

Changing Careers - a Central London Graduate Perspective

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The central London economy is going through rapid change. The impact of globalisation and new technology has led to a dramatic shift in the structure of the economy and in the type of skills required of the workforce. The emphasis now is on knowledge-rich workers who can assist the dynamic growth of companies serving an international market place. Some simple statistics related to the central London economy highlight these changes:

- **The enormous increase in jobs in the business services sector.** Between 1991 and 1998 there was a 51% increase in jobs in this sector as compared to an increase of only 7% in all other sectors.
- **The increasing penetration of foreign-owned companies.** By summer 2000, over a third of companies with over 200 employees were non-UK owned. In the finance sector, 60% of businesses with over 200 employees had foreign ownership.
- **The high rate of organisational change in large and foreign-owned companies.** A third of companies with over 200 employees and a similar proportion of all foreign-owned companies had experienced a merger, take-over or major reorganisation in the previous year.
- **The increasing graduate nature of the workforce.** A half of employees in the central London area now have qualifications at NVQ level 4 or 5.

On the basis that these trends are set to continue, there are important implications for the methods used by employers to recruit and for the ways that graduates seek to obtain employment.

Recruitment in central London

The central London area is characterised by the high use of recruitment agencies. One-in-four jobs in private sector companies are filled through recruitment agencies. In professional occupations, perhaps unsurprisingly, this rises to 40%. However, the use of recruitment agencies is spreading to other occupations: for example, a similar proportion of clerical and secretarial jobs is now filled in this way.

The other major way that jobs are found is through word of mouth. Together the methods of using recruitment agencies and word of mouth account for about a half of all filled jobs. This has major implications for the ways that graduates should go about finding work. Job search has to be highly pro-active and needs to reach the parts and places where people, not in work, do not normally go.

A highly competitive market place

People applying for jobs need to understand that they are in a very competitive market. In a recent study of 2,000 advertised jobs, the average number of applicants per job was 28. Those who are looking to enter the workforce for the first time and those who are unemployed are competing not just against other unemployed people but against a large number who are already in employment but want a change of job. Clearly, it is no longer enough to be able to meet the minimum criteria for a job. To secure employment, candidates need to be able to demonstrate that they are the *best* person for the job.

It is also important to realise that most employers do not use particularly sophisticated recruitment tools. Only 4% use psychometric tests. Reliance is still placed on the face-to-face interview. This is not necessarily a one-off event – almost a half of employers took the process to a second or third stage interview. Clerical, sales and personal and protective service vacancies are just as likely to involve multiple interviews as are professional jobs.

To be the chosen person, candidates need to be able to impress a prospective employer (as well as a recruitment agency) and to show commitment through what may be a long-winded process.

What do employers want?

Employers are looking for a mixture of qualifications, experience and soft skills. There are changes taking place with regard to each of these factors.

• Qualifications

With regard to qualifications, an interesting dichotomy emerges. When

people in work are asked how important they feel their qualifications were in helping them to get their job, two-thirds say that it was of high or medium importance. When employers are asked how important they think qualifications are when they are recruiting, two-thirds say that a qualification is *not* essential. How can we square these seemingly differing views? The solution is that qualifications are a pre-requisite to being shortlisted. When employers are faced with tens or hundreds of applications, they need a quick way of deciding whom to reject. Often, and in particular for younger recruits, this will be done on the basis of qualifications. However, the decision as to who to employ from the final line-up will be done by looking at the candidates as a whole. Qualifications are a necessary but not a sufficient condition to getting a job.

Even at degree level, qualifications provide differing signals to employers. In a study we carried out looking at graduates in the London labour market, we identified a big difference between professions where there is a traditional route to a job, such as pharmacy, architecture, etc., and emergent professions such as computing and marketing where a body of subject knowledge and specific skills are required, as against those occupations where employers just want a person of graduate calibre. Interestingly, two-thirds of employers who recruited new graduates said that they did so without reference to the subject that the person had studied.

• **Experience**

Employers are generally looking for high levels of experience. This mainly relates to experience in using the required skills, but for some occupations – for example, craft occupations, social welfare jobs – it also means having appropriate sector experience. Even when employers are looking to recruit new graduates, they still expected a level of work experience. A quarter said that it was almost a condition of employment, with a further half saying it would be viewed

favourably. There are clearly issues as to how young graduates can be expected to get appropriate work experience.

