

**Summary of Research into the
Employment Outcomes of Graduates
in the UK 1997 - 2001**

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**SUMMARY OF RESEARCH INTO THE EMPLOYMENT OUTCOMES OF
GRADUATES IN THE UK 1997 - 2001**

Report prepared for

for

**THE COUNCIL FOR EXCELLENCE IN MANAGEMENT AND
LEADERSHIP**

by



April 2002

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EXECUTIVE SUMMARY

The Council for Excellence in Management and Leadership (CEML) commissioned CEL to produce a series of reports on the findings of recent research into graduate employment destination¹. This research included a Graduate Survey into graduate employment destinations six months after graduation and a Tracking Survey into graduate employment experiences three years after graduation.

CEML wished to explore the university and labour market experiences of graduates who had read a course in management studies². This experience was evaluated by comparing the experiences of management studies graduates with the comparator groups of non-management studies graduates and engineers. The Tracking Survey identified a further group of graduates that had progressed to a position with supervisory responsibility over the three years following graduation. This group provided insight into both the profile of graduates that progressed to supervisory management at this early stage in their career, and was an additional comparative group for management studies graduates.

The following report explores some of the key findings and issues arising from the research. Overall, management studies graduates experienced similar employment outcomes to the whole graduate cohort. Engineers, however, enjoyed better outcomes compared with both the whole cohort and management studies graduates.

Labour market outcomes

Historically, management studies graduates were more successful in securing full-time employment compared with the graduate cohort. This was evident both six months after graduation and three years on. In the 2001 Graduate Survey, however, due to a fall in graduate vacancies, this advantage has been eroded. Six months out in 2001, 65% of all graduates and 66% of management studies graduates were permanently employed. Three years out, 94% of management studies graduates were in full-time employment compared with 87% of all graduates.

Management studies graduates were slightly less likely to obtain a traditional graduate job³ compared with other graduates. In December 2001, 43% of graduates were employed in a traditional graduate job as their first employment. This compared with 39% of management studies graduates. Three years after graduation, 63% of graduates were employed in a traditional graduate job. This compared with 57% of management studies graduates.

However, management studies graduates were as likely to feel that their current employment was part of their career plan. Six months after graduation, 50% of management studies graduates and 49% of all respondents had found employment in their preferred career. This compared with 66% of engineers. Three years following graduation, 74% of all respondents and management studies graduates were in a job related to their career plan. This compared with 83% of engineers.

Management studies graduates earned a comparable average⁴ salary with that of the graduate cohort as a whole. In the 2001 Graduate Survey, management studies graduates earned an

¹ Commissioned by Barclay Bank and CIID of The Department of Trade and Industry.

² Including graduates with a business administration course (excluding select accounting courses) and those whose course included a significant management focus. Lists of courses included in the management subsets are available in the full reports.

³ A traditional graduate job is defined as one that specified degree qualification.

⁴ Salaries refer to median averages unless otherwise stated.

average £14,420 compared with £15,000 among the whole cohort. In the 2000 Graduate Survey, both sets of graduates earned an average £15,000. Three years following graduation⁵, both sets of graduates earned an average £20,000.

Management studies graduates (34%) were more likely to be employed in the Professional Services & Consultants sector in their first employment compared with the graduate cohort (26%) or engineers (23%). This trend was consistent with the Tracking Survey. Three years after graduation, 45% of management studies graduates were employed in the Professional Services & Consultancy sector, compared with 32% of the whole sample and 14% of engineers.

Three years out, nearly half (46%) of all graduates were in a job that carried supervisory responsibilities. Management studies graduates (51%) and engineers (55%) were more likely to be in a supervisory role than other graduates. These graduates were also more likely to aspire to management six months after graduation. This suggests that graduates of vocational degrees were predisposed to early acquisition of supervisory responsibilities.

Three years out, 44% of management graduates had stayed in a single organisation. 26% had held one job in that organisation. This was consistent with the whole cohort. This indicated career progression with organisations. Graduates that worked for a single organisation were more likely to be in a job related to their career (83%) and earning more (£22,000) than other graduates.

University entry qualifications

Management studies graduates entered university with a lower average A-level points score compared with other graduates. In the 2001 Graduate Survey, 27% of management studies graduates entered university with a high A level score⁶ compared with 39% in the whole cohort.

Management studies graduates that entered university without A/AS levels performed more poorly than those with A/AS level entry qualifications and other vocational entry graduates. In the 2001 Graduate Survey, fewer vocational entry management studies graduates were in their preferred employment than A/AS level entry management graduates (18% versus 38%). Three years out, the gap in performance had grown. 33% of vocational entry management graduates were in a graduate job compared with 67% of traditional entry management graduates. Vocational entry graduates were more likely to be mature (66%) and have attended a Post 92 university than a Pre-92 university (73% versus 27%).

Gender

Female management studies graduates performed less well in the labour market compared with male management studies graduates and other female graduates. In the 2001 Graduate Survey, 36% of female management studies graduates were in a traditional graduate job. This compared with 42% of male management graduates and the female cohort. In the 2001 Tracking Survey, female management graduates earned an average £18,000. This compared with £22,500 among male management graduates and £18,500 among the female cohort as a whole.

Age

Mature⁷ management studies graduates performed less well in the labour market compared with young management studies graduates and other mature graduates. In the 2001 Graduate

⁵ 2001 Tracking Survey.

⁶ 24+ UCAS points

Survey, 27% of mature management studies graduates were in a traditional graduate job compared with 41% of young management graduates. Similarly, in the Tracking Survey, mature management graduates earned an average £15,000 compared with £20,900 among young management graduates⁸.

Industry support

In the 2001 Graduate Survey, 68% of management studies graduates and 61% of all graduates felt they had obtained relevant work experience prior to graduation. This compared with 62% of engineers. 43% of management studies graduates and 36% of engineers obtained experience through course placement. More engineers obtained experience through industry placements than management studies graduates (14% versus 6%). This was consistent with previous years of the survey.

Graduates that felt they had acquired relevant work experience were more likely to secure their preferred employment than other graduates (59% versus 26%). This was consistent among management studies graduates. Similarly, graduates with work experience earned a higher median salary than those without work experience (£16,000 versus £12,400). This was consistent among management studies graduates (£15,089 versus £12,424).

In the 2001 Graduate Survey, fewer management studies graduates received sponsorship through their studies compared with other graduates (6% versus 8%). Sponsorship was identified as a strong predictor of graduate salary for the whole sample⁹. Three years after graduation, however, more management studies graduates had received business skills or personal training from their employer than the graduate cohort as a whole (49% versus 38%). Training was associated with a high degree of satisfaction with career progress and high employment retention. 71% of all training was provided by large companies.

From the findings, a number of conclusions can be drawn:

- Management studies courses attract students with lower than average levels of academic achievement;
- Management studies graduates are less likely to have been assisted through industry sponsorship or placement than other vocational groups such as engineers;
- Management studies graduates were less likely to have secured traditional graduate jobs. However, three years on, they were as satisfied with their career progress as the graduate cohort as a whole;
- Graduates with a technical degree were more likely to have entered into management at this stage in their career than management studies graduates;
- Mature management studies graduates and those with vocational entry qualifications experienced less favourable labour market conditions than other management graduates or similar graduates in the whole cohort.

Recommendations

- It is clear that certain groups of graduates of technical courses are more likely to have entered management at this stage in their career than management studies graduates. Thus we would recommend strengthening the management training among this group and conducting a programme of further research in this area;

⁷ Mature defined as 25 years and older at graduation; young defined as under 25 years of age at graduation.

⁸ Sample size of 24 mature management studies graduates in Tracking Survey sample.

⁹ CHAID analysis conducted for the whole sample.

- We recommend that the issue of attracting high calibre entrants into management studies disciplines be addressed through a communication campaign among teachers and students at schools;
- We recommend that employers are assisted in the evaluation of graduates of management studies courses by developing a system of accreditation similar to that adopted by the Engineering Council;
- Finally, we recommend that the Council encourages support for management studies courses through sponsorship and work placements with industry.

