



Forecasting employment prospects for higher education graduates

AlmaLaurea Conference 2016

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WARWICK INSTITUTE *for*
EMPLOYMENT RESEARCH



Introduction

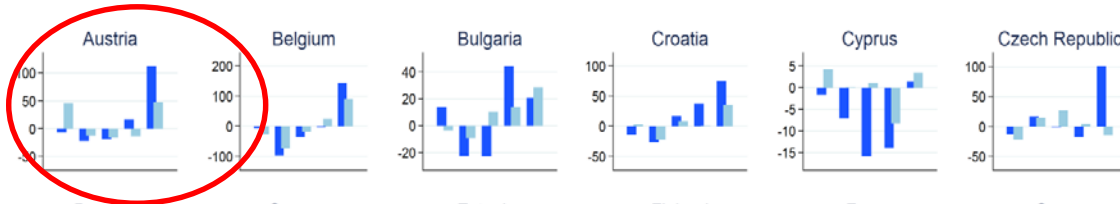
- Emphasis on higher education (HE) providing not just ‘employability’ but *appropriate* jobs for graduates. Job destination becoming a proxy metric for quality of HE provision?
- Supply of graduates important but not sufficient; understanding demand increasingly recognised as an, even *the*, issue.
- Two issues:
 - Developments to the the labour market – trends and predictions.
 - The expansion and fragmentation of the HE sector.
- Being able to understand what jobs graduates do and how they become equipped for these jobs becoming a concern; has three issues: **availability** of, and **access** to the ‘**right**’ jobs.
- Draw on IER’s *Futuretrack* and *Working Futures; Graduates on the Property Ladder*; and QuInnE team outputs.

Labour market trend – polarisation of employment

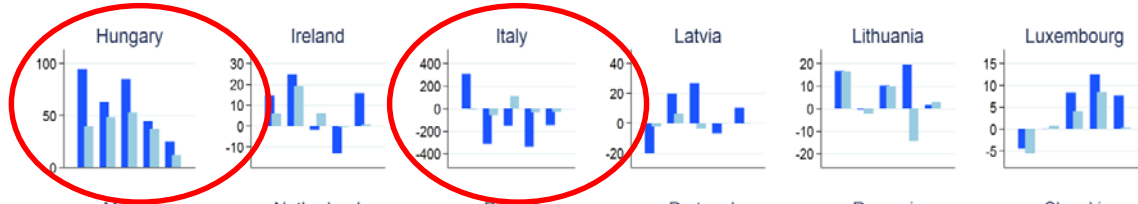
- Claim of a polarisation of jobs across Europe (Goos et al. 2012) with increases in low and high skilled/paid jobs and hollowing out of the middle – the ‘hourglass economy’.
- Eurofound (Hurley et al. 2015) analysis using the ‘jobs-based approach’ finds a very mixed picture across EU countries.
 - Polarisation over crisis period of 2008-10 has eased; now upgrading with some polarisation.
 - Over 2011-14, most job growth has occurred in higher quality jobs.
- HE might also have contributed to the perception of polarisation through credentialism (Anderson 2009).

Mixed trends across the EU

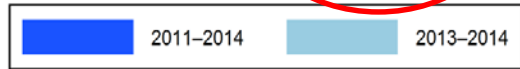
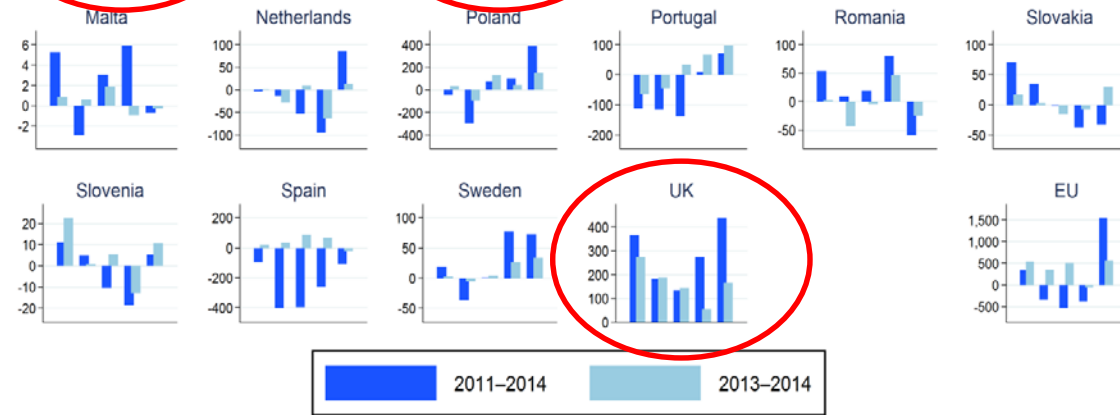
Upgrading



