Mullen, E. (Northumbria University, Newcastle upon Tyne, UK; emma.mullen@northumbria.ac.uk), Alexander, J. (Northumbria University, Newcastle upon Tyne, UK), Coates, N. (Northumbria University, Newcastle upon Tyne, UK)

‘Think about what our industry stands for….‘: exploring the impact of external factors on line manager perceptions of graduate employability

Word count: 4860 words
Abstract

Increasing emphasis is being placed upon employer expectations in research on graduate employability, in response to the widely claimed gap between employer expectations and graduates’ understanding of these expectations. For graduates, being uncertain of their employer’s expectations may threaten the ease of their transition into the workplace and their job satisfaction, even leading to issues around graduate retention for employers. External influences on the graduate labour market such as differences in industry/sector level expectations and economic/political factors, can pose further complications. This paper presents a cross-industry analysis of employer expectations of graduates, drawing from four selected case study vignettes aimed at uncovering insights into these variances. Findings offer implications for policy makers and higher education providers around the design and delivery of a curriculum that appropriately prepares students for the graduate labour market, whilst also catering for industry-level expectations particularly in light of the UK’s forthcoming departure from the EU.

Keywords: graduate employability, industry, line manager, higher education, Brexit

Introduction

This paper offers an analysis of industry-specific employer expectations of graduates, drawing from the experiences of line managers, with the aim of identifying consensus, differences and implications for higher education policy around graduate employability. Massification of higher education, particularly since the 1990s, has placed pressure on higher education institutions to produce work-ready graduates. Increasing student numbers have led to a decline in the value of degree credentials, employers now expect stronger evidence of employability capital in graduates extending to work experience (Wilton, 2011; Hunt and Scott, 2018), transferable skills (Jackson, 2016) and global mindset (Dippold, Eccles, Bridges and Mullen, 2018).

At policy level, UK higher education has been described as marketised in recent years (Marginson, 2013; Tomlinson, 2015) due to an increasing emphasis on institutional performance data and outcomes such as employment measures. Consequently, there has been a tendency to directly associate ‘employability’ with such quantitative employment indicators. Okay-Somerville and Scholarios (2015), McQuaid and Lindsay (2005) referred to objectives indicator of graduate employability, which essentially reduce graduate employability to job offers and employment status.

Other scholars in the field, Holmes (2001; 2015), have criticised such ‘crude’ measures of graduate employability. Instead, Holmes (2015) asserted that graduate employability is a process, something that is experienced rather than possessed, embodying the transition from education into employment. He also emphasised that this transition period is a two-way interaction between graduates and their employers, hence the experiences of employers during this process warrant investigation. Despite several attempts to conceptualise graduate employability, the term remains unclear with a lack of shared language across graduates/students, higher education providers, employers and the UK Government (Gazier, 1998a; Collet et al., 2015). Such disconnect is exemplified through employers’ struggles to fill graduate level vacancies due to skills shortages (Prospects, 2015). However, since policy makers continue to place emphasis on measurable
employment outcomes, understanding employer perceptions of new graduates is essential for more effectively tailoring higher education employability initiatives.

External influences on the graduate labour market

It is widely documented that external barriers should also be taken into account when assessing influences on employability (McQuaid and Lindsay, 2005). Merrill et al. (2019) highlighted that higher education institutions across Europe have undergone significant changes as a consequence of turbulent dynamics between higher education and the Government, and globalisation. For instance, negotiations around the UK’s withdrawal from the EU have been underway since March 2017, following the British Referendum in June 2016. Recent developments on this matter have seen a delay in Britain’s official departure from the EU until October 2019 (The Financial Times, 2019), due to continued negotiations around the nature of the UK withdrawal agreement. Regardless of the outcome, Bulmer and Quaglia (2018) emphasised that this will hold considerable economic and political implications for the UK. Given the UK context in which the present study resides in, it is important to consider potential effects of ‘Brexit’ for future graduate employment.

