

# Are there too many graduates in the UK?

## A literature review and an analysis of graduate employability

**Tamsin Bowers-Brown, with Lee Harvey**

**Abstract:** *The recent White Paper, The Future of Higher Education, and the annual increase in the number of young people achieving passes at A-level (the final secondary-school examinations) have fuelled an ongoing debate on whether too many people are now entering higher education in the UK. At the centre of the ‘too many graduates’ argument is the issue of employability: is the nation producing enough graduates to meet the needs of the knowledge economy or is there an abundance of graduates in the workplace who do not need degrees to do their jobs? This article identifies key arguments in the increasing participation and employability debate.*

**Keywords:** *graduate employability; vocational training; higher education; widening participation; foundation degrees*

*Tamsin Bowers-Brown is a Research Associate with the Centre for Research and Evaluation (CRE) at Sheffield Hallam University, Church House, City Campus, Howard Street, Sheffield S1 1WB, UK. E-Mail: T.Bowers-Brown@shu.ac.uk. Professor Lee Harvey is Director of the Centre for Research and Evaluation and Deputy Director of the Enhancing Student Employability Co-ordination Team (ESECT) at Sheffield Hallam University.*

In the UK, the government White Paper *The Future of Higher Education* (DfES, 2003a) and the recent Department for Education and Skills document *Widening Participation in Higher Education* (DfES, 2003b) have encouraged debate about the number of young people who are entering higher education. The Secretary of State for Education, Charles Clarke, introduces the White Paper by citing the success of British universities in increasing participation. He points out that in the early 1960s only 6% of under-21s went to university, whereas today around 43% of 18–30 year-olds in England enter higher education (DfES, 2003a, p 2). This increase in participation has led some to ask whether there are now too many graduates.

Connected to this question are issues of standards, graduate employability, skills shortages and thus vocational training and education.

Several contributions, written before the publication of the White Paper, addressed different aspects and potential outcomes of the widening participation and employability debate. This paper explores the ‘elitist’ and ‘democratic’ perspectives on the expansion of higher education before examining the views of employers. Vocational education in the context of further and higher education is also explored. The paper is not an account of the economic consequences of expansion, but rather an exploration of the key theoretical standpoints in the increasing participation debate.

## The perspectives

The White Paper *The Future of Higher Education* states that the government will continue to increase participation towards 50% of those aged 18–30 and that it will do this mainly through two-year, work-focused ‘foundation’ degrees. There are differing views on the effect this will have on society and in particular on the workforce. Four key strands of thought emerge from the literature:

- *Elitist perspective.* There are too many graduates and not enough graduate jobs. The benefits of education are seen purely in economic terms.
- *Democratic perspective.* The more educated people there are, the better. Graduates are of social benefit and there is no such thing as a graduate job: what graduates do is a graduate job. Besides, graduates ‘grow’ jobs.
- *Vocational education advocates’ perspective.* Irrespective of how many graduates there are, there are not enough skilled crafts/technical people. There are too many people doing degrees who should be learning a trade; hence the need for foundation degrees.
- *The business investment perspective.* There is a lack of commitment to lifelong learning on the employer’s part. Employers do not use graduates effectively.

### *Elitist perspective*

In the elitist camp are the Institute of Directors and the former Chief Inspector of Schools, Chris Woodhead, alongside various press contributors. A report published by the Institute of Directors (Lea, 2002) presents the key thinking from the elitist perspective in relation to higher education.

The elitist view of widening participation concentrates on standards in education and a perceived lack of graduate jobs. The elitist position is that too many young people are going into higher education and that this adversely affects the number of skilled trade people in the workforce. The increased participation rate in higher education has resulted in an overqualified workforce, with an abundance of graduates taking jobs for which they do not require a degree.

It is argued that the number of 18–30 year-olds entering higher education ought to be reduced to approximately 15% (Lea, 2002), thus in effect recommending a return to the numbers entering higher education in the 1970s and 1980s. According to the Universities and Colleges Admissions Service (UCAS), a total of 374,307 students began a full-time degree or higher national diploma course in autumn 2003. In 2002 the number was 368,115. The elitists go so far as

to state that the standards in education must have decreased in order to support the inflation:

Average entrance requirements have become significantly easier in recent years in order to accommodate the rising number going to university (and A-levels have been ‘dumbed down’ accordingly). (Lea, 2002, p 17.)

It is alleged (Lea, 2002) that some universities are so eager to gain students that course entrance requirements are waived. The elitists believe that this calls into question the entire purpose of expanding higher education. One of the institutions that have allegedly waived entrance requirements has a projected non-completion rate of about 45% (MacLeod, 2002). The official figures for non-completion show that

For the majority of universities and colleges, between 70 and 90 per cent of entrants are projected to graduate from the institution where they started. At a small number of institutions this figure is less than 60 per cent. (HEFCE, 2003.)

