

## **Regionally Coherent Access and Employability Provision: Employer Demand for Business and Management Graduates**

Stephen McMurray, Alec Richard, Dr Matthew Dutton, Professor Ronald McQuaid

Employment Research Institute  
Edinburgh Napier University Business School

Project leader: Professor Anne Munro

The project is funded by the Scottish Funding Council via its current Outcome Agreement with Edinburgh Napier University, in which the University's commitments to delivering regionally coherent provision and workforce development are set out.

Final Report  
November 2012

**Employment Research Institute  
Edinburgh Napier University Business School  
Craiglockhart Campus  
Edinburgh EH14 1DJ  
Tel. 0131 455 4310  
E-mail: [eri@napier.ac.uk](mailto:eri@napier.ac.uk)**

# Employer Demand for Business and Management Graduates

## Contents

Executive Summary .....	3
1. Introduction .....	7
1.1 Objectives .....	7
1.2 Methods and Profile of Respondents .....	8
1.3 Remainder of the Report .....	9
2. Background .....	10
2.1 Graduate Skills in General.....	10
2.2 Business School Graduates Skills .....	12
2.3 Policy Context .....	13
2.4 Edinburgh Napier University.....	14
3. Findings.....	16
3.1 Impact of the Recession.....	16
3.2 Graduates finding Employment.....	18
3.3 Views on Graduates in Employment.....	21
4. Lessons for Edinburgh Napier University Business School.....	24
4.1 Careers Service .....	24
4.2 Work Experience.....	25
4.3 Curriculum Development.....	26
4.4 Employer Engagement.....	27
5. Summary and Conclusions.....	28
Appendixes .....	30
Appendix A: Research Approach .....	30
Appendix B: What are the key areas that graduates you recruit need to address?.....	33
Appendix C: Participating Organisations .....	34

### Executive Summary

This report presents findings from research with 71 employers of Edinburgh Napier University Business School (ENUBS) graduates across Scotland. Employers were asked to identify the academic, vocational and soft skills they sought when recruiting graduates. This research was funded by the Scottish Funding Council via its current Outcome Agreement with Edinburgh Napier University (ENU), in which the University's commitments to delivering regionally coherent provision and workforce development are set out. Professor Anne Munro was the project leader and the research carried out by staff at the Employment Research Institute (ERI).

**Profile of Respondents:** 71 employers participated in the research; 50 were from the private sector, 16 from the public sector and 5 from the third sector. 50 employers had 251 or more employees, 8 employers had 51 to 250 employees, 13 employers up to 50 employees. Of the 50 private sector employers; 17 operated in Professional Services, 13, in Retail/Hospitality, 6 in Banking/Finance/Insurance, 5 in Transport/Distribution, 3 in Manufacturing, 2 in Engineering, 2 in Hi-Tech/IT, 1 in Energy/Water and 1 in Training.

#### The main findings are:

##### *Effects of the recession*

- 44% of all employers reported that the **2008 recession** had not affected the number of graduates they recruited. 28% of employers had increased the number of graduates recruited and the same percentage had decreased the number graduate recruits. 38% of public sector employers had reduced the number of graduates recruited compared to only 25% of private sector employers.
- 40% of all employers reported that the **economic situation** had resulted in a decline in the training and development of all staff. 64% of public sector employers said there had been a decline in the training and development of all staff, compared to 35% of private sector employers.

## Employer Demand for Business and Management Graduates

### *Factors influencing which graduates to recruit*

- Employers reported that the **factors they rated highest when recruiting graduates** were: personal attitude, employability skills, relevant work experience, and degree result.

One large service private sector organisation explained – ‘(the) *most important thing is attitude and personal presentation skills*’.

Another large manufacturer informed us – ‘*it is all about the soft skills and the attitude of the individual*’.

Of course for certain technical jobs, there may be an expectation that these basic technical skills were already present.

- Employers with 2,000 or fewer employees valued degree subject significantly more than larger employers when recruiting graduates.
- Employers reported that the transferable skills they rated highest when recruiting graduates were: trustworthiness, reliability, motivation, communication skills, and a willingness to learn.
- Across all the graduates they recruited, the key areas that needed to be addressed were: realistic expectations, business awareness, customer awareness, and awareness of work.

As one large private sector organisation informed us – ‘*student expectations are too high, students place too much value on a degree, whilst employers value experience and attitude more...*’

- There were no significant differences between employers operating in different industrial sectors in terms of any of the factors or transferable skills that influenced graduate recruitment.

However, employers operating in the service sector considered that business awareness needed to be addressed significantly more than other employers.

### *Edinburgh Napier Business School graduates*

- Employers reported that of the ENUBS graduates they recruited, the key areas that needed to be addressed were: business awareness, awareness of work, business relevance of undergraduate courses, and customer awareness.

## Employer Demand for Business and Management Graduates

- Employers had significantly less concerns with ENUBS graduates than graduates in general, in terms of: personal behaviour, communication skills, technology skills, customer awareness and team working.
- 95% of employers who responded were fairly to very confident that ENUBS graduates could meet the skills requirements of their business. The other 5% were only slightly confident.

### *Getting a job – applying and interviewing*

- Employers reported that in their experience they found many graduates lacked skills in searching for employment. These include: poor CVs, lack of research about employer, lack of understanding of the recruitment process, and poor interview skills. Poor telephone interviewing skills were also noted by a major employer. A large public sector organisation cited the lack of – *‘an understanding of the different type of application process. Each employer is different, we use a competency based application...’*

### *Work experience*

- Employers reported that work experience was vital for students to: improve soft skills, increase confidence, help relate their studies to employment, make them more rounded, have more realistic expectations of work, and make contacts for future employment. A large retailer felt that – *‘(It is) important that students get some work experience, important that universities manage students’ expectations. Graduates are expecting too much too soon, universities could explain about salary expectations and the need to work their way up the organisation’.*
- Some employers felt that the type and level of work experience was also important. One large private sector organisation felt – *‘...any relevant work experience (is) good, even two weeks work shadowing. Commercial work experience is far better than something like bar work’.*

## **Employer Demand for Business and Management Graduates**

Another large private sector organisation considered – ‘...*work placements have to be managed well ... chance to deal with performance reviews, chance to deal with difficult situations*’.

### *Courses*

- Some employers suggested making changes to Business School courses, such as the inclusion of: Foreign Languages, Social Sciences, and Sales Training. Other employers mentioned that they would like to make connections with ENUBS, but were not sure whom to contact.

### **Conclusions**

Generally, employers appeared to be broadly favourable to graduate recruits. The majority were confident that:

ENUBS graduates were able to meet the skills requirements of their business;

ENUBS graduates compared favourably with other graduates in general, in terms of areas that needed to be addressed; particularly in personal behaviour, communications skills, technology skills, customer awareness and team working.