To illustrate, last year’s High Fliers report (2018) found that the country’s top employers reduced their graduate recruitment in 2017 following the outcome of the Brexit vote, the first decrease in five consecutive years. However, the most recent version of this report (2019) suggested an increase in graduate recruitment of 9.1 per cent, indicating a more optimistic view on graduate employment in post-Brexit Britain. Despite this optimism, there are still a number of negative repercussions that may emerge from Brexit. The Chartered Institute of Personnel & Development (CIPD) (2017a, 2017b) warned that labour shortages may develop in sectors that account for a relatively large share of vacancies in the UK. Subsequently, organisations may revisit their recruitment strategies to offset the risk of looming labour shortages. Further warnings were offered by Personnel Today (2019), with declines in employee confidence and loyalty, fears over job security and pay and reward implications highlighted as threats currently and potentially following Brexit later this year.

Industry-level expectations of graduates

Hernandez-March et al. (2009) emphasised that industry-level influences can alter requirements for the types of employee organisations require. According to Jackson (2014), generic employability/skills development provision, may not necessarily cater to industry/sector specific prerequisites, suggesting that employer insights into industry-related demands of graduates are vital. The present study was not the first to explore perceptions of graduate employers from a range of different types of organisations and industries. Tempone et al.’s (2012) study on Accounting graduates involved large graduate recruiters hosting formal graduate development programmes, small Accounting firms, public sector companies and not-for-profit organisations. Likewise, for their longitudinal study of employer perceptions of graduate skills and competencies, Hinchliffe and Jolly (2009) drew from over 100 UK graduate employers from a range of different sectors and industries. However, the present study was differentiated in that it offered rich accounts from a perspective rarely captured in extant graduate employability literature - line managers of new graduates at work - described by Holmes (2001) as ‘significant others’.
Employer expectations - the role of line managers

Increasing emphasis is being placed upon employer perceptions in empirical research on graduate employability (Cai, 2012), most likely a result of the widely acknowledged gap between employer expectations and graduates’ understanding of these expectations (Brown & Hesketh, 2004; Cramner, 2006; Jackson, 2014). Bennett (2010) claimed that employers also play a key role during graduates’ transitions into work through their approaches to graduate training and development, mentoring, and job and task design. Across existing studies however, there is often little indication of the extent to which the employer representatives actually interact with graduates as part of their role. Holmes (2001) characterised line managers as significant others who are ‘intimately involved’ (Rigby & Sanchis, 2006, p. 23) with the processes of recruiting, selecting, managing and developing new graduates compared with those only dealing with graduate recruitment and selection (McDermott et al. 2006). These individuals are therefore key informants (Crabtree & Miller, 1999) and this study addresses the gap in current research by examining the following research question:

How do line manager expectations of graduates differ according to industry-level differences and other exogenous factors?

Materials and methods

This paper drew from a UK based interpretivist study involving twenty-two semi-structured interviews with line managers responsible for graduates, the participants represent four industries/sectors: Finance & Banking, Retail, Public Sector and Manufacturing. The primary rationale for focusing on line managers related to one of the intended contributions of this paper; capturing a stakeholder voice which had received limited attention in existing graduate employability research. Line managers are likely to have the highest level of direct, one to one interaction with graduates at work and consequently be in a position to comment upon them drawing from first-hand experience.

Participants were recruited through a variety of means, including the researchers’ LinkedIn networks, contacts from the University Careers and Employment Service, and subsequent snowball sampling (Easterby-Smith et al., 2008). A purposeful sampling approach was adopted for selecting suitable participants (Denzin and Lincoln, 1994). Primary eligibility criteria centred on their direct involvement with graduates at work, hence they were required to evidence current experience of line management remits for graduates and be UK-based. The size of the organisations across the wider data set ranged from a small partnership to over 1.5m employees, and the majority of the represented organisations hosted a formal graduate development scheme and featured in the Times Top 100 Graduate Employers list. In line with the interpretivist principals of this study, participants from a range of industries/sectors were involved to allow different voices to be explored. Ethical approval for this study was granted with informed consent prior to the collection of data. In line with good practice in qualitative research, all participants were provided a copy of their interview transcript.

Recently, Sampson and Johannessen (2019) drew attention to the use of real-life vignettes and their wider contribution in qualitative research (outside of interviews). For this article, four illustrative case study vignettes from the wider data were selected for analysis and discussion, one
from each industry/sector represented. This served two important purposes, firstly, to identify consensus across industries in terms of employer expectations and, secondly, to highlight contradictions from which industry/sector specific expectations can be explored via rich accounts. Where expectations appeared to be comparable, the meaning of these expectations depending on contextual industry factors was explored. Each vignette was chosen based on its representation of collective perceptions across the respective industry/sector from the wider data set, whilst still offering an authentic account of the selected participants’ experiences.

