



# THE IMPACT OF COVID-19 ON RECENT GRADUATES' CAREER DECISIONS AND OUTCOMES

A report into the employment experiences of graduates from UK higher education during the Covid-19 pandemic.

July 2021

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## EXECUTIVE SUMMARY

The Covid-19 pandemic has had an unprecedented impact on health, education, employment and society in general, on a global scale. It was already clear, even early into the pandemic, that the weight of economic fallout would be unequally shouldered by people aged 18-24, those from an ethnic minority group, women, young workers and disabled workers. Graduates, many of whom inhabit a number of these intersecting identities, are already being adversely affected by the economic and employment challenges associated with the pandemic, as well as the health, personal and societal challenges.

This report, which is a collaboration between the University of Southampton and the Association of Graduate Careers Advisory Services (AGCAS), aims to understand the effect of the pandemic on recent graduates' employment outcomes, their career decisions and the resources they can draw upon to tackle the challenges they face. It intends to understand the short term impact of the pandemic on graduates based on their personal characteristics and potential longer term 'scarring' effects. It has been funded by The Economic and Social Research Council, part of UK Research and Innovation.

The research is based on a survey of 2871 recent graduates and 56 interviews with the same population of graduates. This project intends to amplify the graduate voice, extracted through the survey and interviews, to policy makers, employers and higher education careers professionals in order to reinforce calls for more support for recent graduates made by the AGCAS community.<sup>1</sup>

### EXPERIENCES OF JOB SEARCHING AND EMPLOYMENT DURING THE PANDEMIC

- Over 60% of graduates surveyed were employed at the time of the survey, with most (44%) in full time employment. 11% of graduates were undertaking further study and 16% were unemployed
- The majority of graduates surveyed had experienced searching for graduate-level jobs since March 2020, most commonly through checking general internet jobs sites, followed by checking the websites of companies of interest
- The average number of job applications made by graduates since March 2020 was 37, but ranged from zero to 1000
- Of the graduates who had applied for jobs since March 2020, just under a third did receive and accept a job offer; but a fifth of graduates only reached the CV/application form stage of the recruitment process
- The interviews revealed a variety of job search behaviours, ranging from strategic and specific approaches to more generic, speculative ones depending on graduates' knowledge of the field and how much of an imperative there was to find immediate employment.

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<sup>1</sup> For examples see AGCAS UPP Student Futures Commission call for evidence (July 2021), House of Lords Youth Unemployment Commission - call for evidence (May 2021), The Skills Commission 'Workforce of the Future Inquiry': call for evidence (December 2020). Available: [www.agcas.org.uk/latest/closed-consultations](http://www.agcas.org.uk/latest/closed-consultations)

## IMPACT OF COVID-19 ON CAREER DECISIONS, PERCEPTIONS AND OUTCOMES

- Three quarters of graduates noticed a fall in the number of available opportunities since March 2020 and the vast majority (83%) feel that the pandemic has had a detrimental impact on graduates' employment prospects
- Most graduates have been made to think differently about their future (79.4%), have become less confident about their future employment prospects (72.6%), and faced greater challenges finding employment than they expected (71.9%)
- Over half of graduates have reported being unemployed for longer than two weeks since March 2020 or been employed in a job that did not draw on their graduate qualifications or skills. Over a quarter of graduates surveyed have experienced being on furlough at any point since March 2020
- Over 80% of graduates who had been unemployed, underemployed, made redundant or furloughed felt that their wellbeing and/or morale had been affected. Just under 70% felt that their experience had made them question the value of their degree, had negatively affected their employment outlook, or had affected their confidence about what they can offer to employers
- However, a third of graduates who had experienced a negative employment outcome felt that their experience had given them a chance to gain experience and new skills or felt like a necessary step to future employment whilst 60% felt that their experiences had given them the opportunity to reflect on what they want from their career
- Interviews revealed widespread concerns over the current graduate labour market with many perceiving reductions in opportunities, greater precariousness, not being able to access suitable graduate-level employment and even more intense job competition
- The interviews and open survey responses also indicated early scarring effects from the first year of graduation with a number of graduates reporting being dejected and demotivated by their employment situations and having had their initial career goals and aspirations significantly destabilised

## EXPERIENCES OF GRADUATES BASED ON PERSONAL CHARACTERISTICS

- Male graduates were more likely than female graduates to be in full time employment or to be unemployed, whereas female graduates were more likely to be undertaking part time employment, voluntary work or other types of employment.
- Female graduates have become less confident about their futures (75%) than male graduates (66%) due to Covid-19.
- Black, African and Caribbean graduates were the most likely ethnic group to be in full time employment or any type of employment, whilst Black British graduates were the least likely to be in full time employment. White British graduates were least likely to be unemployed and Arab graduates the most likely ethnic group to be unemployed.
- Graduates with disabilities are more likely to be unemployed than graduates without a disability and 76% of graduates with a disability felt that Covid-19 has damaged their job prospects.
- There was little statistical significance between graduates whose parents obtained higher education degrees and those in their first generation in university in employment outcomes. However, graduates with parents with degrees had made more progress in the recruitment process than first generation graduates.

- Medical and dentistry graduates were the most likely to be in full time employment and least likely to be unemployed. Creative arts and design graduates were the least likely to be in full time employment and to be unemployed. Language graduates are the most likely to be in further education.
- About 86% of arts and humanities graduates have found it more challenging to find graduate jobs they want to apply to since March 2020 than they expected, due to Covid-19.

## THE ROLE OF SOCIAL CAPITAL IN NAVIGATING LABOUR MARKET CHALLENGES

- Recent graduates feel more positive about their social capital (their networks and networking skills) than negative
- Graduates feel more positive about social support from peers/friends and family in pursuing their targeted career than they do about having contacts with relevant people in their targeted career and using social media to market themselves and develop contacts
- Those who had developed key industry contacts through early professional networking reported this providing notable advantages in helping leverage opportunities towards attaining targeted employment
- Graduates perceived that opportunities for establishing helpful industry contacts had declined during the pandemic, or that initial networks formed during university had become harder to sustain during lockdown.

## TYPES OF TRANSITIONAL EXPERIENCE

The research captures four main transitional experiences into the labour market, characterised by the activities the graduates are undertaking and how they feel about their current employment situation and future direction:

1. *Disoriented* graduates are least likely to have made progress towards their goals, most likely to be discouraged by the current context and are concerned about their immediate and longer-term futures. They perceive their ability to make their own choices about their career is being constrained and feel unable to take advantage of their existing employability capital. These graduates showed greatest indication of initial scarring
2. *Indeterminate* graduates struggled to gain a foothold in the job market even though they were actively looking, but have made some progress towards their employment goals. They display less scarring and more confidence than *disoriented* graduates
3. *Emerging* graduates are either working towards their targeted employment or had very recently found initial employment. The role they are undertaking is typically aligned to their targeted area of employment or predicted to act as a springboard towards their target employment
4. *Integrating* graduates had experienced the smoothest transitions since graduating, with many finding employment prior to or soon after graduating, often on a graduate scheme. They had not been adversely impacted by the difficult economic climate, although in some cases the first few months of finding employment had caused concerns.

## SUPPORT FROM CAREERS SERVICES, EMPLOYERS AND SECTOR ORGANISATIONS

- Just over half the respondents are aware of what support is available from their university careers service (55%) and over a third (36.7%) have engaged with their careers service since March 2020
- Graduates who were unemployed at the point of the survey or undertaking further study were statistically more likely to have engaged with their careers service than those in employment, suggesting that graduates look for further support when they feel they need it
- The most commonly requested careers and employability support by graduates from careers services were *Help with my CV, cover letter or application*, *Advice on how to market myself to employers* and *Help evaluating possible future options*
- Differences exist in graduates' awareness of careers service support based on their personal characteristics, with female graduates and those who are first in their family to go to university reporting less awareness of careers service support than male graduates and those whose parents have higher level qualifications
- Just over 40% of graduates surveyed reported that they had not felt supported by employers during the recruitment process since March 2020. Graduates with disabilities are more likely to report that they do not feel supported by employers and feel that the recruitment process is challenging in comparison to graduates without disabilities
- Graduates think that employers should provide clear training pathways for graduate recruits, internships for students, more information about available openings and more information about how they recruit graduates.

**The following recommendations are made to support graduates entering the Covid-hit economy.**

### **8.2.1 Recommendations for higher education institutions and careers services**

1. Higher education institutions (HEIs) should recognise the impact that Covid-19 has had on graduate employment and opportunities for career development and the vital role that careers and employability professionals play in supporting graduates. As a result, they should explore the extension of access to relevant university support and infrastructure, e.g. via career and skills development online learning resources
2. Careers and employability services should be resourced appropriately in order to provide targeted support to graduates most affected by the challenging labour market, which may involve the recruitment of additional and/or specialist practitioners or investment in further professional development in best supporting graduates during challenging labour market transitions.
3. HEIs should ensure that careers education, information, advice and guidance (CEIAG) and opportunities for work experience, experiential learning and skills development are considered as essential parts of the university experience and integrated in ways that best complement existing programmes and values that exist within the institution's employability ecosystem.
4. HEIs should continue to draw on alumni networks to support graduates, which might include targeted support and mentoring for those experiencing greatest challenges. Continued effort should be made to ensure that graduates – particularly female graduates and those who are first in their family to go to university – are aware of the support on offer for them. Any increase in demand for support from graduates needs to be resourced appropriately.

5. Careers and employability services should continue to offer opportunities for graduates to develop their social capital, with a particular focus on disabled graduates and continue to explore new ways of helping students develop meaningful professional relationships in a virtual environment.

### **8.2.2 Recommendations for employers of graduates**

6. Employers should commit to high-quality development programmes and on-the-job training to support a cohort of graduates that will need to be agile in a challenging labour market.
7. Employers should demonstrate a commitment to equality, diversity and inclusion through ensuring the job vacancies clearly asks candidates whether they require reasonable adjustments, adjusting recruitment process accordingly and providing structured support and mentoring for graduates who may find the transition into employment more challenging.
8. Where possible and prudent to do so, graduate employers should provide a clear training pathway for graduate recruits, internships for students and more transparent information about available openings and how they recruit graduates.
9. Employers should further engage with graduates on their job applications if they have been unsuccessful in the recruitment process, where possible. All unsuccessful applicants who reach the final interview stage of the recruitment process should be given the opportunity to receive meaningful feedback relevant to their application and/or performance.

### **8.2.3 Recommendations for sector organisations and policy makers**

10. Graduates should be considered separately to other groups (e.g. young people who are classed as NEET) in policy recommendations.
11. Sector organisations, including but not limited to AGCAS, should continue to facilitate the sharing of best practice in HE careers and employability delivery, including models and initiatives that have proven value, and relevant resources across institutions.
12. This research has shown that graduates have experienced the Covid-affected labour market differently based on their personal characteristics, but it does not explore the impact of multiple intersecting identities. Funding is recommended to conduct further research to understand how personal characteristics influence the transition into the labour market and develop evidence-based interventions.
13. Funding should be provided to UK regions to allow HEIs to collaborate locally to create programmes, such as paid internship programmes, that support SMEs to recruit students and graduates.
14. Any funding or policy interventions should be directed through higher education careers services as experts in the career development and outcomes of their graduate population.

# 1. INTRODUCTION

## 1.1 Background and context

The Covid-19 pandemic has had an unprecedented impact on health, education, employment and society in general, on a global scale. The magnitude of the recession caused by the pandemic is unparalleled in modern times. Gross domestic product (GDP) declined by 9.8% in 2020, the steepest drop since consistent records began in 1948.<sup>2</sup> The Bank of England has predicted that the level of economic output (as measured by GDP) will regain its pre-pandemic level by the end of 2021, but even when the economic shock of the pandemic does eventually dissipate, the crisis may result in permanent damage, or “scarring”, to the economy.<sup>3</sup>

“Scarring” is also a phenomenon that affects individuals. Individuals whose employment outcomes are impacted by situations outside of their control can experience the depletion of their immediate and longer-term career prospects, akin to scars forming in their employment experiences and identity.<sup>4</sup> Evidence from previous economic shocks, such as those seen in the 2008/9 labour market, shows that individuals who have recently left formal education (including university) are at increased risk of scarring. These scars may appear as sustained unemployment, financial hardship, wage reductions and lowered job quality, plus social and psychological impacts.<sup>5</sup> The economic turbulence during the 2008/9 Global Financial Crash had significant short and long-term effects on workers, with individuals entering the labour market for the first time more likely to experience job mismatch, decreased earnings and reduced opportunities for career development.

Whilst the Global Financial Crash of 2008 and the economic crisis induced by Covid-19 share similarities, they are also different in terms of how different sectors have been affected, the speed and shape of the shock and the extent to which different international markets and currencies were affected.<sup>6</sup> As a result, we cannot make direct conclusions from previous data about the experiences of new labour market entrants into the Covid economy, and longitudinal studies will be needed to understand the long-term scarring of the pandemic on the employment outcomes and career prospects of graduates. However, early indications suggest that graduates are already experiencing occupational mismatches (employment in non-graduate level roles), delays in labour market entry and prolonged unemployment.<sup>7</sup>

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<sup>2</sup> House of Commons Library, (2021), ‘*Coronavirus: Economic impact*’, <https://commonslibrary.parliament.uk/research-briefings/cbp-8866/> last accessed 23/07/21.

<sup>3</sup> Ramsden, D. (2020), ‘*The potential long-term economic effects of Covid*’, speech by Dave Ramsden, Deputy Governor for Markets and Banking, Bank of England, speech 17 November 2020, last accessed: 13/07/21.

<sup>4</sup> Daly, M., and Delaney, L. (2013), ‘The scarring effect of unemployment throughout Adulthood on Psychological Distress at Age 50: Estimates Controlling for Early Adulthood Distress and Childhood Psychological Factors’, *Social Science Medicine* 80(1): 19–23.

<sup>5</sup> McQuaid, R. (2015), ‘The Multiple Scarring Effects of Youth Unemployment’, Edinburgh: Skills Development Scotland/Scottish Funding Council.

<sup>6</sup> Strauss-Khan, M. (2020), ‘*Can we compare the COVID-19 and 2008 crises?*’, (2020). Marc-Oliver Strauss-Khan, Atlantic Council, last accessed: 13/07/21.

<sup>7</sup> Office for National Statistics, (2021), ‘*Graduates’ labour market outcomes during the coronavirus (COVID-19) pandemic: Occupational switches and skill mismatch, ONS 2021*’ last accessed: 23/07/2021-



Not all industries and jobs have been subject to equal economic shock. While some industries shrank by up to 90% during 2020, others recorded marginal growth.<sup>8</sup> The hospitality industry recorded almost no output during periods of lockdown, but industries such as information and communication, where staff could largely work from home, saw little change. On the other hand, the UK's arts and entertainment sector has been one of the areas worst affected by the pandemic, with a furlough rate second only to the accommodation and food sector.<sup>9</sup> Nearly a fifth (16.6%) of 2017/18 graduates studied subjects in creative arts, with a third of creative arts graduates working in arts, design and media professions.<sup>10</sup> Graduates from these subjects were already more likely to be unemployed than the general graduate population (5.4% unemployed 15 months after graduation compared to 5.1% for all graduates) so specific policy interventions may be needed to support these, and other graduates disproportionately affected, into meaningful outcomes.

The one-year period following graduation represents a significant transitional period for higher education graduates, many of whom will have made considerable investment choices and accrued substantial costs towards higher education. It was clear, even very early into the pandemic, that the weight of economic fallout would be unequally shouldered by people aged 18-24, those from an ethnic minority group, women, young workers and disabled workers.<sup>11</sup> Many graduates from higher education will be part of a number of these intersecting identities.

Even before the 2020, the competitive graduate labour market combined with rising youth unemployment and increasing volume of students experiencing mental health difficulties at university means that entering the labour market for the first time or re-entering the labour market with different skills, qualifications or expectations, can have a significant impact on mental health and wellbeing.<sup>12</sup> The cohort who graduated from university in 2020 have already overcome significant challenges in the final months of their degree, such as adapting to online learning and assessment, lack of formal graduation celebrations and disruptions to post-graduation work, travel and study plans. It is possible that the challenges that already existed in the labour market will be exacerbated by the pandemic, but the evidence on how Covid-19 is affecting graduates' integration into the labour market remains limited.

## 1.2 Project aims

This research project aims to:

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<sup>8</sup> Office for National Statistics. (2020), *The impact of the coronavirus so far: The industries that struggled or recovered*, last accessed: 13/07/21. [www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/theimpactofthecoronavirussofartheindustriesthatstruggledorrecovered/2020-12-09](https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/theimpactofthecoronavirussofartheindustriesthatstruggledorrecovered/2020-12-09)

<sup>9</sup> House of Lords Library. (2020), *'COVIDhttps://lordslibrary.parliament.uk/Covid-19: I-impact-on -the UK -uk-cultural -sector,'* last accessed 23/07/2021.

<sup>10</sup> Baruah, R. and Robertson, B. (2020) *'What https://luminare.prospects.ac.uk/what-do -creative -arts -graduates -do?'* Prospects Luminare, last accessed 23/07/2021.

<sup>11</sup> House of Commons Library. (2021), *'Coronavirus: Impact on the labour market,'https://commonslibrary.parliament.uk/research-briefings/cbp-8898/* last accessed: 23/07/2021.

<sup>12</sup> *'Graduate Mental Wellbeing in the Workplace'* (2017). V. Reino, V. and N. Byrom, N. (2017), *'Graduate Mental Wellbeing in the Workplace'*, Student Minds. Last accessed: 13/07/2021.

1. Investigate how the Covid-19 crisis has influenced graduates' career prospects, decisions and planning in negotiating access to future employment opportunities.
2. Explore the resources graduates can draw upon in their post-university strategies and goals, including social networks and support from their university and employers.
3. Examine how the Covid-19 crisis may differentially affect different groups of graduates.
4. Examine the potentially longer-term impacts of the Covid-19 crisis and the potential 'scarring effect' it may have on graduates' subsequent career decisions, motivations and outcomes.
5. Inform policy interventions to support graduates and the graduate labour market at a time of continued sector challenge.

### **1.3 Methodology**

This report shares the findings from the first six months of a year-long longitudinal study. The first stage consisted of a survey and interviews with graduates. This stage will be followed with a further survey to the same population of graduates between May and July 2021, plus further follow interviews over broadly the same period. The final outputs of the project will be released during the autumn of 2021.

#### **1.3.1 Survey**

A survey was disseminated to graduates between December 2020 and March 2021, via a group of AGCAS Heads of Service who facilitated the dissemination of the survey to their recent graduate population. The survey received 5306 responses in total, 3040 of which were completed responses. Of these, 2,767 were included in analysis.<sup>13</sup>

The sample consists of a diverse group of graduates from across a broad range of UK higher education institutions (HEIs). A full breakdown of respondent profile and a list of supporting AGCAS member services is included in appendix A.

#### **1.3.2 Interviews**

A total of 56 individual interviews were conducted from January to April 2021, covering the period of the second national lockdown and a time of considerable uncertainty. The interviews were all conducted online through Zoom and lasted on average 45 minutes. The aim of the interviews was to explore in further depth graduates' experiences of the labour market since leaving university, their views on the impacts of Covid-19 on their career planning and prospects and to 'give voice' to some of the graduates who had completed the survey. Information about the demographic characteristics of interviewees is included in appendix B.

