

# To what degree?

Understanding what UK businesses look for in graduates



**Rt Hon Professor the Lord Blunkett**

Former Education and Employment Secretary  
Chair of the Advisory Board to FutureLearn

*I very much hope this report ignites a conversation about how we value different kinds of higher education institutions within a broader skills ecosystem and how we factor them into a national skills strategy.*



**Professor Jane Harrington**

Chair of University Alliance  
Vice-Chancellor of the University of Greenwich

*I'm pleased the work of professional and technical universities to embed employers in university degrees is recognised. Wider understanding of the range of vocational options at university level would be beneficial to both applicants and employers.*

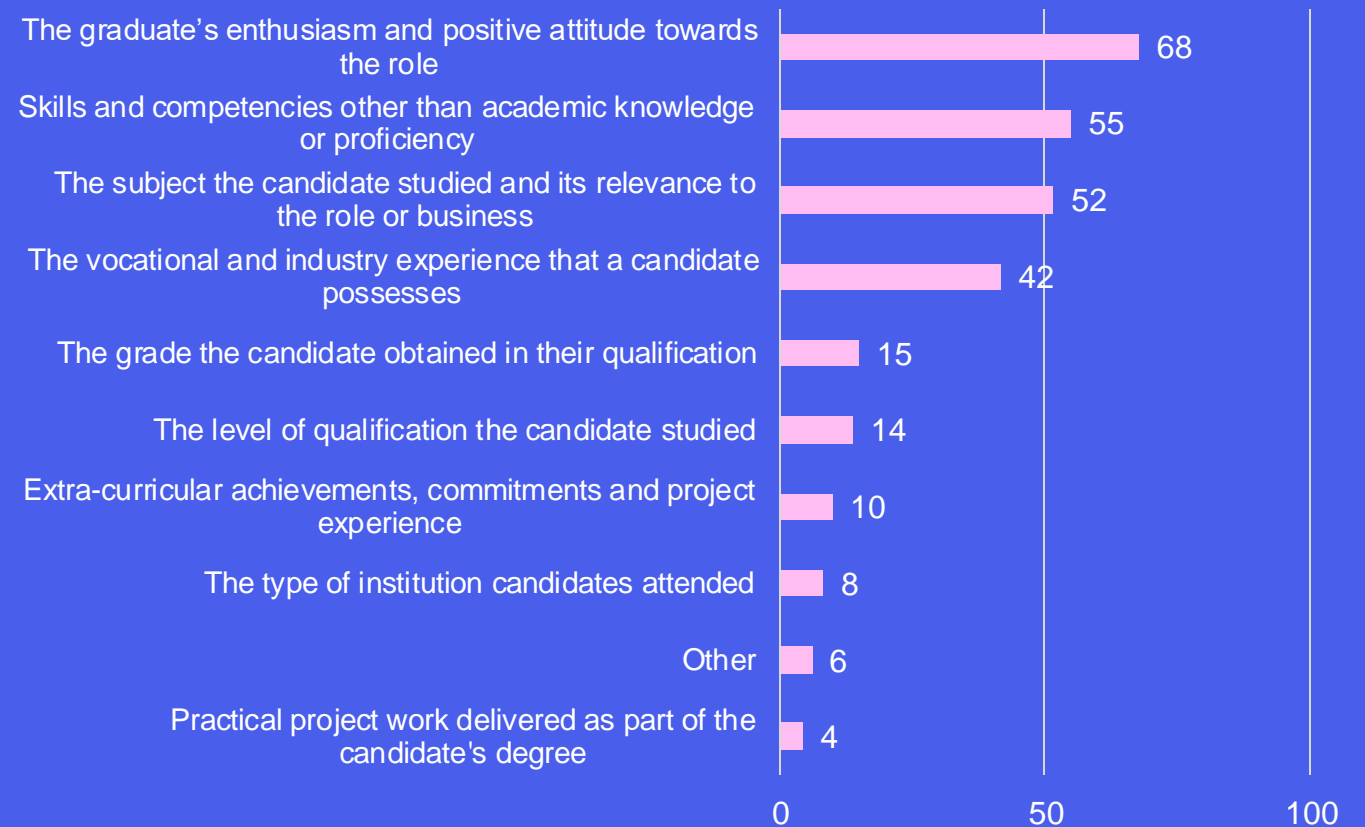
# Key findings

1. There were four graduate characteristics that were clearly most important to employers when recruiting: enthusiasm towards the role, transferrable skills and competencies, subject studied and vocational experience.

Our survey revealed that the most important characteristic in the overall recruitment process was **graduates' enthusiasm and attitude towards the role**, selected by **68% of employers**, followed by **skills and competencies other than academic knowledge (55%)**, subject studied (**52%**) and vocational and industry experience (**42%**).

**Interpersonal and communication skills emerged as invaluable assets** to graduate applicants, particularly at interview where they were the most important determinant of success (selected by **84%** of employers).