### 1. Introduction

This report presents findings from interviews with graduate employers across Scotland. Employers were asked to identify the academic, vocational and soft skills they sought when recruiting graduates. This research was funded by the Scottish Funding Council via its current Outcome Agreement with ENU, in which the University's commitments to delivering regionally coherent provision and workforce development are set out. Professor Anne Munro was the project leader and the research was carried out by staff at the Employment Research Institute (ERI), part of ENUBS.

The first part of the report presents findings from interviews with 71 graduate employers. Although not a representative sample of all employers, these interviews were from the private, public and third sectors and from employers of various sizes (see below); the report is able to present some useful insights into the current state of graduate recruitment in Scotland.

The second part of the report identifies areas in which the feedback of employers could be addressed by ENU to strengthen the matching of new graduates with the needs of the labour market. ENU has above average levels of graduate recruitment in the UK (93.6% in 2010/11)<sup>1</sup>. The findings from this report could potentially help maintain, and further strengthen high levels of graduate recruitment.

#### 1.1 Objectives

The project aligns with current ENU policies on regional coherence and workforce development. The objectives of the research were:

1. To identify the requirements of employers in the local labour market for graduate skills, characteristics and knowledge.
2. To consider if the needs of employers for graduates vary by organisation size or activity.

---

<sup>1</sup> Higher Education Statistics Authority. (2012). Available at: [http://www.hesa.ac.uk/index.php?option=com\\_content&task=view&id=1899&Itemid=239](http://www.hesa.ac.uk/index.php?option=com_content&task=view&id=1899&Itemid=239)

## Employer Demand for Business and Management Graduates

- To identify areas that can be developed by higher education institutions to ensure that graduates possess the vocational and soft skills required by employers.

### 1.2 Methods and Profile of Respondents

Employers of graduates of ENUBS were contacted after being identified through the 'Destinations of Leavers from Higher Education' (DLHE) database for the period 2007/08 to 2009/10 (which is based on the graduates' position six months after leaving ENU). Some 207 employers were contacted (see Appendix A for Research Approach). Information was received from 71 organisations giving a response rate of 35%. The majority of interviews (58) were conducted by telephone. Three interviews were conducted face to face. Three were completed by e-mail. A total of 10 online surveys were started and 8 were completed. Most of the respondents were from private sector organisations (70% of responses) with fewer from the public (23%) and the Third (7%) sectors (Table 1.1). A list of most employers interviewed is presented in Appendix C.

**Table 1.1: Total respondents by sector**

	Private Sector	Public Sector	Third Sector
Total Number of Respondents	50 (70%)	16 (23%)	5 (7%)

The largest number of private sector organisations operated within professional services, a significant number operated within retail and hospitality.



## Employer Demand for Business and Management Graduates

Figure 1.1: Respondents by business sector

	Frequency	Percent
Valid Retail and hospitality	13	18.3
Professional services	16	22.5
Engineering	2	2.8
Public sector	17	23.9
Energy and Water	1	1.4
Manufacturing	3	4.2
Transport and Distribution	5	7.0
Hi-Tech/IT	2	2.8
Banking/Finance/Insurance	6	8.5
Other	6	8.5
Total	71	100.0

The majority of respondents were large employers with over 250 employees (50, i.e. 70%), while 8 (11%) had 51-250 employees and 13 (18%) had 50 employees or under.

### 1.3 Remainder of the Report

The remainder of the report presents:

Section 2: A background including a short literature review.

Section 3: The key findings of the survey. This considers: the impact of the recession on recruiting graduates and training staff; factors influencing the recruitment of graduates; skills influencing the recruitment of graduates; key areas needing to be addressed by the graduates they recruit; key areas needing to be addressed by the ENUBS students they recruit; and how confident employers are that graduates of ENUBS can meet the skills requirements of their business.

Section 4: A more in-depth discussion of some of these issues and some potential lessons for ENU.

Section 5: A summary and conclusions.

## 2. Background

This section briefly illustrates existing research on what skills employers want from graduates in general and business graduates in particular, as well as what they perceive to be the weaknesses of graduates. It also discusses factors influencing graduate recruitment<sup>2</sup>.

### 2.1 Graduate Skills in General

In the Confederation of British Industry's (CBI) Education and Skills Survey 2012<sup>3</sup> of 542 employers, the most important factors when recruiting graduates were:

- Employability skills (81%)
- Degree subject (70%)
- Relevant work experience/industrial placement (68%) and
- Degree class (46%).

The same survey also found that employers were concerned with graduates in terms of inadequate work experience (37%), team working (25%), and problem solving skills (23%).

Similarly, the UK Commission for Employment and Skills' (UKCES) Employer Skills Survey in 2011 found that 86% of Scottish employers thought that graduates from Scottish universities were well prepared for work (in total 2,503 Scottish employers were interviewed). The minority, who felt that graduates were not well prepared, felt that they lacked experience or lacked motivation<sup>4</sup>.

The Council for Industry and Higher Education surveyed 233 employers. Their research identified more generic skills overall and found that the most important skills and capabilities when recruiting new graduates were:

- Communication skills
- Team working skills

---

<sup>2</sup> It must be remembered that each employer may have a differing concept of what they mean by specific skills or attributes, and so these should be considered as broad terms in this report, but we argue that there is some general consistency in what is meant by the employers and so the terms are meaningful in broad terms to the employer and students.

<sup>3</sup> CBI (2012). Learning to grow: what employers need from education and skills, Education and Skills Survey 2012.

<sup>4</sup> Davies, B., Gore, K., Shury, J., Vivian, D., Winterbotham, M., and Constable, S., (2012). UK Commission's Employer Skills Survey 2011: UK Results. Evidence Report 45. May.

## Employer Demand for Business and Management Graduates

- Integrity
- Intellectual ability and
- Confidence.

The largest gaps in the capabilities of new graduates were seen as: commercial awareness, analysis and decision-making skills, communication skills, and good writing skills<sup>5</sup>.

Universities Scotland and AGCAS Scotland<sup>6</sup> have produced a publication which highlights the achievements of a number of graduates from Scottish universities who have succeeded in gaining employment and pursuing professional careers after graduation. Employers also contributed their views on recruiting graduates. Many employers showcased in the publication offer internships and work placements. They consider that these offer students an insight into their particular industry, building key skills and attributes, which employers want applicants to demonstrate during recruitment. The general consensus amongst employers was that the graduates that make themselves as 'work ready' as possible are in a much stronger position within the graduates labour market.

The graduates showcased in the AGCAS publication offer their opinions on what has helped them. Several of the graduates considered that group work and presentations, completed as part of their studies, prepared them for work. All the graduates considered that work experience greatly boosted their confidence and developed their skills.

One graduate mentioned that the university she attended provided employability lectures, where graduates from various companies discussed assessment centres, which she found very useful. The graduates all spoke of being pro-active, of looking to opportunities beyond their studies, such as clubs, societies and volunteering. They all recognised the importance of using the University Careers Service to obtain advice and practice online-tests and mock interviews.

---

<sup>5</sup> Archer, W., and Davison, J., (2008). Graduate Employability: What do employers think and want? The Council for Higher Education and Industry.