*This project has been funded by The Economic and Social Research Council, part of UK Research and Innovation.*

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<sup>13</sup> Responses were removed from analysis from graduates that did not graduate between 2018 and 2020 and those that did not graduate from UK higher education institutions.

## 2. EXPERIENCES OF JOB SEARCHING AND EMPLOYMENT DURING THE PANDEMIC

This section uses data from the survey and interviews to describe the outcomes of graduates and their experiences of job searching and employment since March 2020.

### Key findings:

- Over 60% of graduates surveyed were employed at the time of the survey, with the majority (44%) of these in full time employment. 11% of graduates were undertaking further study and 16% were unemployed
- The majority of graduates surveyed had searched for graduate-level jobs since March 2020, most commonly through checking general internet jobs sites (not internet jobs sites specifically targeted at graduates), followed by checking the websites of companies they were interested in
- The average number of job applications made by graduates since March 2020 was 37, but ranged from zero to 1000
- Of the graduates who had applied for jobs since March 2020, just under a third did receive and accept a job offer, however a fifth of graduates only reached the CV/application form stage of the recruitment process
- The interviews revealed a variety of job search behaviours, ranging from strategic and specific approaches to more generic, speculative ones depending on graduates' knowledge of the field and how much of an imperative there was for them to find immediate employment
- Most of the interviewees acknowledged the importance of doing company profile research and trying to adapt their profiles to perceived company requirements.

### 2.1 Graduates' activities

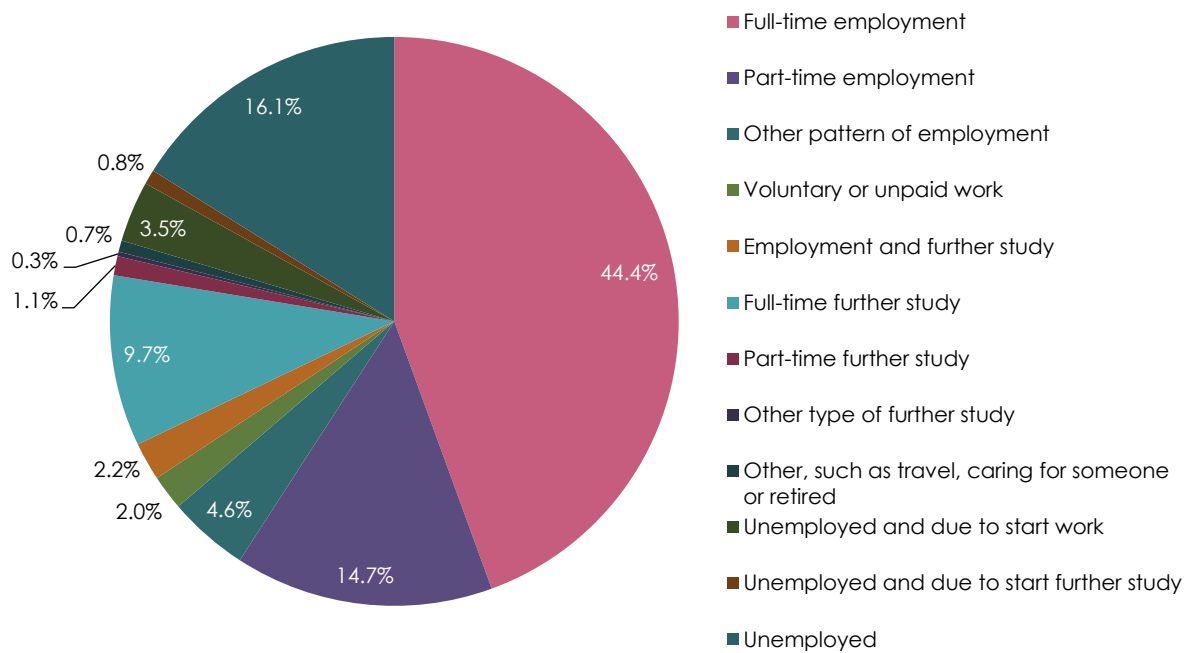
Just under half (44.4%) of graduates were in full time employment at the point of the survey (December 2020 – March 2021) with a further 14.7% in part-time work and 4.6% in another pattern of employment. This means that 63.7% of graduates who took part in the survey were in some form of employment (figure 1).<sup>14</sup> A further 11.1% of respondents were in full time (9.7%), part time (1.1%) or other type (0.3%) of further study. Only a small proportion (2.2%) were undertaking employment and further study at the same time.

However, the second greatest proportion of graduates surveyed (after those in full time employment) were graduates who were unemployed during the survey period (16.1%). A further 3.5% were unemployed and due to start work and less than 1% (0.8%) were unemployed and due to start further study.

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<sup>14</sup> N = 2768

Figure 1. What best describes what you are doing at the moment?



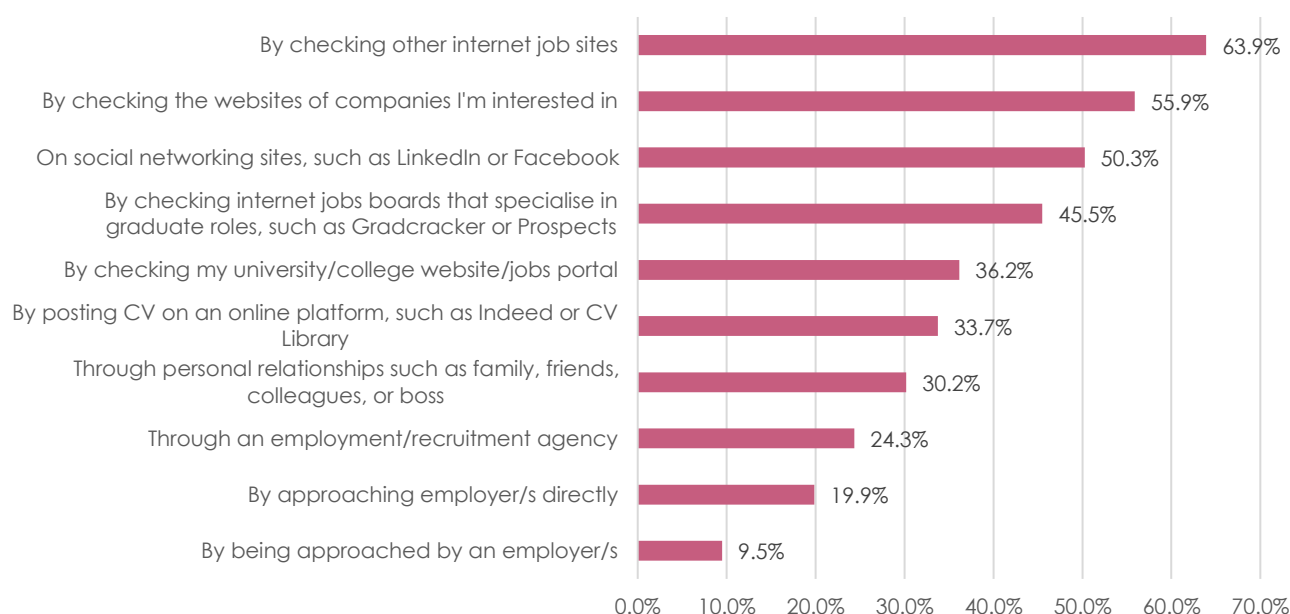
## 2.2 Job searching

Just over a fifth (21.9%) of graduates had not, at the point of the survey, looked for graduate-level jobs since March 2020.<sup>15</sup> Of those graduates who had looked for graduate jobs (78.1%), the most common way of searching for graduate jobs was by checking general internet jobs sites (not internet jobs sites specifically targeted at graduates), with 63.9% of graduates using this method; followed by checking the websites of companies of interest (55.9%) and via social media (50.3%) (figure 2).

Being approached by employers was least common (9.5%), followed by approaching employer/s directly (19.9%) and through an employment/recruitment agency (24.3%).

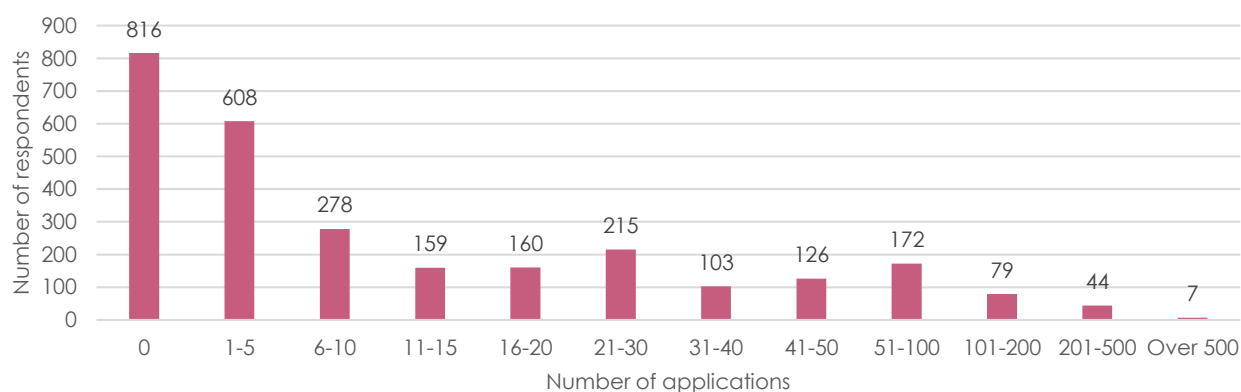
<sup>15</sup> N = 2768

Figure 2. How have you looked for graduate-level jobs since March 2020? Select all that apply



Removing the respondents who have not applied for graduate jobs since March 2020 (N= 816) the mean number of graduate job applications made was 37, but ranged from zero to 1000 (figure 3). Over 100 (130) graduates report making over 100 applications since March 2020 for graduate-level jobs.

Figure 3. Approximately how many applications have you submitted for graduate roles since March 2020?

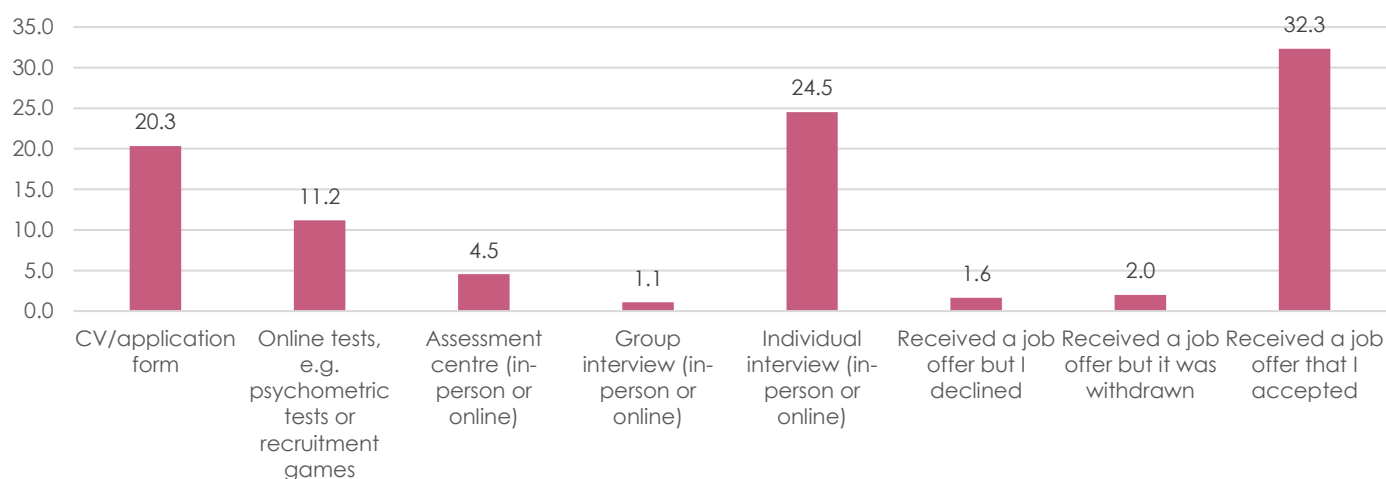


Survey respondents were asked to state the furthest stage of the recruitment process for graduate-level jobs they had reached since March 2020, based on the following recruitment process: 1. CV/application form; 2. Online tests e.g. psychometric tests or recruitment games; 3. Assessment centre; 4. Group interview; 5. Individual interview; 6. Received job offer but declined; 7. Received job offer but it was withdrawn; 8. Received and accepted a job offer.<sup>16</sup>

<sup>16</sup> We recognise that this does not reflect the recruitment process for all graduate-level roles. This approach was taken from the Institute of Student Employers (ISE). (2020). *Student recruitment survey 2020: Challenge and resilience in the year of Covid-19*, page 33. Effectiveness of selection activities at first and final recruitment stages.

Of the graduates who had applied for graduate-level jobs since March 2020, just under a third did receive and accept a job offer. A further 1.6% received and declined a job offer and 2.0% received a job offer that was then withdrawn (figure 4). Approximately a quarter (24.5%) of graduates reached the individual interview stage (either online or in-person), 4.5% reached the assessment centre stage (either online or in-person) and 11.2% reached the psychometric testing stage. A fifth of graduates who have applied for roles since March 2020 only reached the CV/application form stage of the recruitment process (20.3%).

Figure 4. What is the furthest stage you have reached in any of these applications? (%)



Job search behaviours and the experience of recruitment varied amongst those interviewed, with particular variance in the number of applications made and how generic or specific they were. The interviews typically revealed a degree of scepticism towards more generic approaches, but some interviewees acknowledged the pragmatism and proactivity of taking a more speculative approach. This outlook largely corresponded to graduates who displayed more flexible approaches to career management and those who felt a greater imperative to find employment, particularly those experiencing financial strain or eager to achieve economic independence.

*"I've very much just been looking online really and putting my CV and different things. A lot of things that I have applied for require a lot more than just a CV... I've mostly just been looking online really because I feel like I don't really know that many companies to directly go for, [I] probably should do some research on that."* Female, BSc Biological Sciences, unemployed

## 2.3 The value of work experience

Interviews with recent graduates revealed varying levels of work experience, some of which was more aligned to the graduates' targeted employment than others. The interviews suggest that those who had done a substantial industrial placement (over six months) had developed their self-perceived employability, not just in terms of acquiring functional knowledge and skills which they could demonstrate to employers, but also to give them a competitive edge. At least eight of the respondents had undertaken a significant internship or work

experience programmes, over a six-month period, during their degree programme and reported a variety of significant gains from these, and in many ways provided a direct pathway to their current employment.

A third of interviewees had engaged in voluntary work since graduating to enhance their CVs and gain sector-specific insight and skills that might help with future job applications, as well as establishing sector contacts. A smaller number of graduates had established independent contract work that utilises their technical knowledge, helped them develop their profile and feel proactive whilst their entry to their target employment was delayed. A number of graduates had continued to work in part time jobs they had undertaken since university and these were seen as a way of remaining employed and achieving some financial independence. The importance ascribed to these activities varied, with some graduates seeing these as a relevant part of their employability strategy whilst others perceived it to be low value if it was disconnected from their targeted employment and misaligned to their qualifications.

The evidence indicated that decent quality and aligned work experience had a variety of perceived benefits, such as enhancing their profiles and making them more attractive to employers, gaining important job-related knowledge and insight and building important industry contacts.

*"You can go on the internship and see how that goes or you can just apply for the grad programme when you finish your uni course.... By doing the internship itself you learn so much about the bank, you learn so much about what you could be doing, the people you meet, you get a real sense of whether you'd actually like it or not."* Male, BSc Business and Administration, in full time employment

When discussing the labour market, a consistent concern was the perceived loss of opportunities to develop valuable initial experience. Many of those interviewed were prepared to undertake low-paid or voluntary forms of work experience if it served a purpose of enhancing their profiles and building their networks, but felt that such opportunities had been in marked decline since the start of the pandemic. The 'Catch 22' work experience paradox was explicitly referred to by some respondents in terms of being unable to access valuable first-time work experience that might generate future opportunities.

The perceived loss of short-term but potentially valuable work experience was acutely felt, especially amongst graduates who had not yet committed to a defined employment path but viewed the first year of being a graduate as a way of biding time and developing their emerging profile. In some cases, initial work experiences had been cancelled due to the pandemic. Support from employers is explored further in section 7.

*"It's quite demoralising because there's no entry-level jobs anymore. You've got to have a year or two worth of experience. You need to work for no money for a good while before you can work to get paid. It's really difficult. It's a catch-22 situation. A lot of graduates lack the experience, but to get the job, they need the experience."* Female, BSc Social Sciences, in part time further study

### 3. IMPACT OF COVID-19 ON CAREER DECISIONS, PERCEPTIONS AND OUTCOMES

This section examines graduates' perceptions of the impact of the pandemic on the labour market and their own experiences of employment. It also explores the experiences of graduates who have been unemployed, underemployed, furloughed or made redundant.

#### Key findings:

- Three quarters of graduates have noticed a fall in the number of available opportunities since March 2020. Two thirds have found it a challenge to find jobs they want to apply for and have found the recruitment process challenging
- The vast majority of respondents (83%) feel that the pandemic has had a detrimental impact on graduates' employment prospects
- Most graduates have been made to think differently about their future (79.4%), have become less confident about their future employment prospects (72.6%), faced greater challenges finding employment than they expected (71.9%) or believe the pandemic has significantly damaged their job prospects (70.6%)
- Over half of graduates have experienced being unemployed for longer than two weeks since March 2020 (58.1%) or been employed in a job that did not draw on their graduate qualifications or skills (51.8%). Over a quarter of graduates surveyed have been furloughed (26.6%) and 14.4% have been made redundant
- Over 80% of graduates who had been unemployed, underemployed, made redundant or furloughed felt that their wellbeing and/or morale had been affected. Just under 70% felt that their experience had made them question the value of their degree, had negatively affected their employment outlook, or had affected their confidence about what they can offer to employers
- A third of graduates who had experienced a negative employment outcome felt that their experience had given them a chance to gain experience and new skills (38.5%) or felt like a necessary step to future employment (31.5%) whilst 60.1% felt that their experiences had given them the opportunity to reflect on what they want from their career
- Interviews revealed widespread concerns over the current graduate labour market with many perceiving reductions in opportunities, greater precariousness, not being able to access suitable graduate-level employment and even more intense job competition
- The interviews and open survey responses also indicated early scarring effects from the first year of graduation with a number of graduates feeling dejected and demotivated by their employment situation and having had their initial career goals significantly destabilised.

#### 3.1 Perceptions of the impact of Covid-19 on the labour market

Survey respondents were asked a series of questions to understand their perceptions of how Covid-19 had affected the graduate jobs market (figure 5) and on their employment prospects (figure 6).



