



Higher Education Policy Institute



# Open for business? Students' views on entering the labour market

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## Foreword

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Students graduating this year could, perhaps, be forgiven for thinking they have lived against a backdrop of uncertain and threatening events: the 9/11 terrorist attacks and subsequent wars, the 2008 financial crisis, the turmoil and division of Brexit, and throughout the period, an increasingly obvious climate crisis. Now, along comes a global pandemic that is beginning to make the previous environment look almost benign and limited.

This HEPI report confirms that students' familiarity with uncertainty is measurable by the fact that the majority of respondents say their perceptions haven't changed solely because of the Covid-19 pandemic. They remain generally positive about their future – perhaps the optimism of youth who either don't know or don't believe the predictions or maybe they see opportunities in the changes to come.

Two in three respondents have a specific career in mind, and over 70% of them chose it because it relates to their degree. Coupling this with the data that show at least half believe stability is part of a successful career, implies the students have quite a fixed set of plans and what constitutes success.

This report forms a useful benchmark of how much the pandemic is changing students' views of their career. The extent, scale, and life of this pandemic and its accompanying economic shock are only just emerging, and there could be a very long way to go before we return to a 'new normal'.

It will be interesting to review, in a few months' time, whether and by how much, these fixed plans have had to change. Students had already noted a drop in the number of vacancies and internships being advertised, and we can all predict that many popular industry sectors for graduate recruitment could see dramatic changes. Tourism, entertainment, and retail industries are already closed down, while health and social care, food production, distribution, and IT are already rising.

One day, we may come to see this useful report as a coming from a prelapsarian age of detachment and innocence – asking the same questions in the summer and the autumn will be fascinating and instructive.

## Key findings

- Over three-quarters (79%) of students feel confident of getting a graduate level job once they graduate.
- However, when asked about their feelings towards entering the labour market, more (28%) cite anxiety as their number one feeling, ahead of confidence (23%), uncertainty (16%) and feeling overwhelmed by the prospect (16%). Only 14% selected excitement as their primary emotion, leaving just 3% feeling relaxed.
- Only around a third (29%) say the Coronavirus pandemic has altered these feelings, with 71% saying their feelings have not changed since the crisis.
- Students define employability as being related to their skills: either gaining skills relevant to a specific role (68%) or more generally gaining skills for future employment (67%). Work experience is also seen as important (61%).
- Students think there are four main factors that make for a successful career: doing something they are interested in (49%), being happy and fulfilled (48%), having stability (47%) and having a high salary (41%).
- Almost two-thirds (64%) have a specific career in mind for when they graduate, compared to 18% who do not and 17% who are unsure.
- Around three-quarters (72%) intend to go into a career directly related to their degree subject.
- Two-thirds (35%) intend to spend one to two years in their first role. Around a quarter (24%) intend to spend over three years, compared to 19% who intend to spend two to three years, 18% who will spend six months to a year and just 3% who intend to spend less than six months.

## Introduction

In recent years, there has been an increasing focus on support for students transitioning into the workplace by universities, policymakers and students themselves.<sup>1</sup>

Students cite gaining 'a job I'm passionate about' as one of most important things they would like to achieve in life.<sup>2</sup> However, the students currently at university will be graduating into a complex environment. The Covid-19 pandemic, as well as having significant health impacts, has radically affected the economy, with the Office for Budget Responsibility predicting unemployment could rise to 10% this year.<sup>3</sup> Previous recessions have led to 6% lower earnings for graduates.<sup>4</sup> More than a quarter of graduate employers are reducing the number of graduates they are hiring this year.<sup>5</sup> This adds up to a challenging labour market, not only for this year's graduates, but also for those undergraduates looking to gain work experience during their studies.