**Figure 1: What are the top 3 factors that employers consider the most important in graduate recruitment?** (% of responding employers)



Source: CBI Economics survey (April 2024)

## 2. One of the least important factors to employers was the type of university that the graduate had studied at.

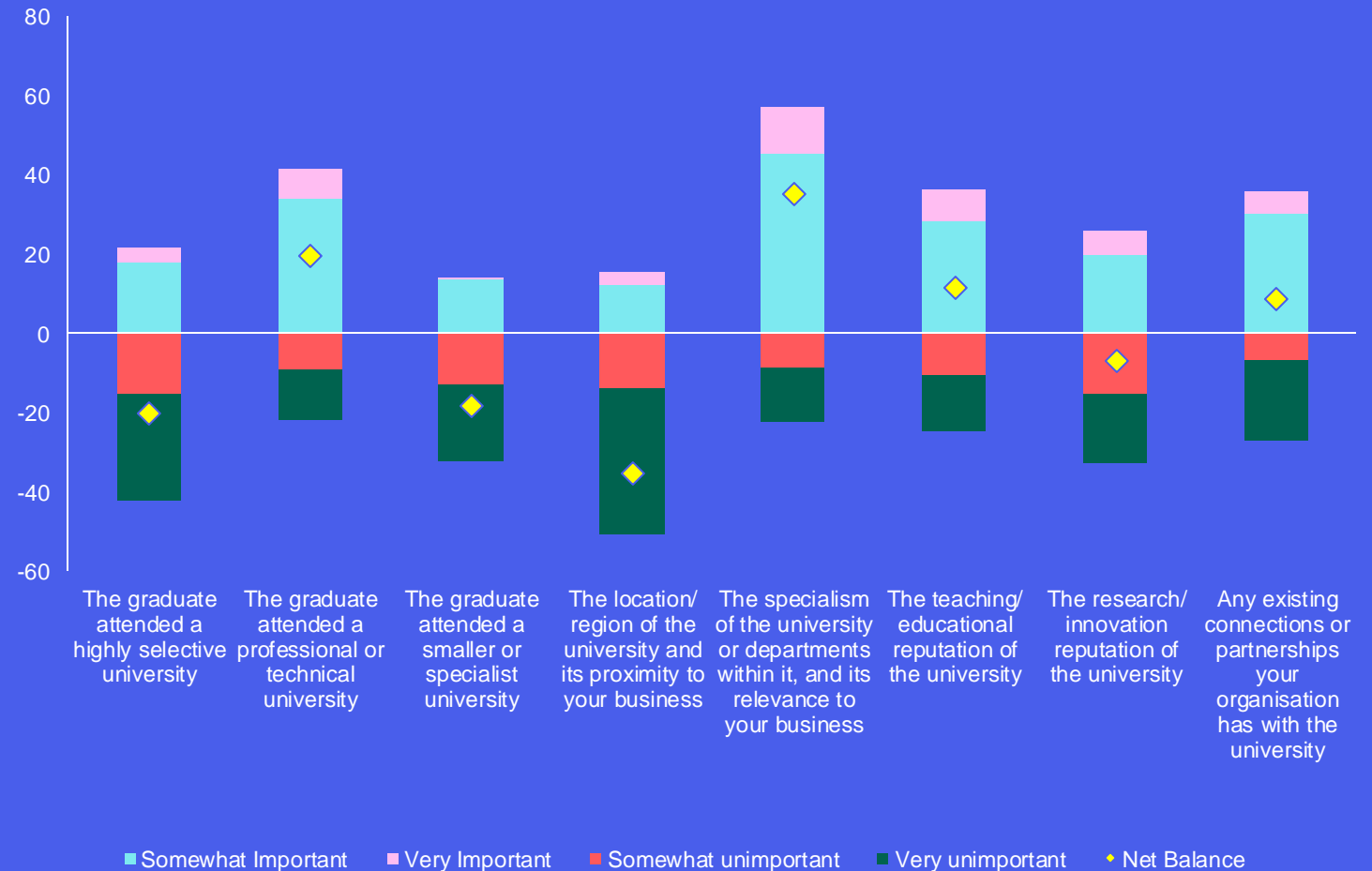
The type of institution graduates attended was almost the **least important of graduate factors overall, valued by just 8% of employers**. Only specific projects completed by the graduate while at university was less important (4%).

Where there was a preference for a specific type of university, employers placed **most importance on institutions with specialisms relevant to their business**, producing a net balance of **+35%**.

**Whether or not the university was local to the employer was the least important factor**, with a net balance of **-35%**. It was also **unimportant whether or not graduates attended a highly selective university**, with a net balance of **-20%**.

### Figure 2: How do employers perceive the importance of different university factors throughout the recruitment process?

(% of responding employers)



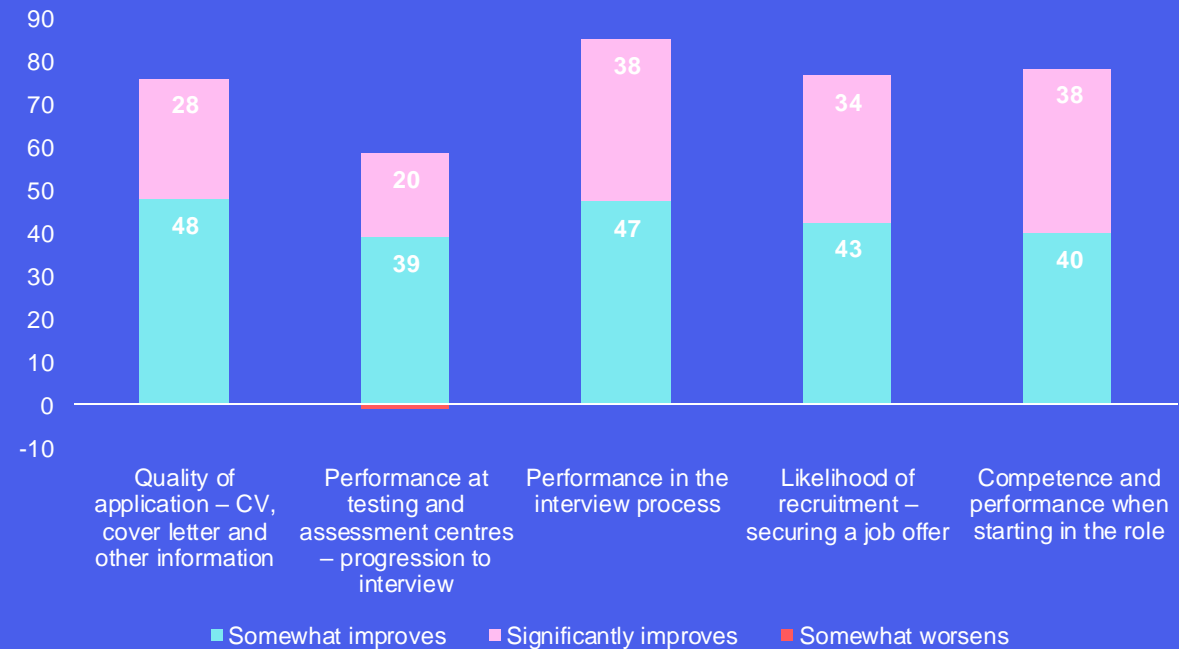
Source: CBI Economics survey (April 2024)