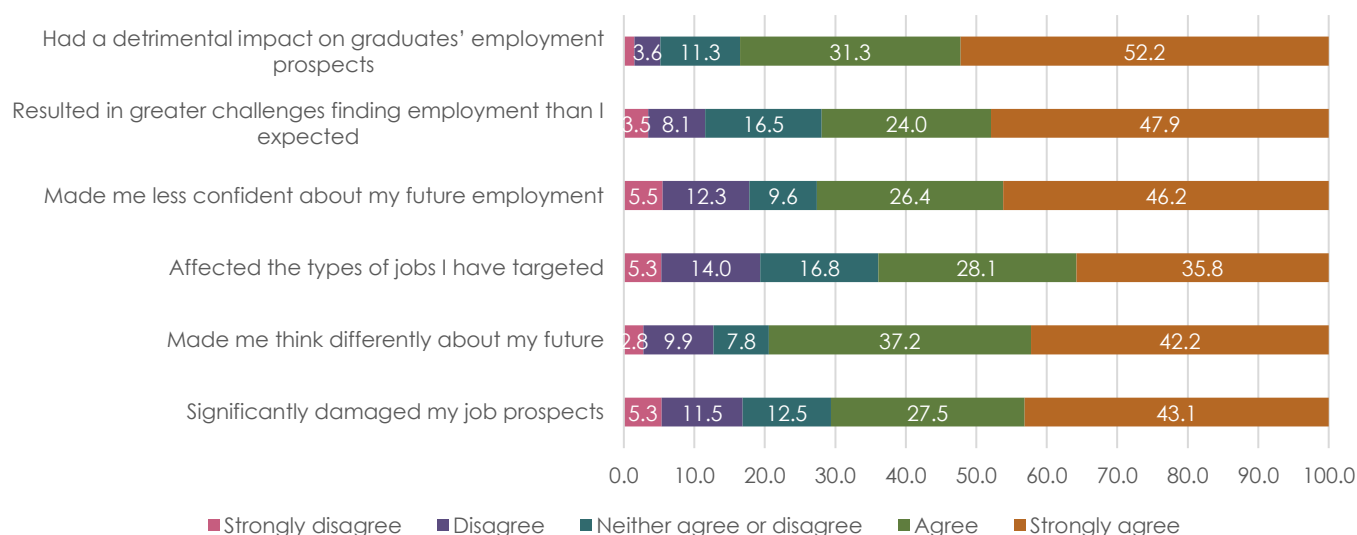
Approximately three quarters of respondents either agreed (25.5%) or strongly agreed (48.3%) that they have noticed a fall in the number of available opportunities. Over two thirds agree (24.9%) or strongly agree (43.9%) that they have found it a challenge to find graduate jobs they want to apply for, and agree (22.7%) or strongly agree (31.3%) that they have found the recruitment process challenging. Over half (55.1%) feel that they have sufficient experience that employers require, whilst few (17.7%) have felt supported by employers through the recruitment process. Support from employers is discussed in more detail in section 7.

Figure 5. To what extent do you agree with the following statements about graduate jobs since March 2020?



The vast majority of respondents (83.5%) feel that the pandemic has had a detrimental impact on graduates' employment prospects. Because of the pandemic, a large proportion of graduates think differently about their future (79.4%), have become less confident about their future employment prospects (72.6%), faced greater challenges finding employment than they expected (71.9%) and believe the pandemic has significantly damaged their job prospects (70.6%).

Figure 6. How far do you agree with the following statements? The Covid-19 situation has:



The scale and intensity of the challenge finding sustainable employment was evident across all the interviews, with Covid-19 having a discernible impact on how graduates perceive the nature of employment opportunities, their integration into the labour market and how prepared they feel for changing economic realities.

Overall, respondents believed they have sufficient skills and capability to offer the labour market and adapt sufficiently to first-time employment. The majority of the interviewees were high academic performers (over 70% had achieved a 2.1 or over and just under half had attained a first at undergraduate level) and perceived that they had acquired strong degree-level skills and knowledge as well as transferrable skills that are attractive to employers. Just under a quarter of interviewees had gained post-graduate level qualifications, often in specialist areas, which added to their sense of having positive potential to bring to the job market.

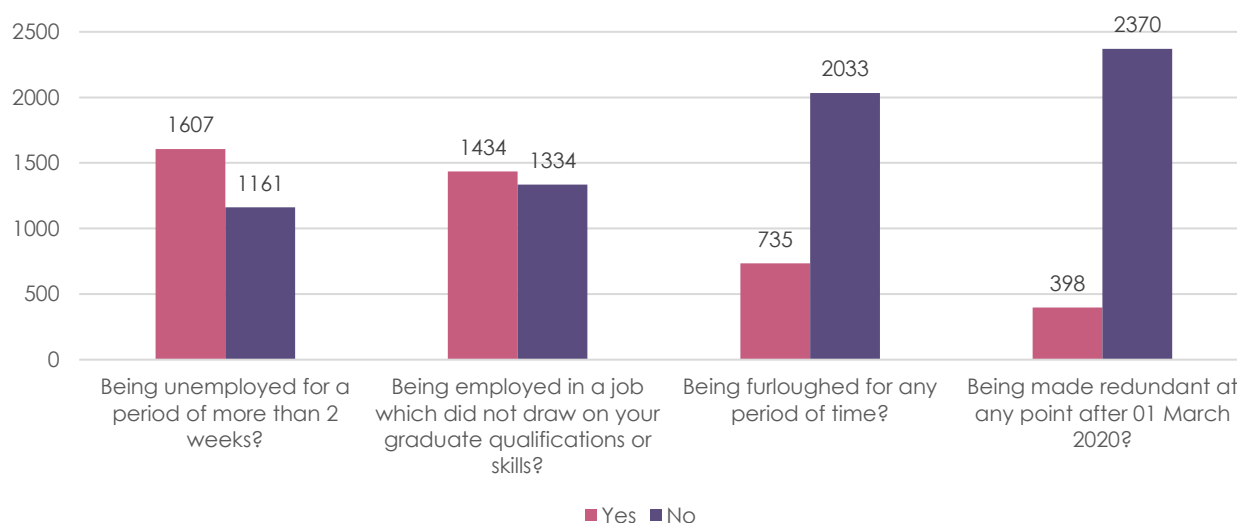
However, positive perceptions of personal employability were in tension with concerns about the current conditions of the labour market, opportunities to pursue graduate-level jobs that lead to clear and sustainable employment pathways, and the direct and indirect consequences of the pandemic on current recruitment, training and work-related learning. References were often made to pre-existing challenges in the graduate labour market which Covid-19 was seen to have accentuated. These included the rise in graduate under-employment or employment mismatches, the competitive strain that graduates have experienced for several generations, accessing appropriate degree-level employment or high-quality internships and having to showcase 'stand-out' marketability in order to make themselves distinct from similarly qualified graduates.

The pandemic was also acknowledged to have differential impacts on the graduate labour market with some occupational areas and sectors being particularly affected by the pandemic. These included graduate sectors that were more vulnerable to the wider consequences of lockdowns and social distancing – not least the creative, leisure, service and hospitality sectors. Around a quarter of those interviewed had chosen a degree programme aligned to such sectors had experienced challenges in accessing work experience or getting a foothold in the job market. Others had orientated towards what were perceived to be niche, specialist/hard-to-fill or more stable occupational areas which had greater durability in economically challenging periods, although graduates were also aware that these markets were becoming more congested. Others had managed to secure work soon after graduating and felt that their situations has been minimally impacted.

### **3.2 Experiences of unemployment, underemployment, redundancy and furlough**

Over half of graduates surveyed had experienced being unemployed for longer than two weeks since March 2020 (58.1%) or been employed in a job that did not draw on their graduate qualifications or skills (51.8%) (figure 7). Fewer graduates have experienced being furloughed (26.6%) or been made redundant (14.4%) since they graduated from their most recent degree.

Figure 7. Have you experienced any of the following since completing your most recent degree?

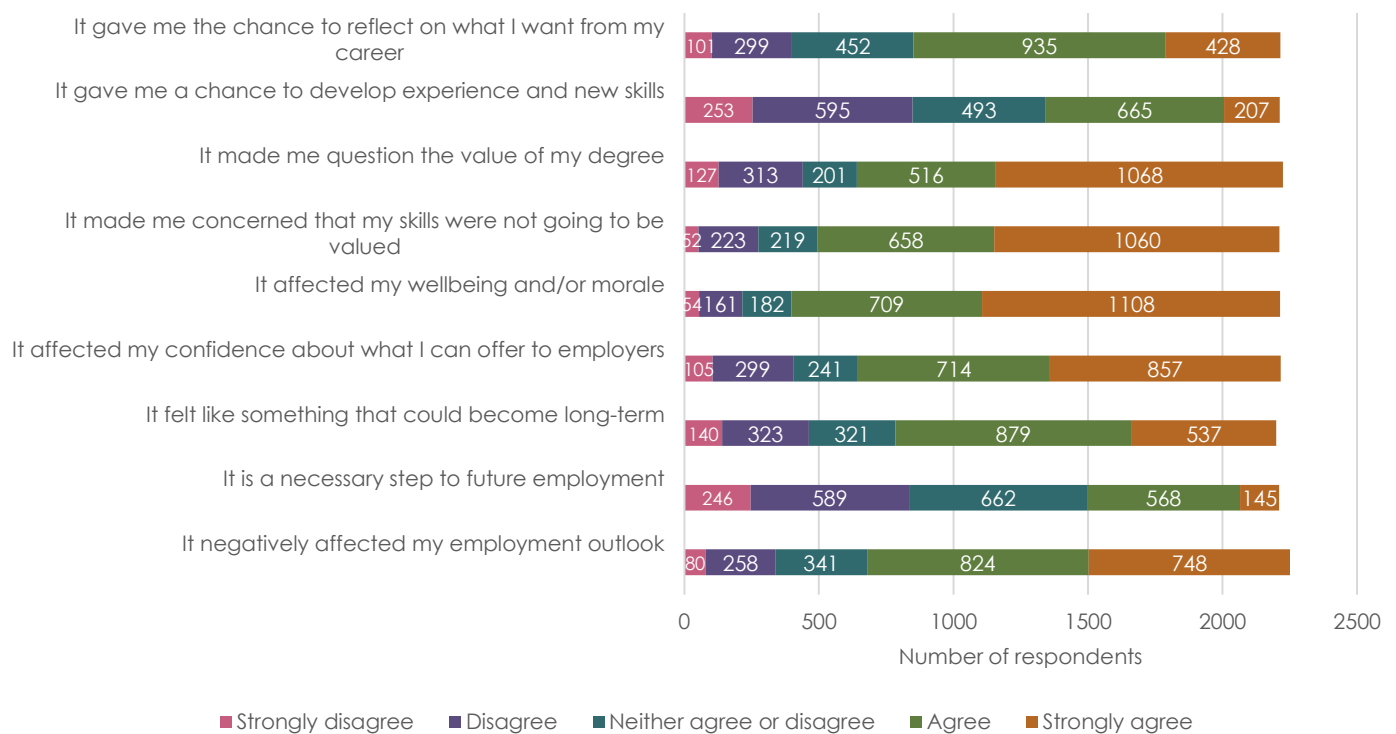


Graduates who had experienced any of the negative employment outcomes shown in figure 7 were asked how they had been affected by it (figure 8).<sup>17</sup> Over 80% of graduates who had experienced any of the negative employment outcomes felt that their wellbeing and/or morale had been affected. For three quarters of respondents, their experiences led to concerns that their skills were not going to be valued. Just under 70% felt that their experience had made them question the value of their degree, had negatively affected their employment outlook, or had affected their confidence about what they can offer to employers.

Approximately a third of graduates felt that their experience had given them a chance to develop experience and new skills (38.5%) or felt like a necessary step to future employment (31.5%). A significant proportion (60.1%) felt that their experiences had given them the opportunity to reflect on what they want from their career.

<sup>17</sup> N ranged from 2267 – 2200 for each statement. To calculate percentages, the N value of 2267 was used. This means that percentages could be higher in some cases.

Figure 8. If you have experienced any of the stated negative employment outcomes, how would you describe its effects?



The experiences of graduates who had been unemployed and underemployed was explored in greater depth in interviews. Interviewed graduates were acutely aware of the rise in redundancies and furloughing since the first lockdown, which had impacted some who had been employed in part-time work or who had seen their initial job or internship offers withdrawn.

There were further concerns that recent graduates were being misplaced or mismatched in the labour market, sometimes having to compete with non-graduates or more experienced employees, or undertaking employment that was not aligned to their degree programmes. Contingent stop-gap plans such as developing further work experience or unpaid employment before progressing into securer graduate-level jobs had become less viable for many. For some graduates, prolonged periods of unemployment had heightened the sense of urgency to get a job and sometimes resulted in them making applications that were not aligned to their targeted employment but a short-term measure.

*"Demoralising in terms of job prospects. However, it gave me the chance to reflect on my education and my career path. My career path has been clearly outlined now, but whether I have confidence in my skills and knowledge is another story."* Female, Bsc Marketing and Psychology graduate, in full time further study

Amongst interviewees who were struggling to gain employment, some vividly described feelings and disillusionment, dejection and discouragement, particularly those who received multiple rejections. A number spoke very vividly of applying for similar jobs that their less-qualified school-leaving peers were undertaking, which had led them to question the value of their degree.

Graduates who had been experienced sustained periods of unemployment described the lived realities of finding work, feeling in 'limbo' and 'not knowing' when suitable opportunities would arise. A proportion of graduates had continued part-time work that they had undertaken since being in university to generate some income, mainly in lower-skilled retail jobs.

Whilst some graduates reported more intense feelings of disillusionment and isolation, others took reassurance from the wider context that had affected graduates at large. The framing of graduate unemployment as a systemic public problem within a recessionary economic climate helped in some cases mitigate the private dilemma of finding suitable graduate-level employment and reduce attributions of personal failure. A distinction emerged between those in non-graduate jobs who perceived this as a way of building up experience and those who were concerned that this could be potentially damage longer-term and further distancing from suitable graduate jobs.

Overall, the interviews expressed a range of views on Covid-19's direct and personal impact on their employment prospects and how they appraised their situation. These complemented the open coded survey responses. Those who felt the personal impacts less adversely had tended to have secured employment not long after graduation, although even here there was awareness of a climate of greater insecurity and wider for their early career security and mobility. A number of these described their situations as 'fortunate', knowing that they had secured employment in a much tougher climate, whilst discussing the planning that had gone into this before the onset of the pandemic.

### **3.3 Long term effects and scarring**

While any evidence of 'scarring effects' needs to be further explored longitudinally to understand long-term labour market movement and experience, there was evidence of early scarring effects amongst some interviewees. A number of graduates discussed the impact of their experiences on their career confidence, morale and motivation, which had in turn affected how they perceived and approached the job market. Some graduates relayed concerns that they may not be able to access the kinds of jobs that they had been working towards since their time in higher education. Some spoke candidly about the impact of the previous nine months on their self-esteem, self-perception and their identities as graduates. Others talked of 'being left behind' and becoming part of a potentially 'forgotten generation'.

Overall, this research has uncovered what appears to be the formation of scarring that is already having affecting how graduates view their employment and employability. It is possible that without progress into more positive outcomes, this scarring deepens and results in long-term implications for graduates' future careers. As the effects of scarring can only be observed over time, this research will include a further survey to graduates in July 2021, alongside second interviews, to understand whether scarring is ameliorated through positive progress and whether it is worsened with extended experience of negative employment outcomes.

*"It is quite draining. You send all these [applications] off and never hear anything back. It's it knocked my confidence because I was prepared for the job market and then the pandemic happened. I feel like it has made it considerably more difficult and that is disheartening." Female, BSc Social Sciences, unemployed*

## 4. EXPERIENCES OF GRADUATES BASED ON PERSONAL CHARACTERISTICS

This section is an initial analysis of survey data that demonstrates differences in graduates' experiences of employment since March 2020 based on their personal characteristics.

### Key findings:

- Male graduates were more likely than female graduates to be in full time employment or to be unemployed, whereas female graduates were more likely to be undertaking part time employment, voluntary work or other types of employment.
- Black, African and Caribbean graduates were the most likely ethnic group to be in full time employment or any type of employment whilst Black British graduates were the least likely to be in full time employment. White British graduates were least likely to be unemployed and Arab graduates the most likely ethnic group to be unemployed.
- Graduates with disabilities are more likely to be unemployed than graduates without a disability
- There was little statistical significance between graduates whose parents obtained higher education degrees and those in their first generation in university in employment outcomes. However, graduates with parents with degrees had made more progress in the recruitment process than first generation graduates.
- Medical and dentistry graduates were the most likely to be in full time employment and least likely to be unemployed. Creative arts and design graduates were the least likely to be in full time employment and to be unemployed. Language graduates are the most likely to be in further education.

### 4.1 Analytical approach

The statistical analysis of the survey is still in the early phases however interesting results are already arising. The data was first analysed through bivariate correlations by determining Spearman's rho using SPSS. It was assumed that any two variables would not have a statistically significant relationship as the null hypothesis. However, if after running the bivariate tests, there was a correlation to at least 95% confidence interval then the null hypothesis was rejected. This meant that there was a relationship between the two variables that could account for 95% of the variance,  $p = .05$ . Therefore, the probability that the correlation is due to chance or error is equal to or less than 5%.

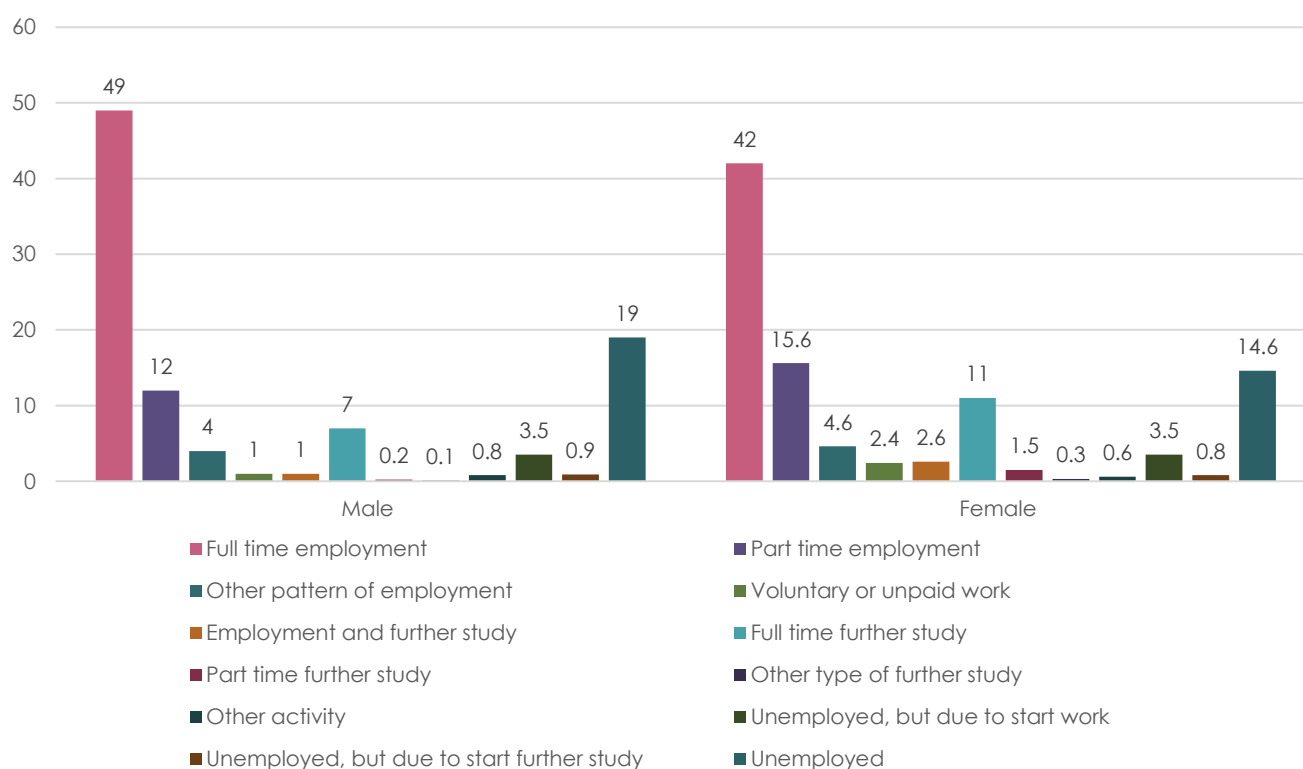
Only data with at least 95% correlation between the variables has been reported. All analysis reports 95% correlation unless specified otherwise in the footnotes. For more detail on statistical analysis, see appendix D.