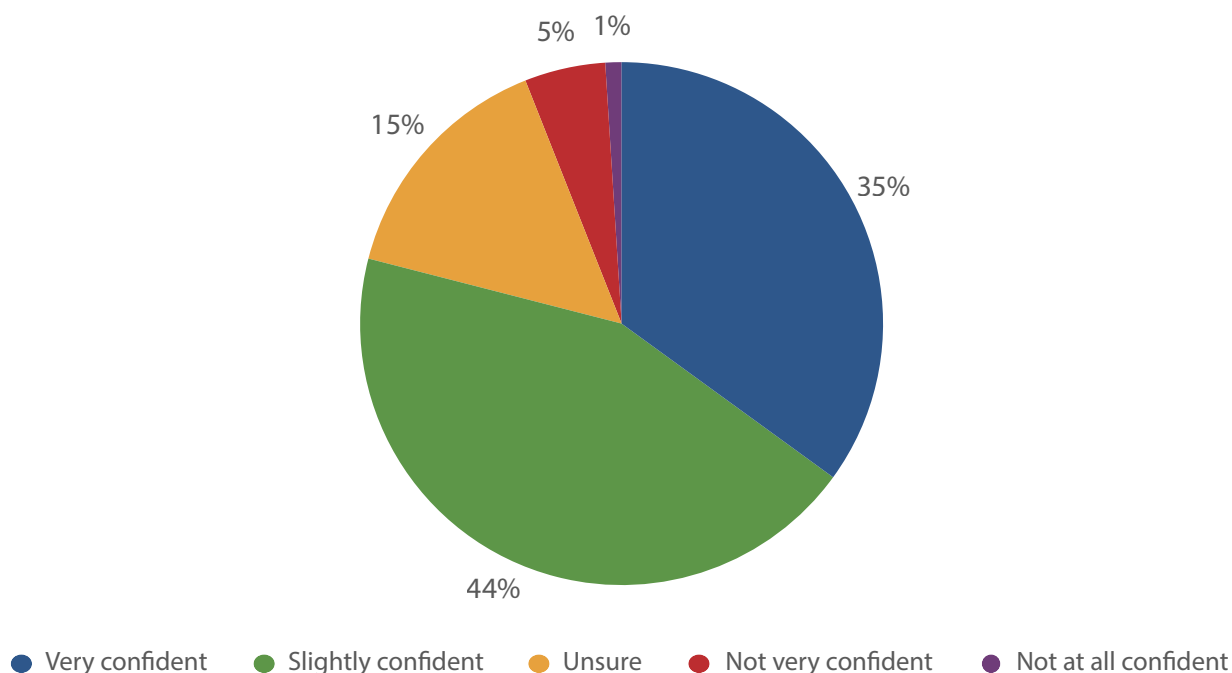
In this Policy Note, we explore students' perceptions of what their experiences will be like in attempting to find work after university and their understanding of the skills they will need to succeed in the workplace and to have a rewarding career. This is based on a survey of over 1,000 full-time undergraduate students and was undertaken between the 27th March and 1st April 2020. Weights have been used to ensure the sample is representative by age, gender and university type.

## Confidence

We asked students how confident they feel about achieving a graduate level job once they leave university. The statistics from the 2016 HESA *Destination of Leavers from Higher Education* survey show that 76% of employed students were in professional level roles six months after they completed their studies.<sup>6</sup>

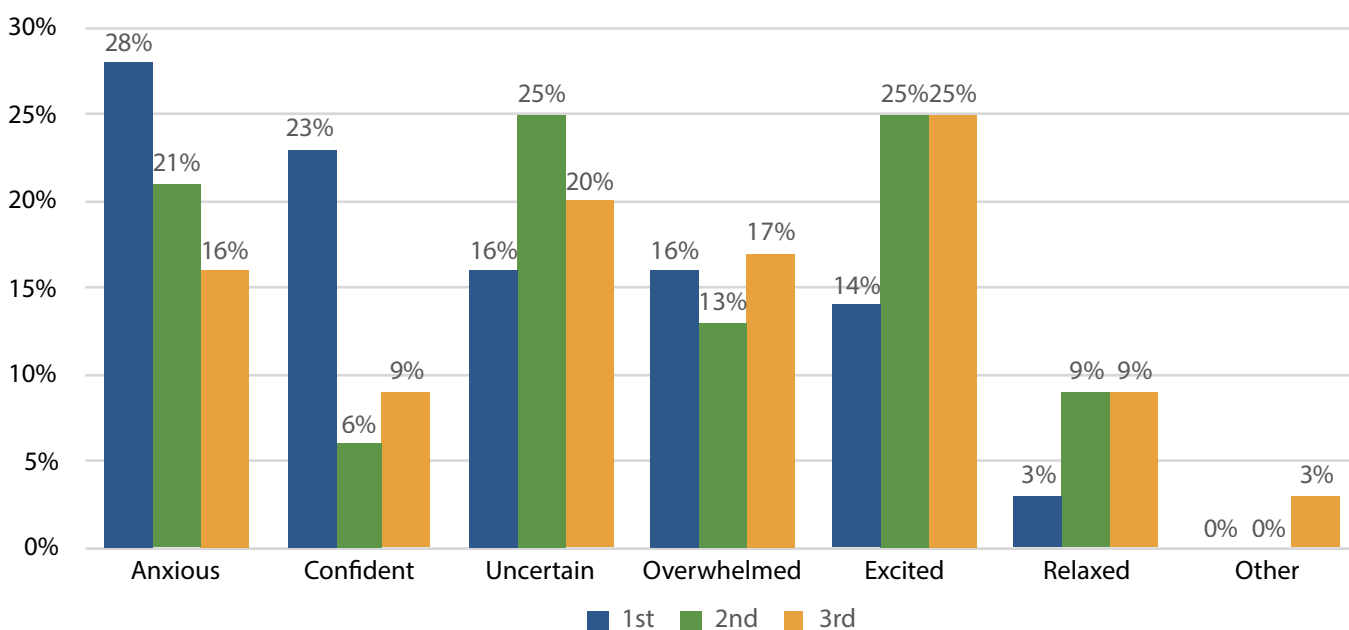
Most of the students surveyed (79%) say they feel very or slightly confident of gaining a graduate level role when they leave higher education. Only 6% feel unconfident and 15% are unsure.

