EMPLOYABILITY: DEVELOPING THE RELATIONSHIP BETWEEN HIGHER EDUCATION AND EMPLOYMENT

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Introduction

There is growing pressure on higher education to develop the relationship between the academy and employment. However, this does not mean that in producing ‘work-ready’ graduates, higher education should change its focus to training.

Since the late 1980’s, there has, in many countries, been increasing pressure on higher education to contribute directly to national economic regeneration and growth (Ball, 1989, 1990). Increasingly, national and international assessments of the role and purposes of education indicate a need for higher education to contribute significantly to 'meeting the needs of the economy' (DES, 1987; EC, 1991).

A major factor behind this pressure has been the growing concern, within individual economies and within the European Union as a whole, about future competitiveness. For example, the Industrial Research and Development Advisory Committee (IRDAC, 1990) of the European Commission argued that the output of education and training systems (including, in particular, higher education) in terms of both quantity and quality of skills at all levels, is the prime determinant of a country’s level of industrial productivity and hence competitiveness.

This view was, for example, recently endorsed by an Expert Group appointed by the Irish Government: ‘A highly skilled and motivated work force is essential to remaining globally competitive’ (EG, 1998) and by the Department for Education and Employment (DfEE) and the Committee of Vice-Chancellors and Principals (CVCP) in the UK: ‘It is becoming generally believed that improved skills training for the UK work force would lead to increased competitiveness’ (CVCP/DfEE/HEQE, 1998a, p. 2). Furthermore, the DfEE estimates that the public rate of return on state investment in higher education is 7–9%, and the private rate of return to graduates themselves is between 11–17% (CVCP/DfEE/HEQE, 1998a, p. 2).

Recent UK research has also specifically argued that small businesses benefit from employing graduates. A study of 1100 small business improvement projects, 250 small firms and 56 case studies of successful small businesses in Merseyside showed that graduates enhanced small businesses. Benefits included improvements to IT systems, enhancement of production processes, development of new products, updating of administration systems, expansion of client bases and, most important, management support that frees up owner’s time. It was estimated that 70% of graduate impact is ‘indirect’ — freeing up time — allowing owners to focus on improving the business performance (GEU, 1988). With that in mind, owners of successful small businesses perceived graduates as medium- rather than short-term investment and give them opportunity to develop or ‘grow the job’.

Research undertaken at the Centre for Research into Quality during the 1990s (Harvey, Burrows and Green, 1992; Burrows, Harvey and Green, 1992; Harvey with Green, 1994, Harvey, Moon and Geall, 1997) highlighted the ways in which this pressure on higher education is reflected in the expectations that employers have of graduates. The Research, which fed directly into the National Committee of Inquiry into Higher Education, Chaired by Lord Dearing (NCIHE, 1997), emphasised, among other things, the effectiveness of work experience.
At the heart of the Dearing Report is the assertion that the primary purpose of higher education is to prepare students for the world of work. Following Dearing, there has been growing pressure from government and government agencies to ensure better links between higher education and employers. For example, a recent joint CVCP and DfEE Report noted that:

Employers and employer-led organisations, as consumers of graduates, should be important influences on the context and content of employability skills training programmes. As recommended by Dearing, HEIs should review the extent and nature of their existing links with employers and employer organisations so as to improve the interface and to enhance the responsiveness of their institutions to employer needs. The review will need to consider how the institution will interact externally with employers, employer organisations and other agencies; it will also need to look at the extent to which partnerships with employers can be enhanced and developed.

(CVCP/DfEE/HEQE, 1998a, p. 10)

However, government policy in the UK to enhance employability of graduates is part of a wider strategy to extend the skill base in the UK. In early 1998, the Secretary of State for Education and Employment appointed a Skills Task Force (STF) to advise on the development of a National Skills Agenda. This presumes current skills shortages and gaps in the labour force. The first task of the STF is to identify shortages along with strategies to overcome them. Although the STF will not report until the end of 1999, a consultative document Towards a National Skills Agenda (Sept. 1998) emphasises that partnership is key: partnerships between employers, individuals, central and local government, educational establishments, voluntary sector, Training Enterprise Councils (TECs) National Training Organisations (NTOs) and the European Union. The main objectives are to:

- equip those at risk of exclusion with skills needed especially at NVQ level 2 (A-level);
- promote skills beyond level 2;
- help employers identify their own skills needs and to adapt their training accordingly;
- provide individuals with good information and guidance and encouraging suppliers of education and training to be responsive to their needs.

As part of this, the University for Industry is to be launched in 2000. It will, in effect, be a brokering agency designed to advance these aims — the ‘hub of a brand new learning network’.