• **Skills**

The final element in the jigsaw concerns the acquisition and demonstration of soft skills. Employers are now expecting prospective employees to have a wide range of these skills, including many of the so-called, key skills such as communication and team-working, as well as many other attributes such as motivation and flexibility. Our research has shown though that employers are often unclear as to what they mean by these skills and that there are differences by occupation.

The table below shows the different emphases provided by employers when defining two of the key skills – oral communication and team working. Oral communication is more likely to be defined as a pro-active talking skill for managers, whilst for sales occupations it will have a greater emphasis on customer liaison. Team-working involves inter-personal skills amongst associate professional occupations, whilst in many professional jobs it is less people-orientated and more related to working on shared projects. For plant and machinery operatives, team-working means getting on and getting things done rather than talking about it!

Definitions of oral communication skills

Definition	Occupation with highest rating of definition
<ul style="list-style-type: none"> • Take part in one-to-one discussions • Communicate with customers • Good telephone manner • Listen effectively 	<ul style="list-style-type: none"> • Managers • Sales • Clerical and secretarial • Personal and protective

Definitions of team working

Definition	Occupation with highest rating of definition
<ul style="list-style-type: none"> • Ability to get on with other members of the team • Ability to work on shared projects • Ability to lead and manage people • Take responsibility for getting things done 	<ul style="list-style-type: none"> • Associate professional • Professional • Managers • Plant and machinery operatives

The graduate labour market study also showed that there is a difference in perspective between the views of graduates and employers. The table below shows the skills which graduates believed that they held to a very high level. It also shows those skills which employers believe are lacking in recent graduates. Communication skills appear in both lists!

Skills Held (Graduate views)	Skills Lacking (Employer Views)
<ul style="list-style-type: none"> • Working on own • Team-working • Oral communication • Written communication • Problem-solving 	<ul style="list-style-type: none"> • Speed/sense of urgency • Communication skills • Business sense • IT skills

Only a minority of graduates identified that they held entrepreneurial skills to a high level. Interestingly, they were far more likely to be earning higher salaries.

Job applicants need to be equipped with the wide range of the skills we have listed, but they also need to be shown how they can demonstrate to employers that they possess these skills. Applicants should be aware that employers in different sectors and recruiting to particular occupations will have varying views of the generic skills they require. We have recently commissioned the production of a multimedia "Improving Employability" pack which aims to assist students and trainees to improve the quality and relevance of job applications and to be better prepared for job interviews. The pack is now being successfully used by further education colleges and training providers in the central London area.

Graduate outcomes

Having a degree is clearly of major assistance in getting a job. In Inner London, 4% of those with a degree who are economically active are unemployed. This percentage rises to 10% for those with just A-levels and to 19% for those with no qualifications.

However, graduates from black and ethnic-minority groups find it much harder to obtain employment. Our study of recent graduates showed that the unemployment rate for Asian graduates was 12% and for Black graduates was 17% as compared to the rate for white graduates of 5%. In addition, a lower proportion of Black and Asian graduates were currently in jobs that were the sort of work they wanted. The difference in employment rates by ethnic group become more pronounced the lower the level of degree obtained by the graduates.

Just over three-quarters of recent graduates were using skills they had acquired on their degree in their present jobs. The higher the level of degree, the more likely that their skills are being utilised. However, 40% of graduates say that they are over-

qualified for the type of work that they are doing and a half of graduates say that non-graduates are performing similar jobs to themselves. Given that these respondents had, in the main, graduated two to three years previously, this suggests a relatively high level of job mis-match and under-utilisation of graduate skills.

Graduate readiness

There are a number of implications which flow from this analysis. The first concerns the integration of generic skills into the curriculum. A degree on its own is no longer sufficient, in particular for the majority of students not studying for traditional professional jobs. A number of universities are taking the lead in embedding generic skills into the curriculum and this is a trend which is likely to continue.

Secondly, work-experience placements can assist graduates to demonstrate that they have a level of appropriate experience when they apply for jobs. This is thought to be particularly important for those following science courses. Interestingly, over 80% of employers who recruit graduates do not have any formal link with a university. Clearly, this is a resource which could be better tapped.

The need for improved careers advice was identified by the graduates. Only 25% rated the careers advice they received at university as good and a half said that they received no advice at all on careers following graduation. Even fewer feel that they received good advice on jobs in the London area. Additional support is required for all, but particularly for black and other ethnic-minority students, who presently face additional barriers in accessing appropriate jobs.

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