

Fifth QHE 24-Hour Seminar: Employability

Employability Performance Indicator

Summary of workshop discussions and plenary feedback

General

Is an employability performance indicator (EPI) a good idea? There were mixed views about this. It was thought that it might help institutions internally. It may also provide some useful information if presented in an appropriate manner. However, overall there was considerable concern that an EPI will be too crude to be valuable and would probably be used inappropriately.

Certainly, there was relief that any EPI is not planned to be linked to core funding. There was, though, some concern that it is likely to be used to allocate extra student numbers. Although those who want extra student numbers should be able to use the EPI to bid for extra numbers where appropriate, not all expansion in numbers should be linked to an EPI.

There was also some concern that an EPI might lead to yet more 'initiatives' and that the sector was already overloaded with initiatives.

There was a considerable degree of agreement in principle that the development of an EPI should:

- be compatible with institutional diversity;
- be responsive to institutional mission;
- not be crude (but also to avoid an overly complex indicator);
- be fair;
- give credit to institutions that are working on employability-development initiatives;
- take account of mix of different student types (traditional, mature, part-time, etc.);
- take account of the mix of disciplines within a HEI;
- include further study as well as employment/unemployment;
- not have an adverse affect on widening access, given that older graduates and those from working class backgrounds and ethnic minorities have lowest post-graduation employment rates;
- be seen in the wider context of lifelong learning and progression.

There was concern that any 'quick fix' solution to the requirement to produce an EPI by 2000 might end up being a permanent, rather than transitory solution.

There was also concern that an EPI backed by the Treasury would be purely or primarily 'economically-driven', rather than related to the educational mission of HEIs and the broader purposes of higher education.

Purpose

Two purposes of any EPI were identified: accountability and improvement. There was a concern that (at least in the short run) the emphasis would be on accountability. Overwhelmingly, delegates considered that any EPI must link to improvement.

Accountability

The accountability purpose of an EPI was seen as likely to manifest itself in two ways.

- through comparative benchmarking (league tables) and accompanying newspaper stories;
- via additional student numbers.

The thought of comparative benchmarking resulting in misleading league tables based on a crude indicator dismayed delegates. There was also concern that even a sophisticated EPI should not result in league tables where like was not compared with like.

There were two alternative views as to how ‘sensible’ comparisons might be made. The minority view was to have benchmarking comparison (league tables) between similar types of institutions (ancient universities, redbricks, 1960s greenfield, 1992 universities, and so on). The majority view was to have benchmarking comparison (league tables) on a *subject by subject basis* (e.g., using RAE subject categories) given that there is enormous variation in subject employment rates. This would mean about 60 sets of comparisons. Subject comparisons would also be meaningful for potential students given the variability of employment rates across subjects *within* an institution.

That said, it should be recognised that subject-by-subject comparisons are not problem-free. For example, in some professional areas they need to be disaggregated into levels of qualification to be meaningful. HEFCE, are intending to take account of subject differences but are concerned that highly disaggregated data suffer from ‘noise’.

In line with HEFCE’s intention to use an EPI as an ‘early warning signal’, systematically poor performance on (sophisticated) benchmark comparisons (rather than crude league tables) might be indicative of under-performance.

Improvement

The real concern was that any EPI should assist improvement within the institution. Although HEFCE sees an EPI as somehow linked to the dissemination of good practice, delegates thought there was not enough emphasis on internal institutional self-development and continuous quality improvement (CQI). In the long run, delegates considered that an EPI will only be useful if it links to improvement processes. Again this threw up the problem of a short-term fix against a longer-term analytic measure that would benefit the sector and, ultimately, students.

Rather than an emphasis on external comparative benchmarking, delegates considered internal longitudinal benchmarking that allowed them to compare changes over-time and even evaluate outcomes (employment of graduates) against input and process (effort in developing employability opportunities) far more worthwhile than comparison of one institution with another.

Structure

There was an overwhelming desire by delegates for any EPI to take account of the activities of higher education institutions as well as (or in many cases, in preference to) any indicator of employment success. Employability must be seen as part of the development of the learning process and not detached from it. Thus, any EPI must have at least two dimensions (employment rate alone was not seen as acceptable):

- input and process
- outcomes

Input and process

Input and process refers to the efforts that HEIs make to provide employability opportunities for students as part of their experience. An EPI must take into account learning and teaching strategies, including the way that students are assessed. Two main means of assessing input and process were identified:

- employability audit;
- student satisfaction surveys.