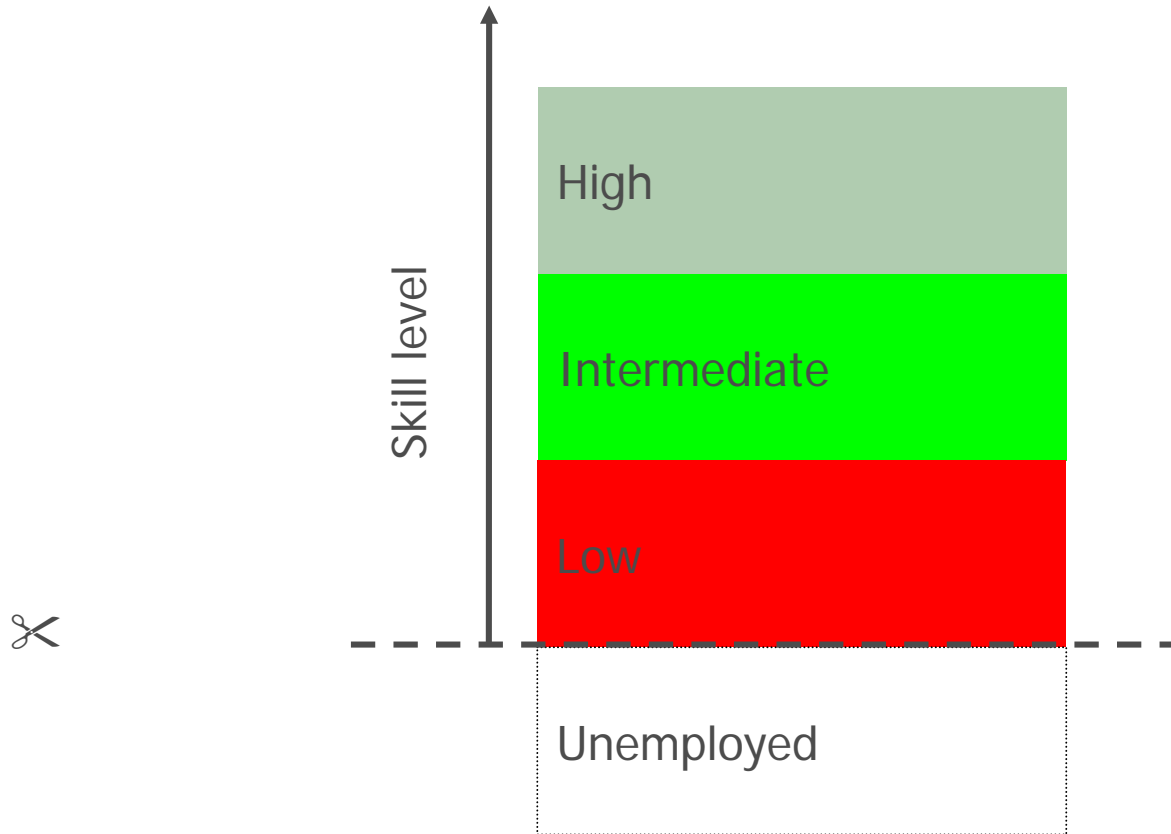
Downgrading



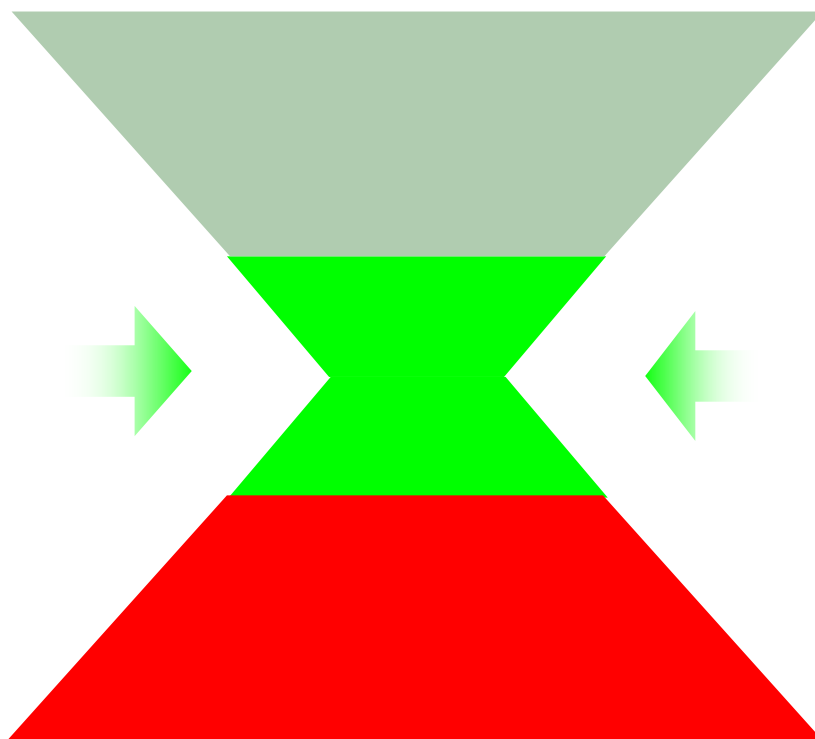
Polarising



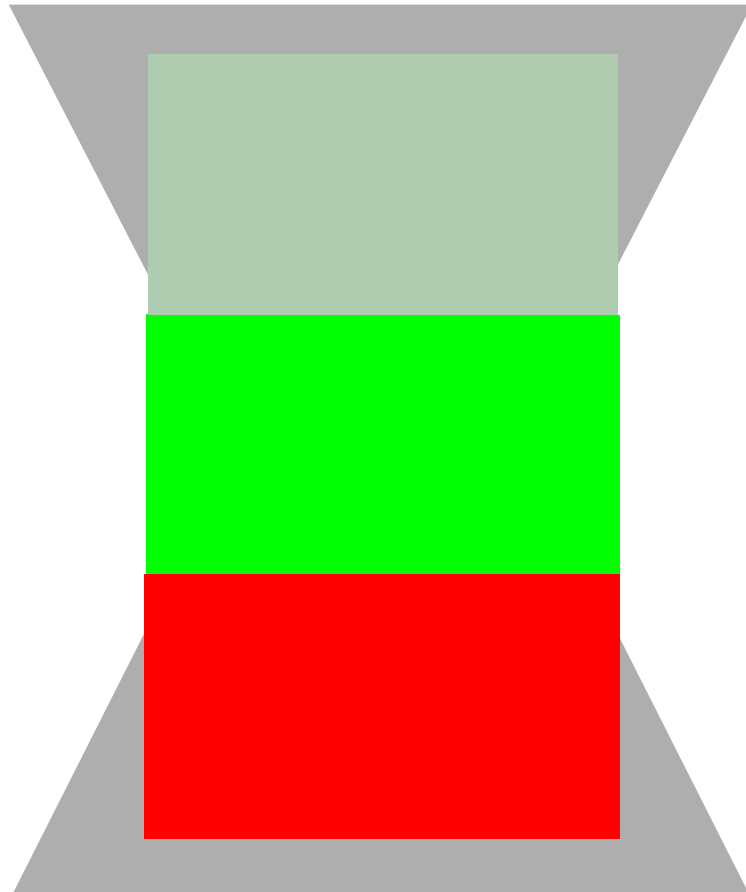
Perceptual problem? Skill levels and jobs



The hourglass economy



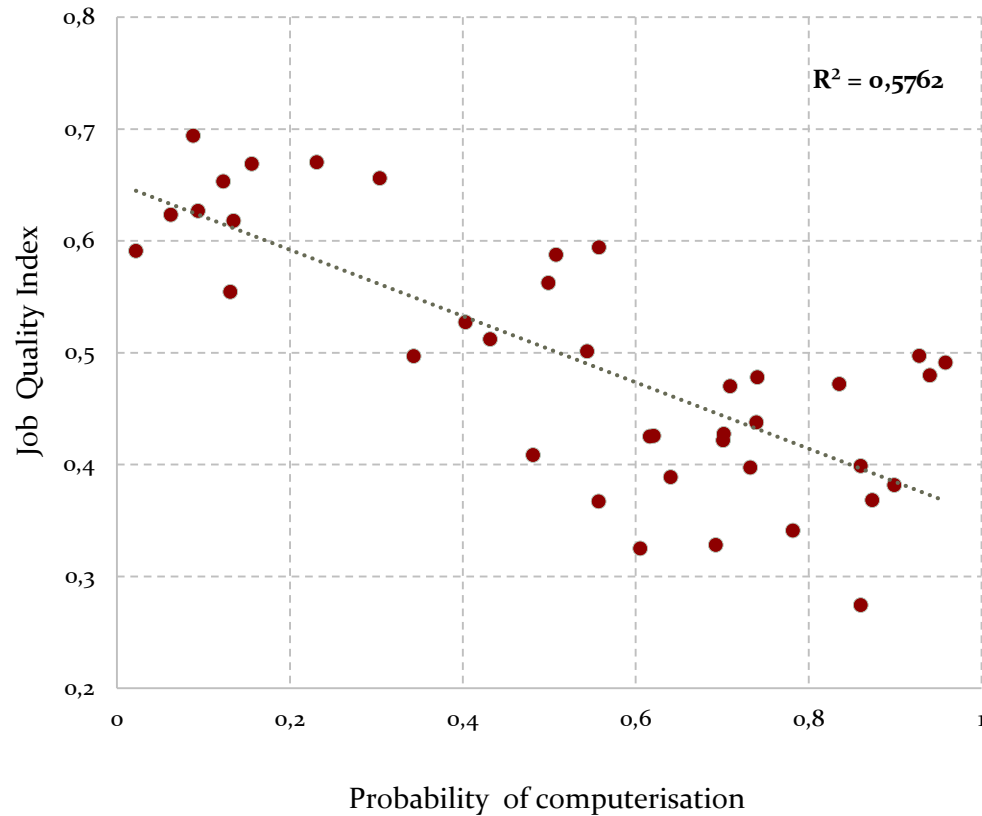
HE, occupational reclassification and the hourglass economy revisited



Labour market prediction #1 – Robotisation

- Claim that half of all jobs susceptible to machines and computerisation (Frey & Osborne 2013).
- Death of work as human labour substituted by technology i.e. robots.
- Huge questions recently: ‘What are humans for in a ... “bot-based” economy ... that does not need their labour?’ (Boyd 2014).
- Tested by QuinnE colleague Rafa Muñoz de Bustillo at the European level using Job Quality Index and for 39 occupations.
- Mixed implications:
 - Jobs with higher risk of being robotised are of lower job quality e.g. cleaners (high risk: 0.605, low job quality: 0.325) and vice versa.
 - Higher quality jobs – those done by graduates – safer (though not safe).
- Plus associated new design and engineering jobs for these robots?

The forward march of robots halted?

