qualification was £18,500 in the West Midlands, 8% below the UK average of £20,000

Our survey, which includes recent graduates and those a number of years into their career, indicates that:

⁶ source: ONS Annual Survey of Hours and Earnings Graduate retention attraction and employment study 2008: key trends and issues West Midlands Regional Observatory

- 30% of graduates working in the West Midlands have an annual salary of less than £20,000, which compares with 20% of those who have found employment elsewhere. Conversely 19% of those working outside the region earn £50,000 or more compared with only 7% of those working in the West Midlands.
- Nevertheless graduates tend to see a sharp increase in their earnings as they get older. While more than half of those under 24 are earning less than £20,000 per year the figure falls to only 20% of those aged 35 and over. While only 1% of those under 24 are earning £50,000 or more the figure rises to 22% of those aged 35 and over.

Average graduate salaries by age

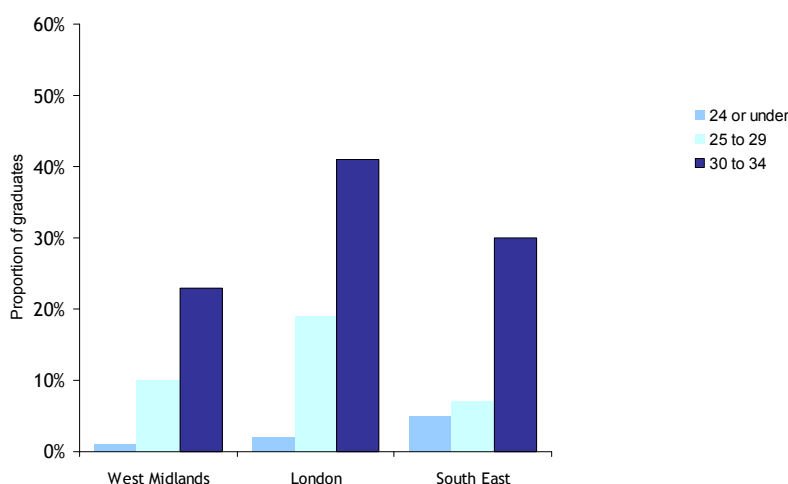


Source: Ipsos MORI/WMRO survey of graduates (sample size 2,725)

West Midlands Regional Observatory 2008 13

The pace of this increase is much greater in areas like London and the South East than in the West Midlands, however. While the proportion of graduates earning £50,000 per annum or more rises from 10% for 25-29 year olds to 23% of 30-34 year olds in the West Midlands this compares with a rise from 7% to 30% in the South East and from 19% to 41% in London.

Proportion of graduate earning more than £50,000 pa by age



Source: Ipsos MORI/WMRO survey of graduates (sample size 2,725)

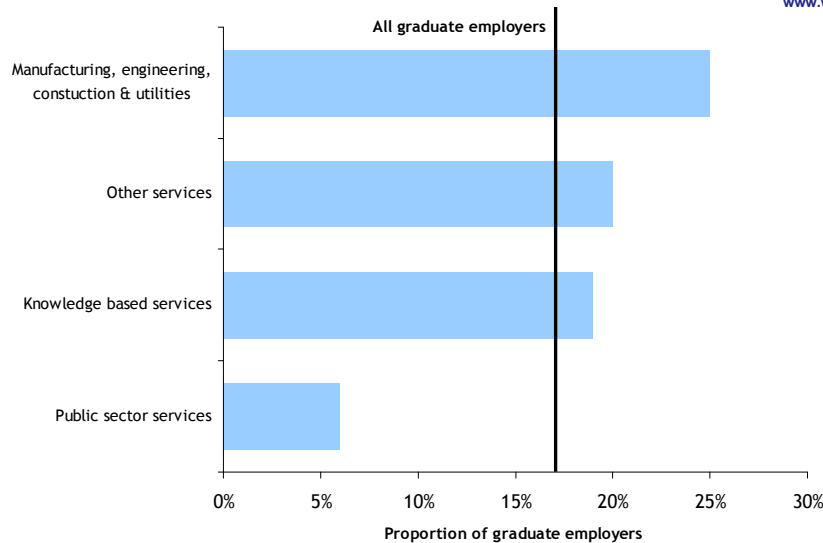
West Midlands Regional Observatory 2008 14