1. GRADUATE EARLY LABOUR MARKET EXPERIENCE

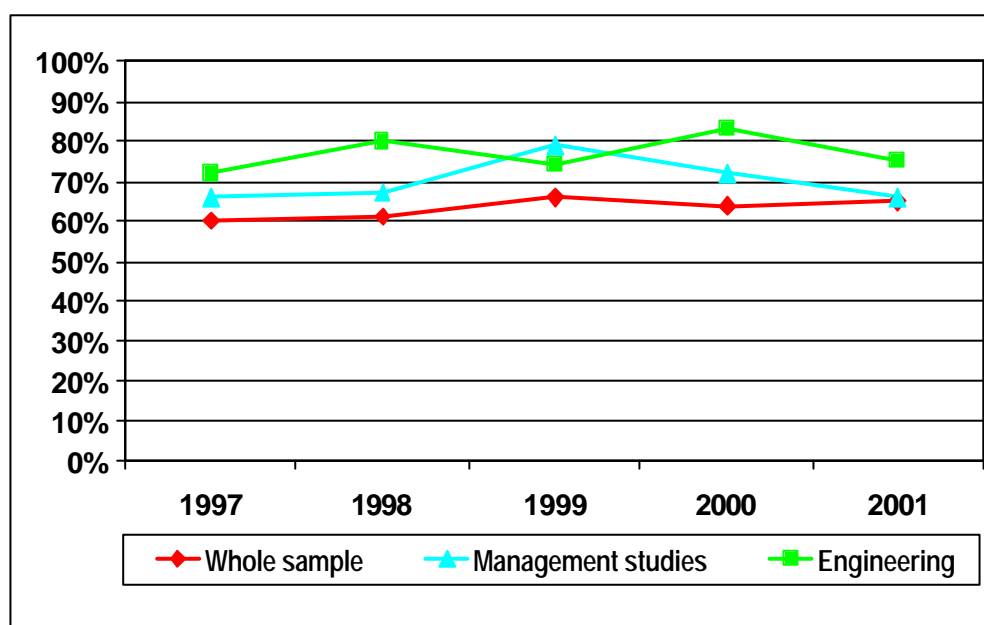
In its eighth consecutive year, the 2001 Graduate Survey explores the employment destinations of graduates six months after graduation. The survey was conducted in December 2001. It was based on a quota sample of 2,500 respondents that had graduated in the preceding July. All respondents were UK domiciled first-degree holders who had entered the labour market after graduating. The survey was conducted by telephone and was jointly sponsored by Barclays Bank, the DTI and the Council for Excellence in Management and Leadership.

1.1 Nature of graduate employment

Six months after graduation, nearly two-thirds of graduates had secured permanent employment (65%)¹⁰. This was consistent among management studies graduates. Fewer management studies graduates were permanently employed than in previous years of the survey (72% in 2000 and 66% in 2001).

Figure 1.1:- Permanent employment among the graduate groups 97-01 (%)

Base: Whole sample



An analysis of graduate employment outcomes by course category indicated that fewer graduates that read a course in management studies, engineering, computer science or architecture were permanently employed compared with the previous year. Graduates that read a course in the sciences, languages or humanities were less affected. Previous years of the survey have demonstrated that graduates who read a more vocational course at university were more successful in obtaining traditional graduate employment. However, fewer traditional graduate vacancies were available in 2001 compared with 2000¹¹. We believe that graduates of more vocational courses were more negatively affected by the reduction in vacancies.

¹⁰ HESA First Destination Survey 99/00

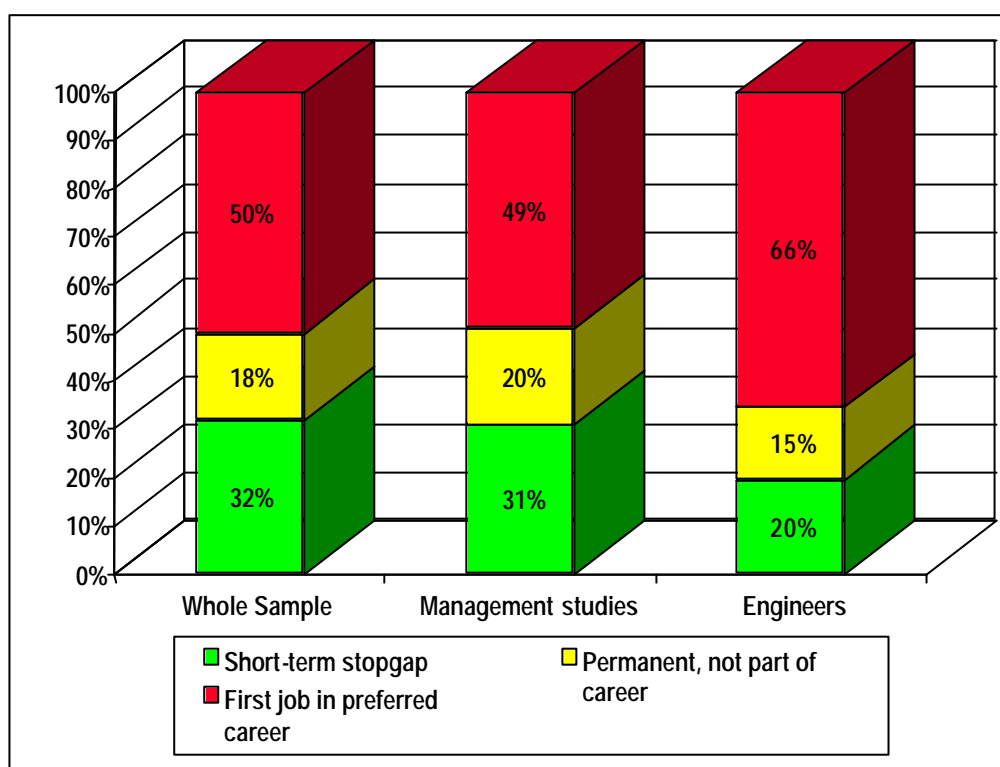
¹¹ According to both CSU Prospects and AGR: Graduate Salaries and Vacancies Survey. CSU claims a 25% reduction in graduate vacancies advertised in the magazine. AGR claims a 5.5% reduction in vacancies among member organisations.

1.1.1 Employment in preferred career

50% of graduates were employed in their preferred career. This was consistent among management studies graduates and with previous years of the survey. Six months out, engineers were more likely to have found employment in their preferred career than management studies graduates (66% versus 49%). This reflected a more structured early career path for this discipline.

Figure1.2:- The nature of graduate employment - 2001

Base: Those in employment



18% of graduates were permanently employed outside their preferred career and 32% were in short term employment. This was consistent among management studies graduates.

1.1.2 Employment in a traditional graduate job

43% of graduates were employed in a job that required a degree. This was slightly lower among management studies graduates (39%). Engineers (63%) were more likely to be in traditional graduate employment than other graduates. This trend was consistent with previous years of the survey.

1.1.3 The unemployed

Six months following graduation, 10% of all graduates were still seeking employment¹². This was 1% higher than the previous year (9%)¹³. 9% of management studies graduates and 11% of engineering graduates were seeking employment. This was slightly higher than the previous year, where 7% of management studies and 8% of engineers had been seeking employment.

¹² HESA 1999/2000 First Destination statistic

¹³ HESA 1998/1999 First Destination statistic

1.2 Salary¹⁴

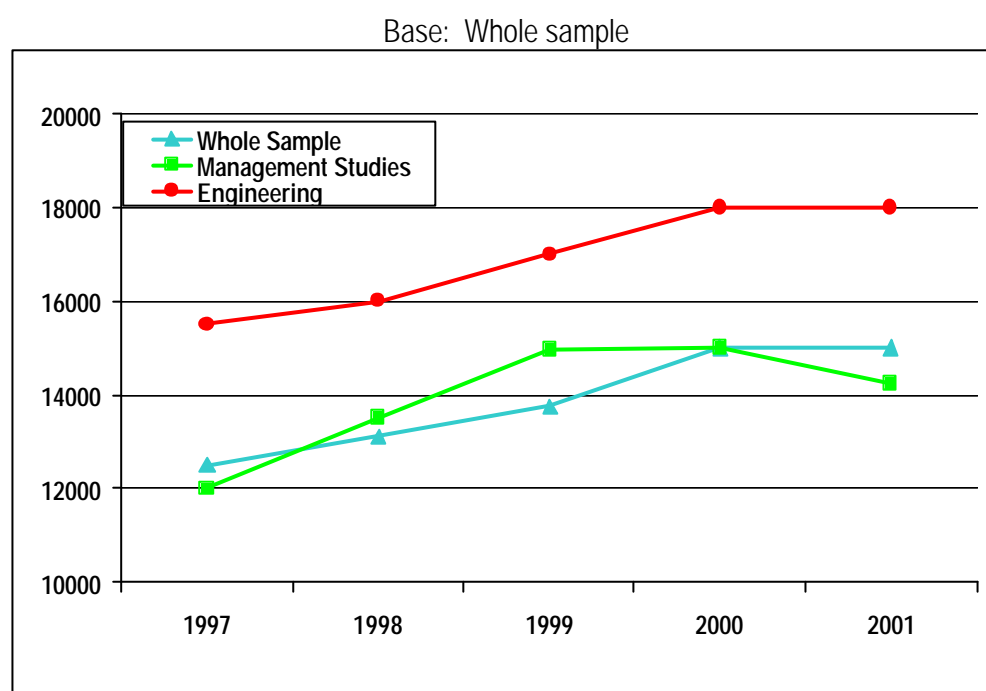
The median starting salary of all graduates was £15,000. This was unchanged on the previous year. In the 2000 survey, average graduate earnings had increased by 9% year on year. The mean starting salary of graduates was £14,809 in 2001, only slightly higher than the £14,707 recorded in 2000.