Employability audit

Delegates suggested an audit of the employability-development activities of institutions. This should address what the institution has in place to develop 'attributes'. Such an audit would need to be based on self-reporting by the institution and might itself be audited or monitored via the 'drop-in' arrangements of the QAA under its proposed new model of operation.

The areas covered in an audit would include:

- work experience of various types including sandwich courses, 'live projects', semester and shorter placements, visits and work shadowing;
- embedded and explicit skills development in programmes of study;
- free-standing electives (skills development, career management, etc.);
- helping students recognise what they have learned from extra curricular activities.

Some delegates also considered it important to include, in any such audit, an analysis of the opportunities for structured reflection on work experience as learning comes not just from doing work experience but also (and significantly) from reflecting on the experience.

Some delegates also considered that any audit needs to cover the whole experience of the student. In particular, are teaching methods conducive to the development of employability attributes. It is important to avoid a narrow focus for any employability audit. Any such audit needs to cover all 'employability-fostering' activities in the learning and teaching process, which may then result in duplication or overlap with the subject reviews undertaken by QAA.

Satisfaction surveys of graduates

Satisfaction surveys would provide not only information on current activity but the satisfaction of graduates with their educational experience, their reflection on the skills developed, and their appropriateness for their current post. (Perhaps an adaptation of the Australian course feedback questionnaire that provides the sector in Australia with efficient and effective time series data.)

For most respondents, such a questionnaire would be targeted at the first or second year into employment. Some delegates suggested a pre-graduation version at the end of the final year and a subsequent post-graduation version (2 years on) that focused on what skills the graduate used? The problem with this is the cost of tracking and surveying graduates some time after graduation and thus a sampling approach rather than census would appear to be appropriate. Some delegates were particularly concerned about skills actually used by graduates. This was because of assumptions that large employers and SMEs want the same things, notions about the under-utilisation of graduates in the workplace, prejudices about what a graduate can do, and the growing numbers of graduates who 'grow' jobs. Delegates thought that asking recent graduates about good or bad or absent elements of their courses would be helpful.

Many delegates wanted to see any satisfaction survey of graduates as having a qualitative as well as quantitative component.

Variations on the graduate/student satisfaction surveys included suggestions that surveys involve student self-evaluation of employability and assessment of student aspirations compared to achieved jobs. (This is being considered as part of the review of FDRs.)

Outcomes

One of the main problems, for which there seemed to be little solution and over which HEIs had no control, is the 'intuitive', 'irrational' 'prejudiced' or 'convenience' models of graduate recruitment. Although there are 'generic' skills that employers want, each recruiter has their own particular blend, with some additional ingredients or limiting factors (often to do with age, ethnicity, disability, and institutional reputation). In addition, graduate recruitment is being dissipated as more graduates join SMEs, who employ different types of recruitment methodologies. Furthermore, what is required by employers changes as the economy changes.

There was some acceptance, albeit reluctant that, First Destination Returns (FDRs) would be used as an outcome indicator. There was by no means a universal endorsement of this and it was hoped that it would only be a temporary solution given the nature of the FDRs. There were concerns expressed about the accuracy, categories and breakdown of the FDRs. For example, there is no distinction in published HESA statistics between unemployed and seeking work and unemployed and not seeking work (which constitutes a major difference in some subject areas).¹

However, even so, delegates wanted to see three developments in relation to FDRs:

1. Change in the timing so that data is collected at least one year after graduation rather than six months. However, there was also a strong desire to see data collected as a *time series* for each cohort.
2. A refinement in, and possibly addition to, the categories in the FDR survey.
3. Analysis and results to take into account the following key variables:
 - subject area of study;
 - gender;
 - age;
 - ethnicity;
 - occupation of parents/social class/socio-economic classification;
 - mode of study (full-time, part-time);
 - level of study (undergraduate, postgraduate);
 - previous work experience;
 - entry qualifications;
 - regionality;
 - local labour market information;
 - macro-economic factors.