### 3. Graduates who obtain vocational experience during university study could stand out to employers and see substantial benefits to their recruitment prospects.

Vocational experience was highly valued in graduates. At the interview stage, **85% of employers believed vocational experience enhanced performance**, and **45%** of this group experienced a 'significant improvement'.

Vocational experience also significantly improved graduates' quality of application, likelihood of recruitment and competence when starting the role.

**Figure 3: How does vocational experience influence graduates' performance across different stages of the recruitment process?**  
(% of responding businesses)



Source: CBI Economics survey (April 2024)

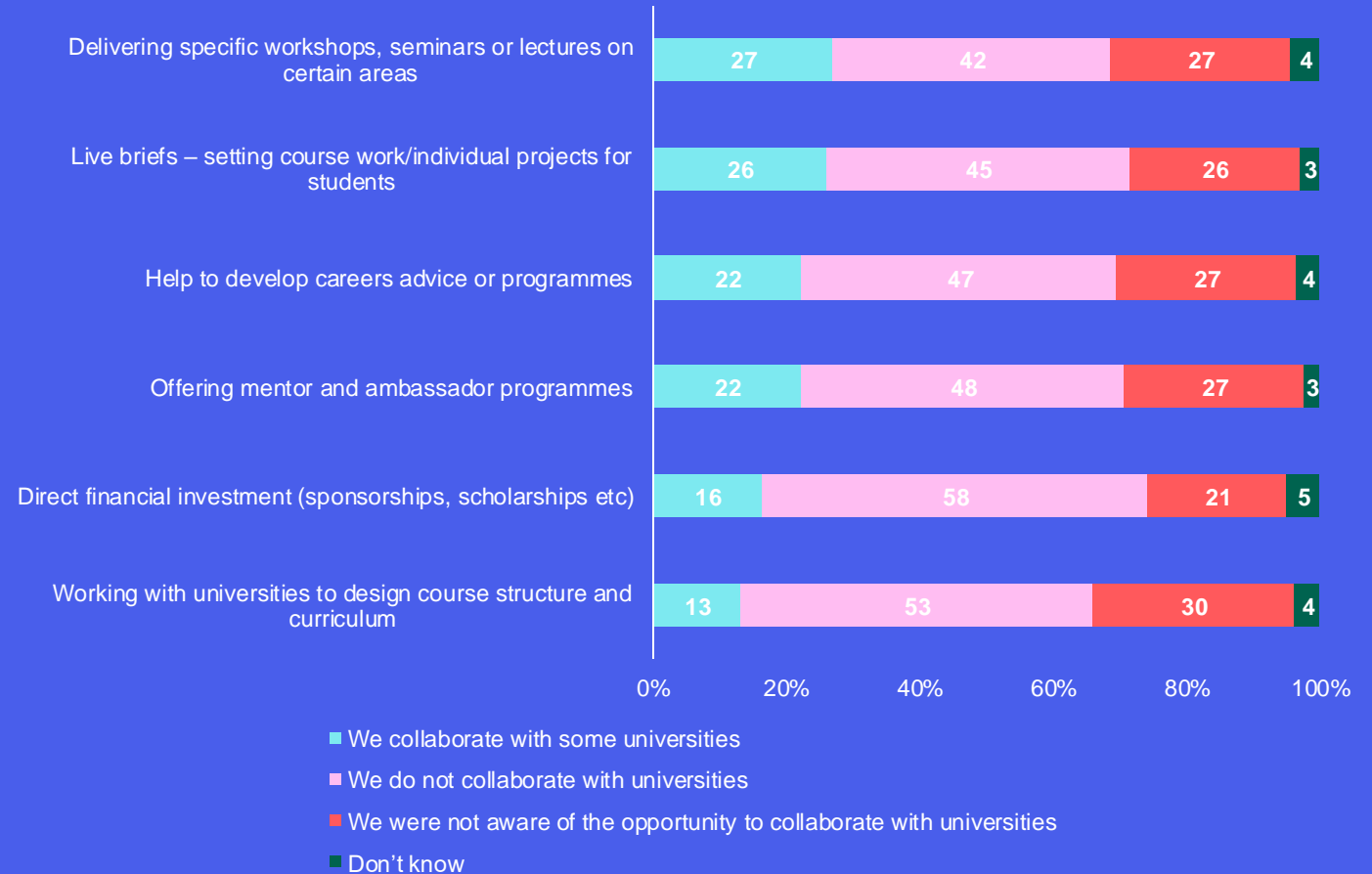
**4. Employers expressed enthusiasm for more collaboration with universities, but there was a relatively low level of engagement with existing opportunities.**

University-industry collaboration was strongest in areas where employers contribute to course content, material and delivery; nevertheless just **27%** of businesses on average engaged in these types of activities.