*How confident are you of achieving a graduate level job when you leave university?*



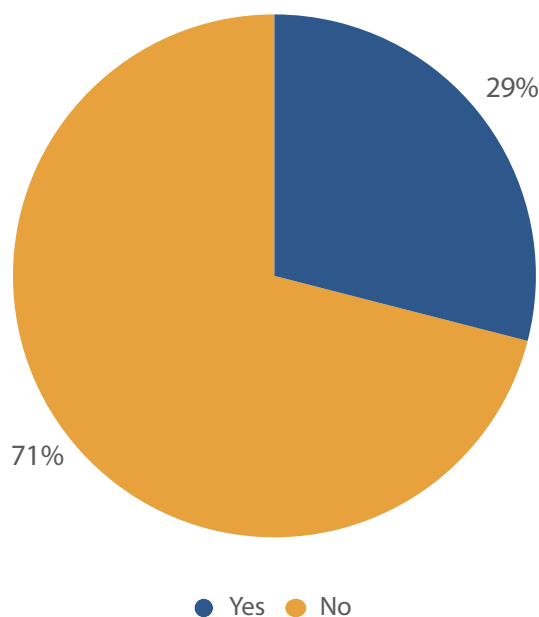
Students were asked to select their top three feelings towards their future career, from a predefined list. Anxious is the most common answer selected first (28%), followed by confident, which 23% placed first. Uncertain and excited were most likely to be placed second, with 25% selecting each of them as their second option.

*How do you feel when you consider your future career?*



We asked students whether this perception has changed due to the Covid-19 pandemic. Just under a third (29%) say it has, while 71% say it has not. However, responses were influenced by the students' year of study: 42% of third-year students say the crisis has changed their perception, compared to 27% of second years and only 18% of first years.

*Has this perception changed given the recent Coronavirus crisis?*



Those who answered 'Yes' were invited to explain in what way their perception had changed. Most answers relate to concerns over the economy and employers freezing recruitment, with one student noting that 'there's been far more redundancies and I feel as if there's going to be a deep recession soon'. One student said, 'I will be setting up my own business and I'm worried how the economy will cope following Coronavirus'.

Others were concerned about entering professions impacted by Coronavirus. Students due to enter healthcare professions highlighted their concerns about the environment they will enter, their fears about staying safe and the expectations that will be put on them, with one such student noting that 'being a nurse in this pandemic is quite scary'.

Concerns were also raised by those who will be looking to enter industries which have been halted by the virus, such as theatre and tourism.