<sup>6</sup> Universities Scotland. (2012). 360 degrees: equipping Scotland's graduates for success. AGCAS Scotland.

## Employer Demand for Business and Management Graduates

### 2.2 Business School Graduates Skills

Clearly for some technical jobs (e.g. engineering, medicine etc.) a specific degree is important or essential, while other jobs (including many which business school graduates may enter) only require more generic skills. Research in New Zealand asked 154 employers to rate the importance of a number of business graduate competencies and to rate new business graduates' performance for the same competencies. The research found that employers most valued:

- Ability and willingness to learn
- Energy and passion
- Teamwork and cooperation and
- Interpersonal communication.

The research also indicated that the largest gaps between importance (what employers valued most) and graduate performance were: customer service orientation, quality, accuracy, interpersonal communication, and problem solving<sup>7</sup>.

Research carried out into the oral communication skills needs of a small sample of business graduate employees by Monash University, Australia, found that oral communication skills are a vital component in the workplace. Indeed, they were seen as important or very important by the overwhelming majority of employers in aiding the recruitment, job success and promotion of business graduates. Furthermore, it is considered that Business Schools need to improve the oral communication skills of graduates<sup>8</sup> by students undertaking formal presentations.

Research carried out with 75 employers in the USA in relation to the recruitment of business graduates, indicated that the skills they sought were:

- Communication
- Computer literacy
- Interpersonal/social
- Critical thinking
- Leadership and
- Teamwork.

---

<sup>7</sup> Hodges, D., and Burchell, N., (2003). Business Graduate Competencies: Employers' Views on Importance and Performance. *Asia-Pacific Journal of Cooperative Education*, 4(2), 16-22.

<sup>8</sup> Crosling, G., and Ward, I., (2002). Oral communication: the workplace needs and uses of business graduate employees. *English for Specific Purposes*, 21, 41-57.

## Employer Demand for Business and Management Graduates

The majority of employers surveyed considered that portfolios were useful in providing these skills in context<sup>9</sup>. Negative criticisms levelled<sup>10</sup> against Business Schools of business education have been that: they are too detached from business; they are more concerned with theory rather than practice; staff have limited experience in the private sector and are more interested in the Research Excellence Framework than working with businesses<sup>11</sup>.

Indeed, it is reported that the educational process in Business Schools is criticised for not developing graduates with employability skills. Generally, this is perceived to be related to the lack of relevance of management theory being taught and the processes used to teach the students<sup>12</sup>.

### 2.3 Policy Context

The impact of the current economic crisis has had implications for higher education. The competition for employment among graduates has placed graduate employability as crucial for many parts of higher education. This results in a need for students to clearly understand how their academic achievements relate to developing skills valued by employers. HE institutions also have a role in providing employability enhancement and encouraging students to undertake other activities in addition to their core studies<sup>13</sup>. From September 2012, universities and colleges will publish standardised information for all their undergraduate courses, in the form of a Key Information Set (KIS), including the destinations and pay rates of graduates and certain characteristics of the courses<sup>14</sup>.

In the Scottish context, the Lifelong Skills Strategy recognises the need for universities to explore ways of promoting and recognising achievements of young

---

<sup>9</sup> Moody, J., Stewart, B., and Bolt-Lee, C., (2002). Showcasing the Skilled Business Graduate: Expanding the toolkit. *Business Communication Quarterly*, 65(1), 21-36.

<sup>10</sup> Avramenko, A., (2012). Enhancing students' employability through business simulation. *Education + Training*, 54(5), 355-367.

<sup>11</sup> Shackleton, L., (2012). Universities should sell their business schools. *Financial Times*. Available at: <http://www.ft.com/cms/s/2/f63f9360-a66f-11e1-9453-00144feabdc0.html#axzz1wzwHl1QA>

<sup>12</sup> Avramenko, A., (2012). Enhancing students' employability through business simulation. *Education + Training*, 54(5), 355-367.

<sup>13</sup> Pegg, A., Waldock, J., Henty-Isaac, S., and Lawton, R., (2012). *Pedagogy for employability*. The Higher Education Academy.

<sup>14</sup> Key Information Sets. (2012) Available at: <http://www.keyinformationsets.com/>

## Employer Demand for Business and Management Graduates

people in addition to formal qualifications<sup>15</sup>. Furthermore, it is recognised that employers' skills requirements should be better met.

There have been a number of initiatives related to graduate employability. For instance, in 2006, the Scottish Funding Council allocated £4 million of strategic funding for their employability strategy, *Learning to Work*, to the university sector to develop graduate employability between 2007 and 2011. Some of the institutions employed Employability Co-ordinators to deliver change. General feedback has been positive and resulted in students examining their employability needs at an earlier stage, with many institutions continuing to develop more work-related and work-based learning opportunities<sup>16</sup>.

In 2009, the Scottish Funding Council published *Learning to Work Two*. The strategy needed to develop, to take account of the increased emphasises of the Scottish Government, on skills, employability and the introduction of the New Horizon Fund for universities. The strategy's main focus is on developing work placement projects to increase employability, as well as the creation in 2010 of The Scottish Higher Education Employability Forum (SHEEF); to provide leadership, support and policy advice for the development of employability, employer engagement and entrepreneurship across the Scottish HE sector<sup>17</sup>.

### 2.4 Edinburgh Napier University

ENU offers Careers Service to students and graduates (within three years of graduating). In addition ENU used the initial *Learning to Work* funding, to develop a project centred around student volunteering. Some students have the opportunity to undertake a Volunteering and Employability module. The funding is also used to fund a post developing employer liaison activities across ENU.

One of the objectives of ENU and the Business School is to develop confident employable graduates<sup>18</sup>. *Confident Futures*, delivered through interactive

---

<sup>15</sup> The Scottish Government. (2007). *Skills for Scotland: A Lifelong Learning Strategy*. Edinburgh.

<sup>16</sup> SQW. (2011). *Strategic funding to develop graduate employability*. Final report to the Scottish Funding Council. September.

<sup>17</sup> Scottish Funding Council. (2009). *Learning to Work Two – developing the Council's employability strategy: consultation outcomes, action plan, and invitation to develop proposals*.

<sup>18</sup> Edinburgh Napier University, The Business School. (2010). *Strategy 2009-2015*. Version 10, March

## Employer Demand for Business and Management Graduates

workshops, is a professional and personal development programme to enhance students' employability.

Recently ENU offered an *Open Minds Challenge* where applicants submitted an idea to improve graduate employability. The winner was a web-based micro-internship programme called *The Talent Pool*. Businesses could post projects, which could be completed online by students. The initiative should increase interaction between the business community and students to the benefit of both<sup>19</sup>.

---

<sup>19</sup> <http://www.napier.ac.uk/media/Pages/NewsDetails.aspx?NewsID=309>

### 3. Findings

#### KEY FINDINGS

**Graduate Recruitment:** 44% of employers stated that the recession had not affected the number of graduates they recruited. 28% of employers had increased the number of graduates they had recruited. 28% of employers had decreased the number of graduates they had recruited since around 2008.