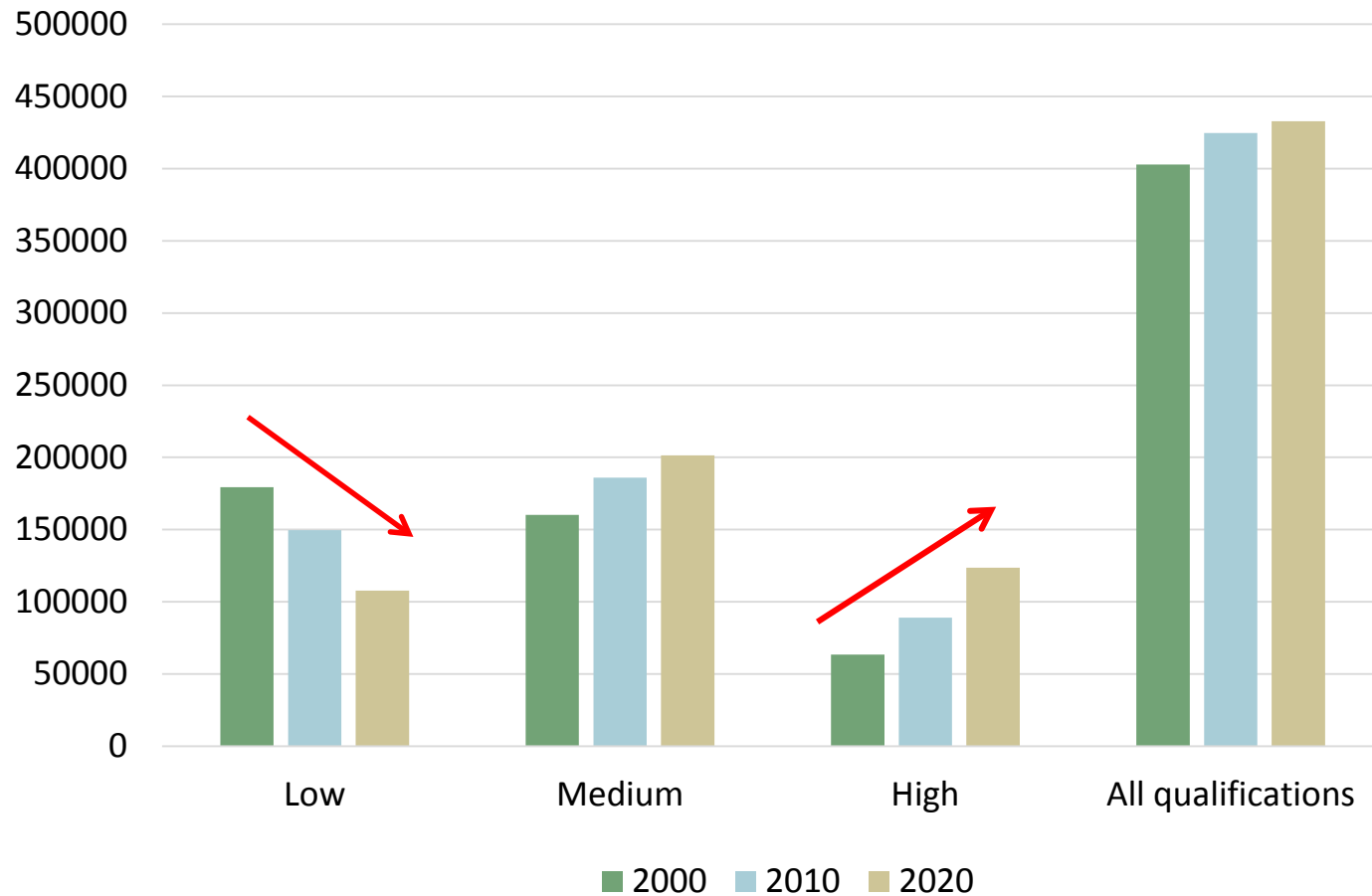


From: Muñoz de Bustillo (2016)

Labour market predication #2 – ‘Überisation’

- Tasks transferred to spot markets rather than bundled into jobs; employment dissolves, replaced by crowdsourcing.
- Through the internet, workers compete for tasks on price and availability in a ‘sharing/gig economy’.
- Creates intermediaries for, not employers of, tasks e.g. TaskRabbit.
- Envelops a range of high, medium and low skilled tasks e.g. accountancy, plumbing, gardening.
- Debate currently about tax losses for governments but also employment implications with Über claiming no responsibilities and liabilities.
- Long-term work and employment implications?
 - For some, also ‘death of work’ with technology substitution e.g. taxi drivers.
 - For others, whilst ‘death of the job’, knowledge and skills still required.
- Outcomes regarding ‘status’ pending legal clarification.