For the elitists, the higher education system is seen purely as a means of refuelling the economy and of producing new ‘academic’ graduates who will then go into ‘traditional’ graduate jobs. The benefits of higher education are seen solely in terms of economics rather than for the social rewards it can bring.

The UK government’s bill to introduce variable top-up fees in universities in England and Wales was passed by Parliament in early 2004. The bill is supported by the elitists. Students currently pay £1,125 a year in tuition fees, at the point of delivery. From 2006 universities will be allowed to charge up to £3,000 a year for undergraduate courses – this fee is payable once a student has graduated and is earning. The elite view regards the payment of top-up fees as fundamental if universities are to compete globally and pay their staff the market rate. Top-up fees are recommended at the ‘best’ universities as it is thought that a person’s capacity for earning will be greatly increased on graduating from one of these institutions. However, little thought is given (or perhaps the issue is thought to be of little importance) to the potential problems this will pose for fair access for students from the most disadvantaged socio-economic groups or from lower-income families that do not qualify for financial aid. Variable top-up fees are likely to resurrect the hierarchy of universities, but the elitists argue that an ‘Ivy League’ already exists and do not regard this as a problem.

The elitist justification of top-up fees ignores the fact that, as higher earners, graduates will pay a higher rate of tax on their income. It assumes that the benefits the individual acquires from higher education are greater than the benefits his or her knowledge brings to

society. It also assumes that the graduate premium is similar for all graduates, at least within a given discipline.

The elitists believe that a distinction must be made between those institutions offering academic subjects and those offering vocational subjects. In fact, vocational subjects within higher education institutions must meet an academic standard, although this is not always recognized by those outside the higher education sector. In the case of foundation degrees, the Quality Assurance Agency states that academic knowledge and understanding will reinforce and support the development of vocational skills with appropriate academic rigour. The argument is therefore somewhat fallacious: vocational higher education courses must by their nature be academic, or else they would not be classified as higher education programmes.

One method of distinguishing between so-called 'academic' and 'vocational' institutions is to impose higher top-up fees at the academic institutions. However, there remains a distinction between 'high-brow' vocations and what is generally understood by 'vocational training'. The elitists seek to maintain traditional middle-class vocations such as medicine and law within the university and remove or constrain the development of vocational courses, such as tourism or leisure management.

In addition to the argument about vocational higher education, there is also a discussion about 'soft' and 'hard' subjects. Biglan (1973) is thought to have been the originator of these terms. Jarvis and Woodrow (2001) note that

[Biglan] distinguishes between 'hard' and 'soft' subjects based on the paradigmatic basis inherent within each subject. Those subjects that have a single paradigm, or hard subjects, would be more fixed in content as areas of interest and research methodologies are usually agreed. Subjects without a paradigmatic basis, or soft subjects, have idiosyncratic contents and method with no consensual area of study or research. Under this classification, maths and science are hard subjects and humanities and social sciences soft.

'Soft' subjects are thought to be of less value than 'hard' ones, and they include the discipline that is all too often the target of unfair derision – media studies. In the UK, the 'post-1992' universities are most associated with soft subjects.

The elitists believe that soft subjects are becoming more popular. According to UCAS figures for 2003:

Amongst the degree subjects showing the biggest increase in applications accepted for 2003 are media studies (up 15.8%), nursing (up 15.2%), education (up 12.4%), cinematics and

photography (up 10.6%), architecture (up 10.3%) and pre-clinical medicine (up 10.2%). A 34.7% rise in social work applications has been seen, with the introduction of new degree level courses.

These figures show that there is considerable variety in the type of subjects that have increased in popularity – yet all are vocation-related.

Although the Conservative Party, currently in opposition in the UK Parliament, adopts the elitist viewpoint on the expansion of education, it does not support the introduction of top-up fees. The Party recently revealed its 'fair deal for students' policy, in which it declares that both tuition fees and top-up fees would be scrapped by a Conservative government. To achieve this, the Party intends to remove the 50% admissions target and reduce the number of students entering higher education. It asserts that:

Expanding university admissions is unnecessary when we have a severe shortage of technical and vocational skills. (Conservative Party, 2003.)

This argument supports the perceived needs of the economy rather than encouraging people to pursue the route that they feel will be most beneficial to them. It also involves placing an artificial 'cap' on university places, which would impose restricted access on education regardless of ability.

Another element that is paramount to the elitist argument is the issue of over-qualification; people, the argument goes, are working in jobs for which they are more than qualified. Brown, Hesketh and Williams (2003) state that in 2001 over 300,000 graduates competed for fewer than 15,000 elite jobs:

The idea that the 'more you learn the more you earn' has a degree of validity as long as other people are not learning the same things, otherwise one is running to stand still. (Brown, Hesketh and Williams, 2003, p 9.)