However, this does not mean that there should be an EPI that is a weighted aggregate based on the above list. On the contrary, the above should be the basis of 'breakdowns' rather than 'aggregates'. For example, an EPI for each *subject area* broken down, perhaps, by demographic characteristics, mode and level of study. Differences by region might also be explored, for example, and entry qualifications would relate to any value-added analysis of employability. Labour market conditions and macro-economic factors may be far more sig-

nificant in the employment of graduates than any institutional activity and ‘benchmarking’ between regions (and subjects) and over time need to take into account changing external economic conditions.

It was emphasised, though, that any development in FDRs must also take account of further education and training in a meaningful way. In some professional areas and in some subjects it is vital that undergraduates continue in higher education in order to progress their career. It would be highly misleading to ignore this component when constructing any performance indicator concerned with successful destinations at the initial output stage from institutions.

However, the majority view was that salary should *not* be included as an indicator of a ‘graduate’ job, given that many graduates do not begin their careers in ‘graduate jobs’ and in many discipline areas are unlikely to be in a ‘graduate job’ six months or even a year after graduation. On the other hand, it was pointed out that key evidence presented to the Dearing Committee was that graduates are able to earn a premium salary over non-graduates and that salary should not be ignored altogether.

There is also an issue of the ‘quality’ or ‘level’ of the graduate employment. Although there are no clear-cut graduate jobs, and recognising the growing trend of graduates ‘growing’ jobs, there is still an issue of the ‘reasonable career aspirations’ of graduates. This varies from subject to subject and in some areas there would be a high expectation of ‘professional-level’ full-time employment fairly soon after graduation. In others, such as fine art, the aspiration might be to be a self-employed artist and, thus, having a job might be considered a ‘failure’. Nonetheless, a meaningful employability indicator needs to be able to differentiate ‘career-development’ employment from ‘stop-gap’ employment.

There was also the suggestion that if HEFCE needs quantitative information about salaries, there is a possibility of using statistics already collected for other purposes (such as, information related to collecting loans or inland revenue data). This is under consideration by HEFCE.

One suggestion was that the ‘reputation’ of the institution should also be ‘controlled’ for when comparing employment rates. There was no agreement, though, about how this might be done.

Finally, any development of an outcome indicator needs to be fully discussed with the institutional experts charged with collecting the data.

Value added

Another major concern of delegates was that any EPI should not solely focus on absolute comparisons but take account of the added value. It was not altogether clear how this might be done. It was noted that institutions who take in highly qualified students should not be penalised.

One suggestion was to base value added not on entry and exit qualifications but on entry qualifications and graduate employment. So, for example, rate student intake on a 1–5 scale and then rate employment (at a specified time) also on a 1–5 scale.

For some delegates, added-value involved modelling taking into account the institutional/ student profile. For others, value added was perceived as attempting to see if added effort resulted in improved employment rates, taking into account macro-economic indicators.

Progression

An issue developed in some sessions (although rather less in the plenary) was student progression from higher education into employment and then into subsequent employment. The issue here is whether the student has had sufficient exposure to a range of learning experiences to be able to move progressively, and in a focused way, from the first job. In short, does their career development demonstrate their employability? Longitudinal surveys would be necessary to explore this.

Overseas

Finally, there are experiences overseas and it may be appropriate for people devising an EPI to consider processes in the Netherlands and Sweden that are used to monitor graduates. In Sweden there are educational and professional registers that allow them to contact all graduates (a situation in one form or another that dates back to the 16th century!). In the Netherlands the HEIs carry out a review after 18 months of graduates via a survey with a 50% response rate.

Drafted by Lee Harvey

Thanks to the following who sent comments on the first draft: John Thompson, Ray Wolfenden, George Gordon, Richard Pethen, Brian Joice, Jan Moore, Simon Belt.

¹ One problem, as Brian Joice pointed out, is the 'unemployed' category. The standard first-destinations questionnaire asks for 'primary activity' (either employed, further study, not currently available for employment, or unemployed) and any 'secondary activity' (part-time work, part-time study, practising for music auditions, etc.). Where graduates have indicated that they are 'unemployed' and leave the 'secondary activity' section blank, then they are classified as unemployed in the published statistics. However, where some form of secondary activity is indicated, the group are placed in a separate column within the general 'unemployed' section but indicates, via a footnote, that these graduates are not, in fact, truly unemployed. This latter group (in some cases as large as 14% of the total graduating population of individual institutions) is then entirely excluded from the league tables that appear subsequently in the media. This practice affects the face validity of the statistics.