Following an inductive approach both open and selective coding (Strauss & Corbin, 1990) were utilised for the purpose of data analysis and interpretation. Firstly, open coding was conducted within each of the individual interview transcripts for the four chosen participants. This involved engaging a more focused analysis of the participants’ experiences to construct the vignettes, and identifying contextual (industry-level) differences which may have been lost through solely analysing across all twenty-two participants. The second stage, selective coding, drew together common themes identified in the first analysis stage to identify commonalities across the four vignettes. As a result, the research findings represented both the intricacies of the participants’ experiences and core themes across all four case studies.

The principles of Cai’s (2013) framework for understanding employer perceptions of graduates were broadly drawn from to guide analysis and interpretation of the vignettes. Cai highlighted that employers develop their expectations of graduates through observing and learning from their actual performance, for example, during the selection process and in the workplace (private learning). Holmes (2013) supported this view, highlighting that employer expectations of graduates arise through a process of revisiting their initial impressions through workplace interactions. In terms of the focus of the present study, Cai added that exogenous factors may also impact on employer perceptions, suggesting that such influences may include economic, political, cultural and market-specific conditions. In short, both private learning and exogenous factors may influence an employer’s views on a graduate’s employability. Analysis of the case study vignettes explores expectations adduced from the employers’ experiences which, in combination with exogenous factors, may also influence those expectations.

Results

Christopher (Finance & Banking)

Line manager expectations resulting from ‘private learning’

Christopher reported that the greatest weakness he observed in graduates is a reluctance to work with numbers, spreadsheets and budgets, not necessarily due to a lack of competence but a fear of these aspects. He emphasised that when working at a bank there may be thousands of clients for which there is a large volume of data to engage with, and the standard of graduates’ numerical abilities was often a cause for concern.

In comparison, Christopher found that graduates’ soft skills such as collaboration skills and dealing with stakeholders were much stronger than their numerical abilities. He referred to graduates working together in a positive manner, suggesting that ‘the best resource they will have is each other’. His rationale for this was that graduates can support each other and provide advice to those
entering a rotation, which they have already experienced, or even act as informal mentors (buddying up). Although, he did warn that whilst there are benefits of interacting with other graduates in terms of socialisation and support, they must be able to identify when they need to separate themselves in order to be assessed on their own merits.

Christopher also emphasised the importance of graduates interacting with senior-level staff via stakeholder management skills. He expected graduates to develop, over time, the capacity to hold a room and succinctly present relevant information to senior-level managers. However, he felt that graduates often face a steep learning curve in the workplace as they are expected to manage and work with staff located all around the world.

**Impact of exogenous factors**

Christopher explained that the financial services sector had particularly suffered because of the economic crisis, leading to an increased emphasis on higher level numerical skills in order to add value to the organisation. For graduates, this meant they must be involved in numerical/data-driven projects and demonstrate the ability to deal with numbers effectively. He also disclosed that his employer was actually considering increasing their benchmark for numerical reasoning tests undertaken during early stages of recruitment. In relation to the emphasis Christopher placed on generic skills, it is likely that their importance was a reflection of the banking industry, which was, according to Christopher, becoming ever more global. Consequently, cultural sensitivity and working collaboratively were key for graduates hoping to pursue a career in this industry.

…when you're talking about a company like XXX a lot of people that you have in collaboration are international. So it might not even be collaborating face to face, it might be collaborating via conference call with someone in a different time zone in somewhere like India or Lithuania…with a different educational background and a different culture. So when you add all those things in…it's a real steep learning curve for graduates to take on…

Christopher also felt that graduates must demonstrate an ability to innovate and contribute new, fresh ideas in order to stand out in the workplace. For Christopher, the requirement for innovative graduates related to the impact of the financial crisis, akin to his justification for numerical skills. He warned that due to cost-cutting there was a greater emphasis on being able to think outside the box. Consequently, graduates must be in a position to demonstrate a return on investment, through providing new perspectives.