An analysis of salary deciles for the graduate cohort indicated little growth in the upper and lower salary ranges, with slight increase evident for those graduates with average earnings.

Graduates employed in a traditional graduate job¹⁵ earned an average £17,000. This was consistent with the previous years' earnings¹⁶.

Management studies graduates earned an average £14,240. This was slightly lower than the graduate average due to a slight decline in management salaries year on year (5% down).

Figure 1.3:- Graduate median salaries - 1997 – 2001 (£)



An analysis of salary deciles among management studies graduates in 2000 and 2001 demonstrated a drop in average earnings across all salary ranges. This indicated less demand across the labour market for management studies graduates.

¹⁴ All averages in this section refer to medians unless otherwise stated.

¹⁵ A traditional graduate job is defined as one that specifies degree qualification.

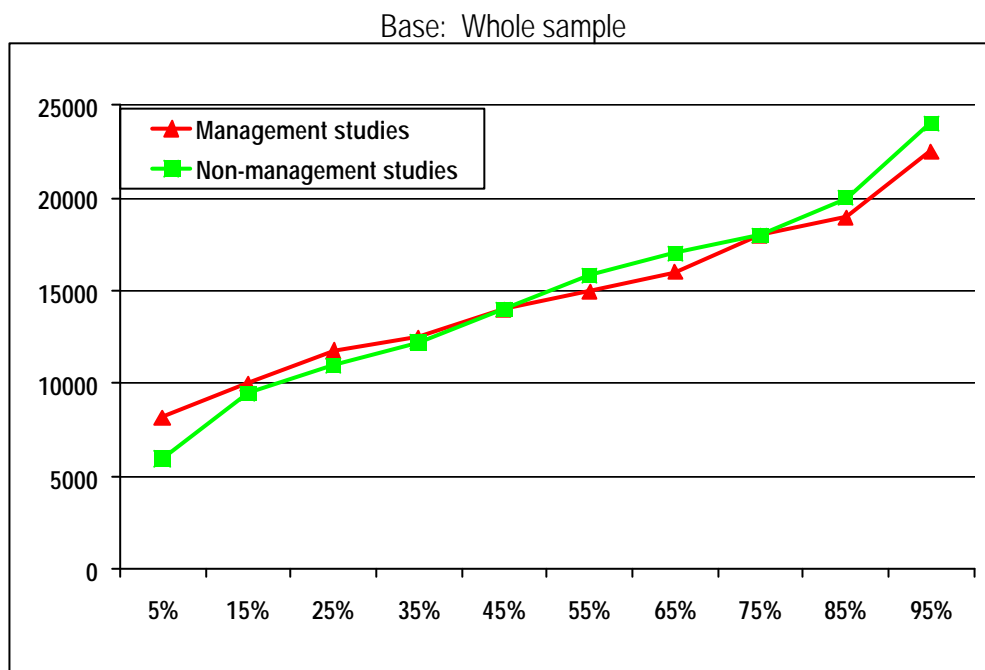
¹⁶ The CSU Prospects Today:- 'Graduate Market Trends 2001 Survey' reported an average £18,000 starting salary in 2001. This was 6% higher than the previous year. Over the previous two years, CEL and Prospects median salaries have been directly comparable. Mean salary in the Prospects Survey rose by 3% year on year to an average £18,021. However, the survey indicated a 25% reduction in the number of job advertised. The AGR Graduate Salaries and Vacancies 2001/2002 Survey reported a 6% rise in earnings from £18,300 in 2000 to an average £19,000 in 2001.

Management studies graduates employed in a graduate job earned an average £16,606, 5% less than the previous year (£17,500 in 2000). Those in a non-graduate job earned an average £12,000, 6% less than the previous year (£12,704 in 2000).

An analysis of graduate earnings classified by HESA course type indicated that medicine & dentistry graduates earned more than any other group of graduates (£24,000 in 2001). Engineers earned an average £18,000 and computer science, £17,000. Business and administration graduates earned more than graduates that had completed a course in languages, biological or physical science, humanities or a combined course. This was consistent with the previous year of the survey. This suggested that, at this stage in their careers, management studies graduates enjoyed better returns from higher education than other graduate groups.

An analysis of salary deciles among management studies graduates indicated that those in the lower salary range earned more than non-management graduates. Top earners among management graduates earned less than the top earners among non-management graduates. This trend was consistent with previous year of the survey and suggested that management skills were desirable for employers in lower level jobs but that they were less able to compete with high flying graduates.

Figure 1.4:- Management and non management studies graduate salary deciles – 2001 (%)



1.3 Size of organisation

Two-thirds of graduates (67%) worked for a large organisation¹⁷, 20% of graduates worked for a medium sized and 13% worked for a small organisation. Slightly fewer management studies graduates were employed in a large organisation than the graduate cohort (64% versus 67%). Conversely, slightly more engineering graduates (70%) were employed by a large organisation. This was consistent with previous years of the survey.

¹⁷ 500+ employees

73% of graduates employed by a large organisation were in a traditional graduate job. These graduates earned an average of £17,500. This compared with £12,000 for graduates working for a large organisation but not in a traditional graduate job. This was consistent for management studies graduates (£17,000 versus £12,000) and engineers (£19,000 versus £12,849). This indicated that even within the key groups, graduates enjoyed significantly different returns on their higher education.

1.4 Sector of employment

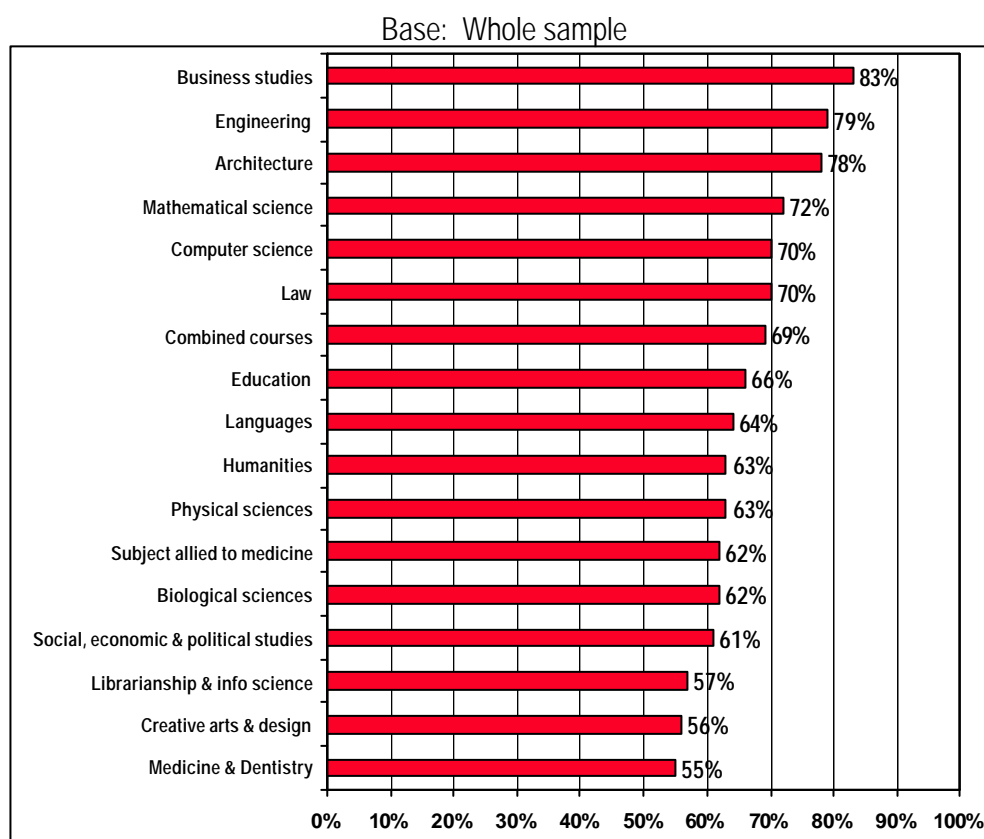
A third of all graduates were employed in the public sector, and a quarter were employed in the service industries (23%) or consultancy & professional services sectors (26%). Slightly fewer graduates were employed in the manufacturing sector than elsewhere (17%).