Students also noted that work experience placements and internships were being cancelled as a result of the pandemic:

*[Covid-19] meant that I had to cancel work placements that I had lined up to improve my employability and help me to decide which sector I want to go into upon graduation. I now will not have the chance to do this as I am about to go into my final year so am feeling unprepared and tense.*

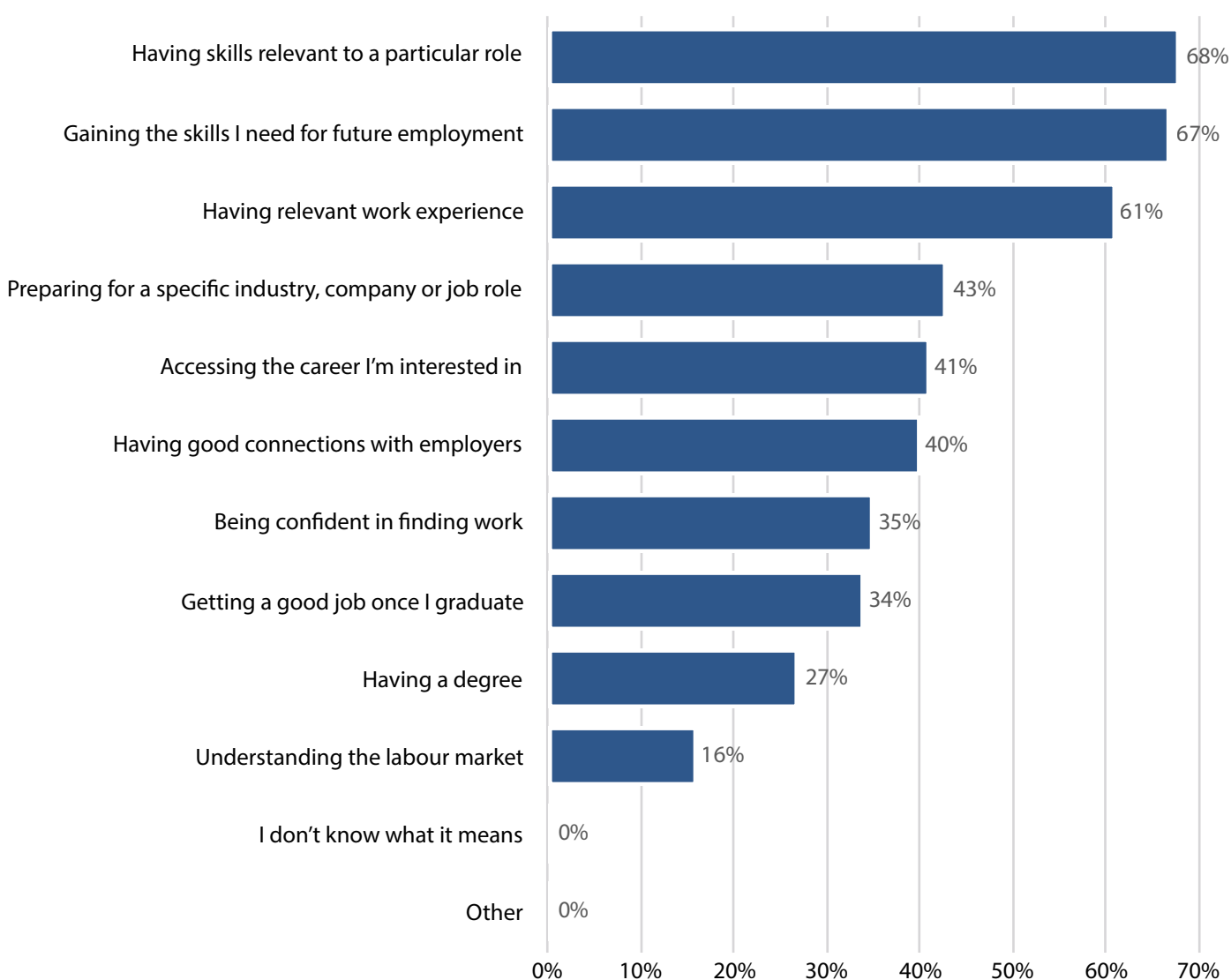
It seems students' fears about the labour market are well founded: research has shown that the number of graduate vacancies being advertised has already declined 13% since the beginning of the pandemic.<sup>7</sup>

## Employability

Employability is a hotly contested term. Metrics in higher education which are often cited as measuring employability are generally more focused on measuring whether a graduate is in employment shortly after they graduate. Employability can be defined as 'a set of skills, knowledge and personal attributes that make an individual more employable'.<sup>8</sup>