The elitists argue that accepting a job that does not require a graduate qualification is demotivating. It can leave many graduates with the financial debt incurred through study and an income that is too low to support repayment. Kivinen and Ahola (1999) also support the notion that the graduate advantage has been weakened by increased participation in higher education:

It is advisable for each individual to proceed as far as possible in formal education, in order to minimize the personal risks. Yet as the number of graduates increases, the benefit offered by a degree diminishes.

The effect of too many high-skilled workers has been linked to the displacement of lower-skilled workers. Hofman and Steijn (2003) argue that the basic concept

of displacement is that, as higher-skilled workers accept jobs for which they are overqualified, the chain of workers is pushed down a level. Thus, lower-skilled workers are pushed into unemployment. Keep (2002) also examines the issue of overqualification. Referring to the *Second Skills Survey* he notes that:

There appear to be a substantial number of individuals who already hold qualifications in excess of those needed to obtain their current job. Overall, in 2001 about 37% of the workforce appeared to be overqualified. (Keep, 2002, p 466.)

This does not indicate that there are 37% of people with degrees working in jobs for which they are overqualified: it indicates that the respondents had more than the required qualifications for their role.

For Kivinen and Ahola (1999), the proposition that there are too many graduates is not an elitist argument that seeks to limit university places. They suggest that there is an intensifying problem of mismatch between supply and demand. They also propose that, rather than asking whether much of the workforce is overeducated, we should ask whether people's resources and education are underused in employment.

The elitists would prefer that young people who do not read an academic subject are encouraged to take vocational training. The co-existence of a skills shortage and an abundance of graduates is seen as a 'pull' factor when encouraging vocational training. The elitists see what they refer to as 'soft' subjects in higher education as a waste of scarce resources; rather than increasing job opportunities, they believe that these degrees lack credibility and do not guarantee a graduate job. They question whether foundation degrees should be sold as providing a 'university education', because they see the content as very different from that of traditional academic courses.

#### *Democratic perspective*

The democratic perspective of higher education asserts that the opportunity to study should be open to all who wish to study and are capable of doing it. Higher education is viewed as a collective and individual good. There are two elements in this view: the benefits to the individual from participating in higher education and the wider benefit to the national economy – these issues will be discussed more fully in relation to widening participation.

The White Paper *The Future of Higher Education* states that higher education institutions should aim to be more proactive in their approach to attracting students from different socio-economic groups. Widening participation as well as increasing participation is seen to be of utmost importance. Watson (2002), referring to data from the Office for

National Statistics regarding participation in higher education by socio-economic background, notes that 72% of the children of professional classes participate, compared with just 13% of the children of unskilled workers. Schuetze and Slowey (2002) also claim that the massification of higher education has not been sufficient to eliminate unequal rates of participation by different social groups. Although the Higher Education Bill proposes financial aid for the poorest students, Mandy Telford, President of the National Union of Students, claims that the new plans for variable top-up fees will create a market in higher education and that students from poorer backgrounds will be put off going to more expensive institutions.

The rate of participation among all socio-economic backgrounds becomes more important when one looks at the greater benefits that higher education can bring to society. The democrats assert that it is not purely the educational rewards that a university programme delivers which are beneficial to the individual and society. Although higher education is viewed by democrats as a means of escalating the knowledge of society as a whole, the life-experiences that students acquire at university are also seen to be of great value:

Convincing evidence is now available about the so-called 'wider benefits' of higher education in health, in career development and in democratic tolerance. (Watson, 2002.)

Teichler (1999) states that higher education has three functions: education, training and socialization. The 'socialization' element is understood to 'shape the values, attitudes, social behaviour and the communication skills relevant for action in socio-communicative contexts'. Professing that education is a means of improving social well-being, *The Future of Higher Education* also recognizes the wider benefits of higher education:

Higher education is a great national asset. Its contribution to the economic and social well-being of the nation is of vital importance. Wide access to higher education makes for a more enlightened and socially just society. (DfES, 2003a, p 10.)

The goal of increased participation focuses particularly on improving participation amongst disadvantaged groups. The motivation propelling this objective is one of social harmony as well as of building economic strength. A report commissioned by the Higher Education Funding Council for England found that:

In the domains of health, the labour market, citizenship and parenthood, young people with experience of higher education seem, over and above their other attributes, to profit significantly. (Bynner *et al*, 2003.)

However, with the introduction of top-up fees it is suggested that people from poorer backgrounds will not be eager to rush into higher education:

The government has expressed a desire to widen participation and include those who have not traditionally studied to a high level, including the poor and the dispossessed. So how will these vulnerable and impoverished thousands be enticed into universities? Not by crippling fees. The evidence shows that poor students are put off by fees, even if they are excused them. (Wragg, 2002.)

Higher education is also seen as part of the process of lifelong learning, which contributes to the development of the nation's human capital and is seen as essential for competitiveness (Guile and Young, 1998):

By raising educational standards for all, to international benchmarks of excellence, nations can attract a larger proportion of the global supply of high skilled, high waged jobs. (Brown, Hesketh and Williams, 2003.)