### 4.2 Gender

The survey data shows that respondents who identify as female have had different experiences of employment since March 2020 than male graduates. Female graduates are statistically more likely to be employed in part-time employment (15.6%), other patterns of employment (4.6%) or voluntary positions (2.4%) than men (12.3% of

men were employed in part time work, 4% in other patterns of employment and 1% in voluntary positions). Conversely, male graduates are more likely to have secured full-time employment by the point of the survey (49.9%) than female graduates (42.4%) but were also more likely to be unemployed (19% for men, 14.6% for women). This may suggest that female graduates were more likely to choose another form of employment – such as part time work or volunteering – over being unemployed. This may also explain why women were more likely than men to be undertaking further study, 15.3% for women compared to 8.7% for men.

Figure 9. Graduate activities at the point of the survey by gender (%)



Interestingly, graduates that identify as female are more likely to feel negatively about the impact of Covid-19 on their employment and prospects than graduates who identify as male. Women were statistically more likely to agree that they have seen a fall in the number of available opportunities since March 2020 (74% of women compared to 47% of men), agree that they have found the recruitment process challenging (66% vs 60%) and that they have found it more of a challenge to find graduate jobs that they want to apply to (71% vs 64%).<sup>18</sup>

Another aspect of the survey data shows that women appear to want more out of their careers than men. Women were more likely to want to be seen as a member of their chosen career than men (80% v 74%), to have job security (97% v 94%) and to want a better work/life balance (98% v 94%). Conversely men were more likely to view their careers as a means to an end in order to achieve their life goals (15.5% v 7%).<sup>19</sup> These findings indicate

<sup>18</sup> To a 99% correlation.

<sup>19</sup> To a 99% correlation.

that having higher expectations means that women find it more difficult to find graduate jobs that they would like to apply for. However, further statistical modelling is needed to verify this conclusion.

While this section has focused on the differences between males and female graduates, those that do not identify into a binary gender category (male or female) have not been left out of the data.<sup>20</sup> A smaller percentage of graduates who identify as non-binary were in full time employment (15%) compared to male (49%) and female (42%), with 27% in part time employment and 15% in other employment patterns. A further 4% were unemployed but due to start work, 8% were in full time study and a further 4% currently unemployed but due to start further study. Graduates who identify as non-binary are also more likely to be unemployed (27%) than male (19%) or female (14.6%) graduates.

However, it is important to regard these findings with caution due to the small number of graduates who identify as non-binary in the sample.<sup>20</sup>

### **4.3 Ethnicity**

The survey data revealed statistically significant differences in the outcomes of graduates based on their ethnicity. Black, African and Caribbean graduates were statistically most likely to be employed on a full time basis (53.4%) or any forms of employment (68.6%) than graduates from other ethnic backgrounds. Conversely, Black British graduates were the least likely to be in full time employment (23.5%) at the time of the survey while Arab graduates the least likely to be in any form of employment (37.1%).<sup>21</sup>

Over half (55.8%) of graduates who define their ethnicity as Black, African and Caribbean were originally domiciled outside of the UK, making the majority Black, African and Caribbean participants international graduates. Of those who record their ethnicity as Black British, only 5.8% were domiciled outside of the UK before university, therefore a sample of 'home' graduates. However, it is not clear based on the survey data if this is the reason, as international graduates are more likely to be unemployed (20%) than graduates from any of the home nations, but not to a statistically significant level. More research is needed to explain the difference and we will analyse the outcomes and experiences of international graduates in subsequent reports.

White British graduates are the least likely to be unemployed (14.1%) with Arab graduates the most likely to be unemployed (42.8%). In general, Black British (23.5%) and Asian British (23.6%) graduates seem to have higher levels of underemployment, defined as part time work or other patterns of employment than Black, African and Caribbean (15.1%) and Asian (15.5%) graduates. Asian graduates are the most likely to enter further study (14.5%).

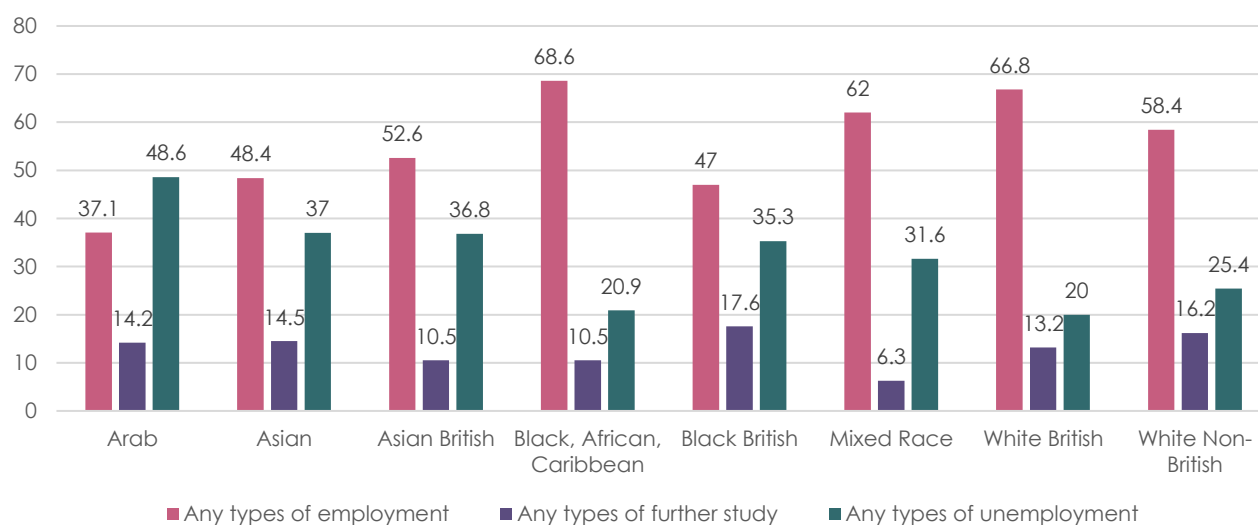
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<sup>20</sup> The number of graduates who identify as non-binary is low (only 26 out of 2,767) so these findings must be assessed with caution.

<sup>21</sup> To a 99% correlation confidence level.



Figure 10. Graduate activities at the time of the survey by ethnicity (%)



In addition to being the least likely to be in full time employment, Black British graduates are the most likely to have found it challenging to find graduate jobs to they want to apply to (47%), which may influence the lower full time employment rate of Black British graduates. Black British (76.4%) graduates – along with Asian British (78.9%) graduates – are also most likely to report that they have found the recruitment process challenging, so difficulties in recruitment may also contribute to being least likely to have found full time employment.<sup>22</sup>

#### 4.4 Disability

Graduates without disabilities are statistically more likely to be in full time or part time employment (73%) than graduates with disabilities (40%). Graduates with disabilities are more likely to be in other patterns of employment (6% compared to 2%) or unemployed (20.5% compared to 15%).<sup>22</sup> These findings reflect the employment outcomes of disabled graduates from the last four cohorts of disabled graduates from UK higher education, as measured by the Graduate Outcomes Survey and previously the Destination of Leavers from Higher Education survey (DLHE).<sup>23</sup>

<sup>22</sup> To a 99% correlation confidence level.

<sup>23</sup> Association of Graduate Careers Advisory Services (AGCAS) (2021, 2019, 2018, 2017). *What Happens Next? A report on the first destinations of disabled graduates.*

Figure 11. Graduate activities at the time of the survey by disability (%)

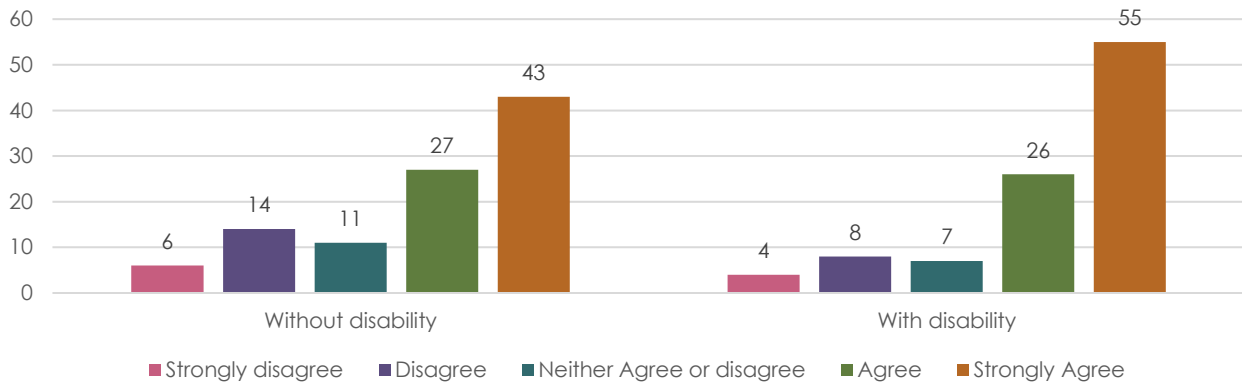


Graduates with disabilities were statistically more likely to report that they found it challenging to find graduate jobs they want to apply for (72% v 67%) and feel that the recruitment process is challenging (66%) in comparison to graduates without disabilities (63%). Three quarters of graduates with disabilities agree that their job prospects have been damaged by Covid-19, versus 69% of non-disabled graduates, and just under half (46%) of disabled graduates agree that Covid-19 has negatively affected their employment outlook, compared to just 39% of graduates without disabilities.<sup>24</sup>

More graduates with disabilities (80%) agree that they feel less confident about their future employment because of Covid-19 than graduates without disabilities (70%) and 53% agree that they feel less confident about what they can offer employers, versus 43% of graduates without disabilities.<sup>24</sup> Graduates with disabilities are more likely to agree that they think their skills are not going to be valued by future employers (60%, versus 50% of non-disabled graduates who agree with the statement) and 59% question the value of their degrees, compared to 51% of graduates without disabilities.<sup>24</sup>

<sup>24</sup> To the 99% correlation confidence level.

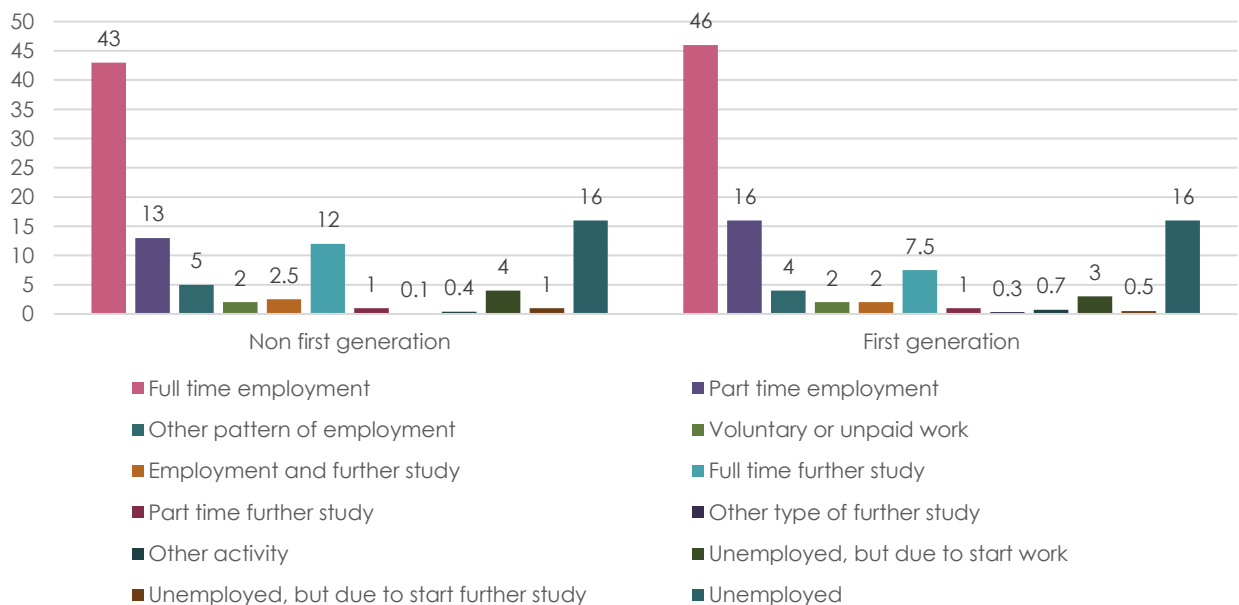
Figure 12. How far do you agree with the following statement? The Covid-19 situation has made me feel less confident about my future employment? (%)



#### 4.5 First generation

Unlike in the previous sections, there is not a statistically significant difference in employment outcomes at the point of the survey between first generation graduates and other graduates. Two thirds of graduates who are the first in their family to go to university were in any type of employment during the first survey compared to 61% of graduates whose parents or guardians have higher level qualifications. There is no difference in the proportion that are unemployed (16% in both cases) but slightly more non first generation graduates were undertaking further study (13.5% v 12.5%).

Figure 13. Graduate activities at the time of the survey by parental education (%)



However, there is a statistically significant difference in the furthest stage of recruitment that graduates who have applied to jobs since March 2020 have reached. Non first generation graduates are more likely to have reached the individual interview stage or further (47.8%) as opposed to first generation graduates (39.9%).<sup>25</sup>

There are also some statistically significant differences between first generation graduates and graduates whose parents studied at a higher level in terms of what they would like to gain from their employment. First generation graduates (81%) felt that it was important to have work that is challenging at a lower rate than non-first generation graduates (85%).<sup>26</sup> However, they see themselves as identifying with their careers more (68% v 65%).<sup>25</sup>

There are also significant differences in the confidence of first generation and non-first generation graduates. In addition, first generation graduates have had their confidence of what they can offer employers impacted more by the pandemic, with 47.6% of first generation graduates reporting lower confidence in what they can offer to employers compared to 42.5% of graduates whose parents or guardians have higher level qualifications.

#### **4.6 Degree subject**

In this section, graduates' degree subjects were analysed in composition by looking at 19 different subjects and aggregate by combining these subjects into five subject areas and 'combined' where graduates pursued a degree programme in two academic areas. There was a statistically significant relationship between the graduates' academic discipline and employment outcomes in both composition and aggregate (see appendix E).

In aggregate, the medical science graduates were the most likely to be in employment (69%) and the least likely to be unemployed (17%). Conversely, arts and humanities graduates were the least likely to be in employment (53%) and the most likely to be unemployed (34%). Graduates that studied for social science degrees were the least likely to be in further education (12%).<sup>27</sup>

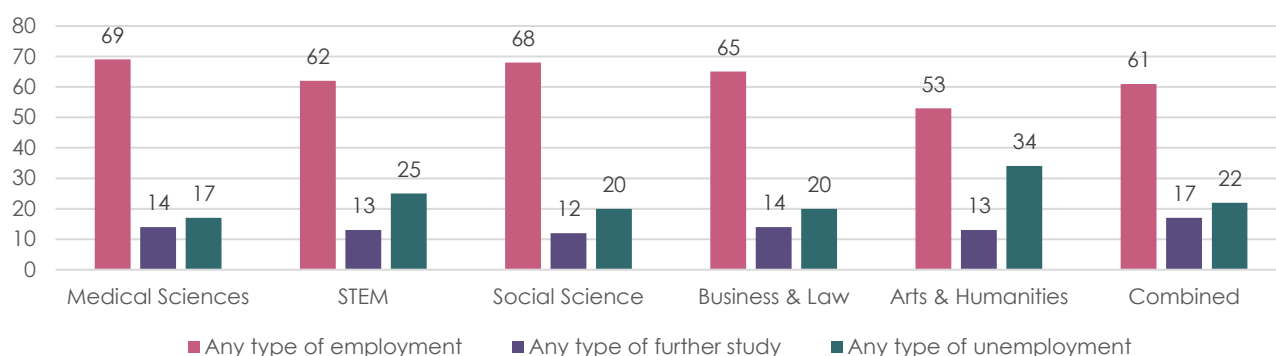
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<sup>25</sup> To at the 99% correlation confidence level.

<sup>26</sup> To a 99% correlation.

<sup>27</sup> Each of these to the 99% correlation confidence level.

Figure 14. Graduate activities at the time of the survey by aggregate degree subject (%)



In the composition analysis, graduates with a degree in medicine or dentistry were the most likely to be in full time employment (59%). This was followed closely by graduates with a degree allied to medicine (57.9%). Medicine and dentistry graduates were also the least likely of any graduates to be unemployed (3.7%).<sup>28</sup>

In the STEM fields, graduates with degrees in computer science (53%) and engineering (49.4%) were the most likely to be in full time employment, and those with agriculture (27%) and maths (38.8%) degrees the least likely. Agriculture graduates were also the most likely to be unemployed (45%) of all graduates, not just those with degrees in STEM subjects. The least likely STEM graduates to be unemployed were those with a degree in physical sciences (12%).

In the social sciences, those with education degrees were the most likely to be in full time employment (56.6%) and least likely to be unemployed (10.1%). The least likely to be in full time employment were the social studies degree holders (38.6%), who were also most likely to be unemployed (13.3%).

In the arts and humanities, history and philosophical studies graduates were the most likely to be employed on a full time basis (33%), while graduates from the creative arts and design degrees (20%) and languages degrees (23%) were least likely. However, language graduates were the most likely to be in full time further study of any discipline (23%) followed by maths graduates (21%).<sup>29</sup>

Creative arts and design graduates were the most likely to be unemployed (29%) followed by mass communications graduates (25%). This may reflect the impact of lockdown on the UK's creative arts sector. Alternatively, creative arts graduates may be unemployed but undertaking other activities designed to move them closer to their employment goals, such as developing their portfolios, which was not interrogated via the survey.

The least likely among the arts and humanities disciplines to be unemployed were language graduates (15%)<sup>30</sup>. This is most likely due to the high proportion that enter full time further study.

<sup>28</sup> The unemployment rate for veterinary science graduates was 0%, but there were only two participants from this field making this category not statistically significant.

<sup>29</sup> To the 99% correlation confidence level.

<sup>30</sup> To a 99% correlation.

## 5. THE ROLE OF SOCIAL CAPITAL IN NAVIGATING LABOUR MARKET CHALLENGES

This section explores graduates' perceptions of their social capital, challenges in developing social capital during the pandemic and the impact that social capital – or lack of – has had on recent graduates' employment outcomes.