**Anthony (Public Sector)**

*Line manager expectations resulting from ‘private learning’*

Anthony emphasised that, based on his experiences, prior work experience could enable graduates to develop organisational acumen quickly once employed, particularly around understanding politics in large, complex organisations. He perceived that the ‘front runners’ amongst the graduates with whom he works were those who actively sought ways to use their prior experience to work across internal, departmental boundaries, and also organisation-wide boundaries such as other branches/locations. Anthony found that those individuals were typically the most successful on the scheme as they pushed boundaries, whereas those who demonstrated less drive typically
left the programme. He advised graduates to focus on breadth rather than depth and to try to establish contacts across departments, but also to be conscious of potential challenges such as becoming familiar with the different cultures within each department.

He also suggested that there can be tension between graduates and permanent members of staff. Graduates have accelerated career trajectories made available to them by their employers once they complete a graduate development programme, these opportunities are typically not available to permanent staff. As a result, the employer’s graduate development schemes may have a poor reputation amongst staff.

Anthony commented that graduates normally contributed to several small group projects during their first six months on the scheme and were also expected to be team players, as the positions they entered in the long term were often team-based roles. However, he also advised that graduates should be aware of the competitiveness they face in applying for senior roles with the organisation. Anthony found that graduates typically formed friendships whilst on the scheme, describing this as ‘packing together’ similar to how they would form social groups at university. He felt that they sometimes could be prone to learning bad habits from each other as the scheme progressed and, ultimately, they were assessed as individuals for their first permanent role.

**Impact of exogenous factors**

Anthony advised that graduates exercise a certain level of self-awareness and humility when interacting with other members of staff, in terms of being cognisant that they were ‘in a special position’ and that other staff may be slightly nervous about this. This was particularly the case in the Public Sector, where job security and career progression may be under threat due to widespread organisational restructuring. He also believed that challenging the status quo was key for graduates in the Public Sector, compared with other sectors/industries. He explained that this was because Public Sector employees were typically bound by the standards and policies they were required to deliver on, including local Government expectations and resource restrictions. Consequently, the ability to offer new ideas could enable graduates to stand out in the workplace.

By nature (graduates) tend to be able to learn the rules and regulations pretty well…now XXX is full of those…the books of policies and procedures and guidance. I want people who can push the limits a bit more with customers and with stakeholders as to what do we actually bring to this party, not just ‘I can say the rules’…they can read their own rules…

**Charlotte (Retail)**

*Line manager expectations resulting from ‘private learning’*

Charlotte directly referred to the importance of transferring skills and knowledge derived from undergraduate studies into reality. She believed that prior work experience could serve this purpose, as it could facilitate practical application of the knowledge gained at university and reduce the need for ‘spoon feeding’ when graduates joined the organisation. Charlotte also referred to the value of networking in the workplace for graduates, in the context of establishing contacts with senior-level colleagues. She advised that this could sometimes be challenging when entering large
multinational companies, due to the scale of the organisation. Nevertheless, networking could be beneficial for enabling graduates to build credibility in the workplace.

Charlotte also raised the topic of graduate potential. She claimed that if a graduate was able to demonstrate potential at an early stage, including the potential to develop the skills required of a senior professional, then this could assure an employer they had what it took to progress in the organisation. Charlotte added that those who failed to demonstrate potential were not likely to be perceived as part of the pipeline of future leaders. For Charlotte, ‘fit’ would play a role in whether or not a graduate was considered for a senior role after they completed their scheme. She disclosed that her employer actually conducted a matching process to determine if a graduate was the right fit for the business.

**Impact of exogenous factors**

Charlotte drew attention to the requirement for graduates to be inquisitive and demonstrate innovativeness to succeed in the retail industry. She clarified that this was because her employer, a large UK retailer, must be innovative in order to remain competitive in the marketplace. Consequently, they were looking for graduates who are enthusiastic and curious.

‘…if you think about what our industry stands for…it needs to innovate otherwise it gets purely bogged down to just price…we need to add value to customers, and in order to do that we need to be innovative…and we also need to recruit the right individuals and make sure they are adding value to our business and to the customer base…’

The importance of organisational acumen was also apparent through Charlotte’s narrative around the composition of her employers’ graduate programmes. She explained that all graduates across the development schemes were exposed to in-store, operational placements as well as corporate, office-based placements. She felt this was essential for graduates wishing to pursue a career in the retail industry, as they must understand the customer in order to be able to deal with customer issues.

**Sarah (Manufacturing)**

**Line manager expectations resulting from ‘private learning’**

Sarah claimed that, in her experience, employers actively seek graduates with manufacturing exposure. They preferred graduates who had undertaken placements during their degree when shortlisting application forms, as these could often hit the ground running. She referred to one of her current graduates who had gained work experience during the summer prior to joining the scheme, stating that they had an understanding of what was expected of them and they were ‘ploughing ahead’. Concerning graduates who joined the scheme with no work experience, Sarah explained that this actually presented both benefits and detriments. They required high levels of support however they had no level of expectation of the wider business or any preconceived ideas of what the role entailed. As a result, there was more scope to set solid foundations in these graduates at an early stage.
Sarah perceived graduates from pre-1992 universities to be very different from post-1992 universities. She referred to negative perceptions amongst colleagues of the level of maturity in pre-1992 graduates, and issues around how they built up an image of what working for large company could be like. It appeared that Sarah attributed practical abilities and willingness to work hard to post-1992 graduates, and a more unrealistic view of the role/workplace to pre-1992 graduates.

**Exogenous factors**

On Sarah’s employer’s graduate programmes, graduates completed rotations in both corporate and factory environments. Speaking from her experience with graduates on factory placements, Sarah expressed her frustration that there was a low level of interest in engaging in factory placements. Often when graduates transitioned into a factory environment directly from a corporate placement, they struggled to adjust due to the shift, and, unaware of the expectations attached to this type of environment, perceived it as the ‘less glamorous side of the role’. Sarah added that many graduates had left the scheme after exposure to the manufacturing environment, one of whom only lasted three weeks in the factory. She asserted that graduates hoping to enter a career in manufacturing must demonstrate an awareness of this type of working environment, in addition to flexibility and resilience under pressure.

Sarah also advised that a key element for succeeding in the manufacturing sector related to working with individuals from different social classes. She felt that graduates working within a manufacturing environment should be able to interact and engage with staff from different backgrounds to their own and understand the pressures they are under.

> You’re dealing with completely different people, working class people…. I absolutely see it in graduates, they come in and they think they’re going to jet-set the world, and you’re like “no we’re in a factory….and his life depends on every penny that he earns and he’s not from the same background as you”…

**Discussion**

*‘Private learning’: the impact of line managers’ experiences with graduates at work*

The findings illustrated linkages between employer experiences/observations of graduates and their overall perceptions of a graduate’s employability and their potential as future employees, supporting Cai’s (2013) concept of ‘private learning’. For instance, Anthony (Public Sector) offered his observations from working directly with graduates possessing prior work experience. He found that these graduates tended to develop organisational acumen quicker than those with little/no prior work experience. This suggested that prior work experience was important for new graduates hoping to establish themselves across departmental and organisational boundaries. Consequently, Anthony attributed his perception of graduate employability to what he observed/experienced first-hand. This aligned with Holmes’s (2013) view that employer expectations of graduates arise through a process of revisiting their initial impressions of graduates through workplace interactions.
Evaluating exogenous factors affecting employer expectations of graduates

As highlighted collectively by McQuaid and Lindsay (2005) and Merrill et al. (2019), external influences on the graduate job market may affect employer expectations of new graduate recruits. This was supportive of Cai (2013) and Morley’s (2001) claims that it is necessary to evaluate the impact of exogenous factors on employer expectations, beyond subjective views based on the participants’ own interactions with their graduates. Essentially, both work in tandem to drive employer expectations. These authors emphasised an array of potential factors, including economic and political developments and the effects of globalisation. The findings of the present study also revealed relevant external factors in the context of particular industries/sectors, with insights into the impact of these factors on employer (line manager) expectations.

For example, as illustrated through Christopher’s comments, the impact of the 2008 financial crisis still affected current employer expectations of graduates. Christopher’s employer placed a strong emphasis on graduates demonstrating a return on investment through providing fresh ideas and perspectives, due to continued priorities around cost-cutting across this industry. Regarding current developments in the UK job market, Bulmer and Quaglia (2018) recently advised that the UK’s forthcoming departure from the EU will hold considerable economic and political implications for the country. In light of Christopher’s explanation of the impact of 2008 financial crisis for the Finance & Banking sector, there may be similar implications for graduates entering this sector in the post-Brexit future. In short, the findings highlighted the relationship between exogenous factors and employer expectations of graduates, contributing specific industry perspectives to existing literature.

Consensus and contradiction in industry level demands

It was notable that some similarities in line manager expectations could be identified across the four industry case studies, building on studies by Hinchliffe and Jolly (2009) and Tempone et al. (2012). An example was the requirement for new graduates to evidence creativity at work, which was raised across the majority of the vignettes. Although there appeared to be consensus, the contextual meaning underpinning these perceptions differed according to the exogenous factors affecting the wider industries. For example, Christopher (Finance & Banking) attributed the requirement for creativity amongst graduates to changes in banking employer requirements following the 2008 financial crisis. In comparison, Charlotte (Retail) explained that creativity is sought after for the purpose of competing with rival retailers and securing new customers. Further instances of consensus across the case studies included networking and interacting with stakeholders, team work, organisational acumen and the value of work experience.

Turning to contradictions between industries, numerical skills were raised only by Christopher, suggesting this may be a factor affecting employability of graduates. Christopher further explained that graduates in banking were required to work with large volumes of numerical data. Other examples included humility when interacting with staff (Anthony, Public Sector) and working with stakeholders from different social backgrounds (Sarah, Manufacturing). Such findings did not appear to be presented in extant literature around graduate employability, suggesting new contributions to understanding specific industry-level expectations of graduates. This complemented Hernandez-March et al. (2009), in terms of gaining insights into how industry-level influences could alter requirements sought in (graduate) employees.
Conclusion and recommendations

In response to the research question, the findings of this study illustrated considerable differences in employer (line manager) expectations of graduate recruits at industry/sector level. These variances resulted from particular exogenous factors, such as the economic climate, market competition and sector-wide job security, alongside various contextual industry characteristics. Even where some consensus had been identified in employer expectations, the meaning behind these expectations was still driven by industry level requirements.

As there were several references to graduate skill requirements across all four vignettes, this would suggest that policy-level focus on developing skills in higher education still holds merit in the contemporary graduate labour market. Nevertheless, the central message of this study stressed that closer attention must be paid at policy level to developing a more holistic understanding of job market demands, beyond skills. As illustrated through the case study vignettes, employer perceptions of graduates and their employability were highly contextual. This would suggest that measuring employment outcomes does not accurately capture this complexity, instead offering limited representations of a graduate’s employability.

One recommendation would be that policy makers engage more closely with stakeholders, such as employers, in order to discern industry/sector specific demands for policy development. In particular, this study revealed the value in engaging with line managers of graduates, due to their experiences and close observations of new graduates at work. This is especially pertinent in anticipation of changes in employer requirements following Britain’s departure from the EU in October 2019. With a period of uncertainty ahead, policy makers must retain strong links with industry to ensure alignment with future job market demands and staffing requirements.

Stronger links with employers, across a range of industries/sectors, are also recommended for higher education providers responsible for the design and delivery of employability/skills initiatives. Such relationships may offer insights to help manage the challenges of tailoring curriculum closely to particular industries, whilst also offering a curriculum that accommodates a range of industries, sectors and future careers. This could be achieved through practice-informed case studies and a range of visiting employer representatives. A related recommendation would be the continued integration of work experience opportunities within the curriculum, such as sandwich degrees, internships and voluntary work. This would support in instilling a realistic understanding of industry challenges and other exogenous factors in students, boosting their employability as graduates. In short, there is a need to continuously evaluate employer expectations around graduate employability and ensure university curriculum aligns with these expectations, to ensure a more consistent understanding between employers, students and universities.
References


The Financial Times (2019). *Brexit timeline: key dates in the UK’s divorce from the EU*. Retrieved from [https://www.ft.com/content/64e7f218-4ad4-11e7-919a-1e14ce4af89b](https://www.ft.com/content/64e7f218-4ad4-11e7-919a-1e14ce4af89b)