Higher education is a fundamental tool for improving the knowledge of society as a whole and a necessity in the current environment, with knowledge-based employment on the increase:

In the coming information society the imagination will be king. The success of any economy will depend on the level of education of its workforce and on the capacity of people to exercise their ingenuity collectively and individually. (Barber, 1998, p 20.)

Watson (2002) claims that research performance in higher education in the UK is a vital part of the knowledge economy and quotes the Department of Trade and Industry:

With only 1 per cent of the world's population, the UK is responsible for 4.5 per cent of the world's spend on science, produces 8 per cent of the world's scientific papers, receives 9 per cent of citations and claims around 10 per cent of internationally recognised science prizes. (DTI, 2001.)

However, the democrats face the argument from the elitists that there are already too many graduates for the number of graduate jobs available. There is, though, evidence to the contrary: Watson (2002) explores graduate employment, referring to a Careers Service Unit survey (*Graduate Market Trends*, July 2001) and research by the Institute for Employment Research:

Graduate vacancies have increased by 23 per cent in the last year, with average graduate starting salaries up by 2.5 per cent (CSU, 2001). Unemployment drops to less than 2 per cent three years after graduation (IER *et al*, 1999).

The Association of Graduate Recruiters Recruitment Survey (AGR, 2004) predicts an increase in the number of graduate job vacancies, which it expects to rise by 11.9% in 2004, compared to the numbers actually recruited in 2003.

There is some variation in the claimed levels of graduate earnings, according to *Prospects Today* magazine:

In 2003, AGR employers offered graduates a median starting salary of £20,300, a 4.3% increase compared to the salary rates paid in 2002. In contrast, the NatWest Student Money Matters 2003 found the average starting salary for graduates to be £12,659 in 2003. In the year to 30 September 2003, the average salary offered by advertisers in *Prospects Today* (PT) was £18,502, up 2.9% from a year ago. (*Prospects Today*, 2004.)

Graduate vacancies may have increased, but it is possible that some of these vacancies were previously specified as 'A'-level entry and were upgraded due to the large number of graduates available in the job market. This would also explain the differences in the starting salaries of graduates. However, it has been argued that what a graduate does is a graduate job (Harvey *et al*, 1997). According to the Council for Industry and Higher Education (CIHE),

Evidence suggests that they [graduates] can add value to organisations whether in the private, public or not-for-profit sectors. They can bring a high-level of skills and understanding and can grow their jobs even when those jobs did not specify that a graduate was needed. (CIHE, 2003.)

It is thought that graduates are more likely to develop the role they are in or 'grow' the job so that it becomes a graduate role. Kivinen and Ahola (1999, p 198) see the changes in organizational cultures as opportunities for graduates to 'grow' their jobs:

The changes in organizational cultures and work processes open up new possibilities for graduates to start a process of upgrading their jobs through job enhancement and enrichment, leading in the end to changes in the occupations themselves.

Teichler (1999) indicates that many quantitative studies that attempt to assess the level of employment graduates are taking do not examine whether the role has changed since it was first developed. To this extent statements are made that are based on perception rather than on fact. Teichler claims that it is likely that graduates will use a substantial number of competencies in their work that have been acquired through study. The competencies graduates acquire are not always job-specific, as Harvey *et al* (1997) point out:

Numerous comments have suggested that, while employers are looking for adaptive people who fit in, they also want them to be intelligent, rounded people who have a depth of understanding, can apply themselves, take responsibility and develop their role in the organisation – to be educated rather than trained.

### Work skills

In response to demand and to ensure that students do as much as they can to enhance their employability skills, universities have sought ways to assist them in the acquisition of work skills. Degree programmes that offer work-related training or work-based learning represent one method. Another is integrating core skills teaching into the curriculum. As Harvey & Bowers-Brown (2003) state,

The last five years have witnessed an accelerating pace of engagement with employability within the academy. Initial, piecemeal accommodation of employability through skills modules has developed into a more diverse array of opportunities. In some institutions, they have been developed into an integrated, holistic strategy, most recently linked to learning and teaching policy.

In numerous areas of work it is not necessary to have a degree that relates specifically to the profession. Harvey *et al* (1997) suggest that:

There is no evident desire for an undergraduate education to become more closely linked to specific vocational qualifications. In short, then, employers as much as students and educators expect an undergraduate programme to produce analytic, critical, reflective, transformative, graduates.

In an attempt to produce graduates who can demonstrate these skills, many institutions have incorporated into their curricula techniques to develop and improve students' employability:

Higher education in particular must provide its graduates with the skills to be able to operate professionally within the environment required for the 'learning age' or 'learning society'. (Fallows and Steven, 2000, p 76.)

Fallows and Steven (2000) explore an initiative at the University of Luton, where the strategic decision was taken to embed employability-related skills in all undergraduate programmes. The authors discuss how the key skills of information retrieval and handling, communication and presentation, planning and problem-solving, and social development and interaction were introduced as key learning outcomes. The first group of students to participate in this scheme did not graduate until 1999 and so the authors cannot judge how successful the strategy has been. However, they do note that:

Course teams are already recognising that the skills initiative is having a positive effect on student performance generally. (Fallows and Stevens, 2000, p 82.)

Bennett *et al* (1999) also explore the ways in which higher education institutes have attempted to incorporate the development of core or generic work skills into degree programmes to meet the requirements of employers:

The skills demanded lack clarity, consistency and a recognisable theoretical base. Any attempt to acquire enhanced understandings of practice, through which to inform staff and course development initiatives, thus requires the conceptualisation and development of models of generic skills. (Bennett *et al*, 1999, p 90.)

Bennett *et al* believe that steps must be taken to develop a national model of generic skills and course provision so that teachers can transfer and plan teaching accordingly. However, others argue that employability is a process of learning rather than a product:

Employability involves a concerted holistic approach to developing students' study skills, encouraging them to reflect and articulate what they have learned. (Harvey, 2003.)

In many cases, students will have gained the skills they require for the workplace. Often, it is just a question of encouraging students to interpret what they have learned and to make them aware of their skills and capabilities:

The institution is but one among many factors that influence the employability of graduates. While the institution might contribute to a graduate's knowledge, skills and experience, graduates also draw on other life experiences, including paid and voluntary work. (Harvey *et al*, 2002, p 16.)

Students are key actors in the employability debate and have the opportunity to enhance their own career prospects.

### Vocational education advocates

The concern as to whether there are too many graduates is also associated with the shortage of skilled workers. Elitists believe that vocational education should capture those students who are less academically oriented and help them to develop technical skills rather than encouraging them to take a university course:

The latest legitimisation for curtailing the number of graduates is because there is an apparent shortage of skilled artisans – plumbers, welders and so on. Instead of taking up a 'trade', students are opting for degrees. The foundation degree addresses this issue and is a more appropriate approach than artificially capping the numbers of people who have experienced higher education. (Harvey *et al*, 2003, p 5.)

The foundation degree (FD) attempts to break down the status divide between knowledge-based and vocational subjects. Students are able to study a practical vocational topic within a higher education institute. It is through these degrees that the UK government believes it will increase participation in higher education to 50% (the rate is currently 43%). There is another vocationally oriented higher education qualification in the UK called the Higher National Diploma (HND), but, unlike the FD, this is largely competency-based.

There are two distinct areas of vocational training in the UK: (a) the vocational training schemes such as Modern Apprenticeship that encourage people aged 16–19 to learn a trade or technical skill and (b) higher education vocational courses such as foundation degrees, Higher National Certificates and Diplomas (HNCs/HNDs) or degrees in vocational subjects. Vocational training is widely viewed as a route to a career through practical training. It involves learning a skill or speciality in one field of work and therefore it is expected that the trainee will find work in that field.

There is a degree of overlap in the thinking of the vocational education advocates and the elitists in that both are keen to encourage people to pursue vocational education. (For the elitists this would be vocational training, such as an apprenticeship scheme, rather than vocational university courses.) At the same time, vocational education can be seen to reflect the democratic concern when linked to citizenship. In both cases, the implication is that vocationalism is equated with lower-level education, despite the fact that a university degree is the prerequisite for a variety of vocations including law, medicine and architecture.

In the past, vocational education has often been viewed as a route for those who are not academically minded rather than being valued for its own merit. The withdrawal of income support for 16–17 year-olds in 1990 if they left school, were not in work and had not taken up what at that time were Youth Training Scheme places, linked the training schemes further to low-level skills and devalued the benefits of the scheme. The element of compulsion perhaps made the schemes seem less desirable. The *kudos* in attending university is quite the opposite: high value is placed on gaining a qualification from an institute of higher education. The earning potential for graduates is also a great incentive. The Careers Service Unit (CSU) reported that:

During the period December 2000 to November 2001, young people aged between 21–30 with degree or equivalent qualifications have average annual earnings of £22,302 compared with £15,948 for their non-graduate counterparts, a difference of 39.8%. This difference in earnings rises to a staggering 63.1% at age 31–40 and 71.4% at age 41–50. (Graduate Prospects, 2003.)

It is, therefore, of little surprise that many young people prefer to study at university than to enrol on a traditional vocational training scheme.

The democrats, unlike the elitists, do not place superior value on the type of education pursued, whether it is academic or vocational. Vocational courses are valued and the introduction of foundation degrees offers students an additional opportunity to

gain higher-level academic qualifications in a vocational subject:

Foundation degrees are vocationally-orientated qualifications, delivered over two years full time (or part-time equivalent), which are designed to attract students from a wide range of backgrounds. The foundation degree will equip students with the technical skills, academic knowledge and transferable skills that employers increasingly demand in a range of sectors. (Bradford University, 2000.)

Foundation degrees are delivered over two years; however, they are not equal to a bachelor's degree, which is delivered over three. As with Higher National Certificates (HNCs) and Higher National Diplomas (HNDs), foundation degrees can be topped-up to a bachelor's degree with additional study.

The foundation degree is intended to give students a combination of skills and knowledge through practical 'hands-on' experience and formal teaching. According to the DfES, foundation degrees are employment-related higher education qualifications, designed to equip students with the higher-level skills that employers demand. They are intended to bring higher education and business closer together to meet the needs of employers (DfES, 2003c). A study by the Learning Skills Development Agency in conjunction with Sheffield University showed that the relationship with employers of foundation degree students was more definite than that of students on higher national qualification courses:

One of the major differences emerging between HNC/Ds and FDs is in relation to the work-based element. Visits had confirmed the conclusions from the telephone survey that links with employers on HND/HNC programmes were often quite weak, although there were some significant exceptions to this. Much of the work on FDs was with specific employers or groups of employers. (Learning and Skills Development Agency with the University of Sheffield School of Education, 2002.)

As does the HND, foundation degrees offer the opportunity of accessible higher education to people who are already in employment. A document published by the DfES (2003d) states:

We want employers to see Foundation Degrees as an opportunity to help fill the skills gap. We want young and mature students to see them as a high quality higher education option and we want those in work to recognise that Foundation Degrees present an excellent chance for them to extend their skills. We also want them to contribute to sectoral and regional skills strategies.

Foundation degrees seek to encourage more emphasis on technical education while also giving it a higher profile. To this extent the requirements of the workforce and the individual can be achieved.

According to the Universities and Colleges Admissions Service (UCAS, 2004), by January 2004 5,596 students were accepted for foundation degrees. This compares with 2,699 at the same time last year, which represents a 107.3% increase. However, many of these students would have been applying to do HNCs or HNDs, so the statistics do not necessarily show that more people are choosing vocational higher education.

Guile and Young (1998) examine the opportunities and attractions of modern apprenticeship schemes that combine two approaches to learning. The first is the idea of strengthening the craft skills of the future workforce and the second involves lifelong learning and encouraging individuals to take proactive responsibility for their own learning. Under the Learning and Skills Council's Modern Apprenticeship scheme the student receives on-the-job training from the employer and off-the-job training from a learning provider.

The view of apprenticeship learning as a process rather than as the transmission of skills is thought to be useful; it emphasizes 'learning by doing'. This is not to say that apprenticeships are purely practical; Guile and Young argue that the traditional understanding of apprenticeship schemes is often generalized. The process of learning can vary widely according to the context of the work, and many apprenticeships can be highly knowledge-intensive (Guile and Young, 1998).

Guile and Young examine the vocational debate through a different lens from that used by the majority of those concerned with this area of education:

Existing approaches to learning tend to rely on behaviourist and individualist assumptions; they are dependent on transmission pedagogies and the concept of the transfer of decontextualised knowledge to vocationally specific contexts, and are frequently associated with cognitive science accounts of expertise as the stable individual mastery of well-defined tasks. (Guile and Young, 1998, p 174.)

For Guile and Young, social and cultural processes are fundamental in shaping learning. The apprenticeship scheme should not comprise solely the transfer of skills from 'master' to student. Rather, formal teaching must be accompanied by practical skills and also applied to the environment in which they will be used. Brown (1993) and Collins (1989) have shown that formal learning can be enhanced if the skills and knowledge that students learn are embedded in a social and functional context (Guile and Young, 1998, p 179). This enables students to develop the cultural and social skills required for the successful implementation of their learning.

If Guile and Young's theory is correct, then the fact that foundation degrees are connected to the functional context of the workplace should help students to relate

what has been learned back to their work. This is something that course-related work-experience placements, HNDs and HNCs already attempt to do, as does the Graduate Apprenticeship scheme.

The Graduate Apprenticeship scheme was introduced by the Higher Education Funding Council for England (HEFCE) and the DfES as a pilot scheme in 1998. The scheme links work-based learning with higher education and the accreditation of work skills through a level-three National Vocational Qualification. The Graduate Apprenticeship is delivered by a partnership between the national training organization or sector skills council, the employer and the higher education institution. It offers graduates who are already in work the opportunity to develop their work skills and gain a further higher-level qualification, and it offers students the opportunity to gain accredited work-based learning. The Graduate Apprenticeship scheme has been criticized (Bowers-Brown *et al*, 2003) for its lack of identity due to the variation in delivery frameworks, to which is attributed its limited success.

Keep (2002) explores the roles of different agencies in the arena of vocational education and training. The organization at the forefront of this sector is the Learning and Skills Council (LSC), set up to promote learning in the context of gaining employment. The LSC has 47 local organizations that implement LSC policy and plan local learning provision; these are known as Local Learning and Skills Councils (LLSCs). Keep states that the LSC mission comprises a number of key tasks and a statutory duty to encourage participation in education and to encourage employer participation in the provision of education and training.

He refers to a statement made by the Confederation of British Industry (CBI) in 1989 and sees it as still relevant today. The CBI claimed that medium-term skill requirements were difficult to predict due to the constant changes in technology and corporate strategy and economic circumstances. This brings into question the goals of the LSC: will it ever be able to predict the requirements of the labour market?

In fact, the government White Paper *21st Century Skills* (2003e) states that publicly-funded training should be led by employers' and learners' needs as well as being shaped by the skills priorities of the sector, region and locality. This leads to the question of whether the LSC should encourage people to train to meet employers' demands or whether it should encourage the individual to study or train to pursue his or her own interests. According to Keep,

There was much talk during the work of the National Skills Task Force (NSTF) suggesting that there were too many students following courses for which there was insufficient employer demand. (Keep, 2002, p 465.)

The LSC is expected to meet the needs of a number of stakeholders, including the individual learner, business, the local community and the wider economy, a particularly arduous task as desired outcomes will often be mismatched. The LSC says that its primary interest is

... likely to be in sectors where there are skills shortages and gaps that are acting as a constraint to growth, and which link to a demonstrable need for more or better training provision. (LSC, 2001.)

It is inevitable that these requirements will not always be congruent; trends in study are liable to be influenced by other factors. It is unlikely that the first consideration for a student in pursuing a course of training or further study will be whether there is a shortage of that skill in the labour market. Besides, time-lags in labour-force planning often result in disjunctions in the supply and demand in specific skill areas.

Courses in higher education are invariably chosen by the student without the influence of an organization that is likely to give partial advice to suit its own strategic aims. The freedom of choice and the association of vocational courses with low-level skills, alongside the year-on-year improvement in A-level results, leave young people with a set of choices weighted heavily in favour of a university education.

The benefits of vocational education to society are often disregarded, as outcomes are based on purely economic measures. However, the development of the individual and the benefits of learning should also be recognized. Coleman and Keep (2001, p 2) point out that education and training to enhance citizenship, voluntary activities, parenthood, or political, social and cultural life, have limited resonance in the UK. In Scandinavian countries, by contrast, these are seen as fundamental considerations.

Despite the fact that skill development is not only of importance to educational organizations, there is often little recognition of its significance in the workplace.

#### *Business investment*

Advocates of the 'business investment' view look to employers to develop the skills of the workforce. Rather than leaving it to educational institutions to try to meet the needs of the business sector, it is proposed that the business community itself should develop its staff to meet its requirements more exactly:

[The Cabinet PIU analysis] moves the issue away from the mechanisms of supply and starts to locate skills within the wider terrain of workplace organisation and employers' productive and competitive strategies – areas that have been 'off limits' to officially sponsored debates about skill for the past two decades. (Keep, 2002, p 472.)

Keep (2002) argues that it is wrong that the supply of skills to the market has been the core question in discussions regarding vocational education and training. He believes that this has started to change as the demand-side issues have begun to be explored. However, he recognizes that the transition will not be smooth:

This new analysis clashes with Government's desire for 'intervention-free intervention', by suggesting that issues such as product market strategy, work organisation and job design are central to achieving a skills revolution, and that Government and its agencies will perforce need to address these issues by opening up the 'black box' of the firm or organisation. (Keep, 2002, p 476.)

Research shows a lack of investment in workforce training by employers and there is evidence of a mismatch in some sectors between the skills acquired by students and those required by employers. Guile and Young (1998, p 175) suggest that this lack of investment would improve if the workplace were measured by the development opportunities given to employees. This measure would highlight the requirement for employers to develop their staff. Employees would thus attain the skills required to do the job and the company would achieve a reputation for investment in employees, so increasing its ability to recruit and retain high-quality people.

The Investors in People award, introduced by the UK's Basic Skills Agency, does attempt to do just that: the award acknowledges businesses that improve the basic skills of their workforce. Nonetheless, there is evidence to suggest that there is a reticence on the part of employers, particularly in the small-business sector, to educate those at the low-skilled end of the job market. Addis (2003, p 159) argues that businesses will avoid training for fear that other companies will try to recruit or 'poach' employees who have been trained rather than incur the training costs themselves. It is possible that 'poaching' will occur if a company develops an employee and then fails to provide an opportunity for the person to use his or her new skills. The White Paper *21st Century Skills* recognizes that this problem exists and attempts to address it by stating that government training investment should address in particular areas of market failure by offering support to employers in training their low-skilled workers (DfES, 2003e).

Conversely, it is apparent that in certain business sectors the idea of improving higher-level skills has been widely embraced. Business is looking to the government to give financial support to the development of foundation degrees that relate to a specific company (Goddard, 2003). These company-

specific degrees would help employees to gain higher qualifications in subjects relevant to their work. The Association of Graduate Recruiters Survey for 2003 shows that employers are split on the question of whether higher education is developing graduates with the right skills for employment in the 21st century; 38% of respondents agreed with the statement and 38% disagreed. Company-specific degrees represent an attempt to ensure that the educational content fully meets the employer's needs.

Gibb (2002, p 143) believes that educational institutions and businesses should be working together to improve the entrepreneurial skills that will be needed in the work environment:

It has been argued elsewhere that to embrace the conducive learning environment of entrepreneurship requires of organizations that they are heavily networked with the stakeholder environment, and evaluate their own excellence via the multiple perceptions of stakeholders. (Gibb, 2002, p 143.)

Gibb's argument supports that of the vocational advocates, who believe that the successful transition of skills from the educational institution to the workplace is dependent on the combination of practical work and academic theory learned in a work environment. Employees who are encouraged by their employers to take courses in higher education, in subjects relevant to their role, are likely to be more able to develop new and productive ways of working. Not only will they gain knowledge from their study; they will also bring new information from personal experiences at their workplace, which can in turn assist the development of new theory and practice:

Increasing access and participation, within and between different 'communities of practice' will increase individual and collective 'knowledgeability'. (Guile and Young, 1998, p 183.)

Guile and Young reflect the views of Harvey *et al* (1997) in seeing a shift in emphasis in the requirements of business due to changes in the organization of work. In future greater emphasis will be placed on the ability of employees to display generic problem-solving ability and the ability to adapt as the workplace changes.

History indicates that planning to meet the needs of the future, something in which higher education institutions, business and training organizations are all involved, is a process fraught with difficulties. Lifelong learning is now essential to keep up with the constant changes in skills requirements. Employees at all educational levels will have to embrace flexibility as the skills needs of their employers change over time.

## Conclusions

Are there too many graduates in the UK? This paper has explored some of the cross-cutting main themes of graduate employment in an attempt to answer the question. The key issues discussed relate to the number of people entering higher education and the alternatives to studying for a degree. The discussion has focused on the purpose higher education serves and whether it should meet individual or collective aspirations.

The 'elitist' argument comes most vocally from the Institute of Directors, which believes that the number of people entering higher education should be limited. The basis for the elitist argument has two main themes: (a) university places should be 'protected' for those with higher A-level grades and (b) the shortage of skilled trades-people must be addressed. Its recommendations would restrict the opportunity to acquire a degree to a small proportion of the population. If the numbers entering higher education were restricted, the elitists believe, more people would take vocational education or training programmes. Thus, the shortage in skilled crafts-people and trades-people would be resolved.

The 'democratic' argument focuses on the need to improve the levels of knowledge in society as a whole. The increasing and widening of participation are considered fundamental if the nation is to make progress, both economically and socially. Graduate work has changed over the years, and yet the perception of some roles has not. Thus jobs that have not traditionally been seen as graduate jobs, despite their development or growth, are still classified as non-graduate. There is a view that graduates will develop their roles more effectively than non-graduates, whether or not the position is a graduate one. Therefore, a so-called 'non-graduate' role evolves into one suited to the graduate.

The 'vocational' debate focuses around the misconceptions of vocational education and the changes that are necessary for it to function more effectively. There are major contradictions in the aims of the Learning Skills Council, and it is unclear who is supposed to benefit the most from the education it funds. The importance of interactive training and the sharing of knowledge between the key agencies is fundamental to vocational training. For skills to be transferred effectively and for students to develop and share knowledge, learning must extend to social and cultural practices.

The lack of input from the business world is seen as a major reason why skills have not been matched by training schemes or vocational education programmes. In previous years, business has looked to education to

deliver the skills necessary in the workplace. However, there has been a sea change and the benefits of looking to the demand-side for direction are now more apparent.

Business has also come to realize the advantages of improving its skill base. However, the support for skill improvement varies according to the type of work: low-skilled workers suffer most, as the advantage to the employer of improving their basic skills is not as apparent as that of improving the skills of people in a medium-skill environment. The UK business sector has supported foundation degrees, and requests have been made for financial assistance from the government for companies to develop degrees that are particular to their business.

Higher levels of education across a broader section of society will undoubtedly help to increase the levels of societal participation. Poor education is associated with a number of social ills, and so a more educated society can only be beneficial. However, the education required to achieve this improvement does not have to be at university level. Whether people are learning in a higher education institution or as apprentices on a vocational modern apprenticeship scheme, the benefits to society are huge. The element of self-development, and therefore of self-esteem, is of benefit both to the individual and to the community as a whole.

Setting an artificial target for participation in higher education based on a theoretical premise, be it democratic or elitist, is not a useful way to determine the number of people who enter higher education, whether the target is 50% or 15%.

The notion of capping student places and restricting people from doing courses in new vocational subject areas seeks to keep university education exclusive. In order to progress and to be the best at what we do as a society, it is crucial that we encourage people to participate to the highest level of which they are capable. Widening participation and encouraging people to study at university can only be applauded, provided that it is based on genuine capability and not artificial targets.

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