### Key findings:

- Recent graduates feel more positive about their social capital (their networks and networking skills) than negative
- Graduates feel more positive about social support from peers/friends and family in pursuing their targeted career than they do about having contacts with relevant people in their targeted career and using social media to market themselves and develop contacts.
- Those who had developed key industry contacts through early professional networking reported this providing notable advantages in helping leverage opportunities towards attaining targeted employment
- Graduates perceived that opportunities for establishing helpful industry contacts had declined during the pandemic, or that initial networks formed during university had become harder to sustain during lockdown
- Male graduates had better professional networks and better contacts with relevant people in their careers, but women reported better support from family and friends
- Black British and Asian British graduates had the greatest confidence in their networking skills, but Mixed Race graduates report the least confidence in their networking skills
- Graduates with a disability report less social capital than graduates without a disability in every facet of social capital (lagged graduates without a disability in every social network category).
- STEM graduates were the most likely to have developed strong relationships with employers and had felt to have good career contacts.

### 5.1 Recent graduates' perception of their social capital

Social capital is a key resource derived from the strength and quality of individuals' social ties that potentially strengthens their knowledge and awareness of employment opportunities. The questions used in this survey were based on the Graduate Capital Scale which includes a section on graduates' perceived levels of social capital.<sup>31</sup>

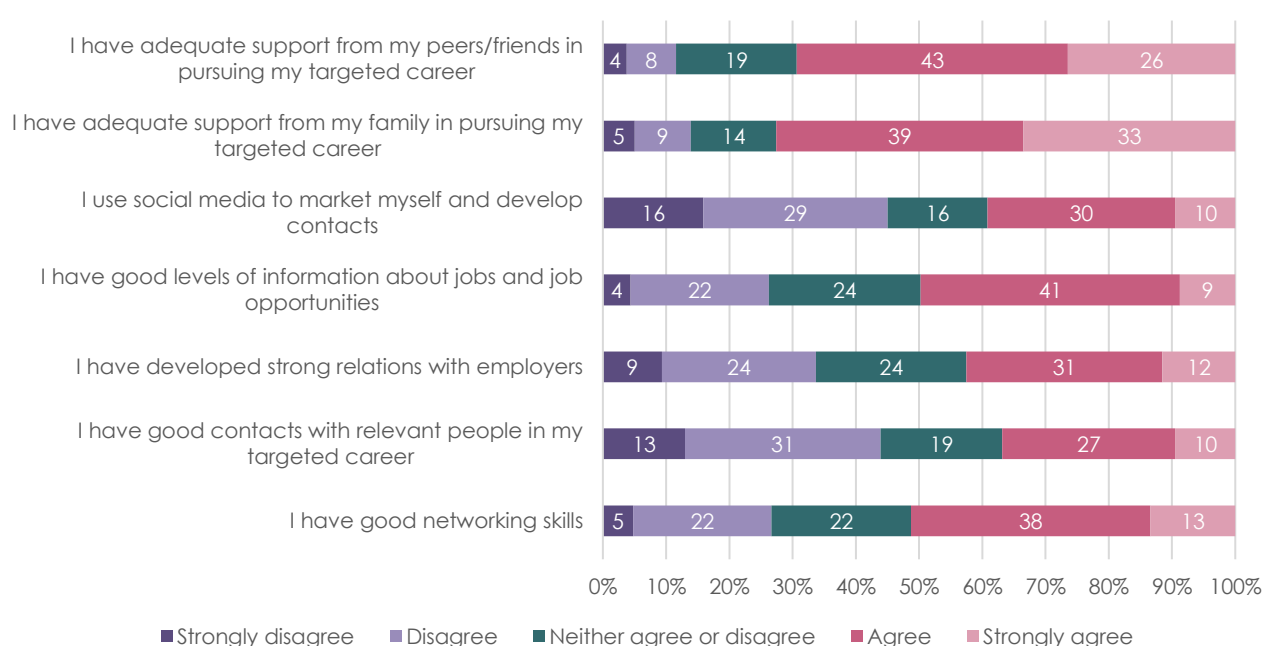
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<sup>31</sup> Tomlinson, M. McCafferty, H. Port, A., Maguire, N., Zalbelski, A. Butnaru, A., Charles, M. & Kirby, S. (2021) Developing graduate employability for a challenging graduate labour market: the validation of the Graduate Capital Scale, *Journal of Applied Research in Higher Education*, DOI 10.1108/JARHE-04-2021-0151

Generally, recent graduates feel more positive about their social capital (their networks and networking skills) than negative, with an average of 29% of graduates disagreeing with the statements in appendix C, compared to 52% who agree with the statements. However, there are differences in confidence across different facets of social capital.

Over half of graduates agree or strongly agree that they have adequate support from peers/friends and family in pursuing their targeted career and that they have good networking skills (figure 15). Conversely, only 37% of graduates have good contacts with relevant people in their targeted career and 40% of graduates use social media to market themselves and develop contacts.

Figure 15. How far do you agree with the following statements on your networks and networking skills? (%)



Interviews revealed that there is variation in the degree to which graduates are able to access employment-related social networks. Some of this variance exists in the strength of social ties and some in graduates' perceived value of their social ties and how much they could use them to their advantage.

The most valuable forms of social connections were often in the form of key contacts who acted as direct brokers in bridging relationships between the graduate and other professionals in the field. Whilst this sometimes constituted a personal relationship, such as a parent, sibling or relative, in other cases it was a professional contact such as mentors or a former employer who could facilitate knowledge of new opportunities. There was some evidence of traditional direct association (e.g. a parent sending on an CV to a friend who was an employer), but often this worked more subtly in the form of general contacts who provided educationally-valuable information about opportunities that may have been missed through conventional job searches.

Proactiveness in social relationship building was acknowledged as important in establishing meaningful connections that could potentially lead to favourable outcomes, but there was variation between graduates in

their confidence in seeking out networking opportunities. While some interviewees discussed the value of proactively networking, they acknowledged it was not something they were particularly adept at and indicated challenges with initiating and sustaining social connections.

## **5.2 Developing social capital in the Covid-19 context**

The interviews raised a few notable distinctions in the strength and quality of social relations and the platforms through which they can be developed. Distinctions were made between meaningful and less authentic social connections that were often transient and not sustained in subsequent interactions or interest.

Whilst social media platforms such as LinkedIn were largely viewed as enabling graduates to make themselves visible to employers, differences emerged in how active and purposive this was. Whilst many acknowledged the affordances of social media and online platforms, some concerns were expressed over reduced in-person networking opportunities due to social confinement and ability to form important in-person relationships, including direct contact with key stakeholders or people who may be able to broker access to initial opportunities.

Concerns were expressed about the lack of social contact during lockdown and related capacity to develop authentic real-time interactions which might have value. Pre-arranged networking events with employers in the form of institutional visits were seen to have more value when these were bespoke to specific programmes and occupational fields. Likewise, distinctions were drawn between generic networking events and ones that were specific to graduates' profiles and career interests, with the latter largely seen to have more value in generating subsequent social exchange and providing deeper levels of insight on opportunities.

The restrictions to mobility and direct social contact were particularly felt by graduates who had orientated themselves to sectors (especially interactive service and cultural industries) where direct social contact potentially leveraged advantageous social relations and where public visibility mattered. This extended to those who had secured full-time employment and were working remotely. The more tacit forms of rapport, chemistry building and knowledge exchange that can be generated in situated workplace interactions were missing, including building colleague relationships.

## **5.3 The role of social capital in employment outcomes**

In terms of networking, the graduates that indicate that they have good networking skills are those that were unemployed but due to start work (57.2%) and those in full time employment (54.8%).<sup>32</sup> Those that were in voluntary or unpaid work and those unemployed but due to start further study were least confident with their networking skills (38% and 34.7% respectively).<sup>33</sup> Graduates that were in voluntary or unpaid work (45.4%) and

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<sup>32</sup> To the 99% correlation confidence level.

<sup>33</sup> To a 99% correlation.



those in employment and further study (45.7%) were most likely to believe that they have good contacts with relevant people in their targeted career. Similarly, graduates in full time employment (43.9%) were more than two times more likely to believe that they have good contacts with relevant people in their targeted career than who are unemployed (21.3%).<sup>34</sup>

Those in full time employment also felt that they have developed the strongest relations with employers (55.1%). This was more than double the proportion of unemployed graduates who report that they have strong relationships with employers (22.6%).<sup>35</sup>

These statistics correspond with the findings from the qualitative data in showing the importance of social capital on finding employment opportunities and securing graduate employment, as the graduates that believed that they had better social networks were the ones more likely to be in some form of employment. However, the one form of social capital that had mixed results in terms of employment was social media. The groups that used social media the most to market themselves and develop contacts tend to be in any type of further education (43.6%) or any type of unemployment (41.8%) compared to those in any form of employment (37.3%). However, graduates unemployed but due to start work were the most active on social media (52%) with the least active those in part time employment (33.4%).<sup>36</sup>

Overall, there are some interesting findings about social capital and employment and it is fairly clear that those in employment have stronger networks than those not in employment in many cases. However, it is unclear whether these networks helped the graduates to gain employment or whether social capital was developed as a result of being in employment. More analysis will be completed in subsequent reports to understand the role of social capital and other graduate capitals in transitioning into the labour market in a challenging economic climate.

## **5.4 Differences in social capital based on personal characteristics**

During interviews, many graduates discussed their understanding of social connections playing an important role in improving initial employment outcomes. To better understand how graduates' social capital facilitates the transition into the graduate labour market, statistical analysis was conducted to identify differences in social capital based on graduates' personal characteristics.

### **5.2.1 Gender**

More graduates who identify as male reported having good contacts with relevant people in their targeted careers (41%) than female graduates (34.5%).<sup>37</sup> This suggests that women may need to develop contacts in their career more while still students. Women are also less likely than men to use social media to enhance their professional networks (37% and 47% respectively).<sup>31</sup> However, female graduates report feeling more supported and accepted by their peers and friends than male graduates (71.8% vs 64%).<sup>31</sup>

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<sup>34</sup> To a 99% correlation.

<sup>35</sup> To a 99% correlation.

<sup>36</sup> Each of these to a 99% correlation.

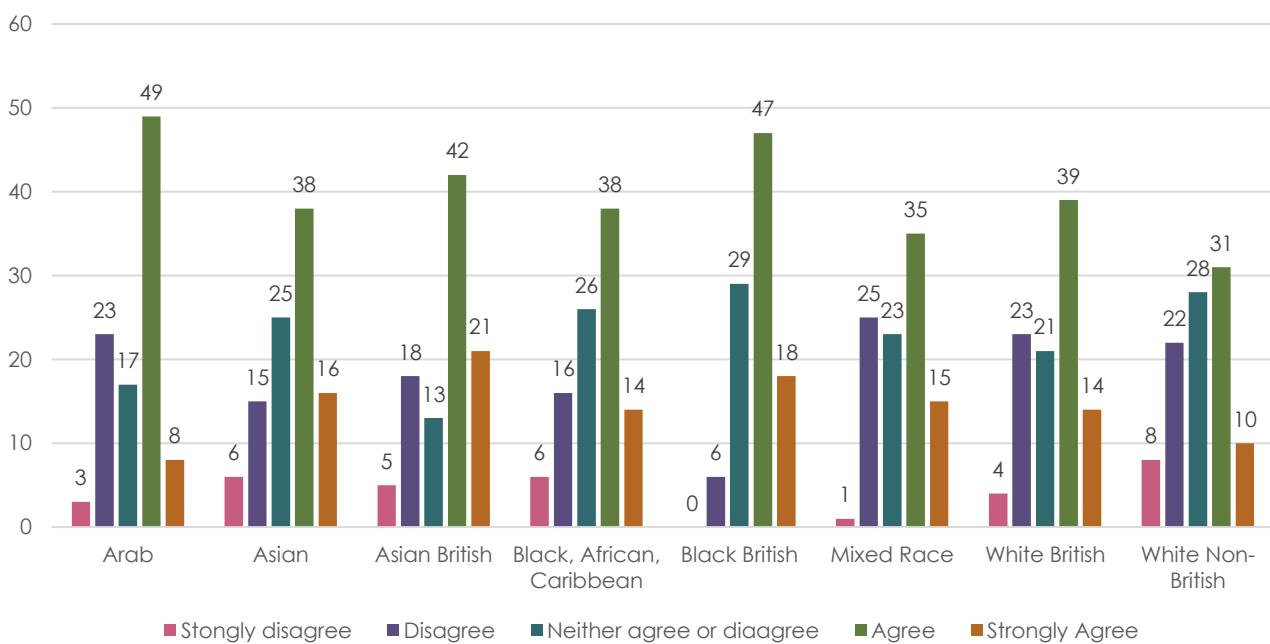
<sup>37</sup> Each of these to a 99% correlation confidence interval.

### 5.2.2 Ethnicity

Asian British (63%) and Black British (65%) graduates are statistically the most confident in their networking skills, whilst Mixed Race graduates (40%) are the least likely to have confidence in their networking skills.<sup>38</sup> Arab (57%) graduates are the mostly likely group to use social media to market themselves and develop contacts within their employment sector, with White British (37%) and Mixed Race (38%) being the least likely.<sup>32</sup>

Black, African, and Caribbean graduates (76%) report the most confidence in their level of information about jobs and job opportunities, in contrast to White British (48%) and graduates from other White backgrounds (49%) graduates.

Figure 16. To what extent do you agree with the following statement? I have strong networking skills. (% by ethnicity)



### 5.2.3 Disability

There was a strong correlation between disability and social networks, with each variable testing at a 99% correlation, which indicates that the chance the relationship between the two variables found to be random or based on statistical error to be 1% or less. Graduates without disabilities report significantly higher confidence in all facets of social capital compared to graduates with disabilities (see appendix C). This suggests that developing social capital is something that graduates with disabilities may need further support with, in order to help facilitate their transition into employment.

Graduates without a disability (53%) were more likely to report that they have good networking skills compared to what graduates with a disability (44%) believed. Graduates without a disability (38%) were more likely to feel that they have good contacts with relevant people in their targeted career than students with a disability (32%).

<sup>38</sup> To a 99% correlation confidence interval.

They were also more likely believe that they developed strong relations with employers (44% to 22% respectfully). Graduates without a disability (51%) felt that they had good levels of information about jobs and job opportunities than graduates with a disability (45%). They (40%) were also more likely than graduates with a disability (34%) to use social media to market themselves and to develop contacts. Graduates with a disability also felt more supported by their families (75%) and friends (71%) than did graduates with a disability (63% for each).

#### **5.2.4 First generation**

There were statistical correlations between whether graduates were first generation university students and three variables of social capital. Non first generation graduates (41%) were more likely to use social media to market themselves and develop contacts than first generation graduates (36%). Non first generation graduates felt that they have more adequate support from their families (80%) and friends (74%) than first generation graduates (65% for each).<sup>39</sup>

#### **5.2.5 Academic discipline**

In general, social science graduates (28.7%) were the least likely to use social media to market themselves, but business and law graduates (48%) were the most likely.<sup>40</sup> There were also correlations between academic discipline and whether graduates felt like they had good contacts with relevant people in their targeted area, whether they felt that they have developed strong relations with employers and whether they felt that they have good levels of information about jobs and job opportunities.

STEM graduates (40.7%) were the most likely to have felt that they had good contacts with relevant people in their targeted career, whereas graduates whose degrees combined two academic disciplines, were the least likely (20.6%). STEM graduates (48.3%) were also the most likely to feel that they had developed strong relations with employers, but arts and humanities graduates (33%) were the least likely. Medical science graduates (54.4%) were also the most likely to have felt that they have good levels of information about jobs and job opportunities, with arts and humanities graduates (43.5%) the least likely.<sup>41</sup> These numbers indicate reflect the importance of social capital in a similar manner to the overall numbers of the survey. However, they do show that there is a gap between subject areas in the perceived quality of social networks. Further statistical modelling will be needed to determine if that is due to the nature of the disciplines or due to availability of job for graduates.

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<sup>39</sup> To a 99% correlation confidence interval.

<sup>40</sup> To a 99% correlation.

<sup>41</sup> To a 99% correlation.

## 6. TYPES OF TRANSITIONAL EXPERIENCE

This section uses the findings from research interviews to explore how graduates transition and integrate into the graduate labour market.

### Key findings:

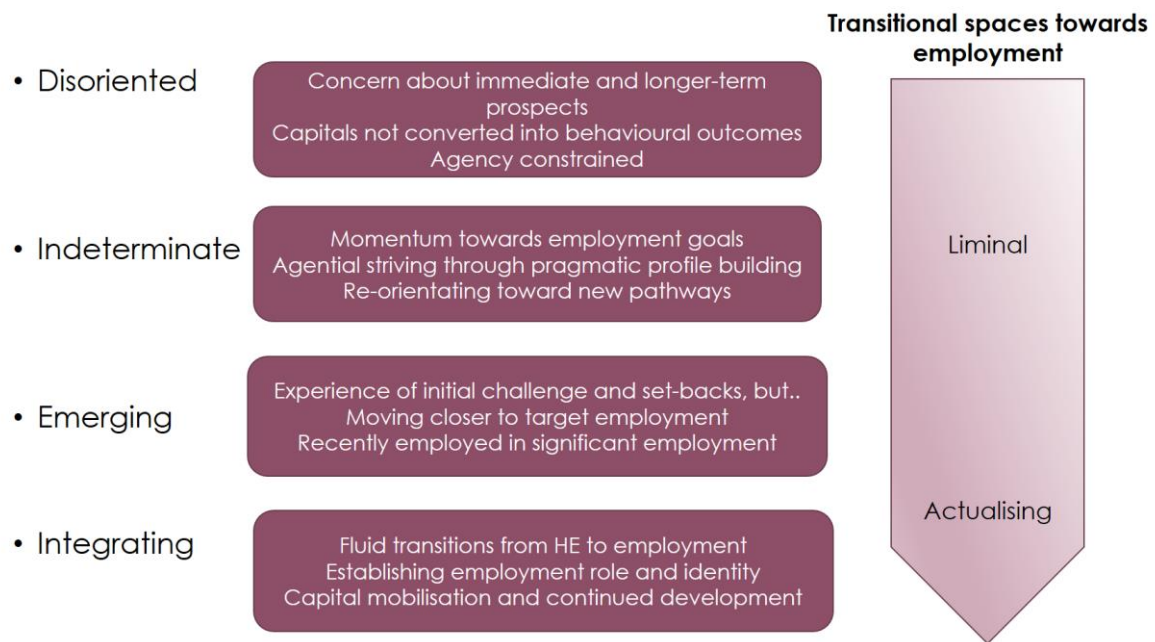
- Current graduates' transition to, and integration within, the labour market has become more complex and protracted as a result of the pandemic
- The research captures four main transitional experiences into the labour market, characterised by how the activities the graduates are undertaking and how they appraise their current employment situation and future direction
- *Disoriented* graduates are most disorientated and discouraged by the current context and concerned about their immediate and longer-term futures. They perceive their ability to make their own choices about their career is being constrained and feel unable to take advantage of their existing employability capital. These graduates showed greatest indication of initial scarring
- *Indeterminate* graduates struggled to gain a foothold in the job market even though they were actively looking, but have made some progress towards their employment goals and display less scarring and more confidence than *disoriented* graduates
- *Emerging* graduates are either working towards their targeted employment or had very recently found initial employment that is aligned to their targeted area of employment or employment that will act as a springboard towards their target employment
- *Integrating* graduates had experienced the smoothest transitions since graduating, with many finding employment soon after graduating or having embarked on a specific graduate scheme. They had not been adversely impact by the difficult economic climate, although in some cases the first few months of finding employment had created concerns.