Management studies graduates were more likely to be employed in the consultancy & professional services (34%) or service industries (34%) than other graduates. Fewer management graduates were employed in the public sector (13% versus 33%).

1.5 Progress to a management position

Two thirds (68%) of all graduates wished to progress to a position of management. This compared with most business administration¹⁸ (83%) and engineering (79%) graduates. Graduates that had read a course in management studies, engineering or combined studies were more likely to aspire to a position of management than graduates of any other HESA course type.

Figure1.5 :- Graduates that hoped to progress to management – 2001 (%)



¹⁸ As defined by HESA and retained for comparative purposes. This subset excludes graduates that read a non-business administration course but whose course had a management focus. Among management studies graduates, 83% hoped to progress to a management position.

2. GRADUATE LABOUR MARKET EXPERIENCE THREE YEARS OUT

The Graduate Tracking Survey is the 3rd consecutive survey exploring the employment experiences of graduates three years following graduation. During May 2001, a total of 1,050 respondents that had graduated in 1998 were interviewed. The survey was conducted via telephone and was sponsored by the DTI.

The Council's interest in the research was twofold: firstly, to explore the labour market experiences of management studies graduates and secondly to explore the profile and performance of graduates that had progressed to a position of supervisory management over the first three years in the labour market. The performance of these two sets of graduates was compared with the performance of the graduate cohort and engineers.

2.1 Nature of graduate employment

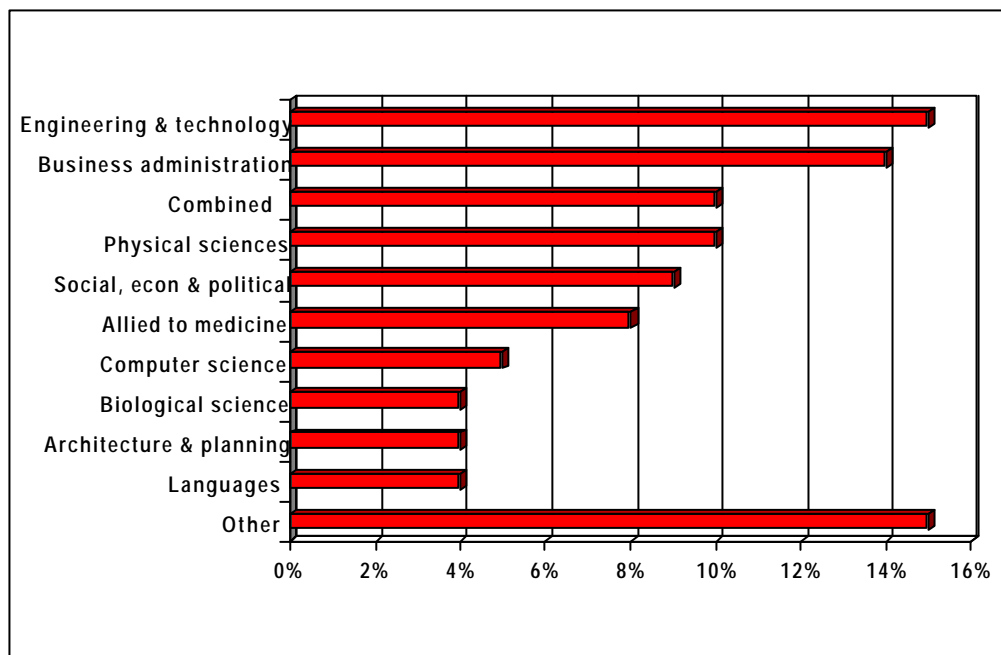
Three years after graduation, 93% of all respondents were in employment and 1% were unemployed. 11% of respondents had been unemployed six months after graduation. Thus, over the three years more graduates secured a job.

87% of graduates were in permanent employment. More management studies graduates were in full-time employment than the graduate cohort (94% versus 87%). This was consistent with the Graduate Survey. This would suggest that management studies graduates found it easier to secure permanent employment.

46% of graduates were in a job that carried supervisory responsibilities. Business administration graduates¹⁹ (51%) and engineers (55%) were more likely to be in a job carrying supervisory responsibilities than other graduates²⁰. In fact, these two sets of graduates together accounted for 30% of the graduates in a supervisory role.

Figure 2.1: Course background of graduates in a supervisory role – 2001 (%)

Base: Whole sample



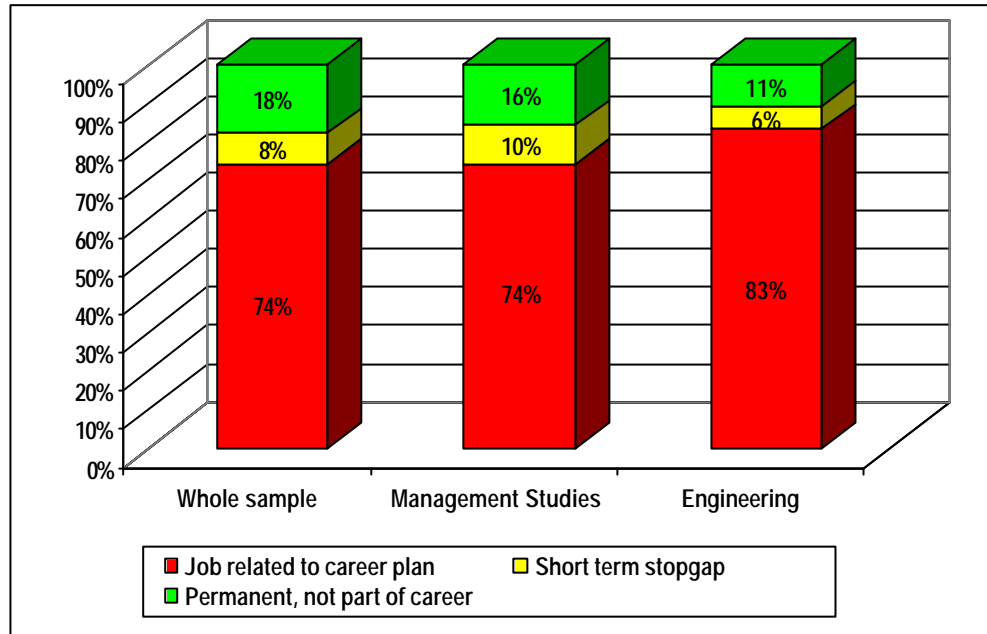
¹⁹ 51% of management studies graduates were in a job that carried supervisory responsibilities.

2.1.1 Job related to career

Over the three years following graduation, the proportion of graduates employed in a job related to their career plan increased by 24%, from 50% in 1998 to 74% in 2001. 18% of graduates were permanently employed in a job which was not part of their career plan.

Figure 2.2:- Nature of graduate employment three years out – 2001 (%)

Base: Those in employment



74% of management studies graduates were in a job related to their career plan. More engineers and graduates with supervisory job responsibilities were in a job related to their career plan than the whole sample (83% and 79% respectively).

2.1.2 Traditional graduate job

Over the three years following graduation, the proportion of graduates in traditional graduate employment²¹ increased from 50%²² in December 1998 to 63% in 2001. 29% of graduates were employed in a new graduate job²³ and 5% of graduates were in a non-graduate job²⁴.

More engineers (77%) and graduates with supervisory job responsibilities (70%) were in a traditional graduate job than the graduate cohort. By comparison, only 57% of management studies graduates were in a traditional graduate job. Management studies graduates were more likely to be in a new graduate job than the whole sample (34% versus 29%).

²⁰ In the 2001 Graduate Survey, these two sets of graduates were also more likely to aspire to management.

²¹ Traditional graduate job defined as a job that required a degree qualification.

²² Calculated for those graduates that participated in both 1998 and 2001 surveys (1,050 respondents). In the initial survey in 1998, 40% of all respondents were in a graduate job (2,409 respondents).

²³ New graduate job defined as a job that did not require degree qualification, but which carried responsibility for technical accuracy of information and/or responsibility for supervising people.

²⁴ Non-graduate job defined as a job that neither required a degree qualification nor carried responsibility for technical accuracy and/or supervision of staff.

2.3 Salary

Over the first three years in the labour market, graduate median salary increased by 54% from £13,000 in December 1998²⁵ to £20,000 in June 2001²⁶. Graduates in graduate jobs earned an average £22,000, an increase of 42% from 1998. Those outside of traditional graduate employment earned an average £18,500, an increase of 73% on 1998.