**Despite this, employers strongly expressed support for and encouraged university/business collaboration.** The lack of engagement does not appear to be due to a lack of awareness: across 6 areas of possible collaboration, at least **68%** of employers were aware of the opportunities. Further research could explore why, despite stated positivity towards collaboration, employers are not currently engaging with available opportunities.

**Figure 4: Employer engagement and collaboration with universities across a range of activities**

(% of responding businesses)



Source: CBI Economics survey (April 2024)

# Recommendations



## Recommendations

- 1** To help improve the performance of graduates in recruitment and the workplace, **universities should audit the extent to which opportunities for vocational experience are available** during university study to students in all disciplines and aim to increase collaboration with businesses to deliver any necessary improvements.
- 2** Awareness and appetite amongst businesses to collaborate with universities on providing vocational experiences during university study is not always translating into action. **Further research could consider barriers and solutions to improving employer and university collaboration**, with a focus on how these vary depending on the sector and size of businesses.
- 3** To help students transition into the workplace, universities should consider the extent to which **support for students to nurture and apply graduate attributes and transferrable skills** is embedded in the curriculum. Kingston University's Future Skills programme provides an effective model for this.
- 4** **School careers advisers should ensure students understand that vocational experience and transferable skills are highly valued** by their future employers. The extent to which these are incorporated into their degree course should be an important consideration for students, regardless of whether they have a defined career choice in mind.



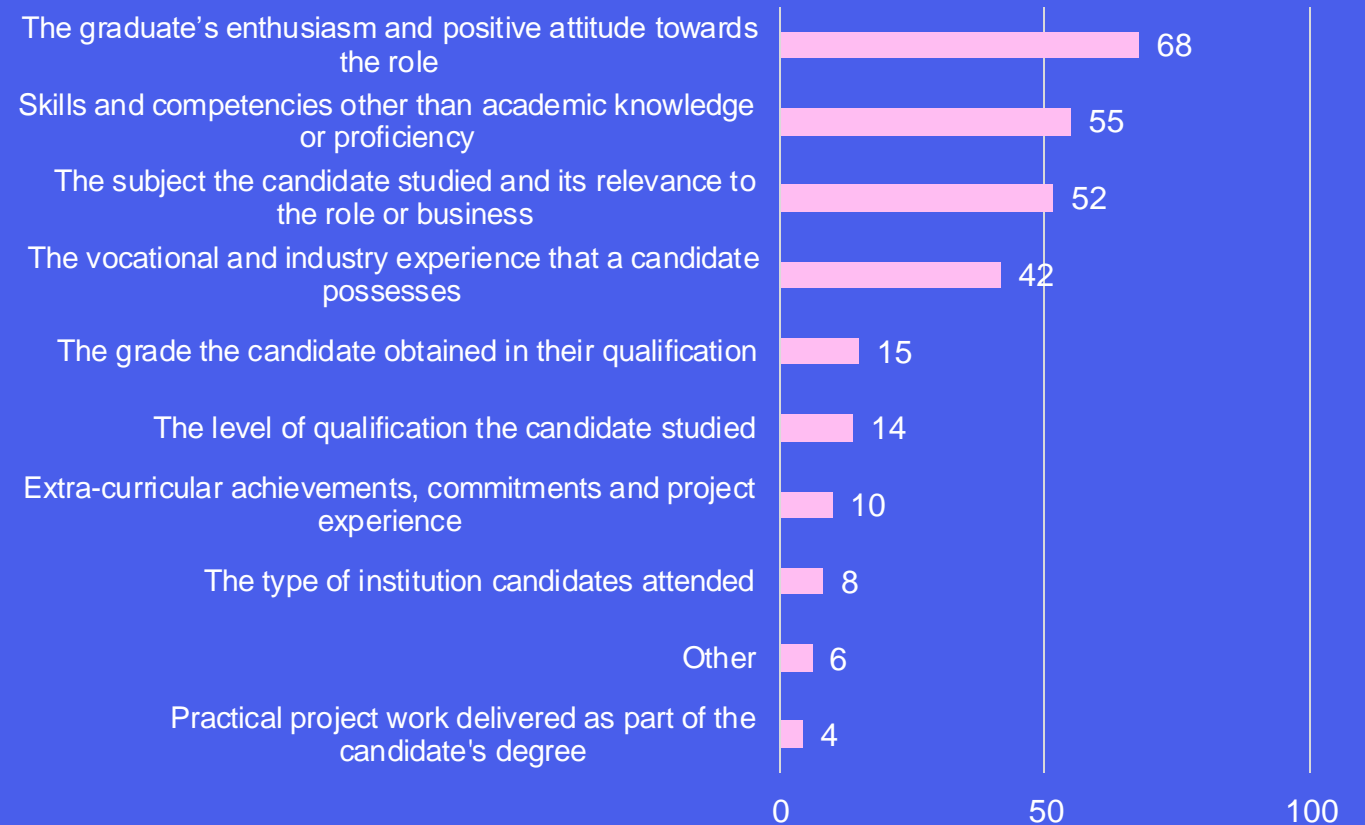
# What do employers value in graduates?

The characteristics that were most important to employers when recruiting were: enthusiasm towards the role, transferrable skills and competencies, subject studied and vocational experience.

Our survey revealed that the most important characteristic in the overall recruitment process was **graduates' enthusiasm and attitude towards the role**, selected by **68% of employers**, followed by **skills and competencies other than academic knowledge (55%)**, subject studied (**52%**) and vocational and industry experience (**42%**).

**Interpersonal and communication skills emerged as invaluable assets** to graduate applicants, particularly at interview where they were the most important determinant of success (selected by **84%** of employers).