### 6.1 Transitional journeys

Graduates' post-graduation experiences and outcomes varied according to their personal situation, although common themes emerged in how graduates are adapting to the current labour market. The transition from university to employment represents a crucial transition period for many graduates where they are moving away from a role as student to a graduate with an emerging profile and future plans. Within this space, they are in a process of sense-making, negotiating identities and trying to carve meaningful routes into employment.

The study identified four main transitional experiences (summarised in figure 17) which captured not only graduates' main experiences since graduation but how they think about their current situation and appraise their future direction. These experiences are not set in stone or necessarily predictive of longer-term employment outcomes. However, the experiences and views expressed by those in different stages of their career trajectories capture the how the different transitional experience of graduates are unfolding in the current climate.

Figure 17. Types of transitional experiences into the graduate labour market



In this model, liminal space refers to an intermediate period between graduating from higher education and fully integrating into the job market, where graduates may feel between roles and identities. It represents a space before graduates are fully actualised into a more defined graduate identity.

The different categories represent some level of continuum between liminality and actualisation, with graduates in the first two categories (*disoriented* and *indeterminate*) occupying a more liminal space and those in the latter groups (*emerging* and *integrating*) moving towards their goals and becoming more defined by a graduate, not student, identity. However, even graduates occupying a more actualised space are still continuing to negotiate their identities as they seek to be fully established in their current roles and beyond.

### 6.1.1 Disorientated

Disorientated graduates felt the most disorientated and discouraged by the current context and concerned about their immediate and longer-term futures, having experienced generally negative experiences of the labour market since graduating. Some of these respondents had planned for prolonged transitions that they were unable to fulfil due to the crisis, for example international travel or casual work experience. Other *disorientated* graduates have clear career aspirations and goals, such as affiliation with specific sectors, but the means of achieving these goals were seen to be closed off to them due to perceived lack of opportunities, continual rejection or not knowing how to navigate a daunting and unaccommodating market.

Graduates in this group tended to perceive more significant disruptive impacts of Covid-19 and lower external self-perceived employability, including a sense of mismatch between their expectations and the reality of their situations, than other graduates. These graduates perceive their agency (their ability to make their own choices about their career and achieve them) was being constrained by the wider economic challenges, and feel generally unable to take advantage of the existing employability capital that they had accumulate during university. These findings indicate initial scarring around confidence, motivation, identity and challenges to their resilience.

### 6.1.2 Indeterminate

Like the *disorientated* group, *indeterminate* graduates had struggled to gain a foothold in the job market, despite actively looking for graduate employment and being eager to get an employment breakthrough. Those who had developed strong career identities were keen to move into their targeted employment but were often frustrated with current market conditions.

A key difference with the *disorientated* group was that these graduates had experienced some further movement towards their employment goals and remained confident that in time they would fulfil their aspirations. They still expressed being in a state of limbo and were concerned about the graduate job market but displayed less initial scarring than *disoriented* graduates and felt they could bide their time until suitable opportunities arose.

Some of the graduates who were experiencing indeterminacy since leaving higher education were trying to pragmatically build their profile and strategically map out a pathway to employment, often though accumulating a portfolio of work experience, experimenting with side-projects and keeping their options open. Others had reoriented away from an initial employment area based on their degree programmes or initial interests and were considering new pathways, in some cases self-employment. This included those who were waiting to start a postgraduate degree or teacher training or waiting for market conditions to improve where they could start again to make more strategic applications. Some were in the initial stage of re-training by undertaking a vocationally-oriented programme that might help enhance their profiles.

Those who had developed stronger identities around their future employment were keen to apply their agency to help develop experience that would help in the immediate terms. They were also more likely to see their current employment challenges as reflecting current labour market conditions than their own personal employability and potential and were generally more optimistic that these would improve in time.

### 6.1.3 Emerging

*Emerging* graduates were either working towards their targeted employment or had very recently found employment. This initial employment was either aligned to their targeted area of employment or was something that would serve as a platform for them to work towards their target employment. Some *emerging* graduates were employed on training programmes or employment schemes that were helping to build up their career profiles. Whilst these were often short-term activities, some of these graduates reported having enhanced their profile and developed key industry contacts that would help them with future employment through their experience.

Several of these graduates had only recently gained employment and reported many similar experiences to *disorientated* and *indeterminate* graduates. In particular, graduates who were emerging into employment that was in line with their career goals and interests reported that their earlier experiences, even if they were not in their area of interest had helped them develop their career capitals. Overall, having embarked on significant period of employment was perceived to be empowering in approaching the future job market and helping provide a platform to build their profile.

#### **6.1.4 Integrating**

This group of graduates had experienced the smoothest transitions since graduating than any other group. Some found employment soon after graduating whilst others had already gained employment before graduating, typically graduate schemes, and had embarked on the role soon after graduation. These graduates had typically been in employment for over six months and at the point of interview, were in the process of developing their employment narrative and career capital and affirming their graduate identities. Their perceptions of their job market situation were characterised by general optimism, including high levels of self-perceived employability and a greater feeling of career control and flexibility than the other groups.

*Integrating* graduates tended to show a highly career-centred approach that had started during their time in university and, in some cases, before they had entered higher education. Some of their experiences before graduating, such as employment experiences and engagement with employability-enhancing activities, had helped them to build up their career identities. As a result, many had a strong sense of future self and self-concept around their future work.

Their current situation was not without challenges, however. Having secured initial graduate-level employment, they acknowledged pressures around being socially accepted in their workplaces, challenges of home working and having limited face to face contact with co-workers and to proving the value they had signalled to their employer before being offered their positions – this was particularly true for graduates on a probationary period. Some *integrating* graduates expressed some indifference to their career choice and how suitable this was, whilst accepting that the pandemic job market context had constrained their choices. Many *integrating* graduates anticipated a new period of adaption post the 'new normal' working practices.

## 7. SUPPORT FROM CAREERS SERVICES, EMPLOYERS AND SECTOR ORGANISATIONS

Using findings from both the graduate survey and in-depth interviews, this section explores how higher education careers services, employers and sector bodies can support the 2020 cohort of graduates and future cohorts who graduate into a challenging economic climate.

### Key findings:

- Just over half the respondents know what support is available from their university careers service (55%) whilst 36.7% have engaged with their careers service since March 2020
- Graduates who were unemployed at the point of the survey or undertaking further study were statistically more likely to have engaged with their careers service than those in employment
- The most commonly requested careers and employability support by graduates from careers services were *Help with my CV, cover letter or application*, *Advice on how to market myself to employers* and *Help evaluating possible future options*
- Differences exist in graduates' knowledge of careers service support based on their personal characteristics, with female graduates and those who are first in their family to go to university reporting less knowledge of careers service support than male graduates and those whose parents have higher level qualifications
- Over 40% of graduates surveyed reported that they had not felt supported by employers during the recruitment process since March 2020, compared to only 17.7% of respondents that had felt supported by employers
- Over 80% of graduates think that employers should provide a clear training pathway for graduates, should provide better information about available openings, provide internships for students before they graduate and provide more information about how they recruit graduates
- Of all ethnic groups, White British graduates had the lowest expectations of employers. Additionally graduates with disabilities are more likely to report that they do not feel supported by employers and feel that the recruitment process is challenging in comparison to graduates without disabilities

### 7.1 The role of university careers services in supporting graduates into the labour market

Just over half of the graduates who responded to the survey knew what support was available from their university careers service (55%) at the point of the survey (December 2020 – March 2021) but only 36.7% had engaged with their careers service by March 2020.<sup>42</sup> Interestingly, there is a statistically significant relationship between the graduates' main activity at the point of the survey and whether they had engaged with their universities' career services, with graduates in full time (27.8%), part time (39.5%) or other patterns of employment

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<sup>42</sup> N = 2768

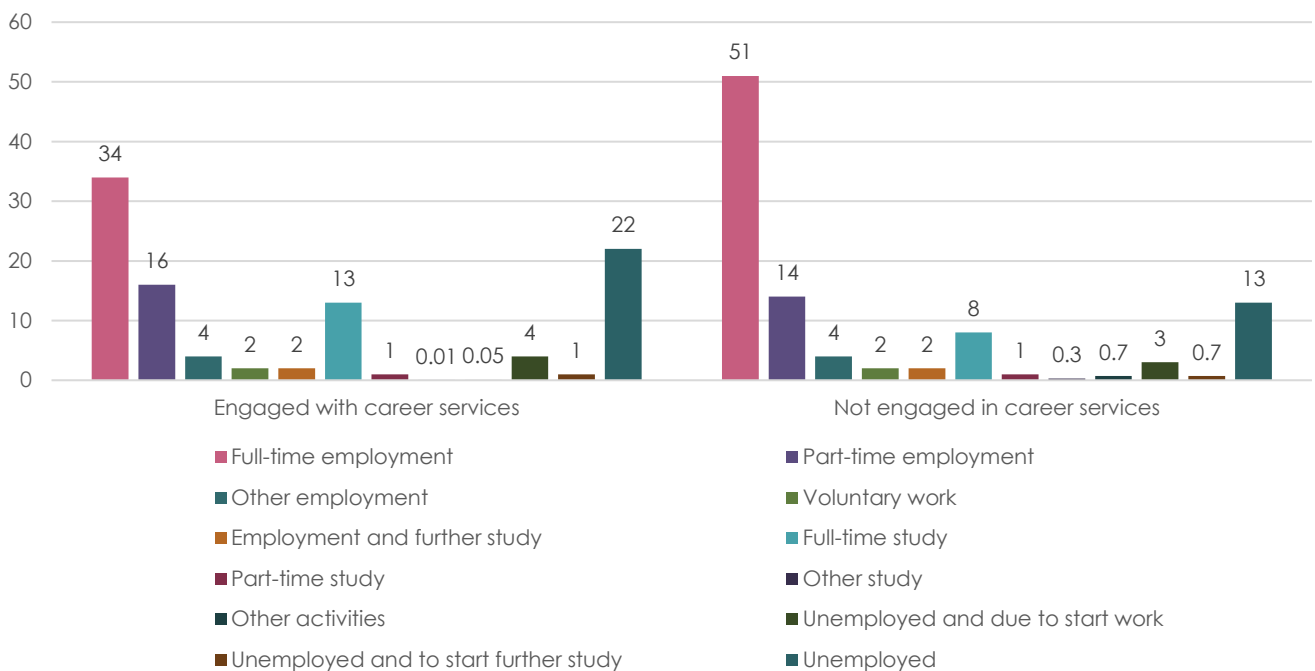


(37.7%) statistically less likely to have engaged with their careers services compared to 50% of unemployed graduates engaging in careers services.<sup>43</sup>

It is unlikely that engagement with the careers service translates to less positive employment outcomes, for example unemployment, but that graduates who had found employment were less likely to engage with their career services from graduation to March 2020 as they had less need to. It is probable that graduates experiencing unemployment were more likely to seek support, but further statistical analysis is needed to evidence this conclusion.

There is also a statistically significant relationship between current activities and knowledge of the services provided by their universities' careers services.<sup>44</sup> There is little difference between graduates in any form of employment (54.6%) or any form of unemployed (57.8%). However, graduates that decided to move on to further study have a much better understanding of the services provided (67.4%).

Figure 18. Graduate activities at the time of the survey by engagement with careers service (%)



Graduates were also asked what support would be most helpful to them now, at the point they were completing the survey (December 2020 – March 2021). The most requested careers and employability support from graduates was *Help with my CV, cover letter or application* (selected by 38.2% of graduates); then *Advice on how to market myself to employers* (33.3%) and *Help evaluating possible future options* (31.0%).<sup>45</sup>

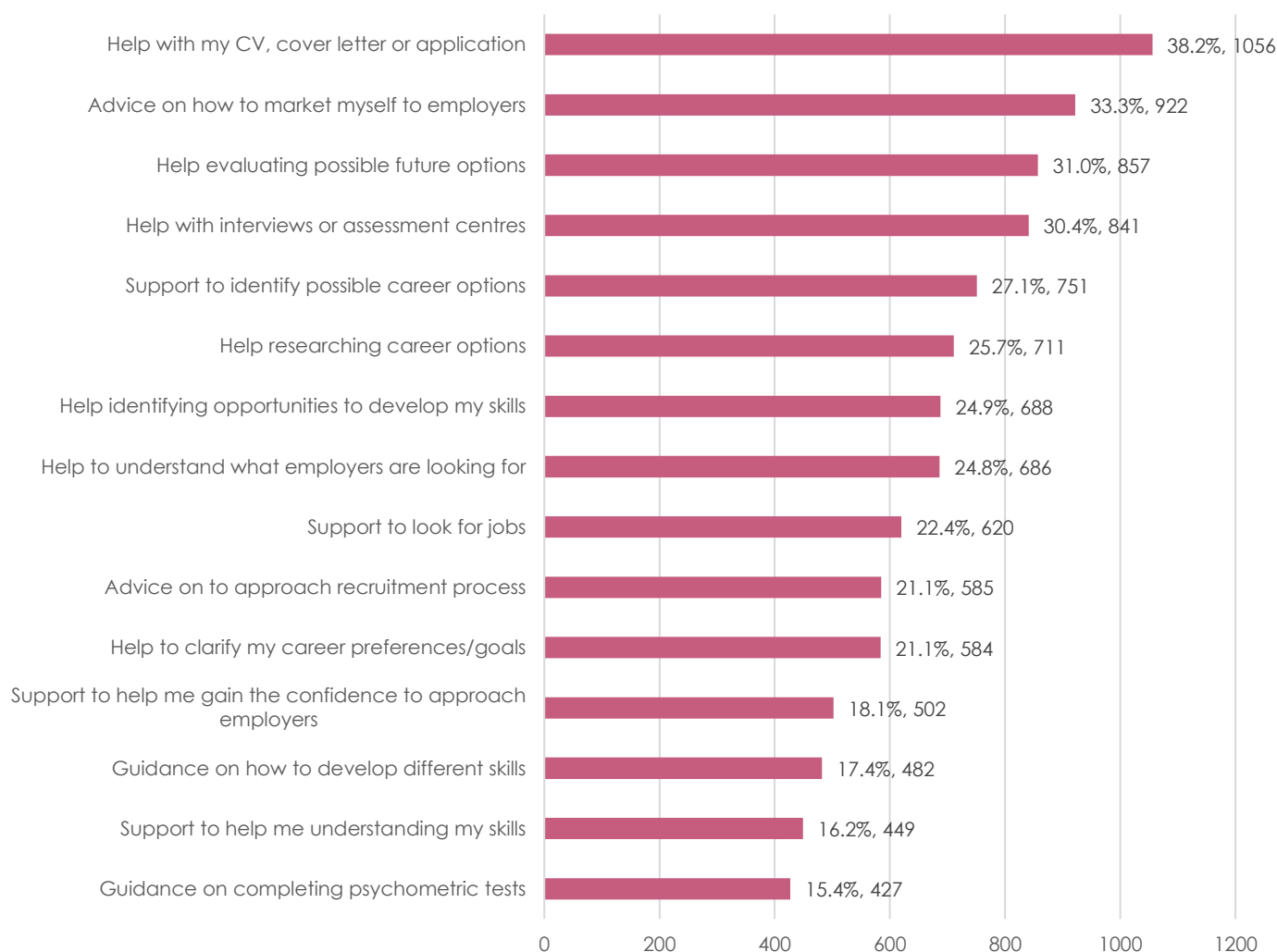
<sup>43</sup> To the 99% correlation confidence interval.

<sup>44</sup> To the 99% correlation confidence interval.

<sup>45</sup> N = 2768

The least commonly selected support services were *Guidance on completing psychometric tests* (selected by 15.4% of graduates) followed by *Support to help me understand my skills* (16.2%) and *Guidance on how to develop different skills* (17.4%).

Figure 19. What kind of careers service support will be most helpful to you right now? Select up to five.



### 7.1.1 Differences in engagement with careers services based on personal characteristics

Statistical analysis revealed differences in how graduates engage with careers services based on their personal characteristics. Male and female graduates indicate that they sought guidance from their university career services in roughly equal numbers (37.6% to 36.2% respectfully). However, female graduates (44.6%) are more likely to feel that they were unaware of what the services were available than male graduates (38.6%).<sup>46</sup>

There was no statistically significant relationship between graduates' ethnicity and awareness of career services. However, there was a statistically significant correlation between ethnicity and engagement with career

<sup>46</sup> To the 99% correlation confidence interval.

services since graduation.<sup>47</sup> Arab graduates (57%) were the most likely to be engaged, while White British (34%) and those of other White backgrounds (35%) were the least engaged. Graduates with and without a disability showed no statistically significant difference in knowledge of the career services their universities provide or with using career services. However, graduates with a disability (37.7%) are statistically less likely to have career plans than graduates without a disability (46.3%).<sup>39</sup>

Graduates who are the first in their family to go to university have less awareness of the career services available from their universities, with non-first generation graduates (60%) more likely to be aware of what services are available than first generation graduates (53%). This is despite there being no statistically significant difference between first generation and non-first generation graduates in engagement with career services since graduation.

## 7.2 The role of employers in supporting graduates into the labour market

When asked 'To what extent have you felt supported by employers during the recruitment process since March 2020?' only 17.7% of respondents either agreed (14.2%) or strongly agreed (3.5%) that they had felt supported by employers.<sup>48</sup> A much greater proportion of graduates (41.5%) either disagreed (25.4%) or strongly disagreed (16.1%) that they had felt supported by employers through the recruitment process.<sup>49</sup>

*"The vast majority of graduate roles that I have applied for haven't even looked at my CV... understand that they get hundreds if not thousands of applicants but it is incredibly demotivating to be rejected before they even look at your CV."* MA Business and Administrative Studies with German graduate

When asked how employers can best support graduates, over 90% of graduates (91.2%) either agreed (47.7%) or strongly agreed (43.5%) that employers should provide a clear training pathway for graduates. Additionally, over 80% of graduates think that employers should provide better information about available openings (82.8%), provide internships for students before they graduate (81.6%) and provide more information about how they recruit graduates (83.1%).

However graduates have mixed views about who is responsible for helping graduates get jobs, with over a third of graduates agreeing (29.0%) or strongly agreeing (8.9%) that employers can only do so much as it's really up to graduates to be proactive and do the hard work; but a further third disagreeing (25.6%) or strongly disagreeing (9.2%) that there is only so much that employers can do as the onus is on graduates to do the hard work.