**Factors in Recruitment of Graduates:** employers valued personal attitude, employability skills, and relevant work experience highest.

**Transferable Skills in Recruitment of Graduates:** Employers valued trustworthiness, reliability, motivation, and communication skills highest.

**Key Areas Addressed:** Employers considered that realistic expectations, business awareness, customer awareness, and awareness of work were the areas that needed addressed most by graduates recruits.

**Edinburgh Napier University Graduates:** Performed significantly better than graduates in general in; personal behaviour, communication skills, technology skills, customer awareness and team working.

**Edinburgh Napier University Graduates' Skills:** 80% of employers were fairly to very confident that graduates of ENUBS can meet the skills requirements of their business.

This chapter reports the main findings of the employer survey. The key aspects examined in the research considered: the impact of the recession on recruiting graduates and training of staff; factors influencing the recruitment of graduates; skills influencing the recruitment of graduates; key areas needed to be addressed by graduates they recruit; key areas needed to be addressed by the ENUBS student recruits; and how confident employers are that graduates of ENUBS can meet the skills requirements of their business. Some of these issues are also discussed in more depth in section 4.

#### 3.1 Impact of the Recession

Employers were asked what impact the recent recession had on recruitment of graduates and the impact of the current economic situation on training and development of all staff.



## Employer Demand for Business and Management Graduates

**Figure 3.1 Recruitment of graduates during the recent recession.**

		Frequency	Percent	Cumulative Percent
Valid	Increased	20	28.2	28.2
	Decreased	20	28.2	56.3
	No change	31	43.7	100.0
	Total	71	100.0	

Nearly 44% of employers reported that the current recession has not affected the number of graduates recruited, whilst 28% of employers had increased the number of graduates recruited with the same percentage having decreased the number recruited. However, the public sector has been hard hit with nearly 38% of employers reporting that recruitment of graduates had declined. This may indicate the effect of reducing public sector expenditure on recruitment and so is unlikely to improve in the near future. Only a quarter (25%) of private sector employers reported a decline.

**Figure 3.2 What impact is the current economic situation having on the training and development of staff?**

		Frequency	Percent	Cumulative Percent
Valid	Increased	10	14.1	15.9
	Decreased	25	35.2	55.6
	No change	28	39.4	100.0
	Total	63	88.7	
	Missing	8	11.3	
Total		71	100.0	

The economic situation is clearly having a negative impact on the training and development of staff in many organisations, with nearly 40% of respondents reporting a decline. Indeed, nearly two-thirds (64%) of the public sector respondents reported a decline in training and development.

## **Employer Demand for Business and Management Graduates**

However, some public sector organisations reported an increase in their training, simply because they performed an economic development role and there was a need to increase their activities in the prevailing economic climate. It is possible that this decrease in training may indicate that some employers may be less willing to improve graduate skills through training following recruitment and more likely to prefer 'job ready' graduates.

### **3.2 Graduates finding Employment**

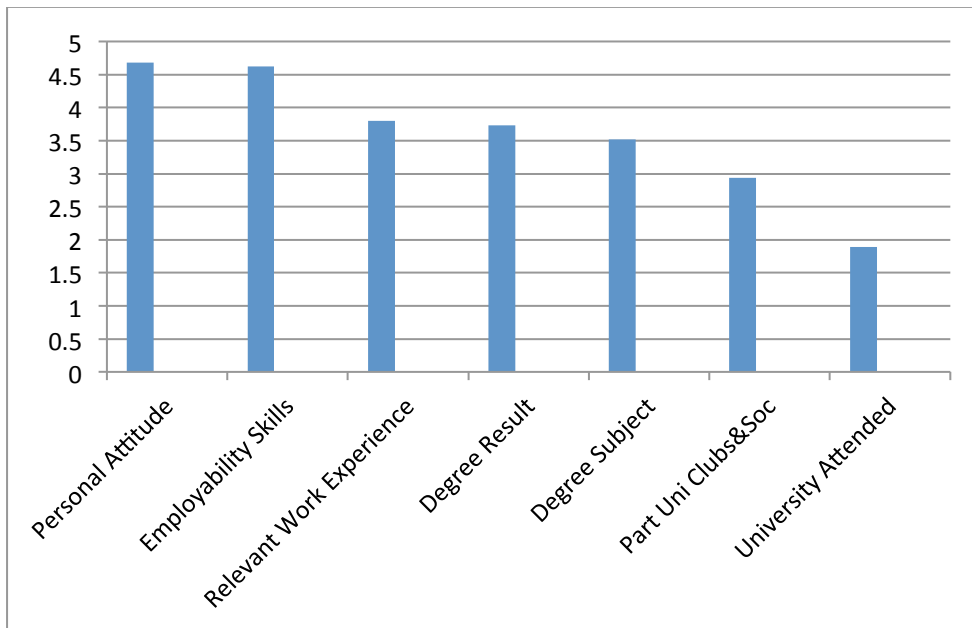
Employers were asked about the most important factors they consider when recruiting graduates (using a 1 to 5 scale, with 5 being extremely important). Respondents reported that personal attitude, employability skills, relevant work experience, degree result, and degree subject were what they valued most (figure 3.3). The CBI's Education and Skills Survey 2012 similarly found that employability skills and relevant work experience were important factors in recruiting graduates<sup>20</sup>. Interestingly, the university attended appeared relatively unimportant.

---

<sup>20</sup> CBI (2012). Learning to grow: what employers need from education and skills, Education and skills survey 2012.

## Employer Demand for Business and Management Graduates

**Figure 3.3** What are the most important factors you consider when recruiting graduates? (Vertical axis represents the level of importance using a 1 to 5 scale)



(1 = Least important, 5= Very important (mean))

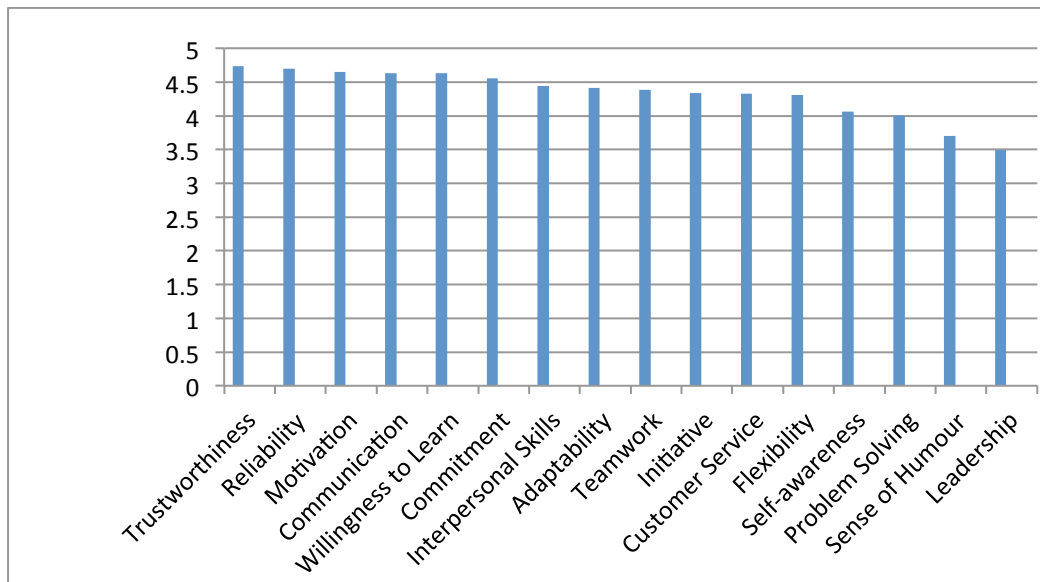
The importance that employers placed on attitude came over clearly in our interviews. One large service private sector organisation explained – ‘(the) *most important thing is attitude and personal presentation skills*’. Another large manufacturer informed us – ‘*it is all about the soft skills and the attitude of the individual*’. Of course, for certain technical jobs, there may have been an expectation that these basic technical skills were already present.