**Figure 1: What are the top 3 factors that employers consider the most important in graduate recruitment?** (% of responding employers)



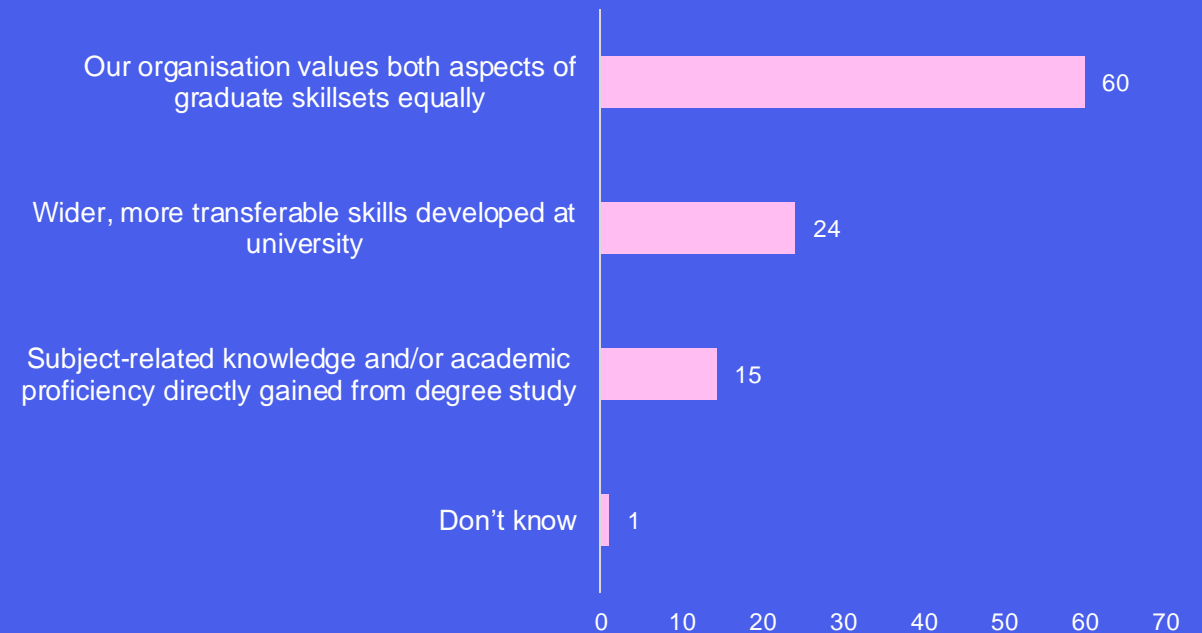
Source: CBI Economics survey (April 2024)

**Most employers value transferable and academic skills gained from university equally overall, but where there was a preference, transferable skills were more likely to be considered most important.**

- **60% of employers assigned equal importance to both direct subject-related knowledge and academic proficiency**, along with the wider transferable skills developed at university.
- Larger businesses were almost **1.5 times** more likely to value academic and transferable skillsets equally than SMEs.
- The business services sector assigned notably more value to more transferable skills than production businesses.
- Within transferable skills, a follow-up question showed that **interpersonal and communication skills are considered most important**, followed by personal organisation, team-working and problem-solving.

## Figure 5: How do employers value different aspects of graduate skillsets?

(% of responding businesses)



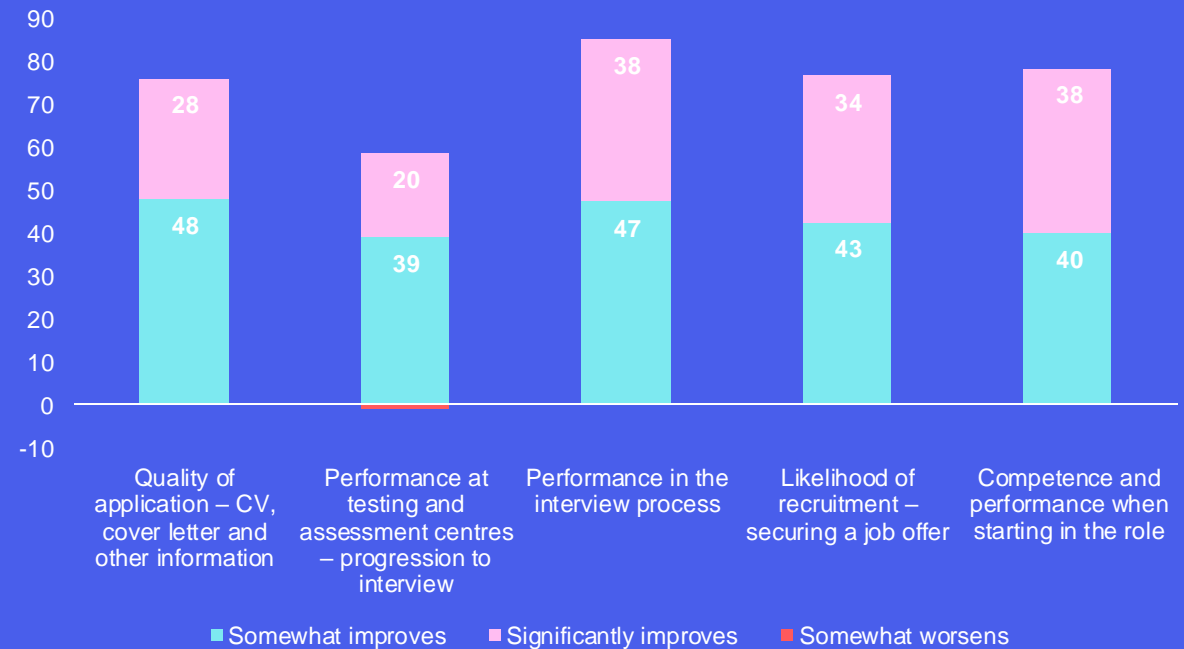
Source: CBI Economics survey (April 2024)

## Employers highly value graduates with vocational experience.

In the survey, **vocational experience** was defined as ‘an umbrella term, including internships, placement years, practical or employer-informed projects and other work experience.’