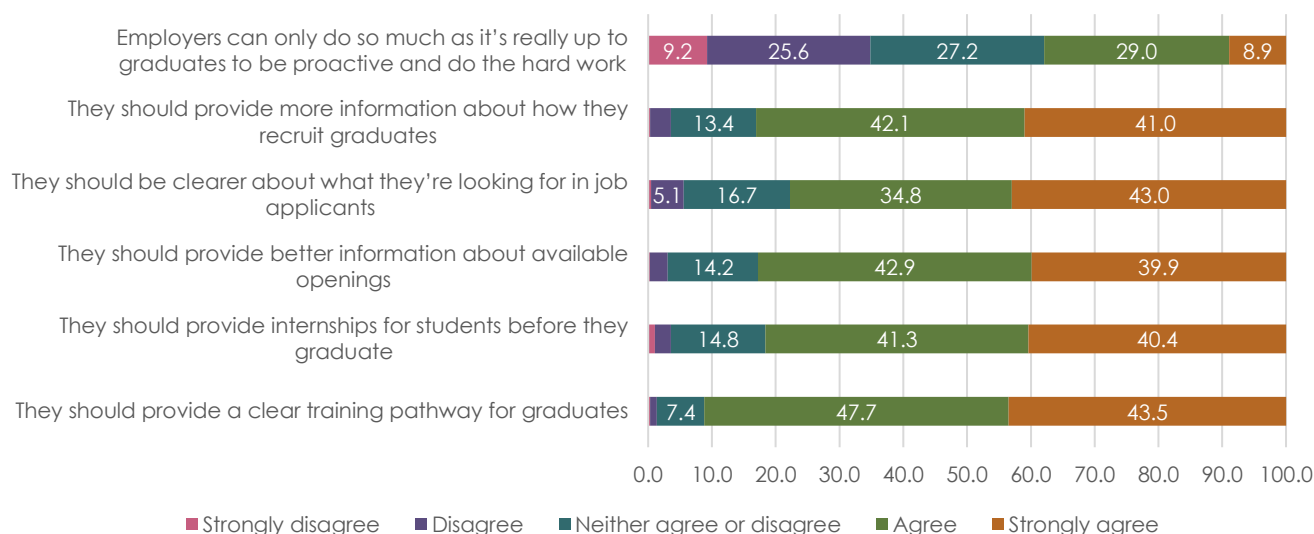
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<sup>47</sup> To the 99% correlation confidence interval.

<sup>48</sup> N = 2768

<sup>49</sup> 40.8% of graduates selected 'Neither agree or disagree' for this question

Figure 20. To what extent do you agree with the following statements about how employers can best support graduates' future employment prospects?<sup>50</sup>



In follow-up interviews, one of the immediate challenges that emerged was the reduction in opportunities following vacancy shortages and employers scaling back workplaces and prioritising existing employees or those with the highest levels of experience. Overall, there was a prevailing view that employers could do more to support early stage graduates, including greater consideration of graduates without relevant work experience and widening the remit of graduate training pathways. Many of the graduates interviewed discussed the frustrations of not receiving any application feedback beyond generic acknowledgment, which was also a recurring theme in free-text responses to the survey.

*"Out of roughly 150 applications I sent, I received one interview, for which I was offered the position. I am very happy with my current employment and the opportunity is unbelievable, but the journey between March and October was horrible. I do need to note MANY employers just ghosted me, leaving me to keep wishing I'd get the job less and less with every day. Even an automated email of not being selected is better as it gives closure. I was ghosted from about 40% of applications submitted."* BSc Engineering and Technology graduate

### 7.2.1 Differences in expectations of employers based on personal characteristics

Statistical analysis revealed differences in terms of what graduates expect from employers based on their personal characteristics. Graduates of every ethnic group would like employers to provide clear training pathways for graduates, more internships, better information about job openings and recruiting procedures and more clear instructions for applicants. White graduates of other than British origin (88%) were the least likely to believe that employers should provide a clear training pathway for graduates. White British graduates (79%) were the least likely to think that employers should provide internships for students before they graduate. White graduates of other than British origin (81%) and White British graduates (82%) were the least likely to think that

<sup>50</sup> N = 2768, only data labels greater than 5% are displayed

employers should provide better information about available openings. Graduates that were Mixed race (70%), White British (77%) and White of other than British origins (73%) were less likely to believe that employers should be clearer about what they are looking for in job applicants with Arab graduates (94%) the most likely to believe employers should do this. White Graduates of other than British origin (81.7%) and White British graduates (81.5%) were the least likely to think that employers should provide more information about how they recruit. When asked, if 'employers can only do so much as it is really up to graduates to be proactive and do the hard work,' Asian British (50%) and Black British (53%) graduates were the most likely to agree with White graduates of other than British origin (31%) were the least likely to agree.<sup>51</sup>

Graduates with disabilities (43%) are more likely to report that they do not feel supported by employers and feel that the recruitment process is challenging (66%) in comparison to graduates without disabilities (40% and 63% respectively). Graduates with disabilities are more likely to rethink their futures (81% v 78%) and feel less confident about future employment (70% v 80%) and are more likely to believe their skills are not going to be valued by future employers (50% v 60%). Graduates with a disability indicated that they are less concerned with high salaries (55% v 63%), finding challenging work (77% v 85%) or having a successful career (60% v 65%) than their peers without disabilities.<sup>52</sup>

### **7.3 The role of other sector organisations in supporting graduates into the labour market**

During follow-up interviews, around a third of graduates shared that they had interacted with job centres or had been on universal credit with varying levels of success and efficacy. Some reported indifferent interactions with job centre staff who adopted a more short-term approach in encouraging graduates to undertake generic forms of employment. Others reported more efficacious interactions with specialist advisors and mentors who provided meaningful direction, and in some cases a direct link to relevant employment opportunities.

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<sup>51</sup> Each of these to the 99% correlation confidence level.

<sup>52</sup> Each of these to the 99% correlation confidence level.

## 8. SUMMARY AND RECOMMENDATIONS

### 8.1 Summary of findings

Covid-19 clearly represents a genuine labour market shock; and with any shock event, the capacity to absorb depends to a large degree on having resources and support structures to mitigate the more adverse effects. This will be vital for those graduates who are at most risk of being excluded from the graduate labour market and experiencing initial scarring.

The initial findings raise some potentially significant policy implications for all stakeholders concerned with the future of university graduates, higher education and workforce development more generally. Whilst the majority of graduates were in employment at the time of the survey, with just under half of all respondents in full time employment, this statistic does not paint a full picture of graduates' employment experiences since March 2020. Firstly, whilst 44% of graduates were in full time employment at the point of the first survey (December 2020 – March 2021), it is unclear how many of these are employed in graduate-level roles, jobs that they find personally fulfilling or that aligns with their career aspirations. A second survey has been sent to the same population of graduates to understand whether their circumstances have changed since completing the first survey and whether the activity they are currently undertaking fits in with their future plans, is meaningful, is suitable for a graduate and is utilising the skills and knowledge they acquired through university.

Secondly, the survey and interviews revealed the scale of the challenges that recent graduates have faced since March 2020, even if they recorded a positive destination, such as full time employment or further study, at the point of the first survey. Three quarters of graduates have noticed a fall in the number of available opportunities since March 2020 and the vast majority (83%) feel that the pandemic has had a detrimental impact on graduates' employment prospects. Most graduates have been made to think differently about their future (79.4%), have become less confident about their future employment prospects (72.6%) or believe the pandemic has significantly damaged their job prospects (70.6%). Over half of graduates have experienced being unemployed for longer than two weeks since March 2020 or been employed in a job that did not draw on their graduate qualifications or skills, which has impacted their wellbeing and confidence and made many question the value of their degree.

On the whole, whilst graduates have found graduating into the Covid-hit economy challenging, there are significant differences in experiences between graduates. The average number of job applications made by graduates since March 2020 is 37, but ranges from zero to 1000, with seven graduates having made over 500 applications for graduate jobs since March 2020. Similarly, of the graduates who have applied for jobs since March 2020, just under a third did receive and accept a job offer, however a fifth of graduates only reached the CV/application form stage of the recruitment process.

In-depth interviews with graduates captured four different transitional experiences into the labour market. Graduates broadly fell into one of the four categories, from *disoriented* graduates who were struggling to gain any foothold in the graduate labour market and showing initial signs of scarring, to *integrating* graduates who

were already gaining momentum in their career after experiencing the smoothest transition into the labour market of all graduates and had not, as yet, been adversely affected by the tough economic conditions.

Further differences in graduates' experiences since March 2020 may exist in relation to their personal characteristics. Statistical analysis of the survey data reveals significant differences in the employment outcomes of men and women (with men less likely to undertake part time work or volunteering but more likely to be unemployed), graduates with and without disabilities (with disabled graduates less likely to be employed on a full time basis and more likely to be in other patterns of employment or unemployed) and between graduates based on their ethnicity (with White British graduates least likely to be unemployed; Black, African and Caribbean graduates most likely to be in full time employment and Black British graduates the least likely to be in full time employment).

As well as differences in their outcomes, there are also statistically significant differences in the resources that graduates can draw upon to support their transition into the labour market. One of these resources is social capital which appears to mediate some of the links between graduates' higher education and early employment experience and outcomes based on the strength and veracity of graduates' social relations with significant others. Yet differences exist in graduates' perceived social capital, with male graduates, non-disabled graduates and Black, African and Caribbean graduates all reporting greater confidence in their networking skills and connections with professionals in their chosen fields than female and non-binary graduates, graduates with disabilities and those from other ethnic backgrounds. More work is required to understand the role in social capital in transitioning into a challenging labour market, and this may be explored further in subsequent reports.

As well as social capital, graduates can also draw on resources in the form of support from careers services, employers and other support organisations. Whilst over half of graduates knew what support was on offer from their careers service, only a third had engaged with the careers service since March 2020. However, further analysis shows that graduates who were employed at the time of the survey were statistically less likely to have engaged with the careers service than graduates who were unemployed. This suggests that the majority of graduates knows what is available to them through their careers service but they typically only engage with the services if they feel they need them.

The research has also identified differences in graduates' knowledge of careers service support based on their personal characteristics, with female graduates and graduates who are the first in their family to attend university reporting less knowledge of careers service support. This information could be valuable to careers and employability professionals seeking to improve engagement with their service or planning marketing campaigns to graduates. Establishing meaningful contacts before leaving HE and then sustaining these on graduating could be important in bridging important relationships that facilitates access to target employment. Valuable forms of work experience and employer engagement appear to be significant in helping establish such relationships, although there is notable variability in how much recent graduates have experienced this to date.

Graduates who responded to this survey reported feeling generally unsupported by employers throughout the recruitment process, with a common frustration in interviews and free-text survey questions being a lack of

feedback and, more broadly, a lack of any response to applications at all. Whilst there are mixed opinions from graduates on the extent to which employers should support applicants, there is universal support from graduates for employers to provide a clear training pathway for graduates, internships for students before they graduate, better information about available openings, more information about how to recruit graduates and clearer messaging around what they're looking for in job applicants.

## **8.2 Recommendations**

The Covid-19 pandemic has already had a severe effect on graduate employment and opportunities for career development. It is important to support graduates to avoid under/unemployment in order to help the economy to fully recover, combat the potential long-term 'scarring' effect of the pandemic on graduates' future success and give them the best possible chance of achieving their goals and aspirations.

The findings raise implications for those both on the supply-side of the graduate labour market, i.e. universities, colleges, training providers and their practitioners, as well as those who benefit from the large surplus of graduates, i.e. employer organisations. Whilst there is no quick-fix solution to addressing systemic levels of graduate unemployment, this study can feed into a policy narrative as well as tangible policy measures that can help support graduate outcomes. These will be more fully outlined in the final project reports, but early indications suggest a number of supply and demand approaches that can help these outcomes.

### **8.2.1 Recommendations for higher education institutions and careers services**

1. Higher education institutions (HEIs) should recognise the impact that Covid-19 has had on graduate employment and opportunities for career development and the vital role that careers and employability professionals play in supporting graduates. As a result, they should explore the extension of access to relevant university support and infrastructure, e.g. via career and skills development online learning resources
2. Careers and employability services should be resourced appropriately in order to provide targeted support to graduates most affected by the challenging labour market, which may involve the recruitment of additional and/or specialist practitioners or investment in further professional development in best supporting graduates during challenging labour market transitions.
3. HEIs should ensure that careers education, information, advice and guidance (CEIAG) and opportunities for work experience, experiential learning and skills development are considered as essential parts of the university experience and integrated in ways that best complement existing programmes and values that exist within the institution's employability ecosystem.
4. HEIs should continue to draw on alumni networks to support graduates, which might include targeted support and mentoring for those experiencing greatest challenges. Continued effort should be made to ensure that graduates – particularly female graduates and those who are first in their family to go to university – are aware of the support on offer for them. Any increase in demand for support from graduates needs to be resourced appropriately.



5. Careers and employability services should continue to offer opportunities for graduates to develop their social capital, with a particular focus on disabled graduates and continue to explore new ways of helping students develop meaningful professional relationships in a virtual environment.

### **8.2.2 Recommendations for employers of graduates**

6. Employers should commit to high-quality development programmes and on-the-job training to support a cohort of graduates that will need to be agile in a challenging labour market.
7. Employers should demonstrate a commitment to equality, diversity and inclusion through ensuring the job vacancies clearly asks candidates whether they require reasonable adjustments, adjusting recruitment process accordingly and providing structured support and mentoring for graduates who may find the transition into employment more challenging.
8. Where possible and prudent to do so, graduate employers should provide a clear training pathway for graduate recruits, internships for students and more transparent information about available openings and how they recruit graduates.
9. Employers should further engage with graduates on their job applications if they have been unsuccessful in the recruitment process, where possible. All unsuccessful applicants who reach the final interview stage of the recruitment process should be given the opportunity to receive meaningful feedback relevant to their application and/or performance.

### **8.2.3 Recommendations for sector organisations and policy makers**

10. Graduates should be considered separately to other groups (e.g. young people who are classed as NEET) in policy recommendations.
11. Sector organisations, including but not limited to AGCAS, should continue to facilitate the sharing of best practice in HE careers and employability delivery, including models and initiatives that have proven value, and relevant resources across institutions.
12. This research has shown that graduates have experienced the Covid-affected labour market differently based on their personal characteristics, but it does not explore the impact of multiple intersecting identities. Funding is recommended to conduct further research to understand how personal characteristics influence the transition into the labour market and develop evidence-based interventions.
13. Funding should be provided to UK regions to allow HEIs to collaborate locally to create programmes, such as paid internship programmes, that support SMEs to recruit students and graduates.

14. Any funding or policy interventions should be directed through higher education careers services as experts in the career development and outcomes of their graduate population.

### **8.3 Next steps**

The actions and policy interventions recommended above are intended to prevent long-time economic scarring in recent graduates. However, prevention is better than a cure. We hope this research, due to be concluded in autumn 2021, will provide evidence for how economic shocks are felt by recent graduates. We hope to build on the knowledge we've gained to create resources that higher education professionals can use to support their class of 2020 and those due to graduate in 2021 and beyond.

This research continues over the summer of 2021 by embarking on second wave follow-up survey and interviews. These will enable the research team to explore the longer-term effects of the evolving pandemic context on graduates and what development have occurred in graduates' employment situations, including the routes some may have found into targeted employment.

Further, the second wave will uncover the extent to which graduates' experiences of the labour market are changing over time and some of their key challenges and support needs. The project's full findings and analysis, including more extensive use of raw interview data, will be completed towards the end of this summer.

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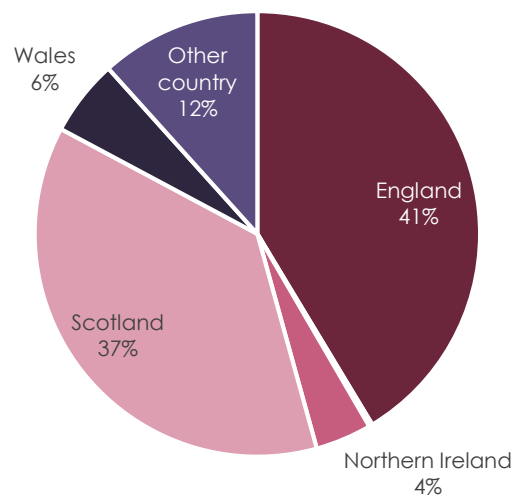
## APPENDIX A. Characteristics of survey respondents

The survey was disseminated to graduates between December 2020 and March 2021, via a group of AGCAS Heads of Service who facilitated the dissemination of the survey to their recent graduate population. The survey received 5306 responses in total, 3040 of which were completed responses. Of these, 2871 were included in analysis. Responses were removed from analysis from graduates that did not graduate between 2018 and 2020 and those that did not graduate from UK higher education institutions.

Two thirds (65.8%) self-identify as female and just under a third (32.4%) identify as male. A small number chose to self-define (1.1%) – predominantly as non-binary – or chose not to say (0.7%). Two thirds (66.2%) also identify as white British, 11.6% identify as being from another white background, 6.4% identify as Asian (Indian, Pakistani, Bangladeshi, Chinese or any other Asian background) and 6.1% chose not to describe their ethnicity. Less than 5% of respondents identified as being from other ethnic backgrounds (see appendix).

Just over 40% of respondents' area of permanent residence before starting their degree was England; 37% were originally domiciled in Scotland; 6% were from Wales; 4% from Northern Ireland; and 12% from another country (including EU).<sup>53</sup>

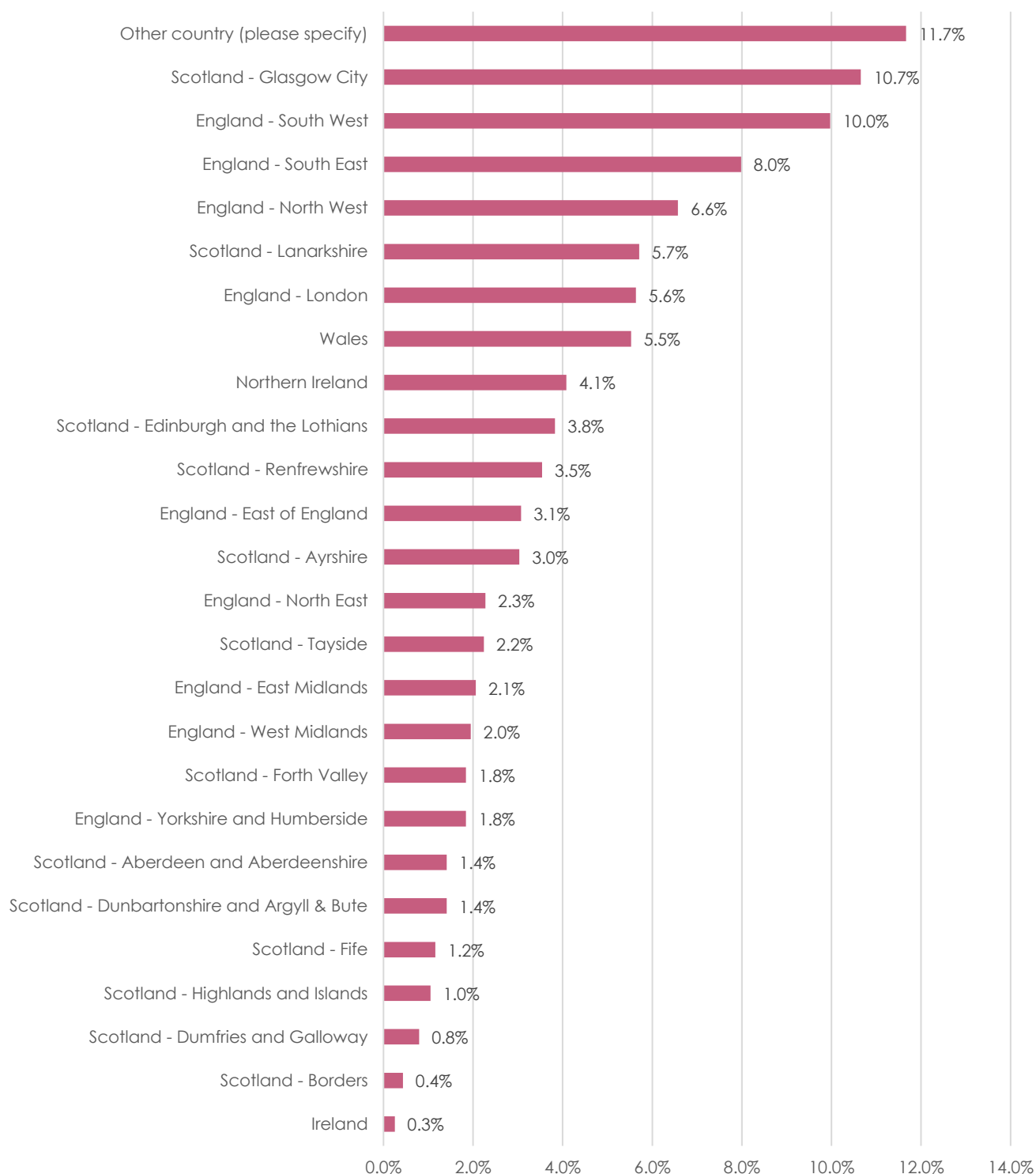
Figure 21. Where was your area of permanent residence (where you lived most of the time) before starting your most recent university degree?