Analysis of the results indicates that there is a significant difference between employers with 2,000 or fewer employees, valuing the degree subject more than largest employers (using a Chi-Square Test with a significance level at 10%). However, the largest employers valued university clubs and societies more (10% significance). There were no significant differences in any of the factors between employers operating in different sectors (which is not particularly surprising given the relatively small sample size). However, the Engineering/Manufacturing sector was noticeably (although not statistically significant) more interested in the university attended, while the Third Sector was more interested in relevant work experience.

## Employer Demand for Business and Management Graduates

The most important transferable skills employers valued most when recruiting graduates were; trustworthiness, reliability, motivation, communication skills and a willingness to learn (figure 3.4).

**Figure 3.4 What are the most important transferable skills when recruiting graduates? (Vertical axis represents the level of importance using a 1 to 5 scale)**



(1 = Not important, 5 = Very important (mean))

The UK Commission's Employer Skills Survey, 2011 found that a lack of motivation of graduates from Scottish universities was an issue amongst the minority of employers who felt that graduates were not well prepared for work<sup>21</sup> (our results agree with the importance of motivation). In relation to trustworthiness, research by The Council for Industry and Higher Education found that integrity was a key capability when recruiting new graduates<sup>22</sup>. As one SME told us – *'English and writing are very important, as well as motivation and understanding that they are there to work...'* There were no significant differences between employers operating in different sectors in any of the transferable skills valued. However, teamwork appeared noticeably less important in the Engineering/Manufacturing sector, whilst, leadership was more important within the Retail/Hospitality and

<sup>21</sup> Davies, B., Gore, K., Shury, J., Vivian, D., Winterbotham, M., and Constable, S., (2012). UK Commission's Employer Skills Survey 2011: UK Results. Evidence Report 45. May.

<sup>22</sup> Archer, W., and Davison, J., (2008). Graduate Employability: What do employers think and want? The Council for Higher Education and Industry.

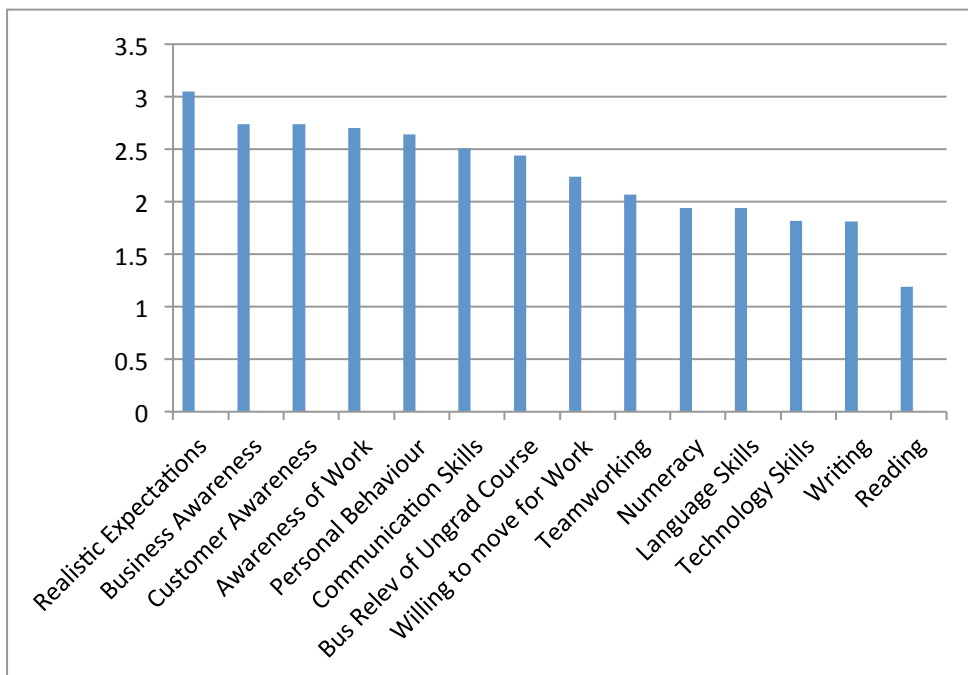
## Employer Demand for Business and Management Graduates

Transport/Distribution sectors. Third Sector employers rated flexibility, adaptability and a sense of humour noticeably more than other sectors.

### 3.3 Views on Graduates in Employment

Employers were asked what they thought were the key areas that the graduates they recruit need to address once they start work. Respondents reported that realistic expectations, business awareness, customer awareness, and awareness of work were most in need of being addressed (figure 3.5), although even the most important of these were of relatively limited concern (scoring just over the mid-point). Unsurprisingly, basic skills, such as reading and writing were of little concern (scoring near 1 – i.e. no concern), as most graduates would be assumed to have them. Private sector employers appeared to be significantly more concerned with realistic expectations than those in the public and Third sectors (Chi-Square Test at 10%).