Locked into this is a proposed further expansion in higher education of both part-time and full-time provision (the former supported in part by employers). Along with this expansion is a growing focus on making graduates ‘work-ready’:

The Government has endorsed the view of the Dearing Committee of Inquiry ‘Higher Education in the Learning Society’ July 1997, that enhancing the employability of graduates is a key task for higher education. (DfEE, 1999, p. 40)
The British Government made it clear in 1997 with the publication of the *Graduate Apprenticeship Framework* (DfEE, 1997) that it wanted a clearer link between graduates and the world. It is now piloting Graduate Apprenticeships in up to eight business sectors.

Furthermore, there is an intention to link some funding for higher education in the UK to ‘employability’. This is a joint Exchequer and DfEE initiative endorsed at ministerial level and civil servants are currently working on ways of implementing this through the development of an employability performance indicator.

In anticipation of such moves, and in the wake of the assessment of skill shortages in Wales, the Higher Education Funding Council for Wales (HEFCW, 1999) recently undertook a pilot audit of all its higher education institutions to discover the nature and extent of the employability-skills development offered by Welsh institutions.

**What is ‘employability’?**

Raising the question of ‘what is employability’ reflects the beginning of the debate about ‘quality’ in higher education at the start of the 1990s. There was much debate about ‘what do we mean by quality?’, ‘Can we define it?’. Or ‘do we just know it when we see it?’. It was, for example, a long time before quality and standards were disentangled. Much time was also spent trying to adapt industrial models to higher education; debating whether ISO9000 was part of, or separate from, TQM.

‘Employability’ is likely to go through the same processes. Employers’ views will be wholeheartedly embraced by disciples, as TQM was in some quarters of higher education. Mostly, employers and academics will ‘talk past each other’ and there will be endless debates about appropriate language. Employability processes will be confused with outcomes. Employability-linked learning will be subject to crude measures of outcome, viz. first-destination returns. The following is a working ‘definition’ of employability.

Employability of a *graduate* is the propensity of the graduate to exhibit *attributes* that employers anticipate will be *necessary* for the *future* effective functioning of their organisation.

The implication is that:
- employability relates to individuals seeking work;
- employers have an idea of what are necessary attributes;
- desirability is linked to future requirements;
- employers have mechanisms for determining that graduates exhibit appropriate attributes.

This definition does not specify that graduates need to exhibit ‘graduate’ attributes nor that they are recruited into ‘graduate jobs’. This is because:
(a) graduates enter employment at a variety of levels;
(b) what constitutes a graduate job is no longer clearly specified.
Indeed, the Association of Graduate Recruiters now defines a graduate job as any job that a graduate does. This is not a fatuous response to a changing situation but one that reflects the diversity of graduate employment.

There is plenty of evidence that graduates, in fact, take on jobs that may not necessarily have been seen as graduate jobs and grow them. That is, the ‘mundane’ job taken by the graduate evolves to become far more important and more far reaching and have a greater impact on the functioning of the organisation than was anticipated.

**What are the desirable attributes?**

Over the last twenty years there has been considerable research on the necessary or desirable attributes of graduates. There are many lists of attributes and a good degree of convergence. The context in which assertions are made about graduate attributes is the rapidly changing organisation.

Most organisations are characterised by a presumption that change is here to stay and have been affected by significant reorganisation of one sort or another: downsizing, delayering and flexible contractual arrangements. This means that, for graduates, there is an unclear graduate promotion ladder, far more project-oriented team working, a consequent need to be able to interact with a wide range of personnel and a less clear chain of responsibility. On top of that graduates face a wide range of work requirements and greater workload, longer working hours and more responsibility than in the past. In short, graduates need to be flexible and adaptable.

Organisations are thus looking much further than degree subject and classification when recruiting.

…the fact that they have that degree basically confirms they are people who think in a certain way and have certain abilities, so the next stage is a number of key competencies.

*Graduates’ Work: personnel manager, multi-national food manufacturer*

What plays a role in the final decision is, are we talking about people who have done something extra as well, whether it is extra-curricular activities or whether it is work experience, or climbing Mount Everest. Something that distinguishes them and therefore can give you some clue about drive, ambition, commercial awareness or whatever.

*Graduates’ Work: senior executive, large brewing company*

Increasingly, ‘graduate attributes’ are more important in the recruitment process than the graduates’ degree subject. United Kingdom employers are at the forefront of ‘any discipline’ recruitment. That is, the majority of vacancies filled by graduates do not require someone from a specific discipline. On the contrary, employers recruiting in the UK often positively seek out graduates from disciplines other than that which would appear to be relevant. For example, many large accountancy and management-consultant firms seek history, classics, social science or physics graduates rather than
accountants. Software firms are not looking for computing specialists they need IT-literate people who can communicate and work in teams.