At the same time, the median salary of management studies graduates increased by 48%, from £13,500 in 1998 to £20,000 in 2001. Those in a graduate job earned an average £24,500. Those outside traditional graduate employment earned an average £17,000. Thus, a wider gap in earnings was evident among management studies graduates than the graduate cohort. This is consistent with the 2001 Graduates Survey.

Engineers earned an average £24,000, which was a 50% increase from 1998. Graduates with supervisory job responsibilities earned an average salary of £21,450.

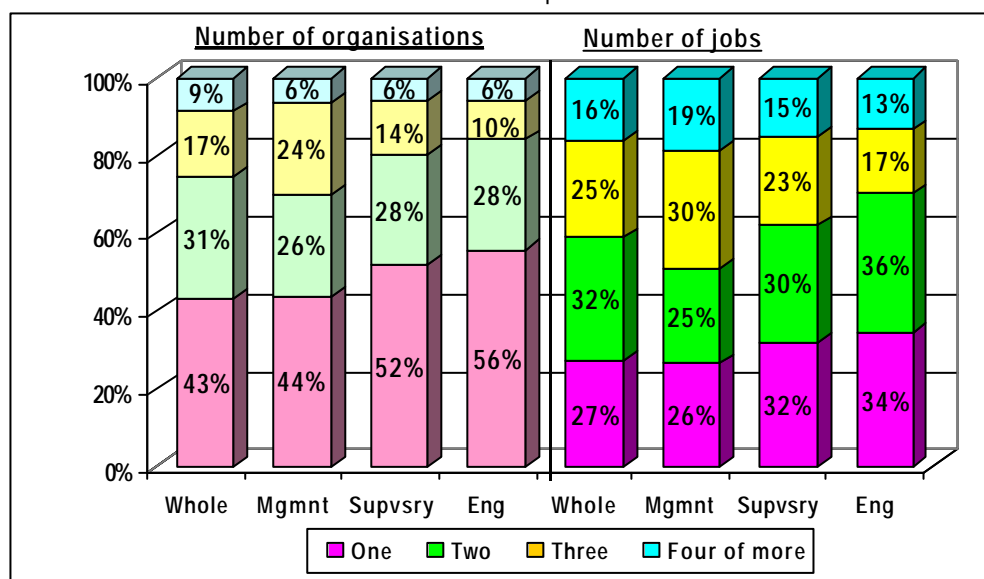
2.2 Job movement during early career

Over the three years following graduation, 43% of all respondents had worked for a single organisation. At the same time, 27% of respondents held a single job. Thus, a significant minority of graduates had changed jobs within an organisation. This indicated the continuing provision of career progression opportunities by some employers.

44% of management studies graduates had worked for a single organisation and 26% had held a single job since graduation. Engineers and graduates with supervisory job responsibilities were more likely to have worked for a single organisation (56% and 52%) and to have held one job (34% and 32%) than the whole sample.

Figure 2.3:- Graduate job switching – three years out

Base: Whole sample



²⁵ 1998 Graduate Survey

²⁶ This compared with the Association of Graduate Recruiters/CSU: 'Graduate Salaries & Vacancies Survey 2001' which reported an average salary of £25,000 for graduates three years after graduation. The AGR reported a 34% growth in salary compared with that earned in the year following graduation.

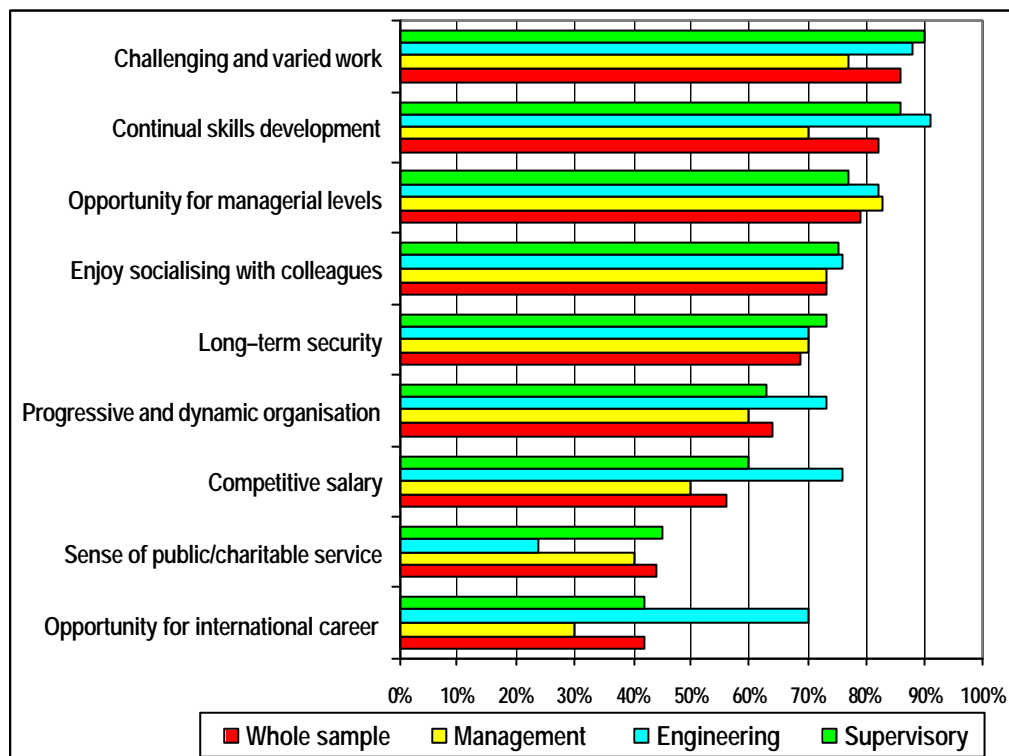
Graduates that had worked for a single organisation tended to be in their preferred employment (83%) and earn more than other graduates (£22,000). This was consistent among management studies graduates.

2.4 Characteristics of current employment ²⁷

86% of graduates identified their jobs as providing challenging and varied work. 82% said that their job provided continual skills development and 81% said that they worked with people that they enjoyed socialising with. 61% of graduates saw their job as offering a competitive salary and 40% felt that their job gave them a sense of public or charitable service. This was consistent across the different groups of graduates.

Figure 2.4:- Graduate job characteristics three years out

Base: Whole sample



Management studies graduates showed a slightly higher tendency to identify their jobs with opportunities to reach management levels and with long-term security. Engineers were more likely to claim all of the positive characteristics for their job compared with the whole sample.

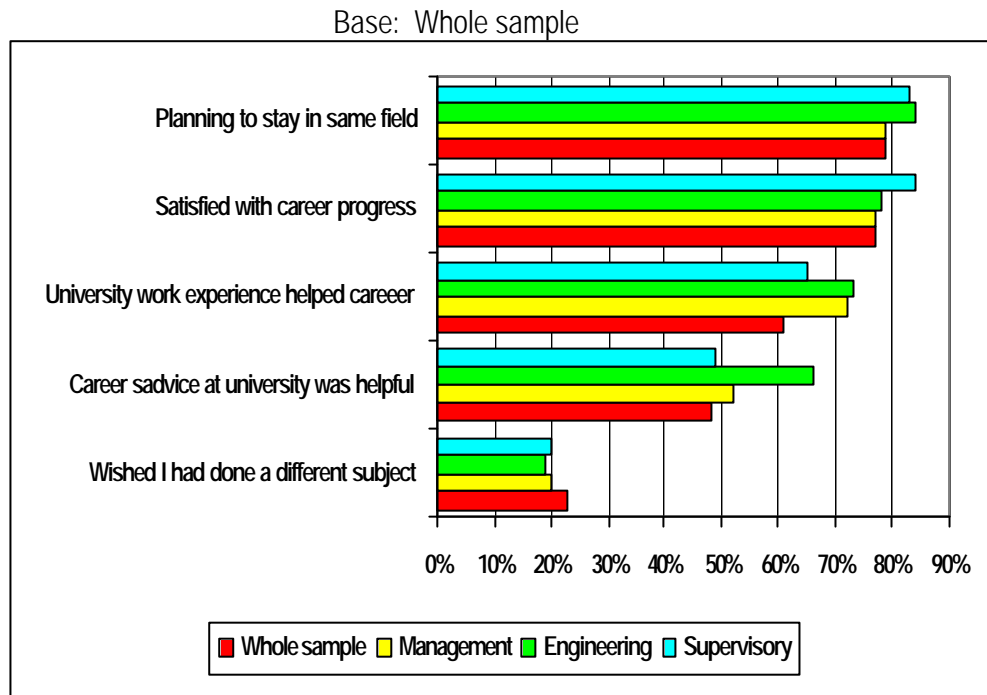
Of the list of characteristics offered in the survey, more graduates cited challenging and varied work or continual skills development as the most important reason for staying in their current employment (26% and 18%).