5.1.1 Skill gaps and deficiencies

The other key barrier to recruitment cited by employers was skill gaps and deficiencies among graduates. 20% of our random sample of employers perceive that graduates lack the work-based and industry and business-specific skills they require and the figure is 17% for employers that have recently recruited graduates. Of these a quarter of manufacturing, engineering, construction & utilities firms perceive that graduates lack the work-based and industry and business-specific skills they require. This creates a 'catch 22' situation for many graduates who have not had the opportunity to develop these skills.

Graduate focus group participant: 'My expectation was that it would be easy to find a job, but actually its not, because employers require lots of experience- well at least a year - which I don't have. That's my main problem'

Proportion of graduate employers that feel that graduates lack business and industry specific skills



Source: Ipsos MORI survey of graduate employers (sample size 304)

West Midlands Regional Observatory 2008 15

5.2 The role of work placements

Work placements are already proving successful in equipping graduates with these skills and in helping employers to meet their need for graduate and higher level skills. 20% of graduates surveyed had benefited from a work placement and of these more than 75% felt that their placement was an important or essential factor helping them to acquire these skills and in securing employment.

Manufacturing and accountancy graduate:

'I knew that I needed that business side to make myself employable... it's not enough to just have the subject knowledge ... you've got to have a bit of commercial nous'

Graduate in licensed retail management:

'Part of the experience was working in kitchens and bars - I learned what it was really like which was really useful when thinking about managing in hospitality'

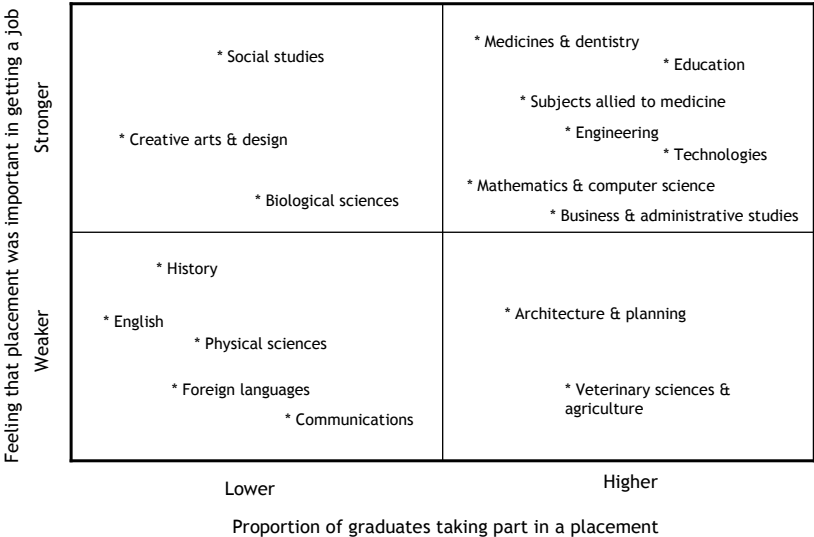
International communications & marketing graduate:

'University could only teach me so much. I wanted to work and I needed to learn from people with proper, recent work experience'

Analysis of the take up and perceived benefits of placements by subject area reveals that:

- In addition to disciplines such as medicine & dentistry and education, where work experience has been part of the curriculum for many decades placements also work particularly well, with graduates highly likely to both participate in a placement and to feel that this has helped them find employment, in subject areas such as:
 - STEM subjects such as mathematics & computer science, engineering and technologies
 - Business & administration
- In others such as social studies, biological sciences and creative arts & design a lower proportion of graduates participate in placements but a high proportion of those that do felt that it helped them find a job.
- Conversely in subjects such as architecture & planning and veterinary science & agriculture a high proportion of graduates take part in placements but a lower proportion felt that this was of help in getting a job. It should be noted, however, that many students will be engaging with employers as part of the normal curriculum and may not recognise this as specific work placement activity.