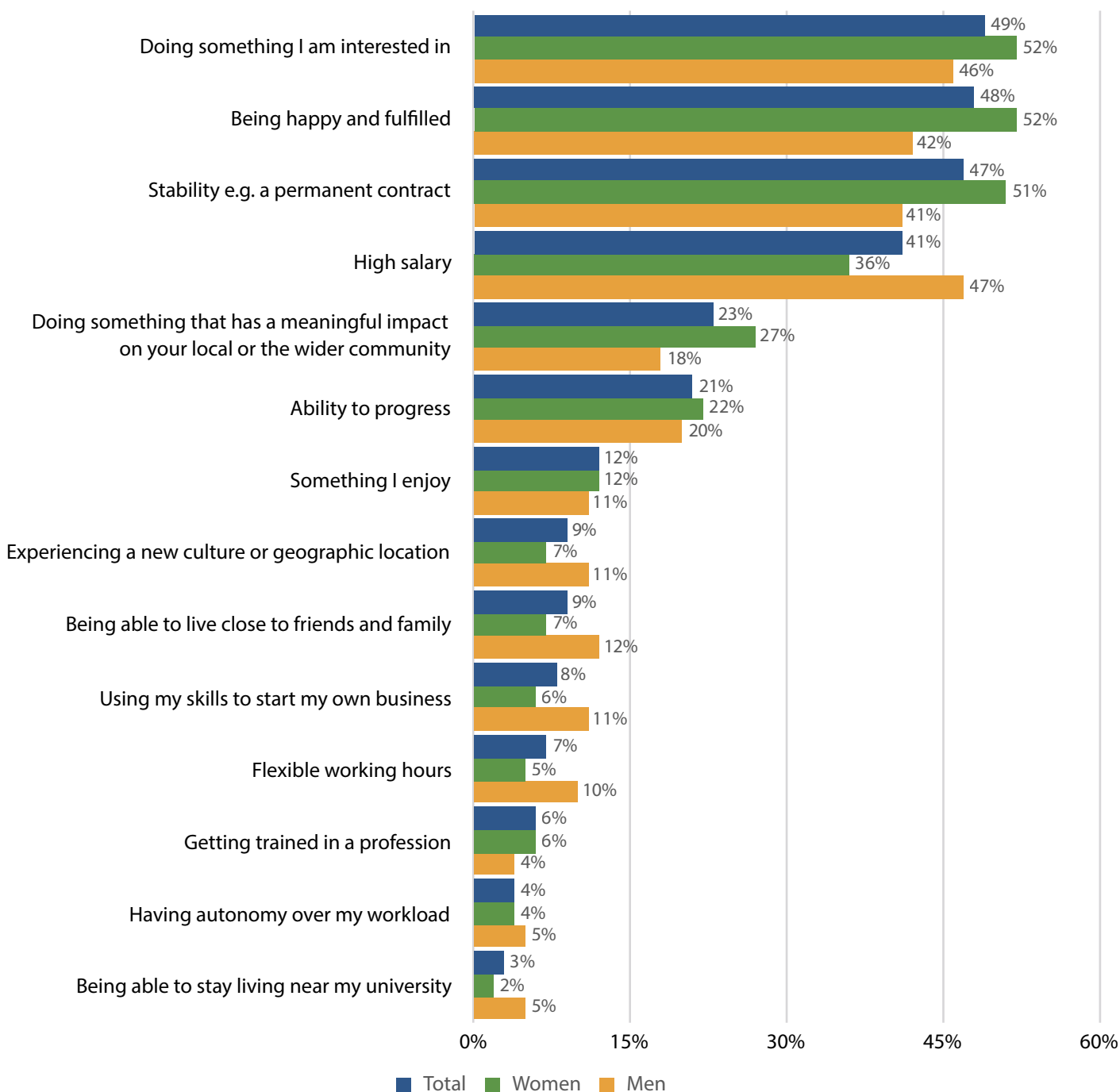
Students were asked what they understood employability to mean. Most relate it to the skills they gain, with 68% seeing it as skills for a particular role and 67% seeing it more generally as skills for future employment. A high proportion also see employability as being related to having experience. Under a third of students (27%) see having a degree as sufficient to provide them with employability skills. Fewer than 1% of students say they do not understand what employability means. This suggests for the vast majority of graduates the term is familiar, perhaps due to the increased focus on the topic by universities.

*What does employability mean to you? (Select all that apply)*



Students were also asked to reflect on how they would define a successful career. Four factors were highlighted above the rest: doing something they are interested in (49%), being happy and fulfilled (48%), stability (47%) and a high salary (41%). Salary was more important to men (47%) than women (36%), whereas stability was more important to women (51%) than men (41%). Being happy and fulfilled was also more important to women (52%) than men (42%).