²⁷ Respondents were asked to identify which of the following were characteristic of their job: competitive salary; continual skills development; sense of public or charitable service; challenging and varied work; long-term security; opportunities for an international career; opportunities to reach managerial levels; working for a progressive and dynamic organisation; working with people you enjoy socialising with.

2.5 Satisfaction with career progress²⁸

77% of respondents were satisfied with their career progress and 79% planned to stay in the same field of work. A quarter of graduates wished they had studied a different degree. This was consistent among management studies graduates. Graduates with supervisory job responsibilities were more likely to be satisfied with their career progress (84%) and planned to stay in the same field of work (83%) than the whole sample.

Figure 2.5:- Graduate career progress three years out - 2001



Nearly three quarters of management studies and engineering graduates felt that work experience at university had helped them with their career plans compared with the whole sample of 61%. This suggested the vocational nature of the courses had helped these graduates with their career progress and made them feel better equipped for the demands of the labour market.

²⁸ Respondents were asked whether they agreed or disagreed with the following statements: I am satisfied with my career progress; I plan to stay in the same field of work for the foreseeable future; work experience benefited my career; careers advice at university was helpful; I would have preferred to study a different course at university.

3. RECIPE FOR SUCCESS

Using the computer software package CHAID, tests were carried out to establish which variable was the best predictor of salary. We analysed all the factors identified as impacting on graduate labour market outcomes²⁹.

3.1 Six months after graduation

The analysis identified a sequence of characteristics that lead to higher than average earnings. The highest earning graduates had attended a pre 92 university, had received sponsorship, but had no work experience. The second highest earnings were amongst graduates that had attended a pre 92 university, studied a vocational & applied course, had work experience, but no sponsorship. The third highest earnings were amongst graduates that had attended a post 92 university, studied a vocational & applied course, had work experience, but no sponsorship. This indicated that type of university attended was a very strong predictor of graduate earnings. Course of study, work experience and sponsorship were also strong predictors. Class of degree was significant only for graduates that received a first class degree. Similarly, gender and age had only a limited effect on graduate earnings

Small sample size precluded the use of CHAID analyses in the subsets. Instead, analyses were conducted into the variance of median salary according to the factors affecting graduate earnings³⁰.

3.2 Three years after graduation

The highest earning graduates were those that had received sponsorship through university, were mature at graduation and who were male. The second highest earning graduates were graduates who had obtained a high A level score and who had read a maths, science or vocational and applied course at university. Thus sponsorship, age, gender and course type were all important predictors of graduate earnings.

Because of restrictive sample sizes it was not possible to perform a CHAID analysis on each of the subsets. Instead, analyses were conducted into the variance of median salary across the range of factors identified as affecting graduate earnings³¹.

²⁹ These included: Gender; age; university entry qualifications; course type (5); type of university; type of school; A level points score; work experience; sponsorship; class of degree and university skills satisfaction score.

³⁰ Appendix A

³¹ Appendix B

3.0 KEY ISSUES

This section of the report summarises some of the key issues evident from the research. These include the effect of: gender, age, university entry qualifications, type of university attended and skills development at university. Finally, we look for evidence of industry support for graduates both during and after graduation.

3.1 Gender

52% of graduates were female and 48% were male in the 2001 Graduate Survey³². Females were slightly under represented in management studies (44%) and more significantly in engineering (16%).

Historically, males have enjoyed more favourable returns on their higher education six months after graduation than females. In 2001, however, the gap between male and female labour market outcomes narrowed significantly. For the first time since the start of the survey, more females than males were permanently employed (66% female versus 63% male in 2001). Similarly, slightly more females were in their preferred employment and a comparable number were in a graduate job. The earnings gap between males and females narrowed from 11% in 2000 to 3% in 2001. The narrowing gender gap reflected the more significant fall in employment outcomes among graduates with a more vocational degree.

Despite the improvement in female employment outcomes, female management studies graduates continued to perform more poorly in the labour market compared with male management studies graduates and the female cohort. This was evident in their preferred employment, employment in a graduate job and average earnings.

Female engineers did not attain a position in the labour market comparable with male engineers, but performed better than the female cohort.

Table 3.1:- Employment outcomes six months out and gender – 2001

Base: Graduates in employment

Gender profile	Whole Sample		Management		Engineering	
	n	%	n	%	n	%
Preferred job						
Females	1203	51	117	47	72	64
Males	1214	49	148	50	250	66
Graduate job						
Females	1203	42	117	36	72	64
Males	1214	44	148	42	250	63
Salary						
Females	1203	14,500	117	14,000	72	17,000
Males	1214	15,000	148	14,751	250	18,000

Three years after graduation, the employment outcomes for males and females were comparable across a range of measures. Despite this, a consistent gap in earnings was evident (19% in 1998 and 2001).

³² HESA 1999/2000 First Destination Statistic

Table 3.2:- Employment outcomes three years out and gender – 2001

Base: Graduates in employment

Gender profile	Whole Sample		Management		Supervisory role	
	n	%	n	%	n	%
Job related to career						
Females	525	73	78	71	447	77
Males	525	76	64	77	461	81
Graduate job						
Females	525	61	78	60	447	82
Males	525	65	64	54	461	76
Salary						
Females	525	£18,500	78	£18,000	447	£20,000
Males	525	£22,000	64	£22,500	461	£23,000

3.2 Age

76% of graduates were less than 25 years of age upon graduation and 24% were 25 years of older³³. More management studies and engineering graduates were young compared with the whole cohort (84% and 85% versus 76%, respectively).

Six months after graduation, mature graduates enjoyed more favourable employment outcomes than young graduates. This was consistent with previous years of the survey.

Mature management studies graduates did not enjoy the same employment outcomes as the mature cohort as a whole. This was evident in both preferred employment and employment in a graduate job. In previous years, mature management graduates have earned less than the mature cohort. In 2001, however, graduate earnings were comparable.

Table 3.3:- Employment outcomes six months out and age – 2001

Base: Graduates in employment

Age profile	Whole Sample		Management		Engineering	
	n	%	n	%	n	%
Preferred job						
Mature	528	62	37	53	43	73
Young	1866	46	225	48	276	64
Graduate job						
Mature	528	48	37	27	43	57
Young	1866	41	225	41	276	66
Salary						
Mature	528	16,000	37	16,556	43	18,465
Young	1866	14,009	225	14,000	276	18,000

Three years after graduation, the age advantage evident at six months had been eroded. Young graduates were as likely, if not more likely to be in their preferred employment, in a graduate job and earning a comparable salary.

Mature management graduates continued to experience poorer employment outcomes than young management graduates or the mature graduate cohort.

³³ HESA 1999/2000 First Destination statistic

Table 3.4:- Employment outcomes three years out and age – 2001

Base: Graduates in employment

Age profile	Whole Sample		Management		Supervisory role	
	n	%	n	%	n	%
Job related to career						
Mature	201	74	24	52	177	78
Young	849	75	118	78	731	79
Graduate job						
Mature	201	59	24	26	177	63
Young	849	64	118	63	731	71
Salary						
Mature	201	£20,250	24	£15,000	177	£21,000
Young	849	£20,000	118	£20,900	731	£21,500

3.3 University entry qualifications

65% of graduates entered university with A/AS levels only. 17% entered with A/AS levels and another qualification and 17% entered with qualifications other than A/AS levels. This was consistent among management studies graduates and engineers.

Among graduates that entered university with A/AS levels, management studies graduates scored fewer UCAS points compared with the graduate cohort. 27% of management studies graduates entered university with a high UCAS points score³⁴. This compared with 39% of the whole cohort and 46% of engineers.

Six months after graduation, the employment outcomes for both A level and vocational entry graduates were comparable³⁵. Slightly more vocational entry graduates were in their preferred employment, with slightly more traditional entry graduates in a graduate job. This indicates that the two groups may have had different aspirations prior to university.

Among management studies graduates, however, those with traditional entry qualifications enjoyed better employment outcomes than those with vocational entry qualifications. This was consistent with previous years of the survey and suggested that management studies graduates that entered university via a non-traditional route were not regarded as favourably as traditional entry graduates by employers.

Table 3.5:- Employment outcomes six months out and entry qualifications -2001

Base: Graduates in employment

Entry profile	Whole Sample		Management		Engineering	
	n	%	n	%	n	%
Preferred job						
A-level entry	1587	48	167	46	207	68
Vocational entry	381	57	39	42	44	61
Graduate job						
A-level entry	1587	44	167	40	207	66
Vocational entry	381	39	39	21	44	52
Salary						
A-level entry	1587	15,000	167	14,000	207	18,000
Vocational entry	381	15,000	39	13,977	44	18,000

³⁴ 24+ UCAS points

³⁵ However, graduates that entered university with high A level scores enjoyed more favourable employment outcomes.

Three years after graduation, entry qualifications continued to have little bearing on employment outcomes. However, among management studies graduates, those with vocational entry qualifications continued to be less favourably placed in the labour market than those with traditional entry qualifications.

Table 3.6:- Employment outcomes three years out and entry qualifications – 2001

Base: Graduates in employment

Entry profile	Whole Sample		Management		Supervisory role	
	n	%	n	%	n	%
Job related to career						
A-level entry	725	74	63	82	638	78
Vocational entry	155	74	22	53	125	79
Graduate job						
A-level entry	725	76	63	67	638	70
Vocational entry	155	79	22	33	125	65
Salary						
A-level entry	725	£20,000	63	£21,000	638	£22,500
Vocational entry	155	£19,800	22	£15,500	125	£20,000

3.4 Type of university

52% of graduates attended a post 92 university and 47% a pre 92 university in 2001³⁶. More management studies graduates (74%) and engineers (62%) attended a post 92 university than other graduates³⁷.

Graduates from pre 92 universities were slightly more likely to be in a graduate job with slightly higher average earnings than those from post 92 universities. This was more significant among management studies graduates.

Table 3.7:- Employment outcomes six months out and university type 2001 (%)

Base: Graduates in employment

University profile	Whole Sample		Management		Engineering	
	n	%	n	%	n	%
Preferred job						
Pre-92	1248	50	77	45	214	70
Post-92	1169	51	188	50	108	58
Graduate job						
Pre-92	1248	46	77	44	214	67
Post-92	1169	40	188	37	108	56
Salary						
Pre-92	1248	15,000	77	15,000	214	18,000
Post-92	1169	14,500	188	14,000	108	17,500

Three years after graduation, an advantage among graduates that had attended a pre 92 university was still evident. This was particularly clear in the proportion that had attained a graduate job. This advantage was more pronounced among management studies graduates.

³⁶ HESA 1999/2000 First Destination statistic

³⁷ Consistent with HESA statistics

Table 3.8:- Employment outcomes three years out and university type 2001 (%)

Base: Graduates in employment

University profile	Whole Sample		Management		Supervisory role	
	n	%	n	%	n	%
Pre-92	570	76	51	75	519	81
Post-92	480	73	91	74	389	77
Graduate job						
Pre-92	570	69	51	70	519	68
Post-92	480	57	91	50	389	58
Salary						
Pre-92	570	£21,000	51	£21,000	519	£22,100
Post-92	480	£19,500	91	£19,000	389	£20,00

3.5 Development of skills for the labour market

3.5.1 Management skills

We asked graduates to score out of a possible 5 their satisfaction with their course development of a set of management skills³⁸. Graduates scored an average 2.8 out of 5. 13% scored between 1-1.99, 45% scored between 2-2.99, 36% scored between 3-3.99 and 6% scored more than 4. Management studies graduates awarded a higher overall score than the graduate cohort (3.0 versus 2.8). This trend was consistent among engineers.

Nearly half of all graduates (46%) were highly satisfied³⁹ with the development of their strategic management skills. A quarter (26%) were highly satisfied with their team leadership or with their people management skills development. 20% were highly satisfied with their customer relationship skills. Fewer graduates were highly satisfied with financial (15%) or material resource (6%) management skills.

More management studies graduates were highly satisfied with the development of their strategic, financial, people and customer relationship management skills compared with the graduate cohort. Slightly fewer management graduates were highly satisfied with their material resource management skills than other areas.

More engineers were highly satisfied with their team leadership, material resource and financial management skills than the graduate cohort. Slightly fewer engineers were highly satisfied with the development of their customer relationship and people management skills.

3.5.2 Personal skills

We asked graduates to score out of a possible 5, their satisfaction with their course development of a set of personal skills⁴⁰. Graduates awarded an overall 3.7 out of a possible 5. 61% of graduates scored between 3 and 3.99 and 31% scored four or more. Management studies graduates awarded a slightly higher overall score to their satisfaction with their skills development (3.8). This was consistent with the previous

³⁸ These included: managing other people; controlling financial budgets; customer relationships; strategic thinking; becoming a team leader; managing material resources.

³⁹ High score defined as a score of 3 or more

⁴⁰ These included: decision making; teamworking; self motivation of drive; using initiative; achieving goals; oral communication; written communication; numeracy; time management; computing/IT skills and leadership.

year. 58% of management graduates awarded a score of between 3 and 3.99, and 38% scored four or more.

80% of graduates were highly satisfied with the development of their initiative at university, 79% were highly satisfied with the development of their ability to achieve goals and 72% were highly satisfied with their written communication and information searching skills development. Fewer graduates were highly satisfied with the development of their self motivation (39%) or numeracy (34%) at university.

Management studies graduates were most satisfied with the development of their team working skills (84%). This compared with 71% of the graduate cohort. More management studies graduates were highly satisfied with their self motivation, leadership, information searching, computing and oral communication skills than the graduate cohort. More engineers were highly satisfied with their numeracy, computing, team working, written communication and leadership skills than the graduate cohort.

3.6 Industry support

3.6.1 Sponsorship through university

8% of all respondents had received sponsorship through university. A third (34%) of all sponsorship was through employment or scholarship from a future employer, a quarter (23%) was in the form of sabbatical from current employers and a quarter (22%) in the form of a trust fund.

Engineers were more likely to receive sponsorship at university than other graduates (23% versus 8%). Conversely, management studies graduates were less likely to receive sponsorship (6% versus 8%). This trend was consistent with previous years of the survey.

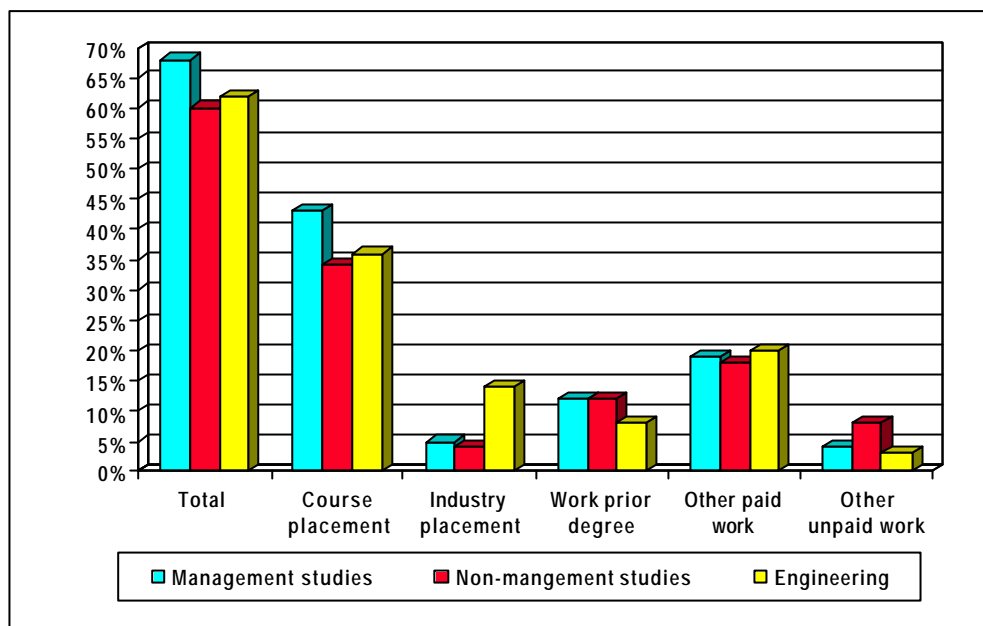
3.6.2 Work Experience

We asked graduates if they felt that, prior to graduation, they had gained work experience relevant to their field of work. 68% of all management studies graduates felt they had gained relevant work experience. This compared with only 60% of non-management and 62% of engineering graduates.

37% of graduates went on placement as part of their work experience. This compared with 46% of management studies and 46% of engineering graduates. 43% of management studies graduates went on a university course placement. This was higher than the graduate cohort (34%) or engineering graduates. More engineers (14%) went on an industry placement compared with the graduate cohort (4%) or management studies graduates (6%).

Figure 3.1:- Types of graduate work experience – 2001 (%)

Base: Whole sample



Graduates that had been on a placement were more likely to be in a graduate job, their preferred career and earning a higher average salary than graduates that had not been on a placement. This was less significant among management and engineering graduates.