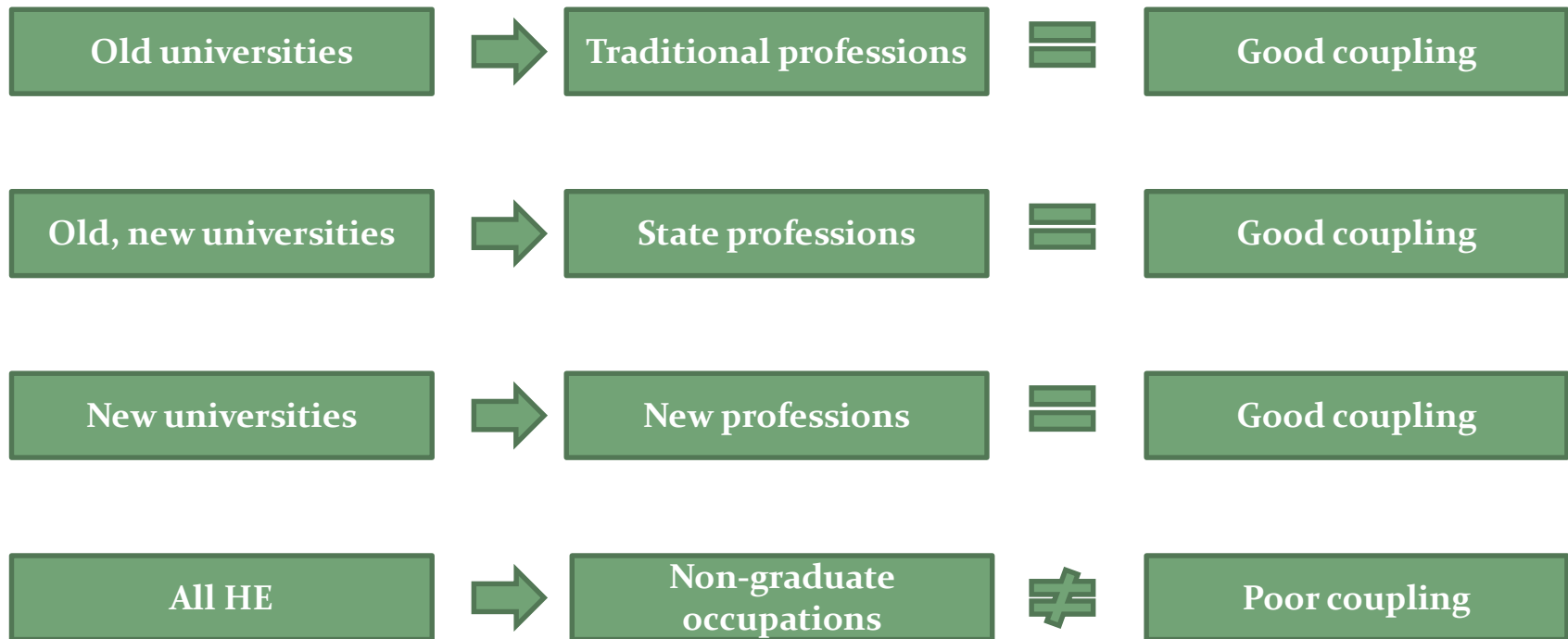
There is demand for highly qualified workers in the EU



What knowledge and skills do graduates need?

- ‘Employability’ a dynamic term (Hurrell et al. 2012), relating to:
 - getting a job; staying in a job; progressing through internal/external labour markets.
 - supply, demand and externalities.
- Employers have greater hiring choice with boosted supply of graduates but still some complaints about their job readiness.
- Employers want graduates with a mixture of knowledge and skills (e.g. Lowden et al. 2011; Luchinskaya 2016):
 - Subject/discipline knowledge, encultured/tacit knowledge.
 - Technical skills, soft skills.
 - Suggests specific and generic , also human capital and cultural capital (after Becker 1964; Bourdieu 1990).
- But balance varies by job; HEIs’ orientation and development of these knowledge and skills also varies.