## How would you define a successful career?



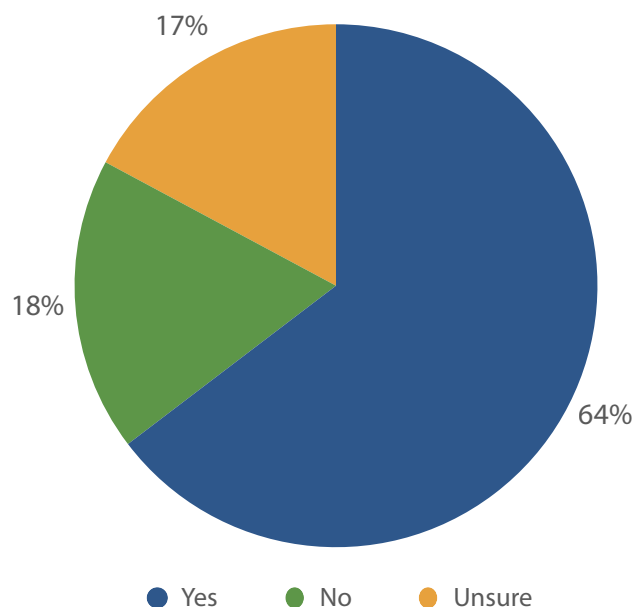
## Career path

When asked whether they have a specific career in mind for when they leave university, almost two-thirds of students surveyed say they do. Under a fifth (18%) have no specific career in mind and 17% are unsure.

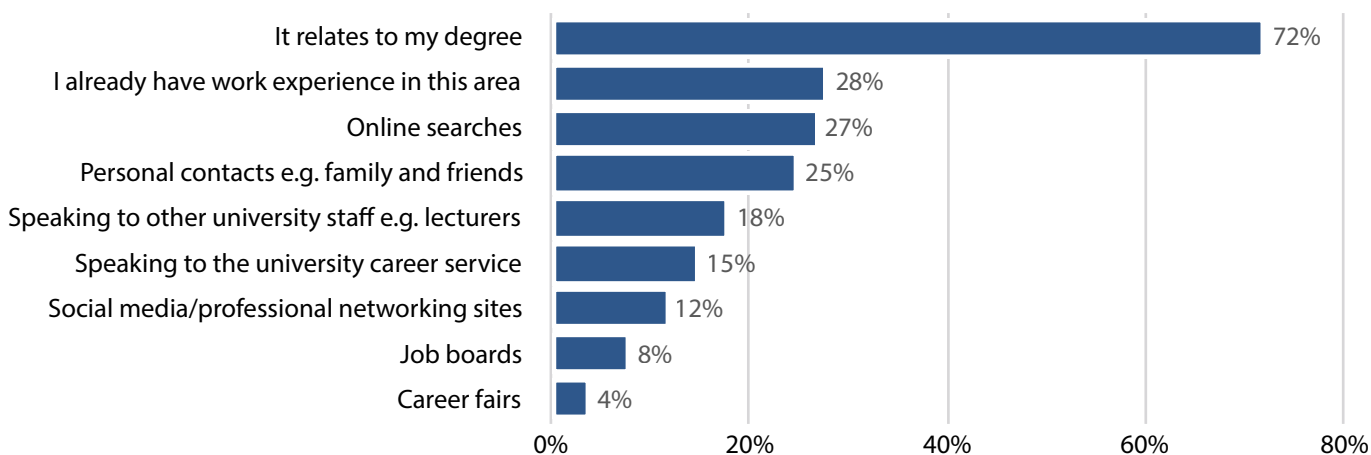
Those who answered yes were asked to provide more information on how they have decided on that career. Almost three-quarters (72%) say their planned career relates to their degree.

Between a quarter and a third say they have already gained work experience in the area (28%), they chose the career based on online searches (27%) or through personal contacts, such as friends and family (25%).

## Do you have a specific career in mind for when you leave university?

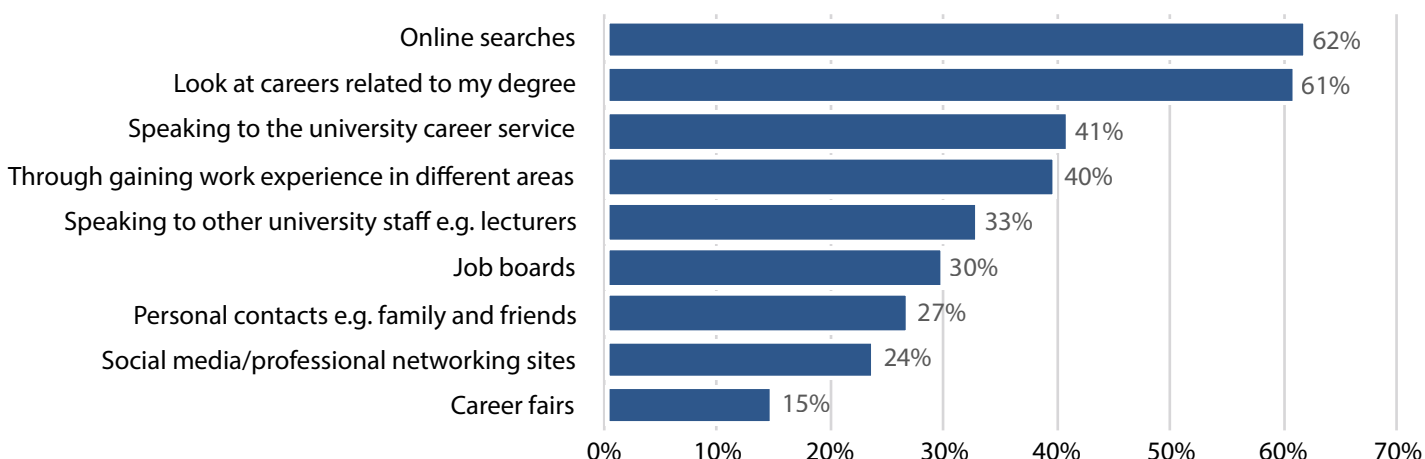


## How did you decide on this career? (Select all that apply)



Students who did not have a specific career in mind were asked how they will decide on which path to follow. The majority (62%) say they will conduct online searches or look into careers related to their degree (61%). More students who are unsure about their career intend to talk to the careers service (41%) than those who are certain which career path they intend to take (15%). Gaining work experience in different areas is also seen as important (40%).

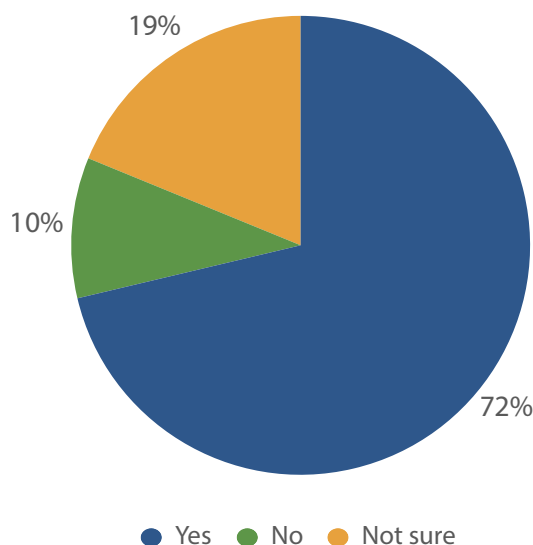
## How will you decide which career to go into? (Select all that apply)



Students were asked whether they intended to go into a career directly related to their subject of study. Almost three-quarters (72%) say they intend to, compared to only 10% who do not. Around a fifth (19%) are unsure.

When employers are asked, around a third (34%) say they have no preference on the degree subject of those they employ. Around 40% prefer graduates with a STEM subject and 19% prefer graduates with a business-related degree.<sup>9</sup> However, employers often cite skills and aptitudes as more important than the subject of study.

*Do you intend to go into a career directly related to your degree subject?*

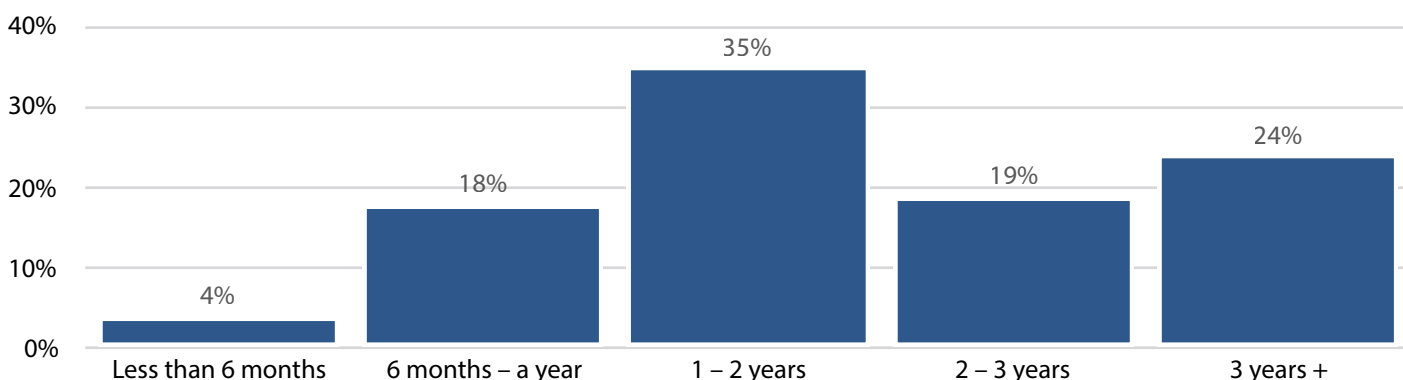


### First job

When asked how long they intend to stay in their first role after graduation, just over a third (35%) say between one and two years. Another quarter (24%) intend to stay in post for three or more years. Just under a fifth expect to spend between six months and a year (18%) or between two and three years (19%). Only 4% intend to spend less than six months in their first job.

Recently, the Institute of Student Employers (ISE) found that 72% of graduates stay in their first role for up to three years.<sup>10</sup> However most of the employers surveyed by the ISE are those with larger numbers of staff, where graduate training schemes may help them to retain their staff.

*How long do you expect to stay in your first job after university?*





## Conclusion

Despite the uncertainty brought about by the current pandemic, many students remain optimistic about entering the workforce, with over three-quarters (79%) confident about obtaining a graduate level role. However, many feel anxious about the process of getting there, feelings that have been present since before the pandemic for most respondents. It is therefore important that students leaving higher education this summer are still able to access the support of their careers service to relieve some of these anxieties.

Students seem to have a good understanding of what employability means, despite the metrics it is judged by often focusing on short-term employment. Students are keen to leave higher education with the skills and experience required to move into the career of their choice. For the majority of students, success is not only down to the salary they will earn, but also a feeling of fulfilment and stability. Most already have a sense of the type of career they will enter and will seek online resources to gain more information. There is an opportunity for universities, who are already ramping up their online provision, and for employers, to provide more innovative online support and recruitment methods.

There are some gaps between students' expectations of the labour market and the reality. Three-quarters of students expect to go into a career directly related to their degree subject. While employers may have a preference for a broad area of subject, many do not specify a degree subject in their recruitment processes. Students also do not expect to spend much more than two years in their first post, but research shows many do stay with their first employer for several years. Universities and employers should work together to combat any misconceptions students hold when entering the workforce.

## Methodology

Wave 8 of the HEPI/YouthSight Monitor was answered by 1,039 full-time undergraduate students and undertaken between the 27th March – 1st April 2020.

Weights have been used to ensure the sample is representative by age, gender and university type. The margin of error is + / – 3% for students. This is calculated at a 95% confidence level.

Respondents received a £1.50 Bonus Bond gift voucher for answering these questions and others on a different topic.

Results may not add up to 100% due to rounding.

## Endnotes

- 1 <https://www.hepi.ac.uk/2020/03/05/getting-on-graduate-employment-and-its-influence-on-uk-higher-education/>
- 2 <http://www.unite-group.co.uk/sites/default/files/2019-09/new-realists-insight-report-2019.pdf>
- 3 <https://obr.uk/coronavirus-reference-scenario>
- 4 <https://www.ifs.org.uk/publications/14816>
- 5 <https://www.hepi.ac.uk/2020/04/11/redefining-the-employability-agenda-in-the-age-of-covid-19/>
- 6 <https://www.hesa.ac.uk/data-and-analysis/publications/destinations-2016-17/introduction>
- 7 <https://www.adzuna.co.uk/blog/covid-19-hits-the-job-market-vacancies-drop-22-in-six-weeks>
- 8 <https://www.qs.com/employability-important-higher-education/>
- 9 [https://www.ucas.com/file/130381/download?token=zXvZu\\_9](https://www.ucas.com/file/130381/download?token=zXvZu_9)
- 10 <https://bdaily.co.uk/articles/2020/03/10/women-more-likely-to-leave-top-jobs-reports-institute-of-student-employers>



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