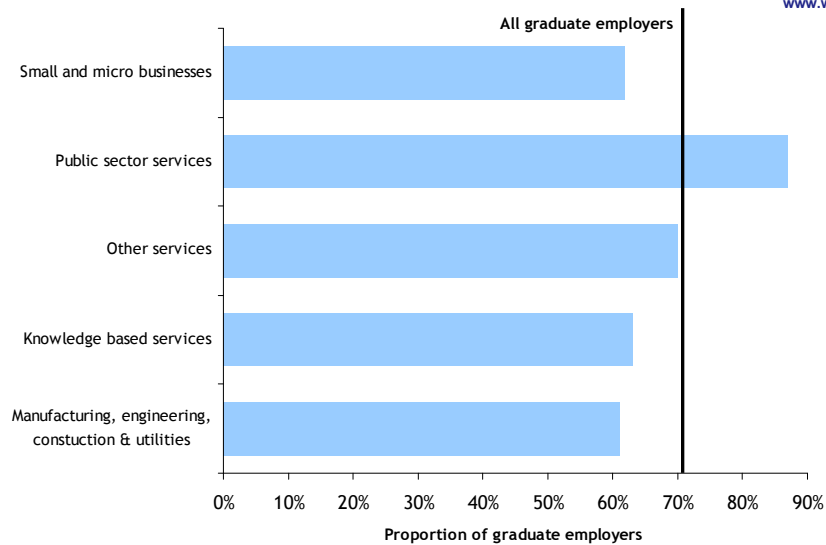
Uptake and benefits of placements by subject of study



Source: Ipsos MORI/WMRO survey of graduates (sample size 2,725)

Two thirds of participating employers feel that placements have benefited the business, with many offering students permanent employment. There is potential to encourage increased engagement in work placements among higher value added private sector industries where take up is much lower (60% of graduate employers) than in the public sector (nearly 90%), and among small and micro businesses (62% offer placements). There is a need, however, for action to address the barriers cited by firms, and notably small and micro businesses, such as a lack of time and expertise to offer placements.

Proportion of graduate employers that offer work placements by sector



Source: Ipsos Mori survey of graduate employers (sample size 304)

West Midlands Regional Observatory 2008 17

Case study - work placements at Aston University

- *70% of undergraduates at the university take part in work placements and a further 10%-15% get professional experience as part of their course*
- *This results in high levels of motivation, improved degree performance and enhanced career prospects. Some 30% get a job offer from their employer*
- *Other work based learning available includes part time and vacation work, volunteer activity, mentoring, work shadowing*

5.3 Deficiencies in ‘softer’ inter-personal skills

Europe-wide research shows that ‘softer’ employability skills are also seen as vital to successfully securing a job - by graduates and employers alike.

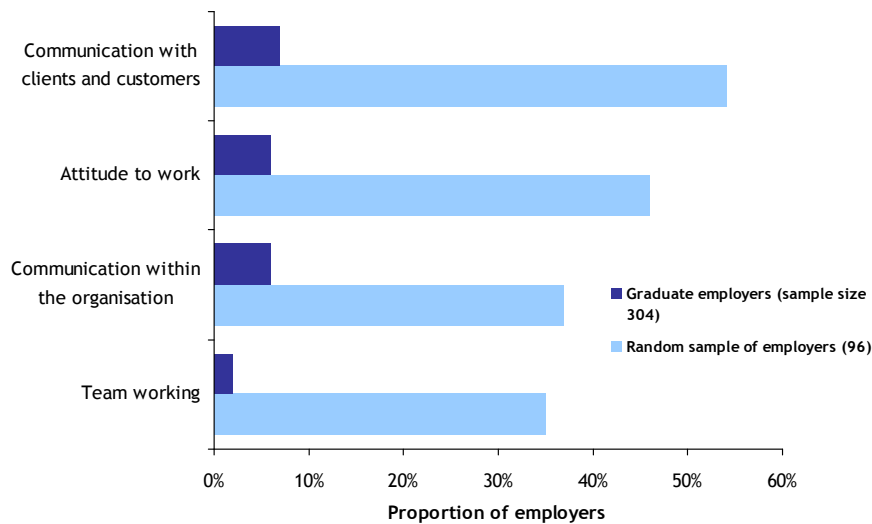
Table 1: Proportion of graduates and employers that see soft skills as key to securing employment