**Figure 3.5** What are the key areas that need to be addressed by the graduates you recruit? (Vertical axis represents the rate of the skill levels)



(1 = No concerns, 5= Strongly needs addressed (mean))

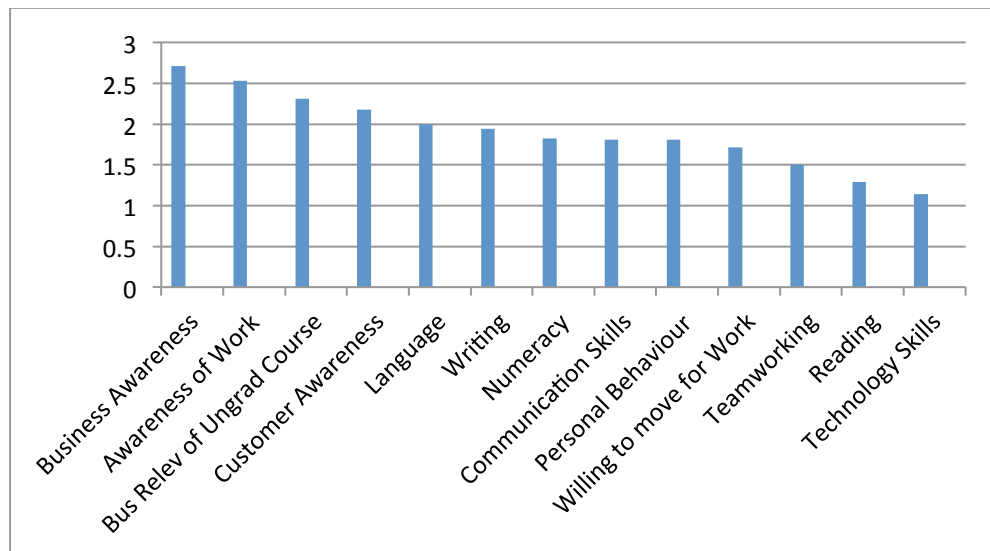
## Employer Demand for Business and Management Graduates

The Council for Industry and Higher Education's research of 233 employers found that the largest gap in the capabilities of new graduates was commercial awareness<sup>23</sup>. Many employers in our study reported that students had unrealistic expectations; as one large private sector organisation informed us – *'student expectations are too high, students place too much value on a degree, whilst employers value experience and attitude more...'*

Analysis of the results indicates that there is a statistically significant (10% level) difference between the level of concern around business awareness between service sector employers and others, with the service sector considering that business awareness needs to be addressed more. This is particularly noticeable in Retail/Hospitality and Professional Services.

Employers were then asked what they considered were the key areas that needed to be addressed by graduates of ENUBS. The number of employers who were able to respond to this question was far smaller, simply because they did not keep accessible records of which universities their graduates came from.

**Figure 3.6 What are the key areas that need to be addressed by the ENUBS graduates you recruit? (Vertical axis represents the rate of the skill levels)**



(1 = No concerns, 5= Strongly needs addressed (mean)) (12-17 responses)

<sup>23</sup> Archer, W., and Davison, J., (2008). Graduate Employability: What do employers think and want? The Council for Higher Education and Industry.

## Employer Demand for Business and Management Graduates

Generally, employers reported that they had less concerns with ENUBS graduates around key areas than graduates overall (figure 3.6). The areas in which ENUBS graduates performed less well than graduates in general were in: writing, reading, and language. Professional services employers were particularly concerned with ENUBS graduates in terms of writing and awareness of work. ENUBS graduates performed significantly *better* in comparison with graduates in general, in: personal behaviour, communication skills, technology skills, customer awareness and team working (see Appendix B).

Furthermore, employers were asked how confident they were that graduates of ENUBS could meet the skills requirements of their business. The majority were fairly to very confident in their abilities to meet the employers' skills needs.

**Table 3.1 How confident are you that graduates of ENUBS can meet the skills requirements of your business?**

<b>Not Confident</b>	<b>Slightly Confident</b>	<b>Fairly Confident</b>	<b>Confident</b>	<b>Very Confident</b>
<b>0%</b>	<b>5%</b>	<b>45%</b>	<b>40%</b>	<b>10%</b>

n=60 (60 responses 11 did not answer)

#### 4. Lessons for Edinburgh Napier University Business School

##### KEY FINDINGS

**Careers Service:** Many employers reported that graduates from all universities lacked skills in how to obtain employment, including: poor CVs, lack of research, lack of understanding of recruitment processes, and poor interview skills.

**Work Experience:** The majority of employers consider work experience vital for students, to: increase confidence, improve soft skills, make them more rounded as individuals, make it easier to relate their studies to employment, provide them with more realistic expectations of work, and make contacts for future employment.

**Curriculum Development:** Some employers suggested changes to business school courses, such as inclusion of: foreign languages, social science subjects, and sales training. One small/medium sized Enterprise (SME) considered that internet marketing could be taught better. Another SME considered that accounting courses at all universities were overly geared to the needs of large firms.

**Employer Engagement:** Some employers mentioned that they would like to connect with ENUBS, but were not sure who to contact. One employer mentioned that they had students on placement from ENUBS in the past, but did not hear back from the University.

This section illustrates the main themes from the employer interviews. The purpose is simply to report back what employers said and not to test the validity of their claims. The comments also generally refer to all graduates and not just those of ENUBS. While every individual student (and potential recruiter/manager or employer) is different, there are some general lessons and the information may be useful to further improve services to students, graduates, and employers.

##### 4.1 Careers Service

Many employers interviewed reported that they had found graduates of all universities lacking in skills in obtaining employment. This includes:

- poor CVs
- not researching the company they are applying to work for
- not understanding the recruitment/interview process and
- not selling themselves well at interview.



## Employer Demand for Business and Management Graduates

A large public sector organisation told us of the need for – *‘training for filling in application forms, preparing for interviews, better understanding recruitment process’*. This was mirrored by another large public sector organisation, which explained the lack of – *‘an understanding of the different type of application process. Each employer is different, we use a competency based application...’*

The graduate recruiter of a large financial organisation explained that he was surprised how many graduates did not appear to research the company and therefore there was a need to – *‘make sure they research the company fully before applying’*.

One SME considered that there was an issue with graduates not selling themselves well – *‘interview skills need to be improved, (I) feel that graduates do not sell themselves well’*. One very large financial organisation, that employed many graduates of other universities, said that ENUBS’s graduates did not sell themselves as well as they could and many did not get past the first stage of the recruitment process. In particular most did not pass the initial telephone interview, so training in this may be useful. This was mirrored by a large public sector organisation who – *‘would be interested to know what support Napier gives to its students regarding interview preparation and selection centres’*. However, they did not single out ENUBS graduates as being particularly unprepared in comparison to graduates of other universities.

One large recruitment consultancy considered that many graduates did not consider being a recruitment consultant as a career and universities could do more to inform students of a career in recruitment, its demands and its potential financial rewards.

### 4.2 Work Experience

Work experience was the issue that employers talked about most of all. The majority of employers considered that work experience was vital in the development of graduates. Work experience was seen to improve soft skills, increase their confidence, make them more rounded as individuals, improve their chances of finding work after graduation, make it easier to relate their academic

## Employer Demand for Business and Management Graduates

studies to the world of work and make graduates more realistic in their expectations when entering the workplace.

One large public sector organisation explained – *‘students must do other things other than study, do voluntary work or paid work so they are a more rounded individual...’* An SME felt work experience was vital in relating back to academia – *‘...more experience to see where they are lacking and they can go back and discuss with their lecturers’.*

This also relates to having realistic expectations. One large retailer explained – *‘graduates need more practical experience than theory, first-hand experience and exposure leads to more realistic expectations...’* Another large retailer felt that – *‘(It is) important that students get some work experience, important that universities manage students’ expectations. Graduates are expecting too much too soon, universities could explain about salary expectations and the need to work their way up the organisation’.*

A couple of other employers felt that the type and level of work experience was also important. One large private sector organisation felt – *‘...any relevant work experience (is) good, even two weeks work shadowing. Commercial work experience is far better than something like bar work’.* Another large private sector organisation considered – *‘...work placements have to be managed well ... chance to deal with performance reviews, chance to deal with difficult situations’.*

Evidently, work experience allows students to make contacts with the employer and for employers to assess the students as future employees. One large engineering company explained – *‘We took on a student on an industrial placement with us, it was very useful in securing a graduate position’.* An SME mentioned that they took students on placement from the University of Glasgow through their Club 21 Business Partnership Programme, which often led to offers of employment.