Vocational experience was highly valued in graduates. At the interview stage, **85% of employers believed vocational experience enhanced performance**, and **45%** of this group experienced a ‘significant improvement’. Vocational experience also significantly improved graduates’ quality of application, likelihood of recruitment and competence when starting the role.

**Figure 3: How does vocational experience influence graduates’ performance across different stages of the recruitment process?**  
(% of responding businesses)

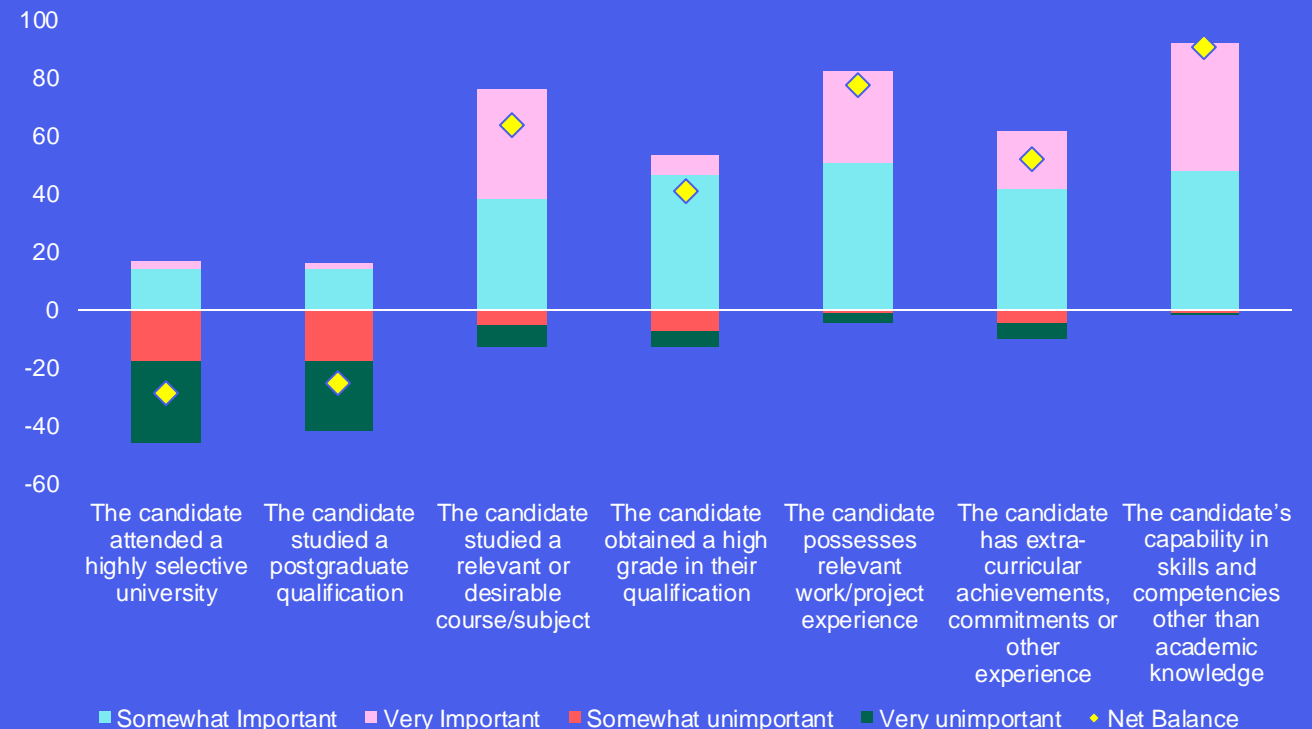


Source: CBI Economics survey (April 2024)

The type of institution that graduates attended emerged as by far the least important factor to employers in recruitment.

- Not only was the graduate's institution the second least important factor when asked to select a top three (Figure 1), selected by just **8%** of employers, it proved even less relevant to employers when the survey delved into more detail (Figure 6).
- When asked to rate the importance of graduate factors individually (Figure 6), **whether or not a graduate attended a highly selective university produced a significantly unimportant net balance of -30%.**
- This factor was valued even less in the production sector and large businesses, producing net balances of **-38%** and **-48%** respectively.

**Figure 6: How do employers perceive graduate factors individually at the assessment and interview stage?**  
(% of responding businesses)



Source: CBI Economics survey (April 2024)



## Graduate recruitment preferences differed across employers of different sectors and sizes.

- The production sector were almost **1.6 times** more likely to value the relevance of a graduates' subject as their business services counterparts, at **69%** versus **44%**.
- The business services sector was **1.7 times** more likely assign importance to an applicant's enthusiasm and attitude.
- Larger businesses **30%** more likely than SMEs to favour graduates' skills and competencies other than academic knowledge.
- Wider skills and competencies were more likely to be favoured by employers who ran dedicated graduate schemes than those who recruited graduates on a more ad-hoc basis. The latter were **2.5 times** more likely to value graduates' vocational and industry experience.



# The role of universities in creating an industry ready workforce



**The majority of employers offered graduate opportunities to some degree, whilst specific graduate schemes were far more popular amongst larger businesses.**

- **The large majority (70%) of survey respondents were engaged in hiring graduates** (only **21%** were not involved at all), but most do so on an ad-hoc basis. Employers who did not recruit graduates at all were excluded from the survey.
- Of those who recruited graduates, **73%** do so through individual applications and vacancies, whilst a further **12%** only hire graduates with additional experience.
- Dedicated graduate schemes were not common in our sample as just **16%** of graduate employers operate them.
- Large businesses were almost nine times more likely than their SME counterparts to run dedicated graduate schemes, at **44%** versus **5%** respectively.