Competencies	Proportion of graduates	Proportion of employers
Communication skills	94%	96%
Team working and relationship building	92%	85%
Self and time management	92%	82%
Ability to see the bigger picture	88%	74%
Influencing and persuading abilities	86%	78%
Problem solving abilities	86%	75%
Leadership abilities	75%	60%
Presentation skills	74%	88%

Source: J. Andrews and H. Higson: education, employment and graduate skills, 2007

Many employers perceive that graduates tend to lack some of these skills, notably communication (more than half of our random sample) and the ability to work in a team (more than a third). However this view was shared by very few of those who have recently recruited graduates (7% and 2% respectively), suggesting that perceptions may not always match reality.

Proportion of employers that highlight deficiencies in 'soft' skills among graduates



Source: Ipsos MORI/WMRO employer surveys

West Midlands Regional Observatory 2008 18

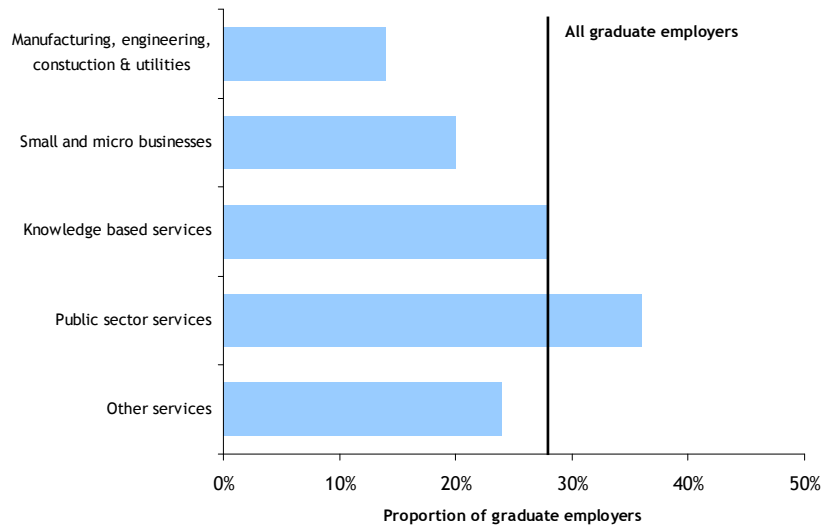
5.4 Investment in training and development

A further contributory factor is limited investment by employers in training and development. This is important to both:

- Addressing any skill deficiencies graduates may have when seeking employment
- Offering an attractive package of benefits to attract graduates

Only 28% of all graduate employers, 14% of those in higher value added private sector industries and 20% of small and micro businesses offer any formal or systematic training. Many are deterred by the prohibitive cost and time involved in organising and running training.

Proportion of graduate employers that provide formal graduate training



Source: Ipsos MORI survey of graduate employers (sample size 304)

West Midlands Regional Observatory 2008 19

6 Improving graduate retention and attraction

If efforts to unlock the potential demand for higher level skills are successful it will be important to ensure that sufficient graduates are retained and attracted to the region to meet it.

6.1 Key influences on graduates career decisions

The research highlights significant differences between the key drivers of the career decisions of those that leave the region to secure their first job and those that stay in the West Midlands:

Some 72% of 'leavers' cite a desire for work that utilises their graduate skills compared with 62% of 'stayers'. As highlighted earlier the demand for higher level skills from private sector employers in the West Midlands lags many other regions and graduates leaving the region are more likely to secure well paid jobs in higher value added private sector industries than those that remain.

In contrast some 88% of stayers cite location as a key influence on their career decision compared to 75% of leavers. As we have already highlighted:

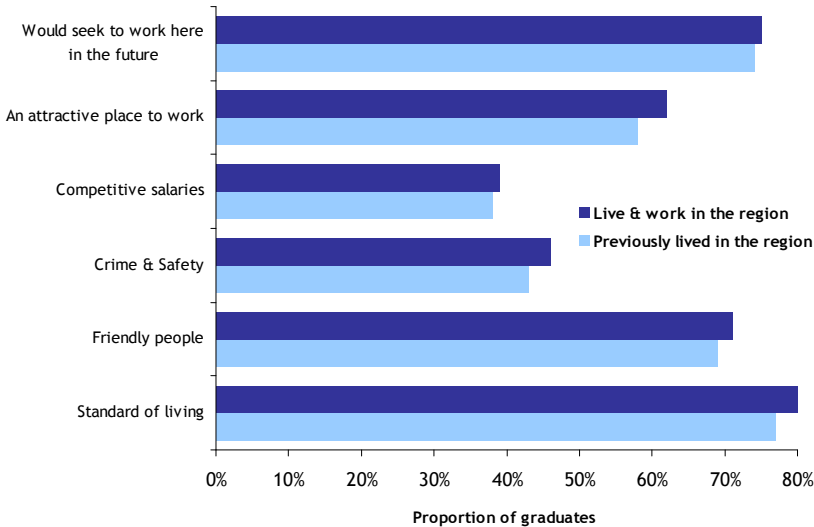
- Many of the graduates who choose to remain in the region do so in order to retain their support network of family and friends. They are prepared if necessary to take short term 'stop gap' jobs to earn money while looking for opportunities that fit with longer term career plans
- A significant proportion end up in the public sector and it is notable that some 92% of those working for public sector employers cite location as a key influence on their career decisions

6.2 Graduates' perceptions of the region as a place to live and work

To this end it will be important to promote a positive image of the region as a place to live and work. Currently graduates' perceptions of the West Midlands as a place to live and work are highly polarised.

Encouragingly graduates who have elected to remain here after completing their studies tend to hold very positive views (two thirds feel that the region is an attractive place to work and 70% would seek work here in the future) - even more so than those who originated from the region (of which 58% feel that the West Midlands is an attractive place to work and 74% would seek work here in the future) Some 80% rate the region as very or fairly good in terms of the standard of living it is possible to attain compared with 77% of those who originate from the region

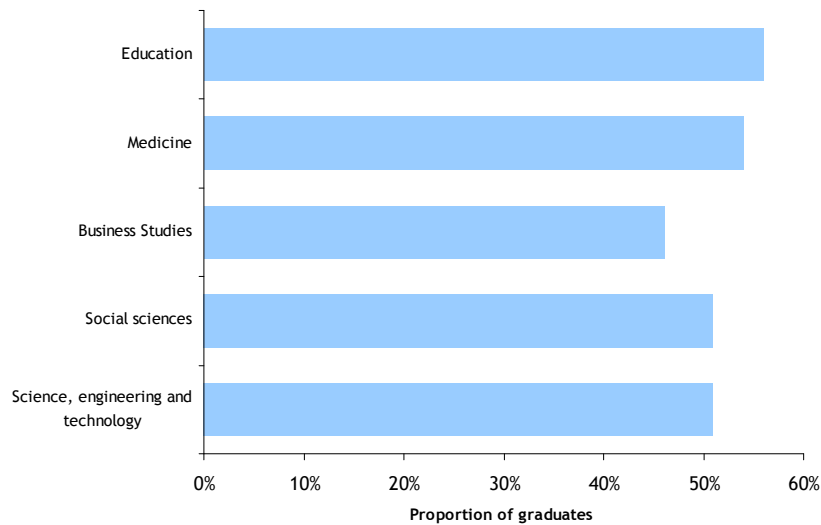
Ratings of the region as a place to live and work (proportion that strongly agree or agree) - 'stayers'



Source: Ipsos MORI/WMRO survey of graduates (sample size 1619) West Midlands Regional Observatory 2008 20

Those that have left to work elsewhere, however, are much more negative about the region with only 40% feel that the region is an attractive place to work and just 30% feel that they would seek work here in the future. They tend to be negative about issues such as the standard of living, salary levels, crime & safety and the extent to which Birmingham has the 'buzz' of places like Manchester or Edinburgh. It is notable that graduates in subject areas such as business studies and from institutions such as Warwick, Staffordshire and Keele, where a high proportion tend to leave the region to seek employment, are least likely to rate the West Midlands highly as a place to work.