### 4.3 Curriculum Development

A number of employers mentioned that it would be useful to develop the university curriculum (both of Edinburgh Napier and universities more generally). One mentioned that foreign languages would be useful as they had operations

## Employer Demand for Business and Management Graduates

abroad – *‘languages could be emphasised more, we are a global company, for example we have a base in Germany, but not many UK graduates can speak German...’*

One large manufacturer felt that the curriculum of business school courses needed to be developed – *‘Business school graduates need to be rounded, such as taking courses in languages and social sciences’*. A couple of employers considered sales to be very important – *‘Sales’ a big thing, we want people to have a better understanding of what sales is rather than marketing, building relationships with external contacts...’* Another employer felt – *‘...effective sales training should be part of every course, sales training is vital’*. Another employer felt that internet marketing was not taught to an adequate level in any Scottish university.

In relation to accounting, an SME reported – *‘In our experience, accounting graduates do not have the relevant skills for them and a lot of time is spent training new graduates’*. They feel that coursework is geared towards large accounting firms and not relevant towards their needs.

One large private sector organisation did not differentiate between universities when recruiting for business positions; however, they targeted several Scottish universities when recruiting for engineering positions because they believed their graduates were stronger. ENUBS was not one of the universities they targeted.

Conversely, another large private sector organisation targeted a number of universities when recruiting for business and engineering positions, but they did not differentiate between the target universities for the different positions. In this case ENUBS was one of the universities they targeted.

### 4.4 Employer Engagement

Several employers considered that there was a lack of engagement with universities. They reported that they were interested in connecting with ENUBS to find out about work placements, recruiting graduates, and speaking to students about their industry and offering case studies. However, they were not clear whom to contact at ENUBS. One employer reported that they had students on work placements from ENUBS in the past but did not hear back from staff at the

## Employer Demand for Business and Management Graduates

university. Of course this was a single comment and may not reflect the general situation.

### 5. Summary and Conclusions

This report has highlighted feedback from employers who have recruited graduates from ENUBS. In the main, employers appeared to be broadly favourable. The majority were confident that ENUBS graduates were able to meet the skills requirements of their business and compared favourably with other graduates in general in areas that needed to be addressed; particularly in personal behaviour, communications skills, technology skills, customer awareness and team working (although there is always the danger of bias given that the research was conducted by ENU staff).

A key theme emerging from the research was the fact that many graduates appear to be lacking in skills to actually obtain employment. This may emanate from an expectation that getting a degree is enough and they simply do not take into account the effort required in creating excellent CVs and application forms, of researching a potential employer fully, of understanding their potential value to an employer and having the skills and confidence to demonstrate these at an interview and/or selection centre or over a telephone interview.

There was the impression from some employers that ENUBS graduates perhaps do not sell themselves as well as they should, lack of confidence perhaps being an underlying factor. This may be an issue that many newer universities face. Thus, there is a strong case for ENU making sure that students and graduates know the stronger points of ENU and disseminate 'good news' fully.

Employers value relevant work experience. Therefore, it is imperative that students get as many opportunities as possible to obtain relevant experience. Many employers offer internships and students from their first year need to know about them. There have also been links between ENUBS and volunteering, which might in some cases be developed to encompass the characteristics of work experience more closely.

Some employers mentioned curriculum changes. One considered that giving business students the opportunity to learn a foreign language would boost their

## Employer Demand for Business and Management Graduates

employability with employers with international operations. Another employer thought that studying a social science would make business students more rounded.

A couple of employers felt that sales training would be of use to both business students and employers alike. One SME considered that there was, in their experience, a lack of high quality internet marketing teaching in any Scottish university. Another SME thought that accounting programmes in universities were geared to meet the needs of large accounting firms but not theirs.

Another key theme, which emerged during the project, was employer engagement. One employer remarked that they had students on placements from ENUBS in the past, but had not heard back from ENU. This may be a one-off or simply that a message was not passed on. Employers mentioned that they were interested in connecting with ENUBS in order to find out about offering work placements, recruiting graduates, speaking to students about their industry and to offer case studies, but were simply not aware of whom to contact.

ENUBS operates in a competitive environment in a period of tight financial constraint. The introduction of Key Information Sets (KIS) in September 2012 will allow prospective students to see the destinations of leavers from particular courses.

Like all universities, ENUBS could consider how best to use resources creatively to maximise graduate employability. Key themes emerging from this short project would suggest that improving the skills of students to *obtain* employment is necessary. The ability of ENUBS students to access high quality work placements is likely to make a difference in them obtaining graduate level jobs.

The ability for ENUBS to connect effectively with employers' feeds into the other themes identified in this project and it may be advantageous for it to offer a clearer or integrated approach to employers, so it was clear to who to contact in respect to teaching, work placements and recruitment.

### Appendixes

#### Appendix A: Research Approach

The research had three principle phases.

##### *Phase 1: Literature Review*

A literature review of current issues in the graduate recruitment market was carried out, focusing on the views of employers in relation to the skills requirements of recent graduates.

##### *Phase 2: Methods of Identifying the Sample and Contacting Employers*

To identify employers to be contacted for their views on the capabilities of graduates of ENUBS, a request was made to Student and Academic Services within ENU for the 'Destinations of Leavers from Higher Education' (DLHE) database. The DLHE database provides information on the activities of students gaining a qualification from ENU after graduation. Data is collected through a survey carried out approximately six months after the student has left ENU. The DLHE database follows a standardised format devised by the Higher Education Statistics Agency (HESA) and provides a robust and reliable measure of student post-graduation activity. The DLHE survey requests that graduates supply information on their current activity; their qualification; location and employer. Only those students who are UK or EU domiciled are included in the DLHE. Those included in the DLHE survey are: United Kingdom (UK) and European Union (EU) domiciled students; students who obtained doctorates, masters, postgraduate bachelors degrees, PGCEs, postgraduate diplomas and certificates, first degrees (excluding intercalated degrees), Diploma of Higher Education, Certificate of Higher Education, HND or HNC; those who study at least part of the programme of study within the UK<sup>24</sup>.