<sup>53</sup> N = 2768

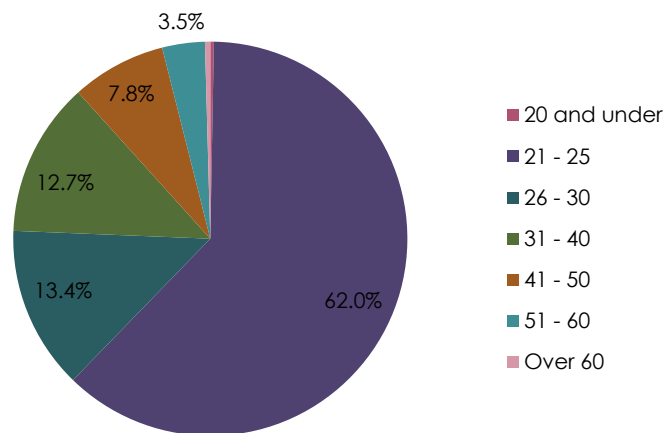
The most commonly represented English region of domicile was the South West (10% of graduates from the South West) and the most commonly represented Scottish area of domicile was Glasgow (10.7% of graduates from Glasgow city) (figure 21).

Figure 22. Where was your area of permanent residence (where you lived most of the time) before starting your most recent university degree?



Just over 60% of respondents are aged 21-25 (62.0%), 13.4% are 26-30 and 12.7% are 31-40. Just over 10% are over the age of 40 (11.7%).<sup>54</sup>

Figure 23. How old are you?

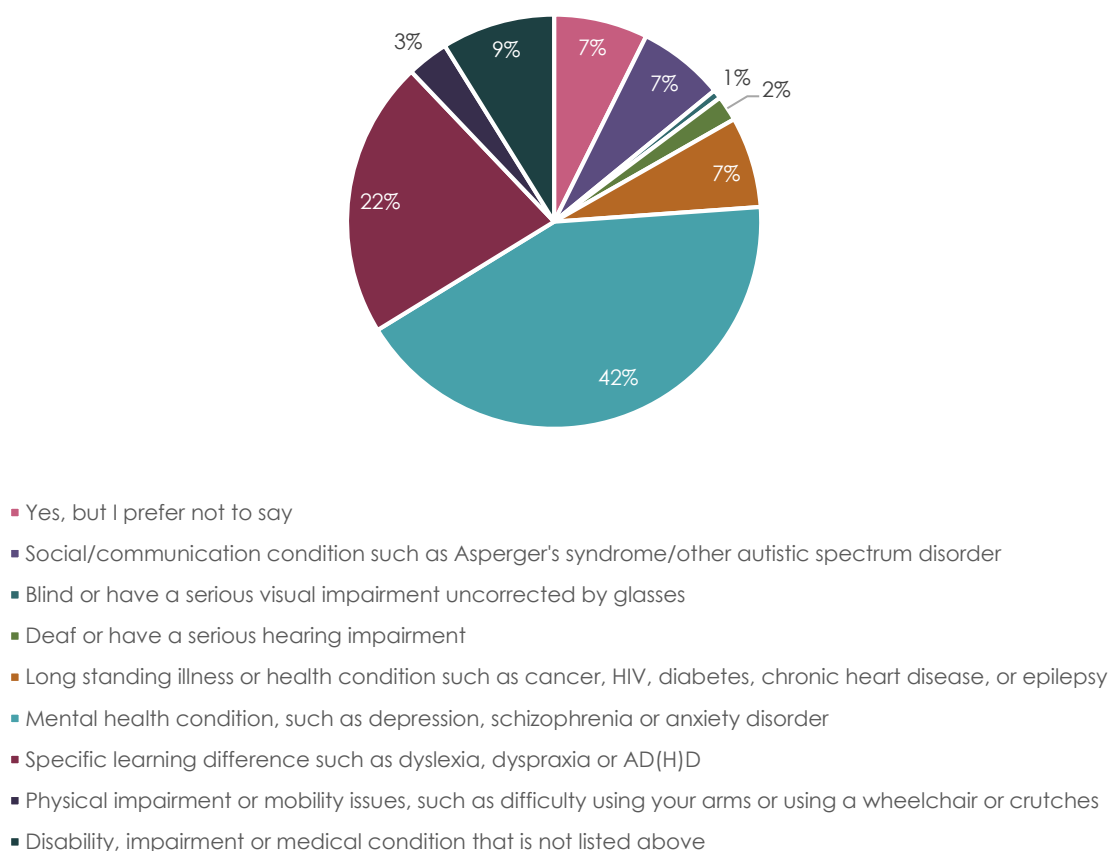


Three quarters (74.9%) do not have a disability, long-term health condition, special educational need or mental health condition. Of the 31.3% of respondents who declared a disability, long-term health condition, special educational need or mental health condition, mental health conditions, such as depression, schizophrenia or anxiety disorder, were most commonly diagnosed (13.3%), followed by a specific learning difference (SpLD) (6.8%).<sup>55</sup>

<sup>54</sup> N = 2746

<sup>55</sup> N = 2746

Figure 24. Do you have a disability, long-term health condition, special educational need or mental health condition?



The vast majority of participants (97.8%) do not have experience of being in care (including as a looked after child, living with foster carers or in a children's home, or being 'looked after' at home under a home supervision order in Scotland). Just 1.5% of respondents have care experience, and 0.7% either didn't know or preferred not to say.

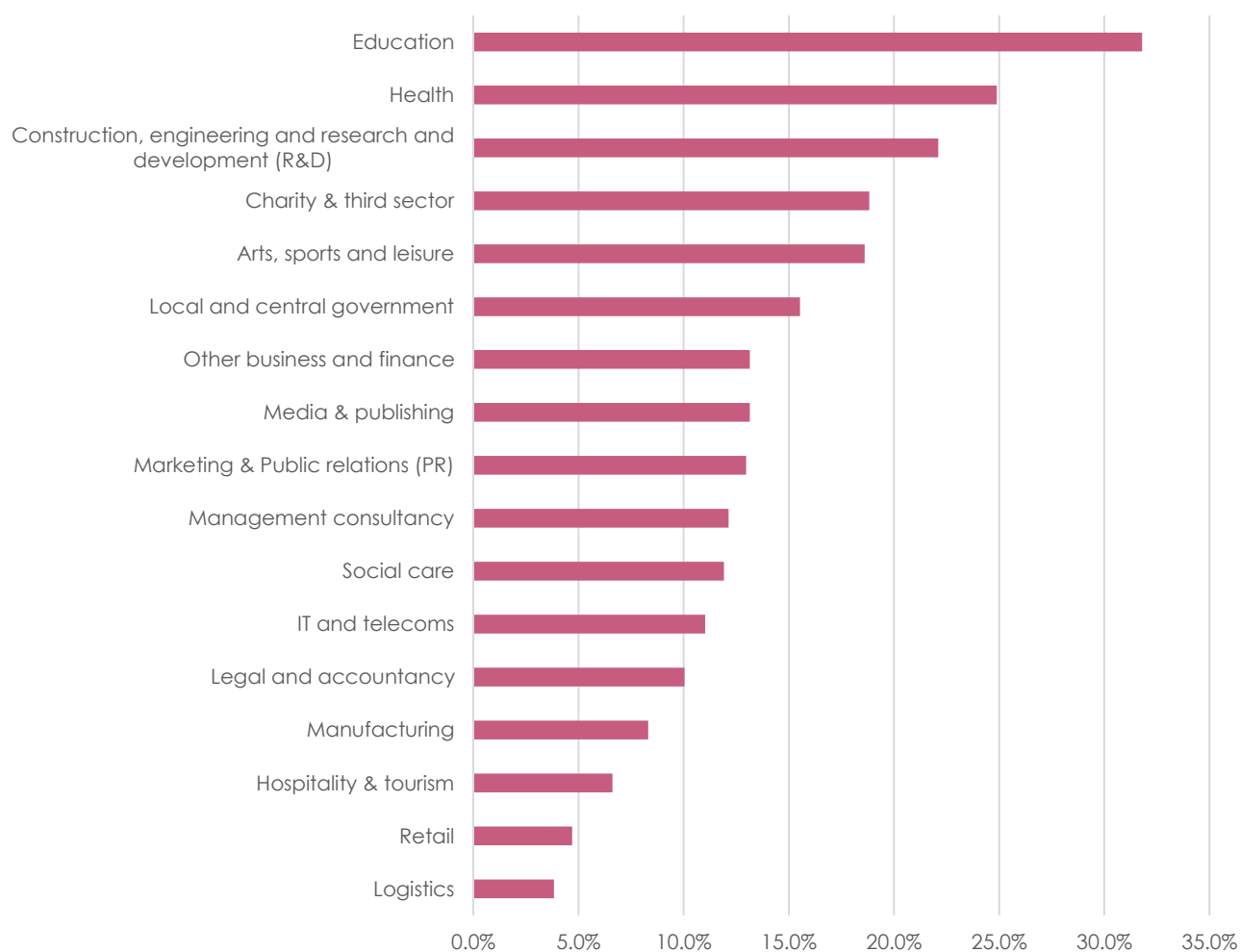
There is a fairly even split between participants whose parents, step-parents or guardians have higher education qualifications (48.9%) and those that do not (46.5%).<sup>56</sup>

Graduates were asked to select a maximum of three employment sectors/industries that they would prefer to work in. If they didn't have a solid idea of their career in mind, they were advised to pick the sectors that were of most interest to them. If they were already in work, they were advised that they may wish to include their current industry/sector if it was a sector they were interested in. For example, a graduate working full-time in the hospitality industry as a means to earn money but aspired to work in media and publishing, may not choose to select 'hospitality and tourism' as one of their top three preferred industries/sectors.

<sup>56</sup> N = 2748. A small proportion chose not to say (1.3%) or don't know (3.3%).

Based on these questions, the most popular sector for graduates to work in is Education, with 31.8% of graduates surveyed listing it as one of their top three preferred employment sectors/industries (figure 25).<sup>57</sup> This was followed by Health, which 24.9% of graduates ranked in their top three industries/sectors, and Construction, engineering and research and development (R&D) (22.1%). The least popular sectors/industries were Logistics (only ranked in 3.8% of graduates' top three industries/sectors), Retail (4.7%) and Hospitality and tourism (6.6%).

Figure 25. What are your top three preferred employment sectors/industries? Select a maximum of three.



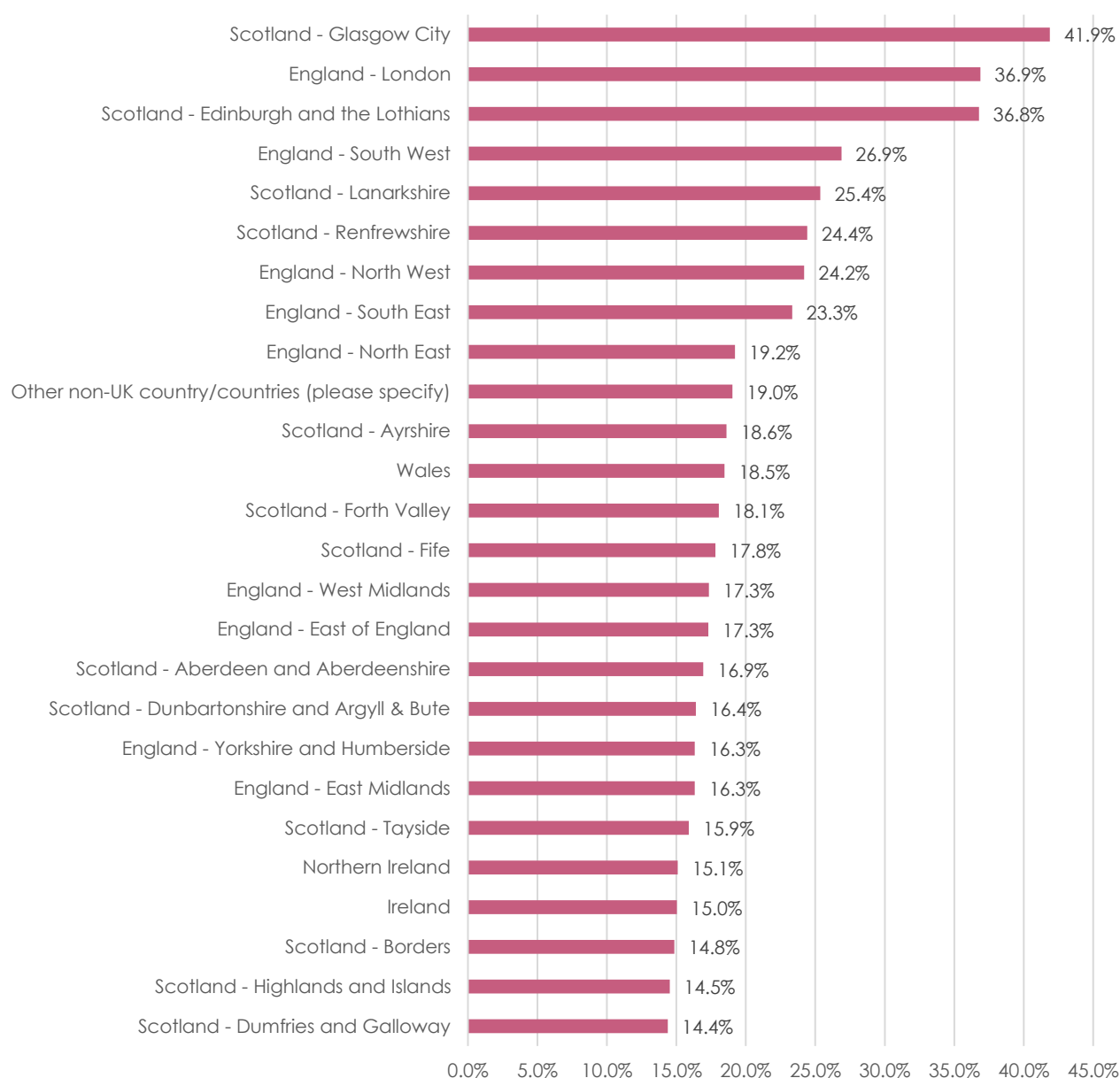
Graduates were asked to select all regions where they would consider employment (figure 3). A large proportion of graduates surveyed (41.9%) would consider working in Glasgow city.<sup>58</sup> This reflects the large proportion of respondents originally from Glasgow (10.7%) and the fact that many graduates choose to work in the area they were originally from (see section 4. Respondent profile). The second most popular location for employment was London (36.9% of graduates would work in London), followed by Edinburgh and the Lothians (36.8%).

<sup>57</sup> N = 2768

<sup>58</sup> N = 2768

Graduates were least likely to select Dumfries and Galloway (14.4%), the highlands and islands of Scotland (14.5%) and the Scottish borders (14.8%) for graduate employment. Dumfries and Galloway (where 0.8% of respondents were domiciled before university), the highlands and islands of Scotland (1.0%) and the Scottish borders (0.4%) were all areas from which the fewest respondents were originally domiciled before university.

Figure 26. In which region/s would you consider working in graduate-level employment? Select all that apply.





## APPENDIX B. Interview sample profile

The majority of the sample were 2020 graduates ( $n = 47$ ), although some had graduated in 2019 ( $n = 9$ ). We decided to include the latter as this may have included those who had planned to enter full-time employment during 2020 after a period of gap-year or other plans.

The gender split was 30 females, 24 males and two individuals who identify as non-binary. In terms of ethnicity, 38 were White British, eight White European, one White Other, five Asian, four Mixed/Multiple ethnic group. The majority fell into the age bracket of 21-25 bracket ( $n = 39$ ), and included eight 26-30 year olds, five 31-40 year olds, three 40-50 year olds and one person aged 50-60.

The respondents had graduated from a wide spread of higher education institutions. Of the 56 graduates who were interviewed, 22 graduates had graduated from high tariff institutions, 12 from medium tariff institutions and 22 from lower tariff institutions.

## APPENDIX C. Social capital items adapted from the Graduate Capital Scale

How far do you agree with the following statements on your networks and networking skills?

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
I have good networking skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have good contacts with relevant people in my targeted career	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have developed strong relations with employers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have good levels of information about jobs and job opportunities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I use social media to market myself and develop contacts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have adequate support from my family in pursuing my targeted career	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have adequate support from my peers/friends in pursuing my targeted career	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## APPENDIX D. Approach to survey analysis

The statistical analysis of the survey is still in the early phases however interesting results are already arising. as to clean the data. The original data contained 2,872 participants. However, 105 of the participants had a significant amount of missing or unusable data, so those participants were expunged. This brought the number of valid survey participants to 2,767. For most of the remaining participants, the data was complete. However, there were missing data points. These were exclusively in the demographic questions. Imputation was used to complete the missing data. This meant that the researcher would fill in the missing variables. For some cases, this was aided by the open-ended answers for the questions. For example, if the gender question was left unanswered but the following open-ended answer stated 'male', then the gender was imputed as male. If there was no open-ended answer, 'prefer not to answer' was imputed into the data since, the participant did not answer.

The analysis of the data began with bivariate correlations. Since most of the data is categorical and ordinal, this was done by determining Spearman's rho using SPSS. It was assumed that any two variables would not have a statistically significant relationship as the null hypothesis. However, if after running the bivariate tests, there was a correlation to at least 95% confidence interval then the null hypothesis was rejected. which indicates that the chance the relationship between the two variables found to be random or based on statistical error to be 5% or less. Multivariate tests will be conducted on the data for future analysis.

## APPENDIX E. Aggregate academic disciplines

The following table shows how the composite academic disciplines were categorised into aggregate academic discipline areas.

Medical Sciences	STEM	Social Sciences	Business and Law	Arts & Humanities	Combined
Medicine & dentistry	Agriculture & related subjects	Social studies	Law	Mass communications & documentations	Combined
Subjects allied to medicine	Physical sciences	Education	Business & administrative studies	Languages	
Biological sciences	Mathematical sciences			Historical & philosophical studies	
Veterinary science	Computer sciences			Creative arts & design	
	Engineering & technology Architecture, building & planning				

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