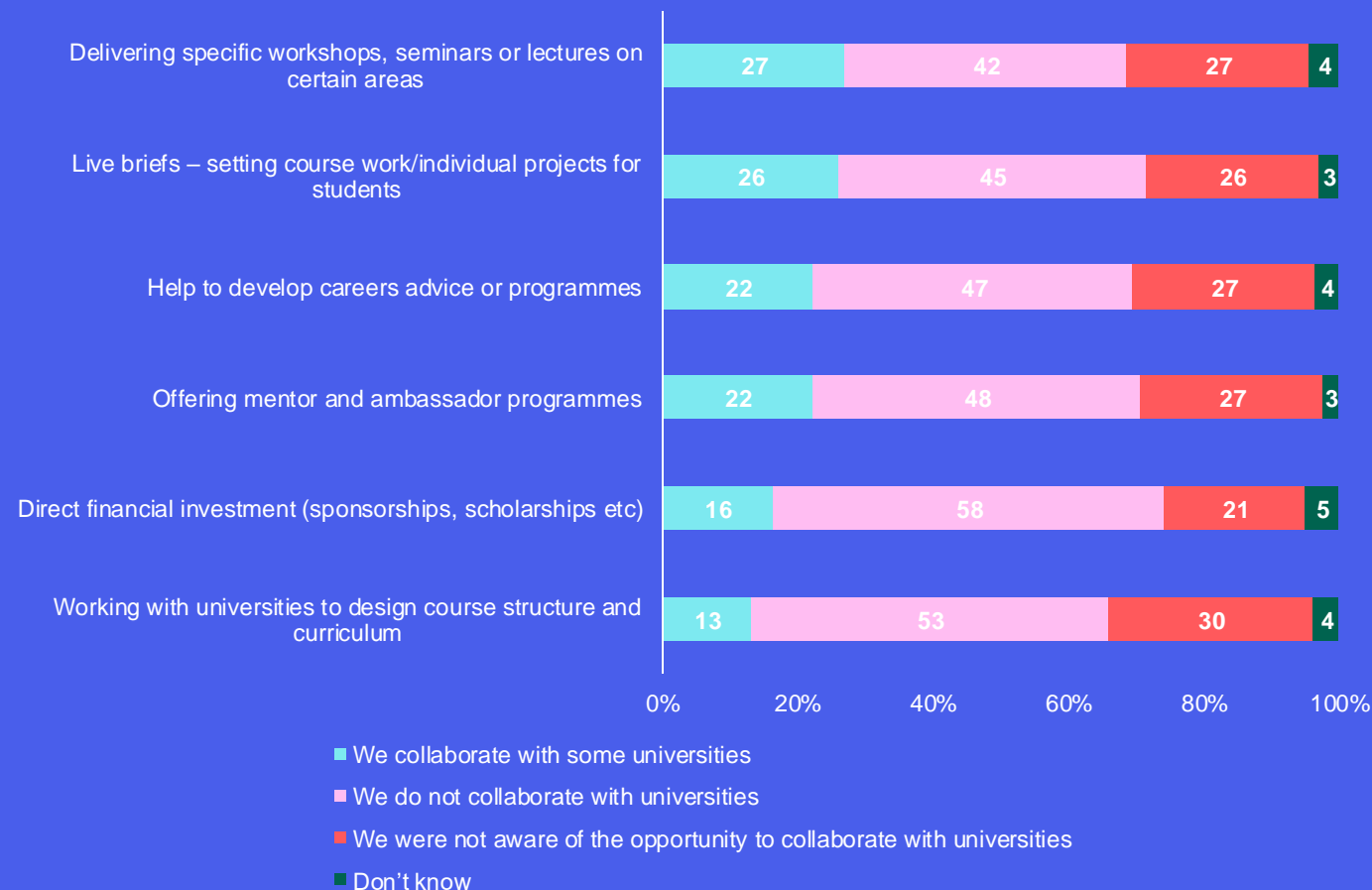


Employers expressed enthusiasm for more collaboration with universities, but there was a relatively low level of engagement with existing opportunities.

University-industry collaboration was strongest in areas where employers contribute to course content, material and delivery; nevertheless just 27% of businesses on average engaged in these types of activities. **Despite this, employers strongly expressed support for and encouraged university/business collaboration.** The lack of engagement does not appear to be due to a lack of awareness: across 6 areas of possible collaboration, at least 68% of employers were aware of the opportunities. Further research could explore why, despite stated positivity towards collaboration, employers are not currently engaging with available opportunities.