The DLHE survey collated by graduates of ENUBS provides a large sample of graduate activity six months after leaving ENU for the period 2007/08, 2008/09 and 2009/10. For the purposes of the research we focussed only on those graduates that had entered full-time graduate occupations. The ENU DLHE provides details of the name of the employer to which the graduate is attached six months after

---

<sup>24</sup> Higher Education Statistics Authority. Available at <http://www.hesa.ac.uk/content/view/98/137/>

## Employer Demand for Business and Management Graduates

graduation and the job title. Additionally the DLHE allows for 5 categories of job classification:

1. Traditional graduate occupations: These are the established professions for which a degree has historically been required. Jobs in this field typically require the employee to be a specialist in their field.

2. Modern graduate occupations: These reflect the new professions such as IT, financial management, human resources and business development that have resulted in the professionalisation of fields that prior to the expansion of higher education in the 1960s were relatively few.

3. New graduate occupations: These occupations reflect the changing needs of the current labour market for marketing specialists, accountants and engineers. Posts in this field are associated with higher levels of strategic responsibility and an ability to work closely with others.

4. Niche graduate occupations: Many occupations do not require graduate-level qualifications, but contain within them specialist niches that do require degrees to enter. Nursing, retail managers, specialist electrical engineers and graphic designers all fall into this category<sup>25</sup>.

5. Non-graduate occupations: In this category are jobs that do not require a degree. Job categories associated with non-graduate occupations include: numerical clerks and cashiers; other clerical and secretarial occupations; retail assistants, catering, waiting and bar staff; health and childcare related occupations; armed forces and public protection service occupations; and 'other occupations'<sup>26</sup>.

The ENU DLHE returns have increased steadily since 2007 giving a larger sample size. In the period 2009/10, the most recent period for which we have data, 634 former students gave details of their work related activity six months after graduation.

---

<sup>25</sup> Prospects. Graduate jobs? Using new classifications to help answer an old question. Available at: <http://goo.gl/Eu5C9>. Accessed June 2012.

<sup>26</sup> Prospects. Graduate jobs? Using new classifications to help answer an old question. Available at: <http://goo.gl/Eu5C9>. Accessed June 2012.

## Employer Demand for Business and Management Graduates

Table 6.1 shows the activities of graduates of ENUBS six months after graduation. For the purposes of the research the DLHE was used to identify employers where ENUBS graduates are, or have been employed in graduate occupations. Therefore, we did not contact those employers where students were undertaking non-graduate occupations. This resulted in a usable data set of 207 individual responses from 2007/08, 207 individual responses from 2008/09 and 274 individual responses from 2009/10. In several cases, more than one student went to the same employer, meaning that although there are 274 responses for 2009/10, there are fewer than 274 employers. Many ENU graduates secured graduate positions with large financial institutions, local authorities, large high street retailers and the Scottish Government.

**Table 6.1 DLHE 2007 – 2010 Graduates of Edinburgh Napier Business School**

	2007/8	2008/9	2009/10
FULL TIME PAID WORK ONLY	260 (55%)	250 (47%)	348 (55%)
PART TIME PAID WORK ONLY	29 (6%)	36 (7%)	32(5%)
VOLUNTARY/UNPAID WORK ONLY	2 (0%)	4 (0%)	2 (0%)
WORK AND FURTHER STUDY	28 (6%)	33 (6%)	33 (5%)
FURTHER STUDY ONLY	103 (22%)	161 (30%)	140 (22%)
ASSUMED TO BE UNEMPLOYED	7 (1%)	11 (2%)	31 (5%)
NOT AVAILABLE FOR EMPLOYMENT	19 (4%)	20 (4%)	18 (3%)
OTHER	10 (2%)	6 (1%)	9 (1%)
EXPLICIT REFUSAL	13 (3%)	16 (3%)	21 (3%)
TOTAL	471 (100%)	537 (100%)	634 (100%)

In addition to the DLHE, an online questionnaire was set up to give employers a further opportunity to participate in the research. The online survey was identical to the questionnaire used in the telephone and face to face interviews. Data from the online survey could therefore be incorporated into the results.

### *Phase 3: Data Collection*

Employers that had created full-time graduate posts into which graduates of ENUBS had gone were contacted by email and phone to arrange an interview.



## Employer Demand for Business and Management Graduates

### Appendix B: What are the key areas that graduates you recruit need to address?

1 = No Concerns, 5 = Strongly Needs Addressed (Mean figures)

Area	Graduates in General	Edinburgh Napier Graduates	Difference (t-test 10%)	Statistical Significance Napier Better = + Worse = -
Reading	1.19	1.29	-0.10	- Insignificant
Writing	1.81	1.94	-0.13	- Insignificant
Numeracy	1.94	1.82	0.12	+ Insignificant
Comm. Skills	2.51	1.81	0.69	+ Significant
Personal Behaviour	2.64	1.81	0.83	+ Significant
Realistic Expectations	3.05	2.40	0.65	+ Too small sample
Technology Skills	1.82	1.14	0.67	+ Significant
Language Skills	1.94	2.00	-0.06	- Insignificant
Business Relevance Undergrad. Course	2.44	2.31	0.13	+ Insignificant
Awareness Of Work	2.70	2.53	0.17	+ Insignificant
Business Awareness	2.74	2.71	0.04	+ Insignificant
Customer Awareness	2.74	2.18	0.56	+ Significant
Willingness to move for Work	2.24	1.71	0.53	+ Insignificant
Team Working	2.07	1.50	0.57	+ Significant

## Employer Demand for Business and Management Graduates

### Appendix C: Participating Organisations

The Employment Research Institute would like to thank the following organisations for participating in this research.

Aberdeen Asset	Hays
An anonymous financial services firm	Intelligent Office
Apex Scotland	Jabil
APUC	John Lewis
Attacat	Joy
Audit Scotland	KPMG
Axios Systems	Lothian and Borders Police Force
A4e	Lynn Jones Research
Bailie Gifford	Menzies Distribution Ltd
Baker Tilly	Morrisons
Balbirnie House Hotel	Northlink Ferries
Blue Chip Marketing	Nuevo Group Limited
Boots	Orchard and Shipman
British Army	PriceWaterhouseCoopers International Ltd
Burton's Biscuits	Rapp
Carr Gomm	Royal Bank of Scotland
Catalent	Sainsburys
Consolidated Carriers Ltd	Santander UK
Cosla	Scotmid
Crimson Edge PR	Scottish Courts Service
DHL	Scottish Enterprise
Dumfries and Galloway Constabulary	Scottish Environmental Protection Agency
Dumfries & Galloway Housing Partnership	Scottish Funding Council
Edinburgh Marriott Hotel	Scottish Legal Aid Board
Enterprise-rent-a-car	Scottish Prison Service
ExecSpace Ltd	Scottish SPCA
Fife Accounts Ltd	Selex Galileo UK
French Duncan Chartered Accountants	Shetland Island Council

## Employer Demand for Business and Management Graduates

Gleneagles Hotel

Simpson and Marwick Solicitors

Skills Development Scotland

Sopra

SSE

Standard Life

Sterling Group

Strathclyde Police

Tesco

Thrive for Business

Vion Food

Visioncare at Home

Visit Scotland

Waverley Housing Association Ltd

Wolfson Microelectronics