Table 3.9:- Labour market outcomes for placement graduates - 2001 (%)

Base: Whole sample

Graduate profile	Whole Sample		Management		Non-Management		Engineering	
	n	%	n	%	n	%	n	%
Graduate job	439	54	49	56	390	53	88	52
Not graduate job	274	25	56	42	218	22	35	39
Training scheme	203	51	23	54	180	51	75	55
No training scheme	521	34	82	45	439	33	49	44
First job preferred	511	53	65	58	446	52	98	56
Permanent, not career	78	22	13	31	65	21	7	17
Short term stopgap	128	20	27	38	101	18	18	38
Salary	722	£17,000	105	£15,500	617	£17,001	124	£18,500

3.6.3 Graduates in a training scheme six months after graduation

20% of employed graduates were in a graduate training scheme. This was consistent among management studies graduates (22%). More engineers were in a graduate training scheme than other graduates, reflecting the vocational nature of their work.

Young, male graduates that attended a pre-92 university and entered with A/AS levels were more likely to be in a graduate training scheme than other graduates. This was consistent among management studies graduates.

3.6.4 Training provision – three years out

38% of graduates received business or personal skills training from their employer, 41% received technical skills training and 27% were involved in a programme leading to a professional qualification.

Table 3.10:- Employer training provision – 2001 (%)

Base: Graduates in employment

Employer training	Whole Sample	Management	Supervisory role	Engineering
Short course in business/ personal skills	38	49	45	50
Short technical course	41	41	51	73
Programme leading to professional qualification	27	27	33	31

More management studies graduates, engineers and those in a supervisory role received business skills training compared with the whole sample. Similarly, more of these graduates received technical training than the whole sample. The higher incidence of technical training among graduates with supervisory job responsibilities is a reflection of the vocational nature of this group of graduates.

Graduates that received training were more satisfied with their career progress and more likely to plan to stay in the same field of employment. These graduates earned more than graduates that had not received training (£22,000 versus £18,000). This was consistent for the different groups of graduates. The most significant difference in earnings was evident among management studies graduates (£22,000 versus £15,750). This suggested a diversity of ability and a wide range of levels of responsibility within this group of graduates.

Large companies⁴¹ were the key providers of training, accounting for 71% of all training.

⁴¹ Large organisation defined as employing 500 staff or more; medium sized organisation employing 100-499 staff and small organisation employing 1-99 staff.

Appendix A – Earnings profile six months after graduation – Median (£.00)

Base: Whole sample

	Whole Sample		Management		Non Management		Engineering	
	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median
Gender								
Male	1214	£15,000	148	£14,751	1066	£15,000	250	£18,000
Female	1203	£14,500	117	£14,000	1086	£14,560	72	£17,000
% difference		3		5		3		6
Age								
Upto 25 Years Old	1866	£14,009	225	£14,000	1274	£14,145	276	£18,000
25 and Over	528	£16,000	37	£16,556	491	£16,000	43	£18,465
% difference		-12		-15		-12		-3
Entry qualifications								
A and AS Level	1587	£15,000	167	£14,000	1429	£15,000	207	£18,000
A and AS Level and Other versus traditional	392	£14,975	50	£15,545	281	£14,500	36	£17,000
		0		11		-3		-6
Other Qual without A/AS Level versus traditional	381	£15,000	39	£13,977	342	£15,000	44	£18,000
		0		0		0		0
High/Low A level score								
High A level score	660	£15,933	52	£15,000	482	£15,951	64	£18,500
Low A level score	958	£14,000	130	£14,000	683	£14,000	67	£16,949
% difference		-12		-7		-12		-8
Sponsorship								
Yes	172	£18,000	16	£18,000	157	£18,000	49	£19,446
No	1776	£14,256	215	£14,000	1561	£14,500	151	£17,781
% difference		-21		-22		-19		-9
Type of university								
Pre 92	1248	£15,000	77	£15,000	1171	£15,000	214	£18,000
Post 92	1169	£14,500	188	£14,000	981	£14,560	108	£17,500
% difference		-3		-7		-3		-3
Class of degree								
First class	273	£17,000	14	£17,514	259	£17,000	77	£19,093
Two one versus 1st class	1250	£15,000	148	£14,500	1102	£15,000	129	£18,000
		-12		-17		-12		-6
Two two versus 1st class	702	£13,448	94	£14,000	608	£13,144	94	£16,558
		-21		-20		-23		-13
3rd class / ordinary versus 1st class	130	£13,407	7	£12,225	123	£13,500	23	£15,918
		-21		-30		-21		-17
Pass	60	£24,000			60	£24,000		
Job seeking								
Had job lined up Before end final year versus job lined up	129	£17,500	10	£18,270	119	£17,257	17	£18,287
	937	£16,500	116	£15,500	821	£16,500	124	£18,500
		-6		-15		-4		1
After end final year versus job lined up	491	£13,500	61	£14,000	430	£13,444	43	£17,000
		-23		-23		-22		-7
Nature of employment								
First job in career Permanent versus preferred employment	1033	£17,000	113	£16,072	920	£17,000	180	£18,796
	368	£14,000	45	£14,000	299	£14,000	28	£16,536
		-18		-13		-18		-12
Short term versus preferred employment	668	£11,000	75	£11,435	532	£10,920	40	£10,481
		-35		-29		-36		-44
Size of organisation								
Lge Medium versus large organisation	1379	£15,456	144	£14,000	1235	£15,500	190	£18,500
	394	£14,000	55	£14,312	339	£14,000	54	£17,000
		-9		2		-10		-8
Sml versus large organisation	259	£13,060	26	£15,168	233	£13,000	26	£13,723
		-16		8		-16		-26
Graduate job								
Yes	896	£17,001	90	£16,606	722	£17,001	122	£19,000
No	1157	£12,000	135	£12,000	942	£12,000	71	£14,000
% difference		-29		-28		-29		-26
Graduate Training Scheme								
Yes	429	£18,500	43	£18,000	319	£18,500	95	£18,828
No	1650	£13,500	185	£13,500	1363	£13,500	103	£15,510
% difference		-27		-25		-27		-18
Job Wanted								
Yes	1032	£17,000	109	£16,585	859	£17,000	122	£18,926
No	1045	£11,849	118	£12,000	823	£11,793	76	£14,515
% difference		-30		-28		-31		-23

Appendix B – Earnings profile three years after graduation - median salary (£.00)

Base: Whole sample

	Whole sample	Management studies	Engineering	Supervisory
A-level points score				
High	21,600	23,750	24,500	23,000
Low	20,000	20,800	24,000	20,800
% difference	-7	-12	-2	-10
Gender				
Male	22,000	22,500	25,000	23,000
Female	18,500	18,000	22,700	17,100
% difference	-16	-20	-9	-26
Age				
Young	20,000	20,900	24,000	21,500
Mature	20,250	15,000	24,500	21,000
% difference	1	-28	2	-2
University				
Conventional	21,000	21,000	24,500	22,100
Post 92	19,500	19,000	24,000	20,000
% difference	-7	-10	-2	-10
Class of degree				
First class	25,000	25,000	25,000	25,000
Upper second class	21,000	21,000	25,000	21,000
versus first class	-16	-16	0	-16
Lower second class	21,000	18,000	24,000	21,000
versus first class	-16	-28	-4	-16
3 rd /Ordinary	18,500	12,000	19,500	18,500
versus first class	-26	-52	-22	-26
Sponsorship				
Yes	25,000	20,000	25,000	22,100
No	20,000	20,000	23,250	21,000
% difference	-20	0	-7	-5
Nature of employment				
Traditional graduate job	22,000	21,000	25,000	22,500
New graduate job	17,500	17,500	22,000	18,000
versus traditional graduate job	-20	-17	-12	-20
Non-graduate job	14,350	13,000	22,000	
versus traditional graduate job	-35	-38	-12	
Pre entry qualifications				
Traditional qualifications	20,000	21,000	23,950	21,500
Vocational qualifications	19,850	17,000	25,000	20,875
% difference	-1	-19	4	-3
Nature of employment				
Job related to career	22,000	21,000	25,000	22,000
Permanent, not career	18,000	16,250	21,600	18,000
versus job related to career	-18	-23	-14	-18
Short term stopgap	15,000	12,000	21,500	15,000
versus job related to career	-32	-43	-14	-32
Graduate training scheme				
Yes	25,000	25,000	25,000	25,000
No	19,000	18,000	22,500	20,000
% difference	-24	-28	-10	-20
Training from current employer				
Business skills	22,500	22,000	25,000	22,500
Technical training	22,500	24,000	25,000	22,500
% difference	0	9	0	0
Whole sample	20,000	20,000	24,000	21,450

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