Education to employment links based on curriculum-delivered knowledge and skills

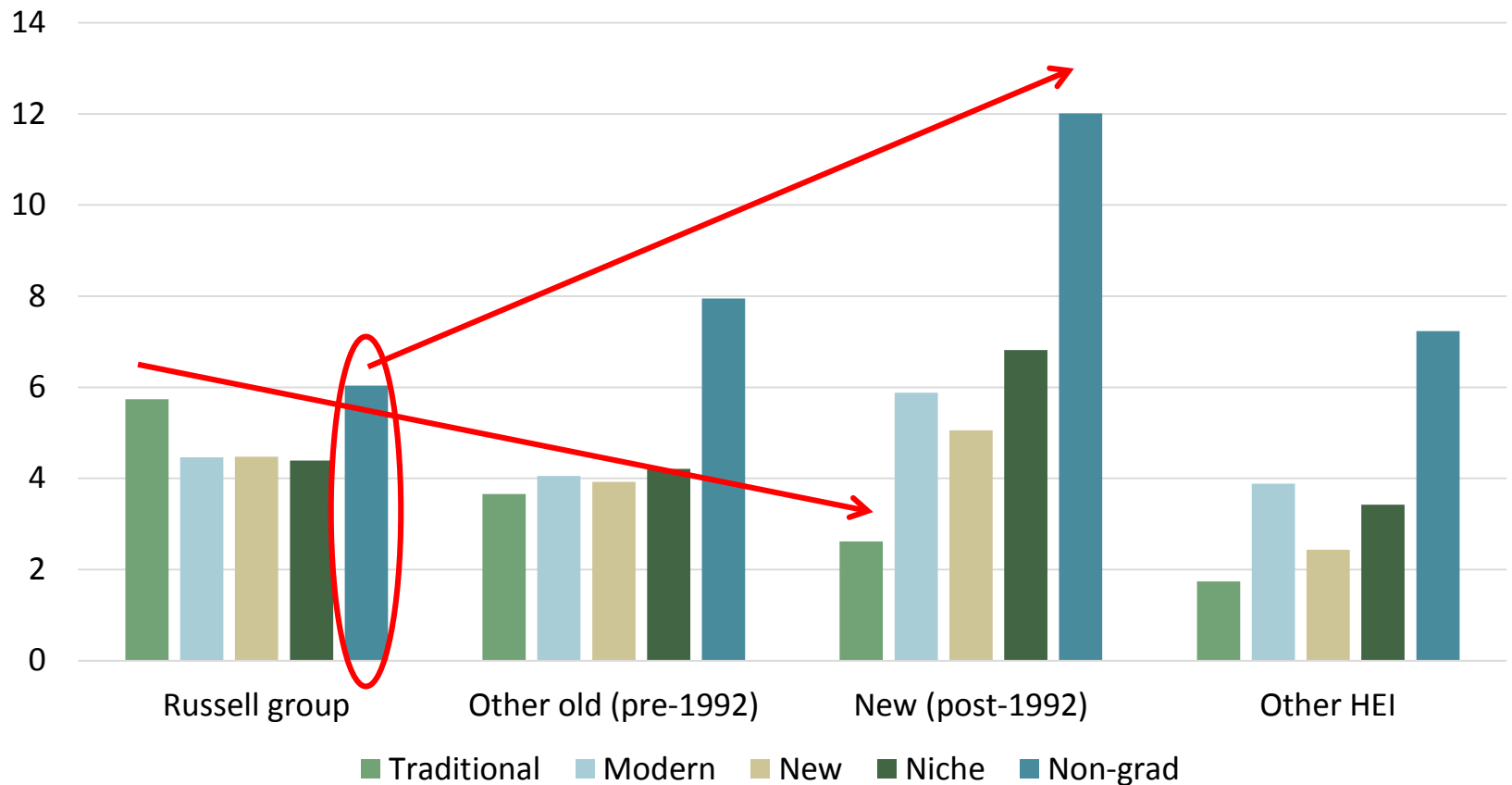


Examples of occupations

Traditional professions	Established professions that were historically accessed through a degree route	e.g. Legal professionals (solicitors, barristers etc.)	SOC10 241 ISCO08 261
State professions	Professions that expanded with the welfare state post-war	e.g. Public service/Welfare professionals (social workers etc.)	SOC10 244 ISCO08 263
New professions	Occupations which used to be done by non-graduates but that have recently started requiring degrees	e.g. Nursing and midwifery professionals (nurses etc.)	SOC10 223 ISCO08 222
Non-graduate jobs	Jobs that did not and do not formally require a degree qualification	e.g. Sales assistants and retail cashiers (checkout operators etc.)	SOC10 711 ISCO08 523

UK universities and job destination

SOC(HE) 2004 job classification by HEI type - all graduates



Traditional and new professions by university type

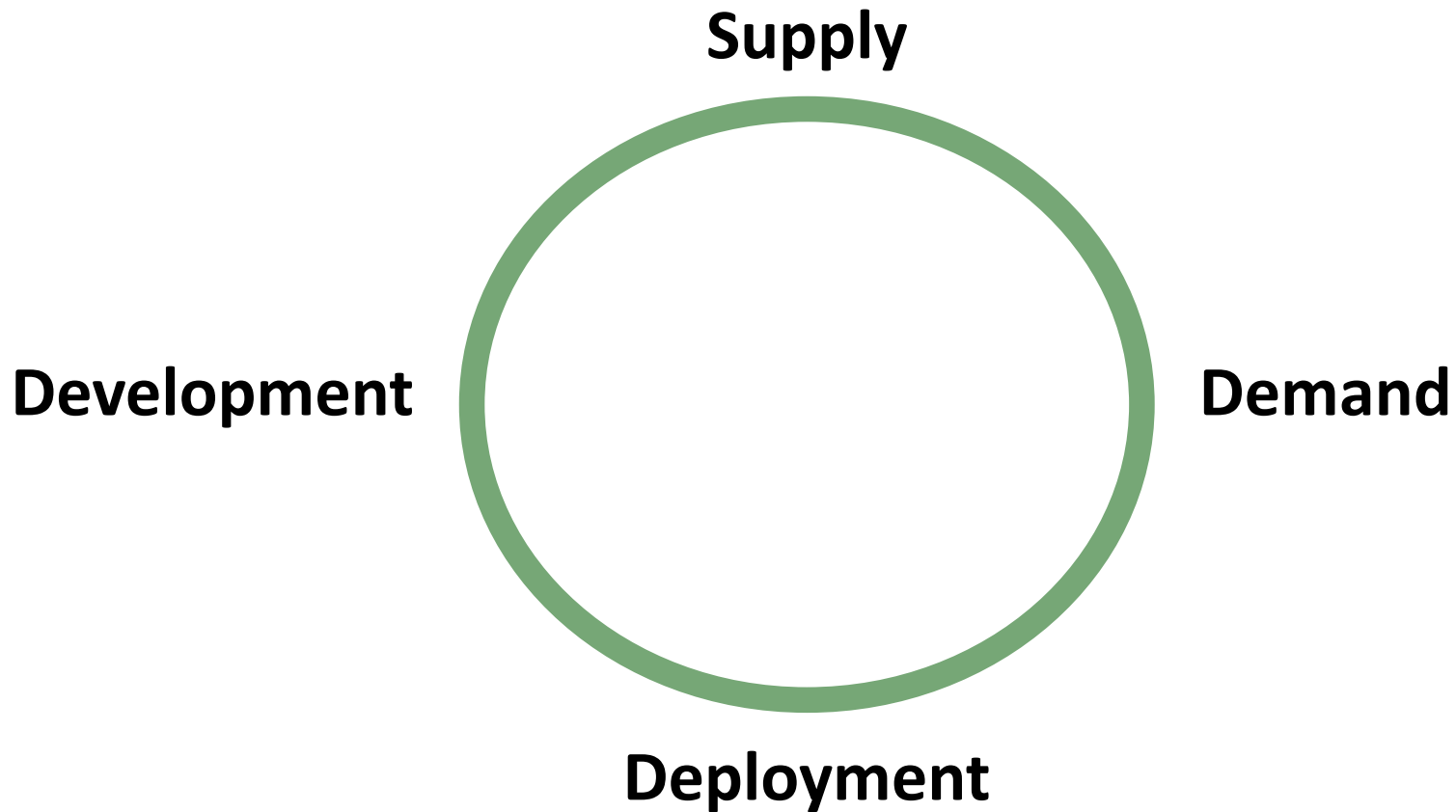
Legal professionals, Welfare professionals, Nursing/midwifery professionals, and Sales assistants/retail cashiers by HEI type



What about graduates in non-graduate jobs?

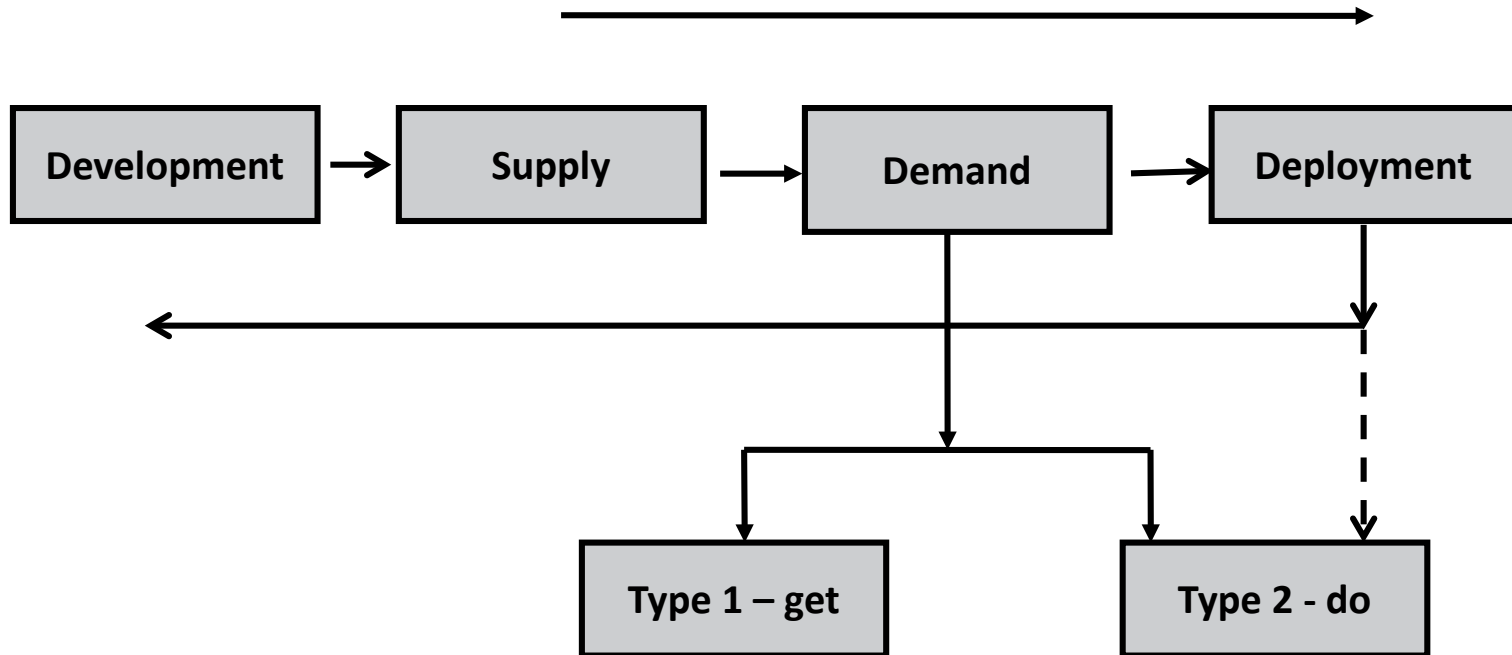
- Don't use subject knowledge but claim good use of skills. But skills used are soft skills e.g.:
 - 'The skill sets that they're looking for are much more about human beings ... Things like their attitude, their commitment, their drive, their energy, their enthusiasm.' (estate agent recruiter quoted in Tholen et al. 2016)
- Soft skills not gained in, but can be 'polished' in, HE; can confer short-term advantage in work.
- Employers unaware of skills possessed; use school/networks (social capital) as proxies for capabilities e.g. estate agents.
- Creates: frustration for graduates; displacement of non-graduates; hybrid workplaces; decay of HE-derived knowledge and skills.
- Need longitudinal data on whether have enhanced pay and progression in employment, avoiding 'scarring'; or grow/craft the job to use HE-derived skills in work.

Useful to think about HE and the skills circle?



From: James et al. (2014)

(Reconfiguring) Policy thinking about knowledge and skills



Differential exposure to extra-curricular activities

- Participation in extra-curricular activities while in HE can improve labour market opportunities for students who may otherwise be disadvantaged by their socio-economic background (Brennan and Shah 2003).
- Evidence suggests that non-traditional students tend to participate less in extra-curricular activities, choosing to focus on academic achievement (e.g. Reay et al. 2009).
- Some groups of non-traditional students may feel excluded, not understand the value of such activities, or, particularly in the case of mature students, lack time to engage in these activities.
- Futuretrack research confirms these patterns ...

Differential exposure to extra-curricular activities

	% who participated in extra-curricular activities	% who were an office holder or student representative
Higher managerial or professional background	80	20
Intermediate occupational background	71	15
Routine or manual background	67	12
Both parents have a degree	87	25
One parent has a degree	77	17
Neither parent has a degree	70	15
Age 18 on entry to HE	81	18
Age 26 and over	58	14

Source: Purcell et al. (2013)

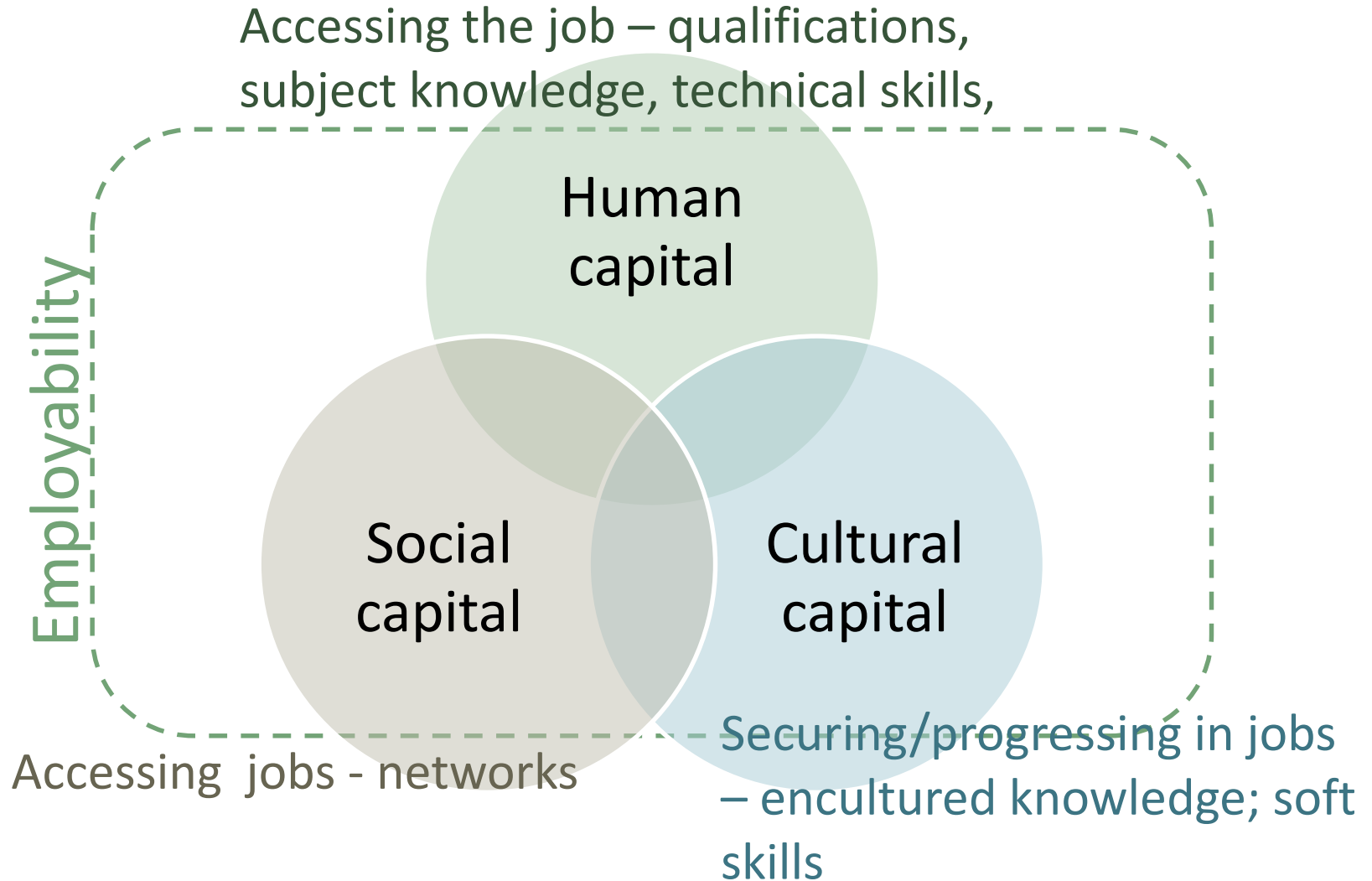
Differential exposure to extra-curricular activities

- Graduates with social and educational disadvantages that are also associated with labour market disadvantage *amplify* their relative disadvantages by failing to reap the benefits of the non-academic aspects of HE.
 - E.g. graduates from a routine and manual background who had been an office holder/student representative were less likely to be in non-graduate employment than those who had not (33% vs 43%).

Graduate knowledge and skills vs graduates' knowledge and skills

- Assume HEIs the loci of development, creating 'graduateness'.
- Some distinct knowledge and skills are acquired through HE.
- But other loci also provide them (e.g. family, friends, school, extra-curricular activities, work) before, during but parallel to HE.
- HE can refine these knowledge and skills – the 'finishing school' function (Tholen et al. 2016).
- Again differential exposure to these loci of development.
- Suggests what employers want and what graduates offer is derived through a mixture of **human, cultural and social capitals**.

The three capitals of (graduate) employability



Conclusion

- Assumption that HE the deliverer of the **right** job in terms of the provision of what knowledge and skills employers demand.
- Currently enough graduates to fill available traditional graduate jobs; with over-supply, situation unlikely to change immediately.
- Good matching of knowledge and skills between these graduates these jobs.
- But old and new tight couplings of education and employment with differences by HEI type.
- But significant number of graduates going into 'non-graduate' jobs for which HE-derived knowledge and skills less matched.
- Use different forms of **access** to jobs via different capitals.
- Opens up:
 - Panorama for predicting graduates' job (mis-)matching;
 - Need to reconceptualise the knowledge and skills of graduates – both type, and how and where formed.

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