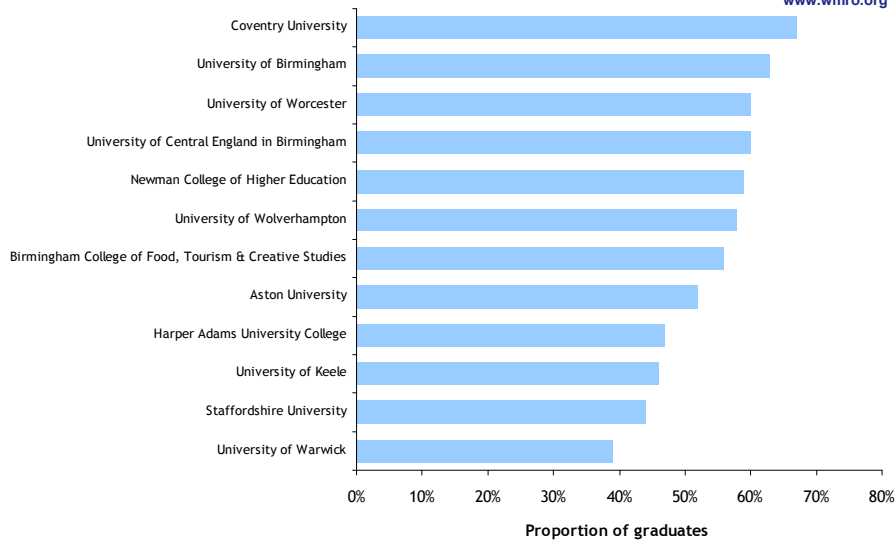
Ratings of the region as a place to live and work (proportion that strongly agree or agree) - by subject area



Source: Ipsos MORI/WMRO survey of graduates (sample size 3,527)

West Midlands Regional Observatory 2008 1

Ratings of the region as a place to live and work (proportion that strongly agree or agree) - by institution



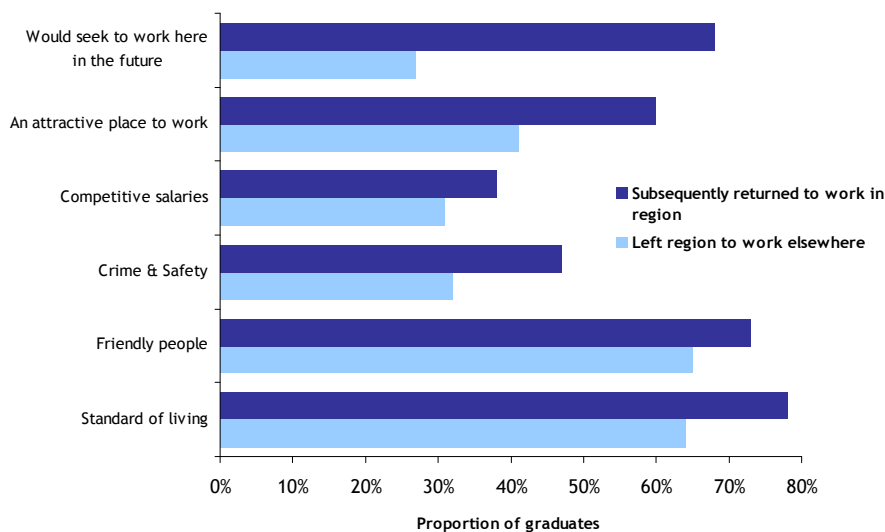
Source: Ipsos MORI/WMRO survey of graduates (sample size 3,527)

West Midlands Regional Observatory 2008 22

It may be, however, that these perceptions are becoming increasingly outdated as initiatives to regenerate the region (e.g. the renaissance of Birmingham and investment in high technology business) begin to have an impact. Indeed our survey reveals that those that have returned now have very positive perceptions of the region. 12% of graduates surveyed who currently live and work in the region initially left to secure employment elsewhere but have since returned. Of these:

- Some 60% feel that the region is an attractive place to work and nearly 70% feel that they would seek work here in the future
- Nearly 80% rate the region as very or fairly good in terms of standard of living compared with 64% of those still working elsewhere
- Nearly half rate the region as very or fairly good in terms of crime and safety compared with 32% of those still working elsewhere
- Nearly 40% rate the region as very or fairly good in terms of salaries compared with 31% of those still working elsewhere

Ratings of the region as a place to live and work
(proportion that strongly agree or agree) - 'leavers'



Source: Ipsos MORI/WMRO survey of graduates (sample size 1023)

West Midlands Regional Observatory 2008 23

6.3 The role of careers information, advice and guidance

It will also be important to ensure that effective careers information, advice and guidance (IAG) is available for graduates.

While the proportion varies widely by institution overall only a quarter of graduates surveyed utilised the careers services offered by their university. 35% found their first job by scanning adverts in the media, more than 20% used recruitment agencies and just under 20% scanned employer websites. Only 25% of graduates felt that the HEI careers services they utilised were effective. Case study evidence highlights the perceived weaknesses of HEI careers services that need to be addressed:

- Services are too generic with a lack of specialist knowledge and information that can be tailored to the needs of the individual - for example relating to the subject of study or a particular career path

- The range of information, advice and guidance offered is too narrow in terms of the range of career pathways available - advice is often still mostly centred on the traditional 'milk round' and graduate training schemes available from the large Plcs and multinationals

7 Conclusions

It is clear from the research that while the demand for graduate and higher level skills lags behind that in many other regions there may be potential, notably among employers in higher value added private sector industries and small and micro businesses. There are a range of issues that need to be addressed in order to unlock this potential:

Addressing graduates' deficiencies in work based skills. Work placements are proving highly effective in helping graduates to acquire these skills and access employment and in helping employers address their higher level skill needs. Nevertheless while in some disciplines (e.g. STEM subjects such as mathematics & computer science, engineering and technologies, Medicine & dentistry, education and business & administration) placements are working particularly well in others such as social studies, biological sciences and creative arts & design a lower proportion of graduates participate. A high proportion of those that do, however, felt it helped them find a job.

There is a need to encourage institutions, employers (and notably those from higher value-added private sector industries and small and micro businesses) and delivery agents such as Graduate Advantage to work together to offer more placement opportunities to students in these subjects.

Addressing employers' negative perceptions about the softer skills and attributes of graduates (for example their ability to communicate, work with others and have a positive attitude to work). Very few employers that have recent experience of recruiting and employing graduates share this view. It will be important to raise awareness of the soft skills many graduates acquire via part time work and other off campus activity and the feasibility of formally accrediting these skills needs to be explored.

Encouraging additional employer investment in graduate training. This is important to both address graduates' skill deficiencies and, given that graduate salaries tend to be much lower than in other regions, to offer a package of benefits that is attractive enough to attract graduates. Many employers cite the prohibitive time and cost involved in organising and running training as key barriers. It will be important to provide opportunities for small and micro businesses, who tend be particularly affected by these barriers, to network and work together to plan, fund and source training, exploiting economies of scale to make it affordable. The FINEST employer network in North Staffordshire is an example of good practice in this area that could potentially be adopted elsewhere.

Promoting a positive image of the West Midlands as a place to live and work.

Many of those who have left the region in search of employment have a negative view. It may be that these perceptions are becoming increasingly outdated. It will be important to make Marketing Birmingham and other organisations across the region with a role in this area aware of the project findings and to encourage them to place as much emphasis on attracting skilled people to the region as attracting businesses.

Providing effective careers information, advice and guidance (IAG). Support needs to be tailored to the needs of individuals and advice on the full range of available career pathways needs to be offered.

8 Acknowledgements

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Graham Hooley (Chair) - Aston University

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Andy Phillips - West Midlands Regional Observatory

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