Subject-specific knowledge is not the primary determinant of suitability for employment in most graduate recruitment, the main exceptions being medicine and engineering. Graduate recruiters want a raft of other skills in addition to a first degree and these override the degree specialism in many areas (CBI, 1994, 1995; AGR, 1995; CIHE, 1996; Hansen, 1998). Similarly, Fisher (1998), commenting on Denmark, noted that employers, are also becoming less concerned about the field of study. What they want are bright graduates and they tend to use grades, rather than subject area, as a first filter. More and more employers are taking ‘exotics’, those graduates with degree subjects not apparently linked to the core business.

I don’t care what you did your degree in, I really don’t. If you want an engineer you want an engineer, if somebody is going to design a vehicle, then I don’t want somebody who has got a degree in sociology. But even in areas like finance, I don’t necessarily want a finance-trained human being. It is as much, if not more, about personal traits, personal drive and ambition. You could be managing director of this company with a degree in sociology.

(Graduates’ Work: director commercial operations, large vehicle manufacturer)

We have done some research, and in the long-term non-lawyers are more successful than lawyers. We take about a third non-law and two-thirds law, because for a whole variety of reasons we have to train non-lawyers for a year more, so it costs us significantly more. We don’t care where they come from or what their discipline is as long as they are the best.

(Graduates’ Work: head of personnel, large law firm)

Employers and their representatives consistently say that, to succeed at work, most people in future must develop a range of personal and intellectual attributes beyond those traditionally made explicit in programmes of study in higher education institutions.

We do look for communication skills. We look for someone who is a team player. We look for someone who has got the ability to put forward ideas persuasively. We like to recruit people who have good social skills, they are able to relate to other people well. Linked in with that is personality and also the ability to cope with stress.

(Graduates’ Work: partner, large law firm)

At root, employers want interactive and personal attributes. The core interactive attributes are communication, teamwork and interpersonal skills. These are necessary to communicate, formally and informally, with a wide range of people both internal and external to the organisation; to relate to, and feel comfortable with, people at all levels in the organisation as well as a range of external stakeholders, to be able to make and maintain relationships as circumstances change; work effectively in teams, often more than one team at once, and to be able to re-adjust roles from one project situation to another in an ever-shifting work situation.
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(Graduates’ Work: Partner, large law firm)

Personal attributes are attitudes and abilities including intellect, knowledge (in some cases) willingness and ability to learn and continue learning, ability to find things out, willingness to take risks and show initiative, flexibility and adaptability to respond, pre-empt and ultimately lead change; and ‘self-skill’ such as self-motivation, self-confidence, self-management and self-promotion. These personal attributes are important to allow graduates to fit into the work culture, do the job, develop ideas, take initiative and responsibility and ultimately help organisations deal with change (Harvey, Moon and Geall, 1997).

On one level the set of specified skills has not changed greatly for a quarter of a century: communication skills, numeracy, self-confidence and self-discipline, problem-solving, analysis and interpersonal skills featured alongside knowledge and intelligence in organisational graduate specifications in the 1970s (Kelsall, Poole, and Kuhn, 1972).

Technological and organisational changes over 25 years have added ICT skills, teamworking, flexibility, adaptability. Furthermore, ‘problem solving’ has become ‘creative problem-solving’ and risk-taking has become a key attribute. On the other hand, there is much less emphasis on knowledge and far more on willingness to continue learning.

Measuring employability?

How do we measure employability? There is an attempt to move much more quickly to operationalising the concept of ‘employability’ than was the case with ‘quality’. Debates about employability seem already to revolve around achievement of (full-time) employment (of an ‘acceptable’ type within a specified time after graduation). However, this is precipitous. Measurement is the end result of a process of operationalising a concept. Any measurement is only as good as its operationalisation.

Operationalisation is the process of going from a theoretical concept to a measurable index (Harvey and MacDonald, 1993). The stages of operationalisation are:

- Define the theoretical concept.
- Break it down into dimensions that cover the meaning of the concept.
- Identify a range of indicators for each dimension.
- Select one or more indicators for each dimension.
- Design instruments to collect information on each indicator.
- Decide whether to have a multi-dimensional set of indicators, an array of indices or a single index.
- Where appropriate, combine indicators into an index.
To explore what this means, consider two alternatives (Table 1).

A third alternative might define employability on the basis of their *job satisfaction*. Which itself may be linked to an array of factors, differently weighted for each individual. In short, how employability is defined will determine its operationalisation.

The exposition, so far, has focused on the employability of the graduate. This is deliberate because it makes no sense to talk about the employability of an institution. All that it is possible to do is to explore how effective the institution is in developing the employability of its students. How that is judged depends on how we define and operationalise the notion of graduate employability. However, the question remains, has any of this got anything to do with higher education?

**Table 1: Example of alternative operationalisations of employability**

| Stage 1: Theoretical definition | Alternative No. 1: Employability is the ability of graduates to get a job. | Alternative No. 2: Employability is the propensity of the graduate to exhibit attributes that employers anticipate will be necessary for the future effective functioning of their organisation. |
| Stage 2: Dimensions | E.g. Nature of employment | Range of attributes: teamworking, communication, risk taking... |
| Nature of employment | Teamworking | E.g. Teamworking: experience of working in teams, experience of leading teams, ability to play different roles in different teams simultaneously. |
| Time after graduation | Communication | E.g. Communication: experience of working in groups, ability to communicate effectively, ability to lead groups simultaneously. |
| Income | Risk taking | E.g. Risk taking: experience of working in high pressure situations, ability to make decisions under pressure, ability to work effectively under pressure simultaneously. |
| Discipline | E.g. Nature of employment: teamworking | E.g. Teamworking: experience of working in teams, experience of leading teams, ability to play different roles in different teams simultaneously. |

Higher education through its research, scholarship and teaching primarily develops knowledge, transfers it and enables others to use, and further develop, knowledge. Many in higher education thus consider the limits of higher education to be the dissemination of knowledge (to ‘stakeholders’, which usually means to students and peers working in the discipline) and the enabling of students to handle the information via the development of higher-level intellectual abilities, viz. analysis, synthesis, critique, inference, extrapolation. How this meshes with the world of work is not the major issue for many academics.
Indeed, for some, the idea that academia should respond to its primary stakeholder is an unwelcome prospect:

Does the university have to meet the expectations of students or is the idea that the students grow to fit the expectations the university has of them? (Evans, 1999, p. 10)

So, whatever definition of employability (of the graduate) is adopted requires that we address the question as to whether this is a personal endeavour of the graduate or something linked directly to the institution. Is employability solely a result of the individual making the most of the higher education experience and extracurricular activities? (Figure 1). Or, does the HEI have any role in this?

Whatever role the institution is assumed to play, it is unwise to assume a causal link between the efforts (or lack of effort) of a higher education institution and the extent and type of employment of their graduates.

**Figure 1: Individual employability**

Graduate

⇒

employability

⇒

Employment

It is a big step to somehow take this back to measuring the ‘employability effectiveness’ of the institution (Figure 2).

**Figure 2: ‘Employability effectiveness’ of the institution**

HEI

⇒

employability-development
opportunities

⇒

Graduate

⇒
An employability performance indicator

An employability performance indicator of an institution is thus an indicator of the effectiveness of the institution in developing employable graduates. If such an indicator is based on the employment of graduates then it assumes some kind of causal link. However, this is far from a simple causal relationship. To make a causal link implies that the higher education institution should be able to provide graduates with some sort of package of attributes that meshes with what an employer is looking for.

That also presumes that graduate recruitment is a rational activity. However, despite the convergence amongst employers about the attributes they seek, the graduate recruitment process of each organisation in practice is idiosyncratic, pre-judgmental, restrictive, and at times bizarre (Harvey, Moon and Geall, 1997).

Thus, it is not appropriate to assess an institution’s efforts to provide students with employability skills on the basis of the recruitment activities of employers over which the higher education institution has no control. In short, employment rates of graduates is no indicator at all of the employability-skill development activities of the higher education institution.

Some institutions have good graduate employment rates because of their reputation but that may have more to do with employers’ perceptions that the ‘best’ students go to the institution rather than perceptions about how well students are developed at them. Some institutions have good employment rates because they specialise in areas that have good rates anyway, such as pharmacy, computer science, maths, optometry. Clearly, employment rates are discipline-specific.

There are also discipline differences in time lags to employment. Furthermore, there are discipline differences in the type of job that is desirable. In art and design, for example, almost a third of graduates undertake some form of self-employment for at least part of their time (this far more than in any other discipline area). Some of this represents the pinnacle of a desirable job, some of it is out of necessity because of the nature of the design industry. However, this is not easily identified in such things as First Destination Returns.

To start with a view that an employability performance indicator should be based on First Destination Returns simply because they are available would be unfortunate. What might be gained by what appears a relatively simple measure would be lost on three fronts:

• lack of causal chain between HEI efforts and employment;
• lack of credibility — crude and discriminatory measure (even if it was made discipline-specific and after an appropriate time lag of at least one year);
• lack of encouragement to continue employability skill development if recognition (and incentive) follows employment rates and thus favours those who rely on reputation and are probably already among the best resourced institutions.

On the contrary, a rational approach to an employability performance indicator is needed. First, there is a need to agree a theoretical definition of employability.

Second, it is necessary to go through the appropriate stages of operationalising the concept. The outcome will be quite different depending on the initial definition. Employability might be operationalised as a graduate profile or it might be operationalised as achieved employment or, possibly, job satisfaction.

Third, a performance indicator for employability-development of the institution must follow the measurement of employability of the individual. So, for example, if the employability of the individual is operationalised in terms of an attribute profile, then the performance indicator of the employability-development of an institution would be based on an audit of the employability-development opportunities offered by the institution (See attached Employability Audit Toolkit, (Harvey, 1999a) as an example). Such an audit would include identifying the work-experience opportunities and the attribute-development opportunities explicitly embedded in the curriculum.

Fourth, the causal link between the performance of the institution and the achievement of the student must not be presupposed. Students, for example, achieve employability attributes both as a result of their higher education and irrespective of (or, even, despite) their higher education. Students may get a job as a result of having a degree in a specific subject from a specific institution, or because they have an array of desirable attributes, or because they have contacts, or they were in the right place at the right time, or their face fits or for many other reasons. How much of this is due to the efforts of the higher education institution is debatable.

**Learning**

The way to unlock this potential conundrum is to go back to first principles. The two key reasons for the expansion of higher education in Europe is to improve the skills stock and provide people with the attributes needed to be critical lifelong learners. Lifelong learning goes beyond a single focus on an educated work force:

> Future economic prosperity, social and political cohesion and the achievement of genuinely democratic societies with full participation, all depend on a well-educated and trained population.

(Alexander, 1997, p. 169)

As such, it is a view compatible with a philosophy of transformative learning. In effect, then, achieving a job within six months of graduation is merely a symptom, and a misleading one, of a much more important development: the enhancement and empowering of the learner (Harvey, 1999b).
Thus employability is not about getting graduates into jobs. It is not even about delivering ‘employability skills’ in some generic sense. Rather it is about developing critical lifelong learners — and employability is subsumed as a subset within that. So the focus needs to be on empowering students to become critical learners.

Students, are empowered by developing their critical, reflective and transformative abilities. This requires an approach to teaching and learning that goes beyond requiring students to learn a body of knowledge and be able to apply it analytically. Anne Brockband and Ian McGill (1998, p. 214) argue that facilitation of learning rather than teaching is necessary to ‘encourage critically reflective learning’.

Developing a critical approach to learning is about challenging preconceptions, both those of the learner and the teacher. It is about being able to develop opinions and be able to justify them, to be able to think about knowledge as a process not some ‘thing’ they tentatively approach and selectively appropriate. A critical approach is about students having the confidence to assess and develop knowledge for themselves rather than submitting packaged chunks to an assessor who will tell them if it sufficient or ‘correct’ (Harvey and Knight, 1996).

Students need to be guided in critical learning and one of the best ways is to make the learning process transparent rather than opaque: to make it so that, for students, it is their learning rather than an initiation into the professor’s mysteries. Empowering learners requires an approach that treats students as intellectual performers rather than as compliant audience. It transforms teaching and learning into an active process of coming to understand.

Increasingly, in a world of change, in which flexibility is a watchword, learners need to be able to help the organisations, in which they work after graduation, to transform in the face of this rapid and continuous change. Graduates will not be able to do that if they are not able to work in teams, communicate well, analyse, and synthesise. More importantly, the future graduate needs to be self-transformative, which requires reflective and critical abilities.

This, in essence, is what an employability performance indicator needs to be measuring. This is not something captured by First Destination Returns.

**Conclusion**

In conclusion, initiatives that help improve employability of students are to be encouraged, especially where they include significant work-related elements or are embedded in the curriculum. However, an employability performance indicator based on the employment rates of graduates from institutions is problematic.

Apart from implying an unconvincing causal link between institutional activity and graduate success in achieving a job, it is likely to result in acknowledgement of activity that is not genuinely taking the employability agenda forward. In the last resort, employability performance indicators should be subsumed to the higher education purpose. At root, employability is about the relationship between higher education and employment.
As such, employability raises fundamental questions about the purpose and structure of higher education. Employability is not about training or providing add-on skills to gain employment. On the contrary, employability is about how higher education develops critical, reflective, empowered learners.

Despite appearances to the contrary, the real challenge is not how to accommodate employability but how to shift the traditional balance of power from the education provider to those participating in the learning experience.

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