**Figure 4: Employer engagement and collaboration with universities across a range of activities**

(% of responding businesses)

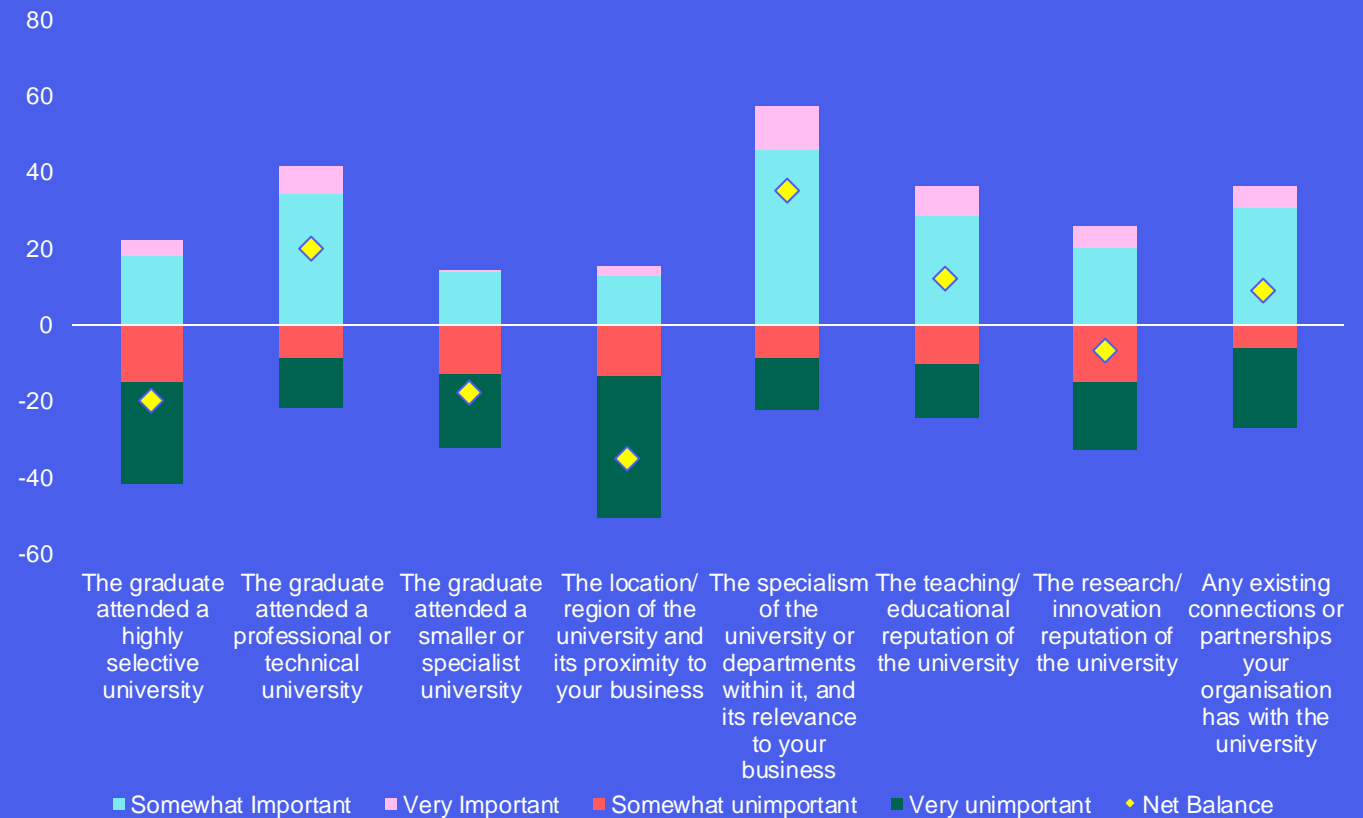


Source: CBI Economics survey (April 2024)

## Professional and technical universities and universities with relevant subject expertise proved most attractive to employers.

- SMEs valued graduates from professional and technical universities more than large businesses, producing a net balance twice as strong (**22%** vs **11%**).
- Production sector employers generated a net balance in favour of professional and technical universities almost three times stronger than their business services counterparts (**42%** vs **15%**). Nonetheless, the net balance was in favour of professional and technical universities across all sectors.
- When asked if they had experienced any variation in performance between graduates who attended different types of university, **65%** of employers reported a general 'No' sentiment, whilst a further **10%** had not recruited enough to tell or did not record this information.

**Figure 7: How do employers perceive the importance of different university factors throughout the recruitment process?**  
(% of responding businesses)



Source: CBI Economics survey (April 2024)

## When asked if there were areas where graduates could be stronger in recruitment, employers highlighted various core skills and vocational experience.

In employers that reported a potential lack of transferable skills in the graduates they recruited, their free-text comments could be categorised under the following sub-themes:

1. Graduates could benefit from more **confidence, drive and motivation to push forward with their applications**. This would enable them to **present better throughout the application process**, especially at interview and assessment, whilst taking more initiative when starting in their role.
2. **Communication skills, in particular written communication skills**, were potentially underdeveloped in graduates when applying for and carrying out their roles. Employers stressed that writing for a professional context, through email etiquette, succinctness of writing and simplicity of language were all crucial areas.
3. **Interpersonal skills** could also be improved in graduates, as employers particularly valued **teamwork and the ability to listen to and integrate with others**, along with the ability to **solve problems** and negotiate collectively.

Of the employers that wanted to see graduates obtain higher levels of vocational experience prior to recruitment, their free-text comments could be categorised under the following sub-themes:

1. Lacking vocational experience could potentially **inhibit graduates from developing the other core skills and characteristics** that employers value so highly in applications and the workplace. These include **business and commercial awareness**, drive and motivation and communication.
2. **More courses and universities should integrate work experience**, placements and internships into their education and curriculum. Providing graduates with this **practical, hands-on experience** and a better understanding of how their industry operates is vital preparation before entering the workplace.
3. **Universities and employers need to collaborate and communicate more with each other**. This could give universities a **stronger idea of what skills and experiences are needed**, which could change between businesses and industries.



August 2024

For further information about 'To What Degree: Understanding what UK businesses look for in graduates' please contact:

**Adriana Curca, CBI Economics Manager, CBI**

**T: 07713 505811**

**E: [Adriana.Curca@cbi.org.uk](mailto:Adriana.Curca@cbi.org.uk)**

**[cbi.org.uk/cbi-economics](https://cbi.org.uk/cbi-economics)**

Survey and analysis conducted by:

